

2.---BE---IMPLEMENTED---BY---A---REDUCTION,---EQUAL  
 TO---THE---AMOUNT---OF---THE---PICKUP,---OF---THE---COMPENSATION---OF---EACH---MEMBER  
 REQUIRED---TO---MAKE---CONTRIBUTIONS---TO---THE---ANNUITY---SAVINGS---FUND---UNDER  
 THIS---SUBSECTION---AND---MAY---NOT---BE---INCLUDED---AS---GROSS---INCOME---OF---THE  
 MEMBER---UNTIL---THE---PICKUP---AMOUNTS---ARE---DISTRIBUTED---OR---MADE---AVAILABLE  
 TO---THE---MEMBER;

3.---BE---PAID---BY---THE---STATE---FROM---THE---SAME  
 SOURCE---OF---FUNDS---USED---IN---PAYING---COMPENSATION---TO---THE---MEMBER,---AND

4.---BE---TREATED---FOR---ALL---PURPOSES---OF---THIS  
 ARTICLE---IN---THE---SAME---MANNER---AND---TO---THE---SAME---EXTENT---AS  
 CONTRIBUTIONS---MADE---BY---A---MEMBER---PRIOR---TO---JULY---17---1986.

FOR the purpose of requiring the Board of Trustees for the State Retirement and Pension Systems to develop by a certain date a program for the State or other employer of a member of the State retirement or pension systems for employees or teachers, the Judge's Contributory Plan, and the State Police Retirement System to pick up the retirement or pension contributions required to be made by the member in order to qualify for certain federal tax treatment; requiring the Board of Trustees to apply by a certain date for a certain letter of determination or ruling from the Internal Revenue Service; authorizing the Board of Trustees to define, by regulation, certain terms and provisions of law for certain purposes; prohibiting further action of the Board of Trustees and prohibiting the pursuit of the employer pickup program if a certain unfavorable response is obtained by a certain time from the Internal Revenue Service; requiring the Board of Trustees under certain circumstances to submit the employer program to the 1987 General Assembly for consideration of implementation; requiring the implementation of the program to be contingent on the receipt of a certain favorable response from the Internal Revenue Service under certain circumstances; requiring certain proposed amendments to law to include certain provisions in order to assure no impact from the employer pickup program on State income tax revenues, no double taxation of retirement or pension benefits, and no adverse impact on certain aspects of employee compensation and benefits or employer costs; and generally relating to the development, Internal Revenue Service approval, and mechanism for proposing the implementation of a program of employer pickup of certain contributions required to be made by a member of certain State retirement or pension systems.

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

(A) On or before October 1, 1986, the Board of Trustees for the State Retirement and Pension Systems shall: