Passed Legislation

Board requested legislation:

**House Bill 84 (Griffith as Chair for JCP)/Senate Bill 250 (Jones-Rodwell as Chair for JCP)**
**State Retirement and Pension System – Reemployment of Retirees – Exemptions**
As amended, this Board requested legislation changes the exemption in the SPRS and CORS that limits the earnings limitation to 9 years. This legislation reduces the time period to 5 years in order to be consistent with the ERS/TRS and EPS/TPS. In addition, this bill clarifies that a reemployed retiree of a participating governmental unit of the CORS is subject to the reemployment provisions of CORS.

**House Bill 88 (Griffith as Chair for JCP)/Chapter 64 (Senate Bill 357) (Jones-Rodwell as Chair for JCP)**
**State Retirement and Pension System – Medical Board Participation**
This is Board requested legislation to allow physicians who are eligible to receive a benefit from the ORP to serve on the medical board, provided they are not eligible to receive a disability retirement benefit from the SRPS. In addition, the legislation also requires any medical board physician who is a member of the ORP to recuse himself/herself if the disability applicant is an employee of the same employing institution as the physician.

**House Bill 98 (Griffith as Chair for JCP)/Senate Bill 251(Jones-Rodwell as Chair for JCP)**
**Teachers’ Retirement and Pension Systems – Reemployment of Retirees – Maryland School for the Deaf Exemption**
As amended, this is Board requested legislation to amend the current list of schools at which a retiree of the TPS/TRS may be reemployed and still be exempt from the reemployment earnings limitation to include the Maryland School for the Deaf. This bill would allow TKS and TPS retirees of the Maryland School for the Deaf to participate in the retire/rehire program currently in place if they are reemployed by that school.

**House Bill 162 (Griffith as Chair for JCP)/Senate Bill 273 (Jones-Rodwell as Chair for JCP)**
**State Retirement and Pension System – Administrative and Operational Expenses – Certifications and Notifications**
As amended, this is Board requested legislation to amend the date when the SRA is required to certify to local school boards the amount of administrative costs owed by each school board. The legislation amends the May 1 final certification deadline to February 1.
**House Bill 806 (Griffith as Chair for JCP)/Senate Bill 672 (Jones-Rodwell as Chair for JCP)**  
**State Retirement and Pension System – Investment Division – Salary Setting**  
As amended, this proposed legislation grants the Board of Trustees the authority to determine the compensation for the deputy chief investment officer and the managing directors of the Investment Division. This bill limits the salary and increases the board may set for these individuals to maximum salaries at the ES9 and ES11 levels of the Maryland Executive Pay Plan. The bill also prohibits the board from providing bonuses for these individuals or providing raises equal to more than a 10% increase over the lowest salary for the position in question for the prior fiscal year.

**House Bill 807 (Griffith as Chair for JCP)**  
**State Retirement and Pension System – Contribution Rates and Reinvestment of Savings – Technical Clarifications**  
This proposed legislation makes technical changes to the current funding provisions for the system to clarify how certain legislative changes shall be addressed when the actuary determines the employer contribution rate each year. In addition, this legislation clarifies that beginning in FY 2014, the Governor shall, in addition to the annual employer contribution, reinvest $300 million, annually, in the system.

**Other pension related legislation:**

**House Bill 19 (Kach)**  
**State Retirement and Pension System – Military Service Credit – Reservists**  
As amended, this bill provides that SRPS members who are also members of the reserve component of the armed forces of the United States may apply for military service credits for service rendered in the reserves in the same manner that SRPS members who are also members of the Maryland National Guard may apply for military service credits.

**House Bill 170 (St. Mary's County Delegation)/Senate Bill 52 (Dyson)**  
**State Employees’ Retirement and Pension Systems – Eligible Employees – St. Mary’s Nursing Center, Inc.**  
This legislation provides that any employee of the St. Mary's Nursing Center (formerly St. Mary's Nursing Home) that was employed by the Mary's Nursing home prior to its withdrawal from the SRPS on January 17, 1996, may remain in the EPS or ERS.

**House Bill 277 (Walker and Vaughn)/Senate Bill 343 (Pugh)**  
**State Government – Brokerage and Investment Management Services – Use of Minority Business Enterprises – Application**  
This bill amends the reporting requirements of the Board of Trustees to the Governor’s Office of Minority Affairs with regard to the use of minority business enterprises for brokerage and investment banking services. The bill would require the Board to include the percentage and dollar value of the assets that are under the investment control of minority business enterprise brokerage and investment management services firms for each allocated asset class.
House Bill 516 (Allegany County Delegation)/Senate Bill 470 (Edwards)
Allegany County – Orphans’ Court Judges – Pensions
This bill increases the pension that an Orphans’ Court judge from Allegany County shall receive at the time of retirement.

