

# SENATE BILL 575

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CF HB 612

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By: **Senator Jones–Rodwell (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 24, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Retirement and Pension System – Code Simplification and**  
3 **Clarification**

4 FOR the purpose of making clarifying changes to a certain definition of “eligible  
5 retirement plan” and a certain definition of “eligible rollover distribution” as  
6 they relate to provisions on rollover distributions under the State pension laws;  
7 clarifying the manner in which a certain transfer of funds from the State  
8 Retirement Agency to an eligible rollover plan shall be made; clarifying that  
9 certain distributions of funds to a designated spouse beneficiary may be paid to  
10 an eligible retirement plan in a direct rollover; clarifying that certain references  
11 to individual retirement accounts include traditional and Roth individual  
12 retirement accounts; clarifying that a member of the Employees’ Pension  
13 System who resumes employment before a certain date may resume  
14 participation in the Alternate Contributory Pension Selection if the employer  
15 participates in the Alternate Contributory Pension Selection; clarifying that the  
16 Reformed Contributory Pension Benefit does not apply to employees of certain  
17 participating governmental units; repealing an option to continue participation  
18 in the Deferred Retirement Option Program in the State Police Retirement  
19 System if a member is granted a special disability retirement allowance;  
20 repealing an option to continue participation in the Deferred Retirement Option  
21 Program in the Law Enforcement Officers’ Pension System if a member is  
22 granted ~~a special~~ an accidental disability retirement allowance; increasing the  
23 maximum average final compensation that retirees of the Local Fire and Police  
24 System must have at the time of retirement in order to be exempt from a certain  
25 reemployment earnings limitation; altering the number of years required after

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 retirement for certain retirees of the Local Fire and Police System to be exempt  
 2 from a certain reemployment earnings limitation; clarifying that certain former  
 3 members of the State Retirement and Pension System shall have their  
 4 accumulated contributions returned upon making a certain request; clarifying  
 5 that certain former members of the State Retirement and Pension System who  
 6 have their accumulated contributions returned are not entitled to further  
 7 benefits; clarifying that regular interest may not be paid on certain member  
 8 contributions after a certain time period under certain circumstances; altering  
 9 the methods that certain members of the Teachers' Pension System may use to  
 10 purchase certain service credit; providing for a delayed effective date for a  
 11 certain provision of this Act; and generally relating to clarifying provisions that  
 12 apply to the State Retirement and Pension System.

13 BY repealing and reenacting, with amendments,  
 14 Article – State Personnel and Pensions  
 15 Section 21–601, 21–602, 22–215, 23–213, 23–215.1, 23–225, 23–308(c), 24–206,  
 16 24–401.1(k), 25–204, 26–205, 26–401.1(k), 28–205, and 28–402(b)  
 17 Annotated Code of Maryland  
 18 (2009 Replacement Volume and 2013 Supplement)

19 BY repealing and reenacting, without amendments,  
 20 Article – State Personnel and Pensions  
 21 Section 22–217, 24–401.1(a) and (g), 26–401.1(a) and (g), 29–302(a) and (f), and  
 22 29–303(a)  
 23 Annotated Code of Maryland  
 24 (2009 Replacement Volume and 2013 Supplement)

25 BY adding to  
 26 Article – State Personnel and Pensions  
 27 Section 29–303(h)  
 28 Annotated Code of Maryland  
 29 (2009 Replacement Volume and 2013 Supplement)

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

32 **Article – State Personnel and Pensions**

33 21–601.

34 (a) In this subtitle the following words have the meanings indicated.

35 (b) “Direct rollover” means a payment by the State Retirement Agency  
 36 directly to the eligible retirement plan specified by the participant, the surviving  
 37 spouse of a participant, or the designated beneficiary of the participant.

