

(2) a member of a retirement system or pension system who is eligible for coverage under Title 35, Subtitle 4 of this article may not contribute toward the purchase of an annuity contract under the program.]

**Article - Tax - General**

10-204.

(f) The addition under subsection (a) of this section includes the amount of pickup contributions of a member of a retirement or pension system:

(1) provided for under [Article 73B, § 1-302(e)] § 21-313 OF THE STATE PERSONNEL AND PENSIONS ARTICLE; and

(2) excluded from federal adjusted gross income under § 414(h)(2) of the Internal Revenue Code.

10-207.

(m) The subtraction under subsection (a) of this section includes that portion of an annuity received by a retiree of a retirement or pension system:

(1) for which pickup contributions were made under [Article 73B, § 1-302(e) of the Code] § 21-313 OF THE STATE PERSONNEL AND PENSIONS ARTICLE; and

(2) that is included in federal adjusted gross income under § 414(h)(2) of the Internal Revenue Code.

10-905.

(c) "Payment subject to withholding" means:

(1) an annuity or sick pay payment described in § 3402(o) of the Internal Revenue Code;

(2) income that is subject to the income tax and is distributed by a fiduciary to a nonresident alien;

(3) a payment of winnings derived from wagering in the State if the payment is subject to withholding under § 3402 of the Internal Revenue Code; and

(4) a payment of a death benefit by the Board of Trustees of the [Maryland] State Retirement and Pension [Systems] SYSTEM.

10-907.

(c) Income tax is not required to be withheld on that portion of a death benefit to be excluded from federal adjusted gross income, including amounts to be transferred by the beneficiary or the Board of Trustees of the [Maryland] State Retirement and Pension [Systems] SYSTEM to an eligible retirement plan as defined in § 402(c)(8)(b) of the Internal Revenue Code in a nontaxable rollover. The State Retirement Agency is authorized to obtain such representation as it deems necessary to determine if the beneficiary will make a nontaxable rollover.