

SENATE BILL 540

K4

11r0844
CF 11r2613

By: **Senator Colburn**

Introduced and read first time: February 4, 2011

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Optional Allowances and Designated**
3 **Beneficiaries – Changes to Elections**

4 FOR the purpose of providing that under certain circumstances, certain retirees of the
5 State Retirement and Pension System may make certain changes to the method
6 of distribution they selected to receive a reduced allowance; providing that
7 certain retirees of the State Retirement and Pension System may change their
8 designated beneficiary under certain circumstances; requiring certain retirees of
9 the State Retirement and Pension System to complete and submit a certain
10 form to the Board of Trustees of the State Retirement and Pension System on or
11 before a certain date; requiring the Board of Trustees to make certain
12 adjustments to certain retirement allowances under certain circumstances;
13 providing for the termination of this Act; and generally relating to certain
14 retirees of the State Retirement and Pension System changing their method of
15 distribution to receive a reduced retirement allowance.

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That:

18 (a) This section applies to any individual who:

19 (1) on or before June 30, 2005, retired from one of the several systems
20 of the State Retirement and Pension System as provided under § 21–102 of the State
21 Personnel and Pensions Article; and

22 (2) at the time of retirement, elected to receive a reduced allowance by
23 selecting either Option 2 or Option 5 under § 21–403 of the State Personnel and
24 Pensions Article.

25 (b) (1) Notwithstanding any other provision of law, an individual
26 described under subsection (a) of this section may elect to change the individual's

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 method of distribution to receive a reduced allowance from Option 2 to Option 3 or
2 from Option 5 to Option 6 under § 21–403 of the State Personnel and Pensions Article.

3 (2) An individual who elects to change the individual’s method of
4 distribution to receive a reduced allowance under paragraph (1) of this subsection may
5 also change the individual’s designated beneficiary.

6 (c) On or before December 31, 2011, an individual who elects to change the
7 individual’s method of distribution and designated beneficiary under subsection (b) of
8 this section shall complete a request to make such a change and file it with the Board
9 of Trustees on a form that the Board of Trustees provides.

10 (d) If an individual elects to change the individual’s method of distribution to
11 receive a reduced allowance and the individual’s designated beneficiary under
12 subsection (b) of this section, the Board of Trustees shall recompute the allowance for
13 the new election based on the value of the balance in the retiree’s annuity reserve and
14 pension reserve when the change is made.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2011. It shall remain effective for a period of 6 months and, at the end of
17 December 31, 2011, with no further action required by the General Assembly, this Act
18 shall be abrogated and of no further force and effect.