38 (c) “Eligible retirement plan” means:

1 (1) an individual retirement account described in § 408(a) of the  
2 Internal Revenue Code;

3 (2) an individual retirement annuity, other than an endowment  
4 contract, described in § 408(b) of the Internal Revenue Code;

5 (3) a qualified trust described in § 401(a) of the Internal Revenue Code  
6 that is exempt from tax under § 501(a) of the Internal Revenue Code;

7 (4) an annuity plan described in § 403(a) of the Internal Revenue  
8 Code;

9 (5) an annuity plan described in § 403(b) of the Internal Revenue  
10 Code;

11 (6) a deferred compensation plan **DESCRIBED IN § 457(B) OF THE**  
12 **INTERNAL REVENUE CODE, OR ANY SUCCESSOR PROVISIONS**, that is maintained  
13 by [an eligible employer described in § 457 of the Internal Revenue Code or any  
14 successor provisions] **A STATE, POLITICAL SUBDIVISION OF A STATE, OR ANY**  
15 **AGENCY OR INSTRUMENTALITY OF A STATE OR A POLITICAL SUBDIVISION OF A**  
16 **STATE THAT AGREES TO ACCOUNT SEPARATELY FOR AMOUNTS TRANSFERRED**  
17 **INTO THAT PLAN; or**

18 (7) effective January 1, 2008, a Roth Individual Retirement Account  
19 described in § 408A of the Internal Revenue Code.

20 (d) (1) “Eligible rollover distribution” means a distribution:

21 (i) on or after January 1, 1993, to a participant of all or any  
22 part of the balance to the credit of the participant in any State system;

23 (ii) on or after January 1, 2002, to the surviving spouse of a  
24 member, former member, or retiree, or to a spouse or former spouse who is an  
25 alternate payee under an eligible domestic relations order, as defined in § 414(p) of the  
26 Internal Revenue Code, of all or any part of the balance to the credit of the member,  
27 former member, retiree, or surviving spouse in any State system; or

28 (iii) on or after January 1, 2007, to the designated **NONSPOUSE**  
29 beneficiary of a member, former member, or retiree of all or any part of the balance to  
30 the credit of the member, former member, retiree, or designated **NONSPOUSE**  
31 beneficiary in any State system.

32 (2) “Eligible rollover distribution” does not include:

1 (i) any distribution that is one of a series of substantially equal  
2 periodic payments that are made at least annually for the life or life expectancy of the  
3 participant or the joint lives or joint life expectancies of the participant and the  
4 participant's beneficiary;

5 (ii) any distribution that is one of a series of substantially equal  
6 periodic payments made for a specified period of at least 10 years;

7 (iii) any distribution that is required under § 401(a)(9) of the  
8 Internal Revenue Code; [or]

9 (iv) any distribution that is reasonably expected to total less  
10 than \$200 during the calendar year; **OR**

11 **(V) ANY OTHER DISTRIBUTION THAT THE INTERNAL**  
12 **REVENUE SERVICE DOES NOT CONSIDER ELIGIBLE FOR ROLLOVER**  
13 **TREATMENT, INCLUDING CORRECTIVE DISTRIBUTIONS NECESSARY TO COMPLY**  
14 **WITH THE PROVISIONS OF § 415 OF THE INTERNAL REVENUE CODE.**

15 (3) (i) Effective January 1, 2002, a portion of a distribution will not  
16 fail to be an eligible rollover distribution merely because that portion consists of  
17 after-tax employee contributions that are not includible in gross income.

18 (ii) A portion of a distribution described in subparagraph (i) of  
19 this paragraph may be transferred only to:

20 1. an individual retirement account or annuity described  
21 in § 408(a) or (b) of the Internal Revenue Code;

22 2. a qualified defined contribution plan described in §  
23 401(a) of the Internal Revenue Code **THAT AGREES TO ACCOUNT SEPARATELY FOR**  
24 **AMOUNTS TRANSFERRED TO THE ACCOUNT AND EARNING RECEIVED AS A**  
25 **RESULT OF THE TRANSFERRED AMOUNTS; [or]**

26 3. on or after January 1, 2007, to a qualified defined  
27 benefit plan described in § 401(a) of the Internal Revenue Code or to an annuity  
28 contract described in § 403(b) of the Internal Revenue Code, that agrees to account  
29 separately for amounts transferred to the account and earnings received as a result of  
30 the transferred amounts; **OR**