House Bill 537 (Jones)/Senate Bill 783 (Pugh)
State Personnel – Collective Bargaining - Applicability
As amended, this proposed legislation would provide collective bargaining rights to classified employees of the SRA.

House Bill 630 (Haynes)/Senate Bill 497 (Jones-Rodwell)
Employees’ Retirement and Pension Systems – Reemployment of Retirees – Parole and Probation Employees
As amended, this proposed legislation provides that a retiree of the EPS/ERS who is reemployed as a parole and probation employee is not subject to the reemployment earnings limitation.

Chapter 85 (House Bill 774) (Waldstreicher)/Chapter 84 (Senate Bill 711) (Forehand)
Maryland General and Limited Power of Attorney Act
As amended, this proposed legislation specifies requirements to establish the legal sufficiency of statutory forms for a power of attorney. With regard to the State Retirement Agency, this legislation alters the provisions in statutory forms for a power of attorney relating to granting authority to create or change a beneficiary designation. Specifically, the altered language provides that a member, former member, or retiree of the system may grant an agent the authority to designate the agent as the member’s, former member’s, or retiree’s beneficiary.

House Bill 801 (Griffith)/Senate Bill 880 (Jones-Rodwell)
State Retirement and Pension System – Transfer of Members Between Systems
As amended, this proposed legislation applies to an individual who, on or before June 30, 2011, was member of one of the several systems and without incurring a break in service transfers to another of the several systems on or after July 1, 2011. This individual would be considered a new member of the system into which the individual is transferring, but is subject to the requirements that were in place for an individual who was a member of that system on June 30, 2011, and remained a member on July 1, 2011.

This bill will apply to any individual who was a member of one of the several systems on June 30, 2011 and became a member of another one of the several systems on or after July 1, 2011.

House Bill 916 (Braveboy)/Senate Bill 779 (Pugh)
State Retirement and Pension System – Study of Asset Management
This proposed legislation requires the Governor's Office of Minority Affairs to conduct a study of the State Retirement and Pension System and all funds managed by the Board of Trustees to determine the capacity to select minority fund managers across all asset classes, consistent with the fiduciary responsibility of the Investment Division and to determine methods that best assure the recruitment and selection of minority companies for fund-to-fund management or direct management by the Investment Division, consistent with the fiduciary responsibilities of the Investment Division.
House Bill 1261 (Baltimore City Delegation)/Senate Bill 894 (Jones-Rodwell)
As amended, this proposed legislation transfers 12 individuals from the Baltimore City Office of the State’s Attorney to the Office of the Attorney General. Upon transferring to the Office of the Attorney General, this legislation provides that these individuals will become members of the State’s EPS. The legislation further provides various options for these individuals with regard to the service credit they earned in the Baltimore City Employees’ Retirement System, and what impact that service credit may have on their new benefit in the State’s EPS.

Chapter 26 (Senate Bill 119) (Chair, Budget and Taxation, by request)
State Personnel and Pensions – Optional Retirement Program – Maryland Higher Education Commission
This proposed legislation clarifies that employees of the Maryland Higher Education Commission who are in a position determined by the Secretary of Higher Education to be a professional position are eligible to participate in the ORP.

Senate Bill 335 (The President, by request)
Judges’ Retirement System – Contribution Rates for New Members
As amended, Senate Bill 335 increases the employee contribution rate from 6% to 8% for all members of the JRS, beginning July 1, 2012. This bill also provides that any judge joining the JRS on or after July 1, 2012, shall be subject to a five year vesting requirement.
Failed Legislation

Legislation receiving unfavorable from Committee:

House Bill 371 (Cluster)
State Retirement and Pension System – Transfer of Service Credit
This bill provides that any individual who meets certain criteria may transfer the years of service credit the member has accrued in LEOPS to EPS, despite having more than a 30 day break in service. This bill provides that the individual will not be responsible for paying and employer or employee contributions associated with the transfer.

House Bill 661 (Smigiel)
State Retirement and Pension System – Local Employer Contributions – Educators and Educational Staff
This proposed legislation requires each county government to pay a portion of the employer pension contribution for members of the TRS or TPS who are employed by the county. Specifically, beginning July 1, 2013, each county government, including Baltimore City, would be required to pay the portion of the employer contribution for TRS/TPS members that is attributable to any new employee hired on or after July 1, 2011.

House Bill 863 (Serafini)
Teachers’ Retirement and Pension Systems – Local Employer Contributions
This proposed legislation requires certain county governments to pay a portion of employer pension costs for their employees who are members of the TRS or TPS beginning July 1, 2013. The local share of employer pension costs for an employee of a local school system, community college, or library is the portion of total employer costs that is based on the amount of an employee’s salary that exceeds the statewide median annual salary for similar employees. Only those county governments whose local median annual salary for local school systems, community colleges, and libraries exceeds the statewide median annual salaries for these same groups are required to pay a portion of employer pension costs for their employees.

