

SENATE BILL 306

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9lr1600
CF HB 63

By: **Senator Griffith (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 30, 2019

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2019

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Maryland Pension Administration**
3 **System – Member Contributions**

4 FOR the purpose of requiring a participating employer to submit supporting payroll data
5 to the State Retirement Agency regarding a member’s contributions at the time
6 contributions are paid to the Board of Trustees for the State Retirement and Pension
7 System; clarifying certain penalty provisions; making conforming changes; making
8 clarifying changes; and generally relating to providing member contributions and
9 supporting payroll data to the State Retirement Agency.

10 BY repealing and reenacting, with amendments,
11 Article – State Personnel and Pensions
12 Section 21–314(c) and (d)
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2018 Supplement)

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

17 **Article – State Personnel and Pensions**

18 21–314.

19 (c) (1) In this subsection, “compensation” means a member’s earnable
20 compensation as provided in § 20–101 of this article and includes the amount earned by the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 member for all pay periods ending during a calendar year even if an amount is paid to the
2 member after December 31 of the calendar year.

3 (2) [(i)] As each payroll is paid ~~or~~ AND in a manner that the Board of
4 Trustees prescribes each participating employer shall:

5 (I) certify to the Board of Trustees, and the proper fiscal officer of
6 the participating employer shall pay to the Board of Trustees, the member contributions
7 deducted from the compensation of each member employed by the participating employer
8 or made under an employer pickup program[.]; AND

9 (ii) [Within 5 working days after the payment of each payroll, each
10 participating employer shall] submit to the State Retirement Agency supporting payroll
11 data required by the State Retirement Agency in a format specified by the State Retirement
12 Agency.

13 (d) (1) A participating employer that does not pay the member contributions
14 certified under this section AND SUBMIT THE SUPPORTING PAYROLL DATA to the Board
15 of Trustees [within the time required] AS EACH PAYROLL IS PAID AND IN A MANNER
16 PRESCRIBED BY THE BOARD OF TRUSTEES is liable for:

17 (i) a penalty of 10% of the ~~amounts~~ MEMBER CONTRIBUTIONS
18 due; ~~and~~

19 (ii) interest on delinquent ~~amounts~~ MEMBER CONTRIBUTIONS at
20 10% a year until paid;

21 ~~(2) A participating employer that does not submit supporting payroll data~~
22 ~~as required by the State Retirement Agency [within the time required] is liable for:~~

23 ~~(i)~~ (III) a [late charge of] \$250 PENALTY for each payroll for which
24 the supporting data is [late] NOT SUBMITTED; and

25 ~~(ii)~~ (IV) interest on [delinquent late charges] ~~A PENALTY~~ THE
26 PENALTY ASSESSED UNDER ITEM (III) OF THIS PARAGRAPH at 10% per year if the [late
27 charge] PENALTY is not paid by the date certified by the State Retirement Agency.

28 (3) The Secretary of the Board of Trustees may allow a grace period for
29 payment of the amounts due or submission of supporting payroll data as required under
30 this section not to exceed 10 working days.

31 (4) On notification by the Secretary of the Board of Trustees that a
32 delinquency exists, the State Comptroller immediately shall set off the delinquent amount
33 against any money due or coming due to the delinquent participating employer.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.