

31-112. EFFECT OF PARTICIPATION.

(A) TERMINATION OF LOCAL PENSION SYSTEM.

THE OPERATION OF THE LOCAL PENSION SYSTEM OF AN ELIGIBLE GOVERNMENTAL UNIT TERMINATES ON THE EFFECTIVE DATE.

(B) CONTINUATION OF BENEFITS.

THE EMPLOYEES' PENSION SYSTEM SHALL CONTINUE TO PAY BENEFITS AT THE EXISTING BENEFIT RATE TO A PERSON WHO IS RECEIVING BENEFITS FROM A LOCAL PENSION SYSTEM ON THE EFFECTIVE DATE.

(C) LIABILITY FOR CONTINUATION OF BENEFITS.

THE LIABILITY FOR THE CONTINUATION OF BENEFITS UNDER SUBSECTION (B) OF THIS SECTION SHALL BE INCLUDED IN THE COMPUTATION OF THE SPECIAL ACCRUED LIABILITY AS PROVIDED BY § 21-305(E) OF THIS ARTICLE.

(D) TRANSFER OF FUNDS.

(1) ON THE EFFECTIVE DATE:

(I) THE ASSETS TO THE CREDIT OF THE LOCAL PENSION SYSTEM OF THE PARTICIPATING GOVERNMENTAL UNIT SHALL BE TRANSFERRED TO THE EMPLOYEES' PENSION SYSTEM; AND

(II) THE TRUSTEE OR OTHER ADMINISTRATIVE HEAD OF THE LOCAL PENSION SYSTEM SHALL CERTIFY THE PROPORTION OF THE FUNDS OF THE LOCAL PENSION SYSTEM THAT REPRESENTS THE ACCUMULATED CONTRIBUTIONS OF THE MEMBERS AS OF THAT DATE.

(2) THE ACCUMULATED CONTRIBUTIONS SHALL BE CREDITED TO THE RESPECTIVE ANNUITY SAVINGS ACCOUNTS OF THE MEMBERS IN THE EMPLOYEES' PENSION SYSTEM.

(3) ANY BALANCE OF THE FUNDS TRANSFERRED TO THE EMPLOYEES' PENSION SYSTEM SHALL BE OFFSET AGAINST THE SPECIAL ACCRUED LIABILITY TO BE FUNDED BY THE PARTICIPATING GOVERNMENTAL UNIT AS PROVIDED BY § 21-305(E) OF THIS ARTICLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 73B, § 10-104(b) and (c), as they relate to the effect of an eligible governmental unit's election to participate in the employees' systems.

The State Personnel and Pensions Article Review Committee notes, for the consideration of the General Assembly, that subsection (b) of this section does not explicitly provide for cost-of-living adjustments or other changes to the "benefit rate" of a person receiving benefits from a local pension system.