

WHEREAS, In order to increase management flexibility for the University System of Maryland, and to realize overall costs savings, the General Assembly is offering a one-time early retirement incentive program to certain State employees of the University System of Maryland to provide an opportunity for the greatest number of employees to volunteer to leave State service; now, therefore,

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

**Article - State Personnel and Pensions**

21-304.

(d) (4) If the accrued liability is increased by legislation that provides for early retirement of State employees, the additional liability shall be funded over a period of 5 years beginning on:

- (i) July 1, 1997 for legislation effective June 1, 1996; and
- (ii) July 1, 1998 for legislation effective June 1, 1997.

(5) IF THE ACCRUED LIABILITY IS INCREASED BY LEGISLATION EFFECTIVE JUNE 1, 1998, THAT PROVIDES FOR THE EARLY RETIREMENT OF EMPLOYEES OF THE UNIVERSITY SYSTEM OF MARYLAND WHO ARE MEMBERS OF THE EMPLOYEES' PENSION SYSTEM OR THE EMPLOYEES' RETIREMENT SYSTEM, THE ADDITIONAL LIABILITY SHALL BE DETERMINED BY THE ACTUARY AND FUNDED OVER A PERIOD OF 5 YEARS BEGINNING ON JULY 1, 1999 BY PAYMENT OF AN ANNUAL ACCRUED LIABILITY CONTRIBUTION BY THE UNIVERSITY SYSTEM OF MARYLAND AND THE MEDICAL SYSTEM AS PROVIDED IN § 21-307(I) AND (J) OF THIS SUBTITLE.

21-307.

(I) (1) EXCEPT AS PROVIDED IN SUBSECTION (J) OF THIS SECTION, THE UNIVERSITY SYSTEM OF MARYLAND SHALL PAY AN ANNUAL ACCRUED LIABILITY CONTRIBUTION EQUAL TO AN AMOUNT THAT IS SUFFICIENT TO LIQUIDATE OVER NOT MORE THAN 5 YEARS, THE INCREASE IN THE ACCRUED LIABILITY BY MEANS OF ANNUAL PAYMENTS THAT INCREASE EACH YEAR BASED ON ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD OF TRUSTEES ON THE RECOMMENDATION OF THE ACTUARY.

(2) THE UNIVERSITY SYSTEM OF MARYLAND:

(I) SHALL PAY TO THE BOARD OF TRUSTEES THE AMOUNT REQUIRED UNDER THIS SUBSECTION ON JULY 1 OF EACH YEAR UNTIL THE INCREASE IN THE ACCRUED LIABILITY IS PAID IN FULL; AND

(II) MAY PREPAY ALL OR A PORTION OF THE INCREASE IN THE ACCRUED LIABILITY IN ACCORDANCE WITH A CALCULATION APPROVED BY THE BOARD OF TRUSTEES.

(J) (1) THE MEDICAL SYSTEM, AS DEFINED IN § 13-301(K) OF THE EDUCATION ARTICLE, SHALL PAY AN ANNUAL ACCRUED LIABILITY CONTRIBUTION EQUAL TO AN AMOUNT THAT IS SUFFICIENT TO LIQUIDATE, OVER NOT MORE THAN 5