

members of the State retirement and pension systems to fund purchases of prior service credit from certain funding sources; amending certain definitions to reflect certain provisions in the Internal Revenue Code; altering the method of payment certain members of the State Retirement and Pension System may use to pay for certain creditable service as provided for in the Internal Revenue Code; making this an emergency measure; and generally relating to certain limitations on benefits and contributions of members of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions

Section 20-207, 21-601(c) and (d), and 23-308

Annotated Code of Maryland

(1997 Replacement Volume and 2001 Supplement)

BY adding to

Article - State Personnel and Pensions

Section 20-208(g)

Annotated Code of Maryland

(1997 Replacement Volume and 2001 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**

20-207.

(a) This section does not apply to an individual who is a member of a State system on or before June 30, 1996.

(b) Notwithstanding any other provision of law, for plan years beginning on or after July 1, 1996, the annual compensation that may be taken into account when determining the retirement allowance payable to a member of a State system, may not exceed the compensation limit under § 401(a)(17)(B) of the Internal Revenue Code[, of \$150,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with § 401(a)(17)(B) of the Internal Revenue Code] and regulations adopted thereunder.

20-208.

(G) A MEMBER MAY PURCHASE PRIOR SERVICE CREDIT USING FUNDS FROM ANY FUND SOURCE THAT IS NOT SPECIFICALLY PROHIBITED BY THE INTERNAL REVENUE CODE.

21-601.

(c) (1) "Eligible rollover distribution" means a distribution on or after January 1, 1993, to a participant of all or any part of the balance to the credit of the participant in any State system.