

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

The Board of Trustees for the Maryland State Retirement and Pension System met in the Board Room of the SunTrust Building, 120 East Baltimore Street, 16th Floor Board Room, Baltimore, Maryland beginning at 9:06 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman (via phone)	James Harkins
Peter Franchot, Vice Chairman, Presiding	Linda Herman
David Blitzstein	F. Patrick Hughes (via phone)
David Brinkley	Theresa Lochte
James Bush, Jr.	Richard Norman
John Douglass	Harold Zirkin
Robert Hagans (via phone)	Thurman Zollicoffer
Kenneth Haines	

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary

Anne Budowski	Michael Golden	Michelle Lowery
Margaret Bury	Ira Greenstein	Ken Reott
Melody Countess	Angie Jenkins	David Rongione
Anne Gawthrop	Van Lewis	Janet Sirkis

Assistant Attorneys General present included: Kathy Brady, Rachel Cohen, and Sharon Street.

Also attended by: Jim Kane from Unithere, Thomas Kurowski from Deutsche Bank, Jeannine Markoe Raymond from NASRA and John Kenney.

Consent Agenda

On a motion made by Ms. Lochte and seconded by Mr. Hagans, the Board approved the consent agenda, which included:

- January 20, 2015 Open Meeting Board Minutes
- February 3, 2015 Administrative Committee Report

2015 Legislation
Introduced in the
General Assembly

Ms. Anne Gawthrop provided the Committee an overview of the 2015 pension related legislation. *See Attachment A.*

Ms. Gawthrop reported on the following bills:

- House Bill 30 – Frederick County Public Charter School Program - Establishment.

Ms. Gawthrop reported that this bill would establish Frederick County Public Charter School Operators as participating governmental units in the Employees' Pension System (EPS) and that the bill provides that employees of a private entity that is responsible for operating a Frederick County Public Charter School would have the option to become a member of the EPS.

Ms. Gawthrop reported that under guidance recently issued by the IRS, a private operator of a charter school is not a governmental entity eligible to participate in a governmental plan under Section 414(d) of the Internal Revenue Code. Since participation in a governmental plan is limited to governmental employers and their employees, as

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

structured, the bill would jeopardize the System's governmental plan status.

Ms. Gawthrop reported that staff recommends opposing this legislation.

Secretary Brinkley asked if the Agency has been in touch with the Governor's Office regarding the Governor's Charter School legislation.

Ms. Gawthrop stated that she had been working with legislative staff in this regard and would be in contact with the Governor's staff as well.

On a motion made by Mr. Blitzstein and duly seconded, the Board voted, by a vote of 14 to 1, to support staff's recommendation and oppose the legislation. Secretary Brinkley opposed the motion.

The Board of Trustees agreed to vote on the following bills as a package. Therefore, on a motion made by Ms. Lochte and seconded by Mr. Bush, the Board approved the staff recommendations; summarized as follows:

House Bill 67 / Senate Bill 220	General Assembly – Mandated Reports By State Agencies	No Position
House Bill 76 / Senate Bill 102	State Retirement and Pension System – Accumulated Contributions of Nonvested Former Members	Board Requested
House Bill 77 / Senate Bill 103	Judges' Retirement System – Membership, Accrual Rate of Interest, and Reemployment	Board Requested
House Bill 78 / Senate Bill 76	State Retirement and Pension System – Noncontributory Pension Benefit – Definition	Board Requested
House Bill 79 / Senate Bill 104	Correctional Officers' Retirement System - Membership	Board Requested
House Bill 210 / Senate Bill 268	Correctional Services – Baltimore City Detention Center – Transfer of Ownership	Oppose
House Bill 217 / Senate Bill 191	State Retirement and Pension System – Credit for Unused Sick Leave – Clarification	Board Requested

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

House Bill 380	State Retirement and Pension System- Military Service Credit – Exception	Oppose
House Bill 421 / Senate Bill 312	Maryland Secure Choice Retirement Savings Program and Trust	No Position
House Bill 569	State Police Retirement System and Law Enforcement Officers' Pension System – Reemployment of Retirees	Oppose
House Bill 694 / Senate Bill 286	Law Enforcement Officers' Pension System – Division of Parole and Probation – Warrant Apprehension Unit Employees – Membership	No Position
Senate Bill 165	State Retirement and Pension System – Constitutional Officers – Forfeiture of Benefits	No position
Senate Bill 364	Alternate Contributory Pension Selection – Return to Employment	No Position
Senate Bill 432	Employees' and Teachers' Pension System – Combination of Service – Clarification	Board Requested
Senate Bill 442	Employees' Pension System – Dorchester County Sanitary Commission – Eligible Government	No Position
Senate Bill 560	Employees' Pension System – Elected and Appointed Officials – Optional Membership	Board Requested
Senate Bill 639	Teachers' Retirement and Pension Systems – Reemployment of Retirees – Exemptions	No Position
Senate Bill 640	State Retirement and Pension System – Actuarial Stress Test	No position

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

Certification of the
2015 Retired
Teachers' System
Trustee

Mr. Kenderdine certified to the Board that only one eligible candidate, Theresa Lochte, met the requirements to be included on the ballot for the 2015 Retired Teachers' System Trustee Election.