31 4. **ON OR AFTER JANUARY 1, 2008, TO A ROTH IRA**  
32 **DESCRIBED IN § 408 OF THE INTERNAL REVENUE CODE.**

33 **(III) A TRANSFER TO AN ELIGIBLE ~~ROLLOVER~~ RETIREMENT**  
34 **PLAN DESCRIBED IN SUBPARAGRAPH (II)2, 3, OR 4 MAY BE MADE ONLY**  
35 **THROUGH A DIRECT ROLLOVER.**

1 (e) "Supplemental plan" means the Board of Trustees of the Maryland  
2 Teachers and State Employees Supplemental Retirement Plans.

3 21-602.

4 (a) [Except as provided in subsections (b) and (c) of this section, a] A  
5 participant may elect on the form the Board of Trustees requires to have all or any  
6 part of an eligible rollover distribution paid to [the] AN eligible retirement plan in a  
7 direct rollover.

8 (b) (1) [Except as provided in paragraph (2) of this subsection, if] IF an  
9 eligible rollover distribution is payable to the designated SPOUSE beneficiary of a  
10 member, former member, or retiree, the designated SPOUSE beneficiary may [only]  
11 elect to have all or any part of the eligible rollover distribution paid [in a direct  
12 rollover] to an [individual] ELIGIBLE retirement [account or individual retirement  
13 annuity] PLAN IN A DIRECT ROLLOVER.

14 (2) (i) A nonspouse designated beneficiary may roll over an eligible  
15 rollover distribution only to [an] A TRADITIONAL OR ROTH individual retirement  
16 account or individual retirement annuity established for the purpose of receiving the  
17 distribution.

18 (ii) [An] A TRADITIONAL OR ROTH individual retirement  
19 account or individual retirement annuity established under this paragraph shall be  
20 treated as an inherited individual retirement account or annuity within the meaning  
21 of § 408(d)(3)(C) of the Internal Revenue Code.

22 (c) A member who is eligible to participate in the plan administered by the  
23 supplemental plan under Title 35, Subtitle 5 of this article may elect to have all or any  
24 part of the eligible rollover distribution paid in a direct rollover to the plan in  
25 accordance with the regulations adopted by the supplemental plan.

26 23-215.1.

27 (a) This section applies to a member who:

28 (1) on or before June 30, 2011, is subject to the Alternate Contributory  
29 Pension Selection;

30 (2) (i) is separated from employment for 4 years or less; or

31 (ii) 1. is separated from employment for more than 4 years  
32 for military service that meets the requirements of the federal Uniformed Services  
33 Employment and Reemployment Rights Act; and

1                   2.       resumes employment within 1 year of leaving military  
2 service in a position that is included in the Employees' Pension System or Teachers'  
3 Pension System;

4                   (3)       does not withdraw the member's accumulated contributions; and

5                   (4)       does not become a retiree.

6                   (b)       A member described in subsection (a) of this section who on or before  
7 June 30, 2016, resumes employment ~~and is rehired into~~ **IN** a position that is included  
8 in the Employees' Pension System or Teachers' Pension System, shall resume  
9 participation in the Alternate Contributory Pension Selection **IF THE REHIRING**  
10 **EMPLOYER PARTICIPATES IN THE ALTERNATE CONTRIBUTORY PENSION**  
11 **SELECTION.**

12                  (c)       On or before October 1, 2012, and each October 1 through October 1,  
13 2016, the Board of Trustees shall submit a report in accordance with § 2-1246 of the  
14 State Government Article to the Joint Committee on Pensions that provides the  
15 number of members described under subsection (a) of this section who were:

16                  (1)       rehired in the preceding fiscal year into a position included in the  
17 Employees' Pension System or Teachers' Pension System; and

18                  (2)       participating in the Alternate Contributory Pension Selection.

19 23-225.

