

that are authorized by this paragraph, for addition of new members to, and withdrawal of active members from, those accounts, and for the determination of the amounts that are payable under this paragraph by members of the group and the time and manner of those payments.

(e) *Security for payments in lieu of contributions.*—Employers other than political subdivisions of the State of Maryland who elect under subsection (d) to make payment in lieu of contributions shall be subject to the provisions of this subsection.

(1) *Provision of bond or other security.*—Any non-profit organization that elects to become liable for payments in lieu of contributions shall be required within 30 days after the effective date of its election, to execute and file with the Executive Director a surety bond approved by the Executive Director. It may elect instead to deposit with the Executive Director money or securities in the discretion of the Executive Director. The amount of that bond or deposit shall be determined in accordance with the provisions of this paragraph.

(i) *Amount.*—The amount of the bond or deposit required by this paragraph shall be equal to 2.7 percent of the organization's total wages paid for employment as defined in Section 20(n) for the four calendar quarters immediately preceding the effective date of the election, the renewal date in the case of a bond, or the biennial anniversary of the effective date of election in the case of a deposit of money or securities, whichever date shall be most recent and applicable. If the non-profit organization did not pay wages in each of four such calendar quarters, the amount of the bond or deposit shall be as determined by the Executive Director.

(ii) *Bond.*—Any bond deposited under this paragraph shall be in force for a period of not less than two taxable years and shall be renewed with the approval of the Executive Director, at those times as the Executive Director may prescribe, but not less frequently than at two year intervals as long as the organization continues to be liable for payments in lieu of contributions. The Executive Director shall require ~~whatever~~ adjustments to be made in a previously filed bond as he deems appropriate **BUT NOT LESS THAN THE AVERAGE BENEFIT COST RATE FOR THAT EMPLOYER FOR THE PRECEDING TWO CALENDAR YEARS. IN NO EVENT SHALL A BOND REQUIRED FROM AN ORGANIZATION BE LESS THAN THE AVERAGE TOTAL PAYMENTS IN LIEU OF CONTRIBUTIONS MADE BY THAT ORGANIZATION IN EACH OF THE TWO PRECEDING TAXABLE YEARS.** If the bond is to be increased, the adjusted bond shall be filed by the organization within 30 days of the date notice of the required adjustment was mailed or otherwise delivered to it. Failure by any organization covered by that bond to pay the full amount of payments in lieu of contributions when due, together with any applicable interest and penalties provided for in Section 15 of this article, shall render the surety liable on the bond to the extent of the bond, as though the surety was that organization.

(iii) *Deposit of money or securities.*—Any deposit of money or securities in accordance with this paragraph shall be retained by the Executive Director in an escrow account until liability under the election is terminated, at which time it shall be returned to the organization, less any deductions as hereinafter provided. The Execu-