

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 21-305.4

Annotated Code of Maryland

(1994 Volume and 1996 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – State Personnel and Pensions

21-305.4.

(a) (1) In this section the following words have the meanings indicated.

(2) “Deficit” means, as to any participating governmental unit, THE LESSER OF:

(I) the amount, as of June 30, 1995, by which the present value of the accrued benefit of the employees of the participating governmental unit who are members of the Employees’ Retirement System exceeds the actuarial value of the assets to the credit of the participating governmental unit in the Employees’ Retirement System; OR

(II) 40% OF THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF THE PARTICIPATING GOVERNMENTAL UNIT AS OF ~~JULY 1, 1995~~ JUNE 30, 1995, PLUS ONE-HALF OF THE DIFFERENCE BETWEEN THE AMOUNT DETERMINED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND 40% OF THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF THE PARTICIPATING GOVERNMENTAL UNIT AS OF JUNE 30, 1995.

(3) “Employees’ systems” means the Employees’ Pension System and the Employees’ Retirement System.

(4) “Required employer contribution” means the amount payable each fiscal year under § 21-305(b)(1), (2)(i) and (iii) of this subtitle by a participating governmental unit.

(5) “Surplus” means, as to any participating governmental unit, the amount, as of June 30, 1995, by which the actuarial value of the assets to the credit of the participating governmental unit in the employees’ systems exceeds the present value of the future benefits of the employees of the participating governmental unit who are members of the employees’ systems.

(b) (1) The actuary shall determine the surplus allocable to a participating governmental unit as of June 30, 1995, based on an actuarial valuation.

(2) The surplus of a participating governmental unit may not be less than zero.

(3) The annual credit of a participating governmental unit shall be the amount that is sufficient to amortize over a 25 year term commencing on July 1, 1995, the surplus allocated to a participating governmental unit as of June 30, 1995, by means of an