

THE MEMBER CONTRIBUTIONS UNDER SUBSECTION (B) OF THIS SECTION:

- (1) ARE DESIGNATED AS EMPLOYEE CONTRIBUTIONS TO BE PICKED UP BY THE EMPLOYING UNIT WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE AND SHALL BE TREATED AS EMPLOYER CONTRIBUTIONS IN DETERMINING TAX TREATMENT UNDER THAT SECTION;
- (2) SHALL REDUCE THE COMPENSATION OF THE MEMBER IN AN AMOUNT THAT EQUALS THE MEMBER CONTRIBUTION PICKED UP BY THE EMPLOYER;
- (3) MAY NOT BE INCLUDED AS GROSS INCOME OF THE MEMBER UNTIL THE PICKUP AMOUNTS ARE DISTRIBUTED OR MADE AVAILABLE TO THE MEMBER;
- (4) SHALL BE PAID BY THE STATE OR OTHER APPROVED EMPLOYER FROM THE SAME SOURCE OF FUNDS THAT IS USED TO PAY COMPENSATION TO THE MEMBER; AND
- (5) EXCEPT AS PROVIDED IN §§ 22-212 AND 22-213 OF THIS ARTICLE, FOR PURPOSES OF THIS DIVISION II, SHALL BE TREATED IN THE SAME MANNER AND TO THE SAME EXTENT AS MEMBER CONTRIBUTIONS MADE BEFORE ESTABLISHMENT OF THE EMPLOYER PICKUP PROGRAM.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, § 1-302(e).

In subsection (a) of this section, the phrase "received a favorable ruling" is substituted for the former phrase "obtained the approval of the Internal Revenue Service" for accuracy.

In subsection (b) of this section, the former references to January 1, 1989, are deleted as obsolete.

In subsection (c)(1) of this section, the reference to designating member contributions "as employee contributions to be picked up by the employing unit within the meaning of § 414(h)(2) of the Internal Revenue Code" is added for clarity.

In subsection (c)(5) of this section, the cross-references to §§ 22-212 and 22-213 of this article are added for clarity. Under §§ 22-212 and 22-213, employer pickup contributions are treated differently than member contributions when membership or vested rights are transferred from the Employees' Retirement System or Teachers' Retirement System to the Employees' Pension System or Teachers' Pension System.

Defined terms: "Member" § 20-101
 "Member contribution" § 20-101
 "Participating employer" § 20-101

21-314. SAME — DUTIES OF PARTICIPATING EMPLOYERS.

- (A) SUBMISSION OF INFORMATION.