

# HOUSE BILL 312

P6

2lr1140

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By: **Delegate R. Lewis**

Introduced and read first time: January 19, 2022

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Reformed Contributory Pension Benefit – Former Members – Member**  
3 **Contributions**

4 FOR the purpose of requiring a certain rate of interest on certain former member  
5 contributions in the Reformed Contributory Pension Benefit of the Employees'  
6 Pension System or Teachers' Pension System under certain circumstances; and  
7 generally relating to the accrual of interest on member contributions in the State  
8 Retirement and Pension System.

9 BY repealing and reenacting, with amendments,  
10 Article – State Personnel and Pensions  
11 Section 23–213  
12 Annotated Code of Maryland  
13 (2015 Replacement Volume and 2021 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
15 That the Laws of Maryland read as follows:

16 **Article – State Personnel and Pensions**

17 23–213.

18 (a) Except as provided in subsection (b) of this section, regular interest is payable  
19 on member contributions at the rate of 5% per year compounded annually until retirement  
20 or withdrawal of contributions and interest.

21 (b) Except as provided in [subsection (c)] **SUBSECTIONS (C) AND (D)** of this  
22 section, no further interest shall be paid on member contributions after membership ends  
23 if the former member is not eligible to receive a vested allowance under Title 29, Subtitle 3  
24 of this article.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) (1) In this subsection, “active member” means a member who is not  
2 separated from employment with the State or a participating employer of the Employees’  
3 Pension System or the Teachers’ Pension System.

4 (2) This subsection applies only to an individual who:

5 (i) is a former member of the Alternate Contributory Pension  
6 Selection;

7 (ii) is not eligible to receive a vested allowance from the Alternate  
8 Contributory Pension Selection under Title 29, Subtitle 3 of this article;

9 (iii) has not withdrawn the individual’s member contributions from  
10 the Alternate Contributory Pension Selection; and

11 (iv) is an active member subject to the Reformed Contributory  
12 Pension Benefit.

13 (3) An individual described in paragraph (2) of this subsection shall receive  
14 regular interest at the rate described under subsection (a) of this section on the individual’s  
15 member contributions in the Alternate Contributory Pension Selection while the individual  
16 is an active member subject to the Reformed Contributory Pension Benefit.

17 **(D) (1) IN THIS SUBSECTION, “ACTIVE MEMBER” MEANS A MEMBER WHO**  
18 **IS NOT SEPARATED FROM EMPLOYMENT WITH THE STATE OR A PARTICIPATING**  
19 **EMPLOYER OF ONE OF THE SEVERAL SYSTEMS.**

20 **(2) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO:**

21 **(I) IS A FORMER MEMBER OF THE REFORMED CONTRIBUTORY**  
22 **PENSION BENEFIT;**

23 **(II) IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM**  
24 **THE REFORMED CONTRIBUTORY PENSION BENEFIT UNDER TITLE 29, SUBTITLE 3**  
25 **OF THIS ARTICLE;**

26 **(III) HAS NOT WITHDRAWN THE INDIVIDUAL’S MEMBER**  
27 **CONTRIBUTIONS FROM THE REFORMED CONTRIBUTORY PENSION BENEFIT; AND**

28 **(IV) IS AN ACTIVE MEMBER OF ONE OF THE SEVERAL SYSTEMS.**

29 **(3) AN INDIVIDUAL DESCRIBED IN PARAGRAPH (2) OF THIS**  
30 **SUBSECTION SHALL RECEIVE REGULAR INTEREST AT THE RATE DESCRIBED UNDER**  
31 **SUBSECTION (A) OF THIS SECTION ON THE INDIVIDUAL’S MEMBER CONTRIBUTIONS**

1 **IN THE REFORMED CONTRIBUTORY PENSION BENEFIT WHILE THE INDIVIDUAL IS**  
2 **AN ACTIVE MEMBER OF ONE OF THE SEVERAL SYSTEMS.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2022.