20                  (a)       This Part IV of this subtitle (Reformed Contributory Pension Benefit)  
21 applies to:

22                  (1)       an individual who becomes a member of the Employees' Pension  
23 System or the Teachers' Pension System on or after July 1, 2011; and

24                  (2)       except as provided in § 23-215.1 of this subtitle, a member of the  
25 Employees' Pension System or Teachers' Pension System who separated from  
26 employment on or before June 30, 2011, and subsequently becomes employed in a  
27 position eligible for membership in the Employees' Pension System or the Teachers'  
28 Pension System on or after July 1, 2011.

29                  (b)       This Part IV does not apply to an employee of:

30                  (1)       a participating governmental unit **THAT WAS** participating in the  
31 Employees' Pension System **PRIOR TO JULY 1, 2011, AND** that has not elected to  
32 participate in the Alternate Contributory Pension Selection under § 31-116.1 of this  
33 article; or



1                   1.     the member is totally incapacitated, either mentally  
2 or physically, for the further performance of duty by the occurrence described under  
3 item (i) of this paragraph;

4                   2.     the incapacity is likely to be permanent; and

5                   3.     the member should be retired.

6                   (2)    [If the Board of Trustees grants a DROP member a special  
7 disability retirement allowance, the DROP member may elect to receive the special  
8 disability retirement allowance or continue to participate in the DROP.

9                   (3)] (i)   If a DROP member ~~elects to receive~~ **IS GRANTED** a special  
10 disability retirement allowance [instead of continuing to participate in the DROP], the  
11 DROP member shall:

12                   1.     submit an application to the Board of Trustees, on the  
13 form the Board of Trustees provides, to receive payment of the amount accrued in the  
14 DROP in accordance with subsection (i) of this section;

15                   2.     execute a written waiver of any benefits to which the  
16 DROP member may be entitled under the DROP; and

17                   3.     submit an application to retire with a special  
18 disability retirement allowance, on the form the Board of Trustees provides, stating  
19 the effective date of the DROP member's retirement as a special disability retiree.

20                   (ii)    On acceptance of the application for payment and  
21 application to retire, the Board of Trustees shall commence payment of a special  
22 disability allowance to the DROP member as provided in § 29-111(c) of this article,  
23 except that the DROP member's average final compensation shall be computed as of  
24 the effective date of the DROP member's application for a special disability retirement  
25 allowance.

26 26-401.1.

27                   (a) (1)   In this section the following words have the meanings indicated.

28                   (2)    “DROP” means the Deferred Retirement Option Program  
29 established under this section.

30                   (3)    “DROP member” means a member of the Law Enforcement  
31 Officers' Pension System who:

32                   (i)    is eligible to participate in the DROP as provided in  
33 subsection (c) of this section; and



1 (ii) elects to participate in the DROP as provided in subsection  
2 (e) of this section.

3 (g) Participation in the DROP ends if the DROP participant:

4 (1) separates from employment in accordance with the binding letter  
5 of resignation submitted with the member's election form;

6 (2) dies;

7 (3) is terminated from employment by the DROP member's  
8 participating employer at any time before the date specified on the member's election  
9 form;

10 (4) shortens the time period for participation in the DROP by  
11 delivering to the DROP member's participating employer and the Board of Trustees  
12 written notice of the intent of the DROP member to terminate employment; or

13 (5) accepts an accidental disability retirement allowance as provided  
14 in subsection (k) of this section.

15 (k) (1) A DROP member is eligible to apply for an accidental disability  
16 retirement allowance under § 29–109 of this article if after the DROP member  
17 commences participation in the DROP:

18 (i) the member is totally and permanently incapacitated for  
19 duty arising out of or in the course of the actual performance of duty that occurs while  
20 participating in DROP, and without willful negligence of the member; and

21 (ii) the medical board certifies that:

22 1. the member is totally incapacitated, either mentally  
23 or physically, for the further performance of duty by the occurrence described under  
24 item (i) of this paragraph;

25 2. the incapacity is likely to be permanent; and

26 3. the member should be retired.

