

## Chapter 485

(Senate Bill 335)

AN ACT concerning

### **Judges' Retirement System – Contribution Rates ~~for New Members~~ and Vesting Requirements**

FOR the purpose of altering the rate of member contributions for ~~individuals who become members of the Judges' Retirement System on or after a certain date; altering the rate of member contributions for certain members of the Judges' Retirement System; providing for the effective date of certain provisions of this Act; requiring individuals who become members of the Judges' Retirement System on or after a certain date to earn a certain amount of eligibility service before becoming eligible to receive certain retirement allowances; altering the calculation of a normal service retirement allowance for certain members in the Judges' Retirement System;~~ and generally relating to the Judges' Retirement System.

BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section ~~27–202, 27–401, and 27–402(c)~~  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

~~BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section ~~27–202~~  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)  
(As enacted by Section 1 of this Act)~~

BY repealing  
Article – State Personnel and Pensions  
Section ~~29–301~~  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

BY adding to  
Article – State Personnel and Pensions  
Section ~~29–301~~  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

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

**Article – State Personnel and Pensions**

27–202.

(a) Except as provided in ~~subsection (b)~~ ~~SUBSECTIONS (B) AND (C)~~ of this section, a member's contribution rate is ~~6%~~ 8% of the member's earnable compensation.

~~(b) THE CONTRIBUTION RATE FOR AN INDIVIDUAL WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2012, IS 8% OF THE MEMBER'S EARNABLE COMPENSATION.~~

~~(c) After 16 years of service as a member, a member does not make any further contributions.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~**Article – State Personnel and Pensions**~~

~~27–202.~~

~~(a) Except as provided in [subsections (b) and (c)] SUBSECTION (B) of this section, a member's contribution rate is [6%] 8% of the member's earnable compensation.~~

~~(b) [The contribution rate for an individual who becomes a member on or after July 1, 2012, is 8% of the member's earnable compensation.~~

~~(c) After 16 years of service as a member, a member does not make any further contributions.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2013.~~

27–401.

**(A) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO IS A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2012.**

**(2) A member or former member is entitled to a retirement allowance:**

~~[(1)] (I)~~ on termination of service, if the member is at least 60 years old;

~~[(2)] (II)~~ on the recommendation of the medical board, if the member or former member resigns because of disability;

~~[(3)] (III)~~ when retired by order of the Court of Appeals; or

~~[(4)] (IV)~~ at the age of 60 years, if the former member's termination of service occurred earlier.

**(B) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1, 2012.**

**(2) A MEMBER OR FORMER MEMBER IS ENTITLED TO A RETIREMENT ALLOWANCE:**

**(I) ON TERMINATION OF SERVICE, IF THE MEMBER IS AT LEAST 60 YEARS OLD AND HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE;**

**(II) ON THE RECOMMENDATION OF THE MEDICAL BOARD, IF THE MEMBER OR FORMER MEMBER RESIGNS BECAUSE OF DISABILITY;**

**(III) WHEN RETIRED BY ORDER OF THE COURT OF APPEALS;**  
**OR**

**(IV) AT THE AGE OF 60 YEARS, IF THE FORMER MEMBER'S TERMINATION OF SERVICE OCCURRED EARLIER AND THE FORMER MEMBER HAD AT LEAST 5 YEARS OF ELIGIBILITY SERVICE WHEN THE FORMER MEMBER TERMINATED SERVICE.**

27-402.

**(c) (1) (I) THIS PARAGRAPH APPLIES ONLY TO AN INDIVIDUAL WHO IS A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2012.**

**(II) On retirement under this subtitle by a retiree who has less than 16 years of service credit as a member, the retiree is entitled to a reduced retirement allowance that equals the retirement allowance computed under subsection (a) or (b) of this section multiplied by a fraction that has:**

[(1)] 1. for its numerator, the number of years of service credit as a member; and

[(2)] 2. for its denominator, 16.

**(2) (I) THIS PARAGRAPH APPLIES ONLY TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1, 2012.**

**(II) ON RETIREMENT UNDER THIS SUBTITLE BY A RETIREE WHO HAS AT LEAST 5 YEARS BUT LESS THAN 16 YEARS OF SERVICE CREDIT AS A MEMBER, THE RETIREE IS ENTITLED TO A REDUCED RETIREMENT ALLOWANCE THAT EQUALS THE RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION (A) OR (B) OF THIS SECTION MULTIPLIED BY A FRACTION THAT HAS:**

**1. FOR ITS NUMERATOR, THE NUMBER OF YEARS OF SERVICE CREDIT AS A MEMBER; AND**

**2. FOR ITS DENOMINATOR, 16.**

[29-301.

This subtitle does not apply to the Judges' Retirement System.]

29-301.

**(A) THIS SECTION APPLIES ONLY TO A MEMBER OF THE JUDGES' RETIREMENT SYSTEM WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2012.**

**(B) (1) A MEMBER MAY ELECT TO RECEIVE A VESTED ALLOWANCE IF:**

**(I) THE MEMBER IS SEPARATED FROM EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT; AND**

**(II) THE MEMBER HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE.**

**(2) A MEMBER IS DEEMED TO HAVE ELECTED A VESTED ALLOWANCE, UNLESS THE MEMBER REQUESTS THE RETURN OF THE ACCUMULATED CONTRIBUTIONS BEFORE MEMBERSHIP ENDS.**

**(C) A VESTED ALLOWANCE IS A DEFERRED ALLOWANCE STARTING AT AGE 60.**

**(D) A VESTED ALLOWANCE:**

**(1) IS COMPUTED AS A RETIREMENT ALLOWANCE UNDER § 27-402 OF THIS ARTICLE ON THE BASIS OF THE FORMER MEMBER'S CREDITABLE SERVICE AT THE TIME OF SEPARATION FROM EMPLOYMENT; AND**

**(2) MAY BE PAID IN ONE OF THE OPTIONAL FORMS OF ALLOWANCES UNDER § 21-403 OF THIS ARTICLE, IF AT RETIREMENT, THE MEMBER DOES NOT HAVE A SPOUSE OR CHILD UNDER THE AGE OF 18.**

**(E) (1) IF A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE REQUESTS THE RETURN OF ACCUMULATED CONTRIBUTIONS BEFORE PAYMENT OF THE VESTED ALLOWANCE BEGINS, THE BOARD OF TRUSTEES SHALL RETURN THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER.**

**(2) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A FORMER MEMBER, THE FORMER MEMBER IS NOT ENTITLED TO FURTHER BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S PREVIOUS MEMBERSHIP.**

SECTION ~~2~~ 4 ~~2~~. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 3 of this Act,~~ this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.