

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1988.

Approved May 17, 1988.

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CHAPTER 430

(House Bill 561)

AN ACT concerning

Pensions - Employer Pickup and Income Taxes

FOR the purpose of providing that the State or other approved employer of a member of the State retirement or pension systems for employees and teachers, the Judges' Contributory Plan and the State Police Retirement System for federal tax purposes shall be determined to have picked up the retirement or pension contributions required to be made by the member after a certain date; requiring the contributions to be treated as employer contributions for federal tax purposes; providing for no State fiscal effect from the pickup of contributions by specifying the treatment of contributions for tax purposes, by implementing the pickup through a reduction of the member's compensation, by requiring the payment of the contributions from the funds used in paying the compensation of the member, and by providing that except for certain income tax consideration, the pickup contributions shall be treated in the same manner as contributions made by a member; altering the composition of certain funds; redefining and defining certain terms; providing that, for State income tax purposes, there shall be added to federal adjusted gross income amounts of certain contributions of a member of certain State retirement or pension systems in order to have no impact on State income tax revenues; providing for the effective date and application of this Act; providing for corrections to certain references to provisions that are renumbered by this Act; and generally relating to an employer pickup of certain contributions required to be made by a member of certain State retirement or pension systems before a certain date.

BY repealing and reenacting, with amendments,

Article 73B - Pensions

Section 1(13) and (14), 14(1)(a), 57(b)(1), 81(13) and (14), 89(1)(a), 111(12) and (13), 122(1)(a), 140(12) and (13), and 150(1)(a)

Annotated Code of Maryland

(1983 Replacement Volume and 1987 Supplement)