27 (2) [If the Board of Trustees grants a DROP member an accidental  
28 disability retirement allowance, the DROP member may elect to receive the accidental  
29 disability retirement allowance or continue to participate in the DROP.

30 (3) (i) If a DROP member ~~elects to receive a~~ **IS GRANTED AN**  
31 **ACCIDENTAL** disability retirement allowance [instead of continuing to participate in  
32 the DROP], the DROP member shall:

1                   1.     submit an application to the Board of Trustees, on the  
2 form the Board of Trustees provides, to receive payment of the amount accrued in the  
3 DROP in accordance with subsection (i) of this section;

4                   2.     execute a written waiver of any benefits to which the  
5 DROP member may be entitled under the DROP; and

6                   3.     submit an application to retire with an accidental  
7 disability retirement allowance, on the form the Board of Trustees provides, stating  
8 the effective date of the DROP member's retirement as an accidental disability retiree.

9                   (ii)    On acceptance of the application for payment and  
10 application to retire, the Board of Trustees shall commence payment of an accidental  
11 disability allowance to the DROP member as provided in § 29-110 of this article,  
12 except that the DROP member's average final compensation shall be computed as of  
13 the effective date of the DROP member's application for an accidental disability  
14 retirement allowance.

15 28-402.

16           (b)   (1)   The Board of Trustees shall reduce the allowance of an individual  
17 who accepts employment as provided under subsection (a) of this section if the  
18 individual's current employer is a participating employer other than the State and is  
19 the same participating employer that employed the individual at the time of the  
20 individual's last separation from employment with a participating employer before the  
21 individual commenced receiving a service retirement allowance or vested allowance.

22                   (2)    The reduction required under paragraph (1) of this subsection shall  
23 equal the amount that the sum of the individual's initial annual basic allowance and  
24 the individual's annual compensation exceeds the average final compensation used to  
25 compute the basic allowance.

26                   (3)    Except for an individual whose allowance is subject to a reduction  
27 as provided under paragraph (1) of this subsection, the reduction of an allowance  
28 under this subsection does not apply to:

29                   (i)     an individual whose average final compensation was less  
30 than ~~[\$10,000]~~ **\$25,000** and who is reemployed on a temporary or contractual basis;

31                   (ii)    an individual who is serving in an elected position as an  
32 official of a participating governmental unit or as a constitutional officer for a county  
33 that is a participating governmental unit; or

34                   (iii)   an individual who has been retired for **[9] 5** years, beginning  
35 on January 1 after the date the individual retires.

1 29–302.

2 (a) This section applies only to members of:

3 (1) the Correctional Officers' Retirement System;

4 (2) the Employees' Retirement System;

5 (3) the State Police Retirement System; and

6 (4) the Teachers' Retirement System.

7 (f) (1) If a former member who elected a vested allowance requests the  
8 return of accumulated contributions before payment of the vested allowance begins,  
9 the Board of Trustees shall return the accumulated contributions to the former  
10 member.

11 (2) When accumulated contributions are returned to a former member,  
12 the former member is not entitled to further benefits on account of the former  
13 member's previous membership.

14 29–303.

15 (a) This section applies only to members of:

16 (1) the Employees' Pension System;

17 (2) the Local Fire and Police System;

18 (3) the Law Enforcement Officers' Pension System; or

19 (4) the Teachers' Pension System.

20 **(H) (1) IF A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE**  
21 **REQUESTS THE RETURN OF ACCUMULATED CONTRIBUTIONS BEFORE PAYMENT**  
22 **OF THE VESTED ALLOWANCE BEGINS, THE BOARD OF TRUSTEES SHALL RETURN**  
23 **THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER.**

24 **(2) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A**  
25 **FORMER MEMBER, THE FORMER MEMBER IS NOT ENTITLED TO FURTHER**  
26 **BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S PREVIOUS MEMBERSHIP.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
28 read as follows:

29 **Article – State Personnel and Pensions**

1 22-215.

2 (A) ~~Regular~~ **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
 3 **REGULAR** interest is payable on member contributions at the rate of 4% a year  
 4 compounded annually, until retirement or withdrawal of the accumulated  
 5 contributions.

