

Section 23-204(b)

Annotated Code of Maryland

(1997 Replacement Volume and 1999 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

21-305.3.

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

(2) "Employees' systems" means the Employees' Pension System and the Employees' Retirement System.

(3) "Special accrued liability" means, as to any participating governmental unit, the liability of the employees' systems on account of[

(i)] the employees of the participating governmental unit who elect to become members under § 23-204(b) of this article[; and

(ii) the retirees of the participating governmental unit who were being paid pensions under a local pension system on the date of approval of participation by the legislative body of the participating governmental unit].

(b) Each participating governmental unit shall make a special accrued liability contribution on account of its participation in the employees' systems.

(c) The special accrued liability contribution shall be determined by an actuarial valuation of the special accrued liability as of the date of approval of participation by the legislative body of the participating governmental unit.

(d) Except as provided in subsection (e) of this section, the annual special accrued liability contribution of each participating governmental unit shall be the level annual payment that is sufficient to liquidate, over 25 years beginning on the date of approval by the legislative body of the participating governmental unit, the amount by which the special accrued liability of the participating governmental unit exceeds the sum of:

(1) the present value, as of the date of approval, of future normal contributions, future accrued liability contributions, future contributions for members of the Employees' Retirement System required under § 21-305(b)(2)(iii) of this subtitle, future member contributions on behalf of or by members who are employees of the participating governmental unit; and

(2) any cash and securities transferred to the employees' system in accordance with § 31-113(d) of this article.

(e) Subject to the approval of the Board of Trustees, a participating governmental unit may liquidate its unfunded special accrued liability:

(1) over a period not to exceed 40 years; or