

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article - State Personnel and Pensions**

21-304.

(a) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(2) "FULL FUNDING RATE" MEANS THE SUM OF:

(I) THE AGGREGATE NORMAL RATE THAT IS BASED ON THE NORMAL CONTRIBUTION RATE CALCULATED UNDER SUBSECTION (C) OF THIS SECTION AND ADJUSTED TO INCORPORATE LEGISLATIVE CHANGES IN BENEFITS TO REFLECT CHANGES TO THE NORMAL COST; AND

(II) THE AGGREGATE UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE THAT IS BASED ON THE UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE UNDER SUBSECTION (D)(1) AND (2) OF THIS SECTION.

(3) "FUNDING RATIO FOR THE EMPLOYEES' SYSTEMS" MEANS THE ACTUARIAL VALUE OF ASSETS FOR THE EMPLOYEES' SYSTEMS DIVIDED BY THE ACTUARIAL ACCRUED LIABILITY FOR THE EMPLOYEES' SYSTEMS.

(4) "FUNDING RATIO FOR THE TEACHERS' SYSTEMS" MEANS THE ACTUARIAL VALUE OF ASSETS FOR THE TEACHERS' SYSTEMS DIVIDED BY THE ACTUARIAL ACCRUED LIABILITY FOR THE TEACHERS' SYSTEMS.

(5) [In this section,] "State member" does not include a member on whose behalf a participating governmental unit is required to make an employer contribution under § 21-305 or § 21-306 of this subtitle.

(b) (1) Each fiscal year, on behalf of the State members of each State system, the State shall pay to the appropriate accumulation fund an amount equal to or greater than THE SUM OF THE AMOUNT, IF ANY, REQUIRED TO BE INCLUDED IN THE BUDGET BILL UNDER § 3-501(C)(2)(II) OF THIS ARTICLE AND the product of multiplying:

(i) the aggregate annual earnable compensation of the State members of that State system; and

(ii) 1. FOR STATE MEMBERS OF THE LAW ENFORCEMENT OFFICERS' RETIREMENT SYSTEM, STATE POLICE RETIREMENT SYSTEM, AND THE JUDGES' RETIREMENT SYSTEM, the sum of the normal contribution rate and the accrued liability contribution rate, as determined under this section;

2. FOR STATE MEMBERS OF THE EMPLOYEES' PENSION SYSTEM, EMPLOYEES' RETIREMENT SYSTEM, CORRECTIONAL OFFICERS' RETIREMENT SYSTEM, AND LEGISLATIVE PENSION PLAN, THE EMPLOYEES' SYSTEMS CONTRIBUTION RATE DETERMINED UNDER SUBSECTION (E) OF THIS SECTION; OR