House Bill 1332 (Serafini)
State Retirement and Pension System - Investments - Independent Investment Advisory Firms
This proposed legislation eliminates the State Retirement Agency’s Investment Division, including the position of Chief Investment Officer. It also requires the Board of Trustees to hire independent investment advisory firms to invest the assets of the system and to establish criteria to be used to hire the firms, including recommended asset allocations, fees, and commissions to be charged and conditions for termination of a contract.
Legislation not voted by Committee:

House Bill 572 (George)
Elected Public Officials – Criminal Acts – Forfeiture or Suspension of Retirement Benefits
As amended, this proposed legislation establishes the Task Force to Study Retirement Benefits for Public Officials to study and make recommendations regarding the possible forfeiture or suspension of retirement benefits for public officials who are charged with or convicted of criminal acts. The Executive Director for the State Retirement Agency is listed as a member of the Task Force.

House Bill 645 (Serafini)/Senate Bill 956 (Brinkley)
State Retirement and Pension System – New Hires – Cash Balance Defined Benefit Plan
This proposed legislation closes the EPS, TPS, and ORP to all new employees hired on or after July 1, 2012 and requires these new employees to participate in a cash balance plan established as a condition of employment.

House Bill 653 (Serafini)/Senate Bill 958 (Brinkley)
State Retirement and Pension System – Cash Balance Plan
This proposed legislation freezes benefits for current members of the TPS and EPS, closes these systems and the ORP to new members, and requires current members of the TPS or EPS whose membership is terminated to participate in a cash balance plan established as a condition of employment. All new employees hired on or after July 1, 2012, who would otherwise be eligible for the EPS, TPS, or ORP must participate in the cash balance plan.

House Bill 808 (Griffith as Chair for JCP)/Senate Bill 879 (Jones-Rodwell as Chair for JCP)
State Retirement and Pension System – Cost-of-Living Adjustments - Clarifications
Chapter 599 of 2011 charged the State Retirement Agency with reviewing the COLA provisions in the State Personnel and Pensions Article for accuracy and clarity and submit its recommendations for changes to achieve these goals to the Joint Committee on Pensions during the 2011 interim. This legislation reflects those recommendations. The changes to the COLA provisions included in this bill are only technical and clarifying.

House Bill 1208 (Jones)
Baltimore County – Transfers from Noncontributory System to Employees’ Retirement System – Contributions and Interest.
This proposed legislation requires that if an individual transfers from a noncontributory system to the Baltimore County Employees' Retirement System, on retirement the individual's retirement allowance must be reduced by the actuarial equivalent of the accumulated contributions that would have been deducted if the individual had always been a member of the Baltimore County ERS, including interest on those contributions. The bill requires the Board of Trustees for the Baltimore County ERS to work in consultation with the actuary for the Baltimore County ERS to determine this amount.
Senate Bill 367 (Stone)
State Retirement and Pension System – Transfer of Service Credit
This bill provides that any individual who meets certain criteria may transfer the years of service credit the member has accrued in LEOPS to EPS, despite having more than a 30 day break in service. This bill provides that the individual will not be responsible for paying and employer or employee contributions associated with the transfer.

Senate Bill 444 (Colburn)
Optional Retirement Program – State Employees and Teachers – Participation
This proposed legislation expands the coverage of both the institutions and employees that are eligible to participate in the ORP. Participation in the ORP is optional and is extended to all future employees of the State who would otherwise be members of the various systems within the SRPS.

Senate Bill 836 (Pipken and Brinkley)
Teachers’ Retirement and Pension Systems – Local Employer Contributions
This proposed legislation requires certain county governments to pay a portion of employer pension costs for their employees who are members of the TRS or TPS beginning July 1, 2013. The local share of employer pension costs for an employee of a local school system, community college, or library is the portion of total employer costs that is based on the amount of an employee’s salary that exceeds the statewide median annual salary for similar employees. Only those county governments whose local median annual salary for local school systems, community colleges, and libraries exceeds the statewide median annual salaries for these same groups are required to pay a portion of employer pension costs for their employees.

Senate Bill 1093 (Dyson)
Calvert County - County Commissioners - Pensions
This proposed legislation requires that an individual who has served on the Calvert County Board of County Commissioners for only three terms between 1994 through 2002 and between 2006 through 2010 receive a pension from Calvert County equal to an annual amount of $150 for each year the individual served on the Board of County Commissioners.

Legislation that died on the House/Senate floor:

Senate Bill 152 (The President, by request)
Budget Reconciliation and Financing Act of 2012
This proposed legislation would shift a portion of the normal cost of the employer contribution rate for local employees in the Teachers' Retirement and Pension Systems to the local school boards for payment each year.