

said retirement systems, merging certain reserve funds in the respective retirement system, modifying the retirement benefits formula of the Employees' and Teachers' Retirement Systems to one-fifty-fifth of average final compensation per year of service, providing unreduced benefits after thirty years of service and a 6% reduction factor for each year of early retirement, modifying the retirement benefit formula of the State Police Retirement System to one-forty-fifth of average final compensation for the first 25 years of service and one-ninetieth of average final compensation for service in excess of 25 years, changing the maximum interest rates under said three retirement systems, reducing the vesting requirements for members of the Employees' and Teachers' Retirement Systems, increasing the lump sum death benefits under the three retirement systems, allowing the boards of trustees of said retirement systems to take certain actions to allow for more favorable tax treatment of lump sum death benefits, limiting benefits under other State-supported pension and retirement plans under certain conditions, clarifying and correcting certain language and definitions, guaranteeing a minimum amount of benefits to members of said retirement systems who retired before a certain date, repealing provisions for payment of supplementary benefits, and relating generally to the Employees', Teachers', and State Police Retirement Systems.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 1, 3, 9(7), 11(3), 11(5), 11(9), 11(11), 11(15), 11A(e), 12(17), 13(2), 14, 15, 16, 26(b), and 27 of Article 73B of the Annotated Code of Maryland (1970 Replacement Volume and 1972 Supplement), title "Pensions," subtitles "In General" and "Employees of Municipal Corporations," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

1.

The following words and phrases as used in this article, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Retirement System" shall mean the Employees' Retirement System of the State of Maryland as defined in § 2 of this article.

(2) "Department" shall mean any agency of the State government receiving State appropriations and employing persons who are, or who are entitled to become, members of the retirement system.

(3) "Employee" shall mean any regular classified or unclassified officer or employee of the State for whom compensation is provided for by State appropriation, or whose compensation is paid from State funds, including all regular employees of the State Highway Administration, whether classified or unclassified and whether paid on an annual, daily or hourly basis, and shall expressly include those engaged in work on the maintenance *for* OF county roads shall include any appointed or elected employee of the State, and any clerk of any court and register of wills, and shall include the Sheriff of Baltimore City and the employees of his office. It shall exclude any person who is a member of or eligible to membership in the Teachers' Retirement System of the State of Maryland or of the State Police Pension Fund or any judge of the circuit courts, Supreme Bench of Baltimore City, Court of Appeals of Maryland, Court of Special Appeals, and District Courts, and any class of employees whose compensation is only partly paid by the State or who are serving on a temporary basis. The term "employee" also shall include any person who was regularly employed by Miners' Hospital in Frostburg and who was a member of the retirement system at the time it was transferred from State ownership, and who continues in employment at the hospital after the transfer, so long as all contributions to the retirement system