Mr. Kenderdine indicated that when only a single candidate qualifies to be placed on the ballot, that candidate shall be considered nominated to serve as Trustee for his or her system and, upon the Board's certification, the candidate shall serve as trustee for the appropriate term. Ms. Lochte would serve a new four-year term beginning August 1, 2015 through July 31, 2019.

On a motion made by Mr. Hughes and seconded by Mr. Zollicoffer, the Board certified that Ms. Lochte is deemed nominated to serve as a trustee for four years, beginning August 1, 2015.

Mr. Kenderdine also reported that an election will be held this year for the Retired Employees' System Representative. The deadline to have submitted the required names was January 30, 2015 and two candidates have been certified as having met that requirement. Ms. Sheila Hill, a former Trustee who retired from State service four years ago and Ms. Linda Day, who is currently the President of MCEA.

Mr. Kenderdine reported that Mr. Douglass has decided not to run for another term as Trustee.

Executive Director's
Report

Mr. Kenderdine reported that Trustee interviews were underway to discuss and refine the Board's self-assessment questionnaire. Interviews were being conducted by Bill Wells from the Schaefer Center.

Mr. Kenderdine reported that the Member Services unit is now fully staffed. Mr. Kenderdine indicated that the Governor's allowance provided for 12 new positions for the Agency, 8 of which will be in the Benefits Administration division; however, the Analyst's recommendation was to cut one position.

Ms. Bury reported that there was an issue with certain payments of allowances in January. Staff uploaded a preliminary file for health benefits provided by the Department of Budget and Management, instead of the final file, which in some cases resulted in not enough or too much money being deducted for premium payments.

Ms. Bury reported that approximately 8,000 beneficiaries/retirees were affected, of which 400 retirees paid too much in insurance premiums. These individuals will receive a refund check. For those who did not have sufficient insurance premium payments deducted, the difference will be deducted from their checks over the next two months.

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

Mr. Kenderdine reported that in past years the Board Education Session has been held in May and that last year this coincided with Commissioning week for the Naval Academy. This resulted in problems with travel for staff and members of the Board. Therefore, Mr. Kenderdine recommended that the education session be moved to June 16, 2015.

The Board agreed to switch the agenda items for the May and June Board meetings, allowing the education session to be held in June.

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Mr. Kenderdine reported that the following Trustees will be on the CIO Search Committee: Treasurer Kopp, Mr. Zirkin, Mr. Hughes, Mr. Blitzstein, Ms. Lochte, Mr. Zollicoffer and Public Advisor Larry Jennings. An initial committee meeting will be scheduled for February 20, 2015. Mr. Kenderdine indicated that the full Board will be engaged in the full process.

Federal Activities
Affecting State
Retirement Plans

Ms. Jeannine Markoe Raymond, Director of Federal Relations with the National Association of State Retirement Administrators provided the Board information concerning matters presently before the U.S. Congress and the Executive Branch that would affect state and municipal retirement plans.

Proposed Updates to
the Securities
Litigation Committee
Policy

Ms. Cohen provided the Board with proposed updates to the Securities Litigation Committee Policy and indicated that the Securities Litigation Committee met on January 16, 2015 and recommends adoption of the changes.

On a motion made by Mr. Zollicoffer and seconded by Mr. Zirkin, the Board approved the recommended changes to the Securities Litigation Committee Policy.

Other Business

Comptroller Franchot announced that Treasurer Kopp was participating by phone as she was in Massachusetts receiving the 2015 Wellesley College Alumnae Achievement Award. On behalf of the Board, the Comptroller extended congratulations to the Treasurer for having received this prestigious honor.

CLOSED SESSION

On a motion made by Ms. Herman and seconded by Mr. Zirkin, the Board voted to meet in a Closed Session (10:16 a.m.) in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor, for the purpose of:

1. approving the closed session minutes, pursuant to General Provisions Art., § 3-103(a)(1), the exercise of an administrative function;

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

2. reviewing the Medical Board reports, pursuant to General Provisions Government Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter, namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and personal information;
3. to review a proposed Administrative Law Judge's decision in a disability appeal, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter, namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and personal information; and
4. to receive a litigation update from Board counsel, pursuant to General Provisions Art., § 3-305(b)(7), to consult with counsel to receive legal advice and § 3-305(b)(8), to consult with staff, consultants, or other individuals about pending or potential litigation.