6 ~~(B) (1) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
 7 ~~CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER OF THE~~  
 8 ~~EMPLOYEES' RETIREMENT SYSTEM CEASES TO BE EMPLOYED BY A~~  
 9 ~~PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE~~  
 10 ~~MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT~~  
 11 ~~UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

12 ~~(2) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
 13 ~~CONTRIBUTIONS AFTER 5 YEARS FROM THE DATE A FORMER MEMBER OF THE~~  
 14 ~~TEACHERS' RETIREMENT SYSTEM CEASES TO BE EMPLOYED BY A~~  
 15 ~~PARTICIPATING EMPLOYER IF THE FORMER MEMBER DOES NOT HAVE THE~~  
 16 ~~MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR A VESTED BENEFIT~~  
 17 ~~UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

18 **(B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER**  
 19 **CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT**  
 20 **ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF**  
 21 **THIS ARTICLE.**

22 22-217.

23 Membership ends if the member:

24 (1) is separated from employment for more than:

25 (i) 4 years, if a member of the Employees' Retirement System;

26 or

27 (ii) 5 years, if a member of the Teachers' Retirement System;

28 (2) withdraws the member's accumulated contributions;

29 (3) transfers to the Employees' Pension System or Teachers' Pension  
 30 System;

31 (4) becomes a retiree; or

1 (5) dies.

2 23-213.

3 (A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
4 REGULAR interest is payable on member contributions at the rate of 5% per year  
5 compounded annually until retirement or withdrawal of contributions and interest.

6 ~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
7 ~~CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES~~  
8 ~~TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER~~  
9 ~~DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR~~  
10 ~~A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

11 (B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER  
12 CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT  
13 ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF  
14 THIS ARTICLE.

15 24-206.

16 (A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
17 REGULAR interest is payable on member contributions at the rate of 4% a year,  
18 compounded annually, until retirement or withdrawal of the accumulated  
19 contributions.

20 ~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
21 ~~CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES~~  
22 ~~TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER~~  
23 ~~DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR~~  
24 ~~A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

25 (B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER  
26 CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT  
27 ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF  
28 THIS ARTICLE.

29 25-204.

30 (A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
31 REGULAR interest is payable on member contributions at the rate of 4% a year,  
32 compounded annually, until retirement or withdrawal of the accumulated  
33 contributions.

1 ~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
2 ~~CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES~~  
3 ~~TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER~~  
4 ~~DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR~~  
5 ~~A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

6 (B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER  
7 CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT  
8 ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF  
9 THIS ARTICLE.

10 26–205.

11 (A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
12 REGULAR interest is payable on member contributions until retirement or withdrawal  
13 of accumulated contributions at the rate of:

14 (1) 4% a year, compounded annually, for a member who has  
15 transferred from the Employees' Retirement System on or before December 31, 2004;  
16 or

17 (2) 5% a year, compounded annually, for each other member.

18 ~~(B) REGULAR INTEREST MAY NOT BE PAID ON MEMBER~~  
19 ~~CONTRIBUTIONS AFTER 4 YEARS FROM THE DATE A FORMER MEMBER CEASES~~  
20 ~~TO BE EMPLOYED BY A PARTICIPATING EMPLOYER IF THE FORMER MEMBER~~  
21 ~~DOES NOT HAVE THE MINIMUM ELIGIBILITY SERVICE NEEDED TO QUALIFY FOR~~  
22 ~~A VESTED BENEFIT UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE.~~

23 (B) NO FURTHER INTEREST SHALL BE PAID ON MEMBER  
24 CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER IS NOT  
25 ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF  
26 THIS ARTICLE.

27 28–205.

28 (A) ~~Regular~~ EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
29 REGULAR interest is payable on member contributions until retirement or withdrawal  
30 of accumulated contributions at the rate of:

31 (1) 4% a year, compounded annually, for a member who has  
32 transferred from the Employees' Retirement System; or

33 (2) 5% a year, compounded annually, for each other member.

