

Section 1-306(c), 2-401(a), 2-402(a), 2-411, 2-416(c), 4-401(a), 4-402(a), and 4-411

Annotated Code of Maryland

(1988 Replacement Volume and 1991 Supplement)

(As enacted by Chapter ____ (H.B. 219) of the Acts of the General Assembly of 1992)

BY adding to

Article 73B - Pensions

Section ~~2-401.1~~ 1-508, 2-401.1, and 4-401.1

Annotated Code of Maryland

(1988 Replacement Volume and 1991 Supplement)

(As enacted by Chapter ____ (H.B. 219) of the Acts of the General Assembly of 1992)

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

Article 73B - Pensions

1-306.

(c) (1) The accrued liability contribution rates shall be computed, on the basis of the entry-age actuarial cost method and the actuarial assumptions adopted by the Board of Trustees, as the rate percent of the aggregate annual earnable compensation of the members of the several systems, that is sufficient to liquidate over a period of 40 years from July 1, 1980 the amount of the total liabilities of the several systems, as of June 30, 1980 that is not discharged by the assets standing to the credit of the accumulation funds and the annuity savings funds of each of the several systems, and that is not discharged by the present value of future normal contributions and future employee contributions to each of the several systems.

(2) Upon the recommendation of the actuary, the Board may adjust the accrued liability rate to reflect experience gains and losses or the effect of changes in actuarial assumptions within the period remaining to amortize the accrued liability, but for not less than 15 years.

(3) [If] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, IF the accrued liability is increased by legislation enacted subsequent to July 1, 1980, the additional liability shall be funded over a period of 30 years from the first day of July, coincident with or next following the effective date of the increase.

(4) IF THE ACCRUED LIABILITY IS INCREASED BY LEGISLATION THAT PROVIDES FOR EARLY RETIREMENT OF STATE EMPLOYEES UNDER §§ 2-401.1 AND 4-401.1 OF THIS ARTICLE, THE ADDITIONAL LIABILITY SHALL BE FUNDED OVER A PERIOD OF 5 YEARS ~~FROM THE EFFECTIVE DATE OF THE LEGISLATION~~ BEGINNING JULY 1, 1993.