

**CHAPTER 476**

**(House Bill 430)**

AN ACT concerning

**Retirement and Pensions - Participating Governmental Units - Deficits**

FOR the purpose of providing for a limit on the determination of a deficit amount that certain governmental units that participate in the Employees' Retirement System and the Employees' Pension System are required to pay as part of their employer contributions to the systems; and requiring that the State Retirement Agency transfer a certain amount from certain accumulation funds of the Employees' Retirement System and the Employees' Pension System to other accumulation funds of the Employees' Retirement System and the Employees' Pension System.

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions

Section 21-305.4

Annotated Code of Maryland

(1997 Replacement Volume)

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 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.