The Trustees present included:

Nancy K. Kopp, Chairman, (via phone)
Peter Franchot, Vice Chairman, Presiding
David Blitzstein
David Brinkley
James Bush, Jr.
John Douglass
Robert Hagans (via phone)
Kenneth Haines

James Harkins
Linda Herman
F. Patrick Hughes (via phone)
Theresa Lochte
Richard Norman
Harold Zirkin
Thurman Zollicoffer

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary

Anne Budowski
Margaret Bury
Melody Countess

Anne Gawthrop
Angie Jenkins
Van Lewis

Michelle Lowery
Ken Reott
David Rongione
Janet Sirkis

Assistant Attorneys General present included: Kathy Brady, Rachel Cohen, and Sharon Street.

Also attended by: John Kenney

OPEN SESSION

On a motion made by Mr. Zirkin and seconded by Mr. Norman, the Board returned to open session at 10:35 a.m. and reported that during the closed session the Board reviewed and voted on the following issues:

January 20, 2015
Closed Session
Minutes

The Board voted to **APPROVE** the January 20, 2015 Closed Session Board Minutes.

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

February 13, 2015

Medical Board Reports	The Board voted to <u>ADOPT</u> the Medical Board Reports from January 22, 2015, January 28, 2015, February 5, 2015 and February 11, 2015.
ALJ's Proposed Decision in a Disability Appeal	The Board voted to <u>ADOPT</u> the Administrative Law Judge's Proposed Decision and <u>AFFIRM</u> the decision of the Medical Board and <u>GRANT</u> Melvin Sheets, Jr.'s request for accidental disability benefits.
Adjournment	There being no further business before the Board, on a motion made by Mr. Harkins and duly seconded, the meeting adjourned at 10:36 p.m.

Respectfully submitted,



R. Dean Kenderdine
Secretary to the Board

**BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

***ADMINISTRATIVE COMMITTEE MEETING REPORT
FEBRUARY 3, 2015***

2015 Legislative Bill
Review

Ms. Anne Gawthrop provided the Committee an overview of the 2015 pension related legislation.

Ms. Gawthrop reported on the following bills:

- House Bill 30 – Frederick County Public Charter School Program - Establishment.

Ms. Gawthrop reported that this bill would establish Frederick County Public Charter School as a governmental entity for purposes of participating in the Employees' Pension System (EPS) and that the bill provides that employees of a private entity that is responsible for operating a Frederick County Public Charter School would have the option to become a member of the EPS.

Ms. Gawthrop reported that HB 30 would not satisfy the test required by the Internal Revenue Code for the Charter School to be a governmental entity and that as structured the bill would jeopardize the System's governmental plan status.

Ms. Gawthrop also reported that the Sponsor of the bill is no longer in the House as she has become the Secretary of the Department of Labor, Licensing and Regulations.

Ms. Gawthrop reported that should this bill move forward, that staff recommends that the Board oppose this legislation.

Therefore, after further discussion, on a motion made by Mr. Haines and seconded by Mr. Norman, the Administrative Committee voted to support staff recommendation.

The Administrative Committee agreed to vote on the following bills as a package. Therefore, on a motion made by Ms. Brogan and seconded by Mr. Haines, the Administrative Committee approved the staff recommendations; summarized as follows:

House Bill 76 / Senate Bill 172	State Retirement and Pension System – Accumulated Contributions of Nonvested Former Members	Board Requested
House Bill 77 / Senate Bill 103	Judges' Retirement System – Membership, Accrual Rate of Interest, and Reemployment	Board Requested

**BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

**ADMINISTRATIVE COMMITTEE MEETING REPORT
FEBRUARY 3, 2015**

House Bill 78 / Senate Bill 76	State Retirement and Pension System – Noncontributory Pension Benefit – Definition	Board Requested
House Bill 79 / Senate Bill 104	Correctional Officers' Retirement System - Membership	Board Requested
House Bill 210	Correctional Services – Baltimore City Detention Center – Transfer of Ownership	No Position
House Bill 217	State Retirement and Pension System – Credit for Unused Sick Leave – Clarification	Board Requested
Senate Bill 165	State Retirement and Pension System – Constitutional Officers' – Forfeiture of Benefits	No position

Staff recommends that the Board take no position on this legislation but does recommend directing staff to work with the Budget and Tax Committee to address Agency implementation issues with this bill.

Adoption of Proposed
Amendments to
COMAR Regulations –
22.01.06 – Payment of
Allowance

Ms. Anne Budowski presented to the Administrative Committee recommended amendments to the regulations regarding payment of a monthly allowance. Specifically, the amendment would clarify the reasons to grant a temporary or permanent waiver of an electronic fund transfer of a retiree's net monthly allowance and to reflect current business practices of suspending a monthly benefit for failure to comply with multiple Agency requests or if the Agency receives conflicting payment instructions. Waivers of electronic fund transfers are granted if the payee has a certain hardship related to personal banking services.

Ms. Budowski reported that this regulation was updated in 2012 to allow for the payment of an allowance by check when a retiree's net monthly allowance is less than \$250, instead of \$100 or less and to reflect current business practice regarding the issuance of advice slips – printed in July and January and anytime the net amount changes.

Ms. Budowski reported that the amendments would require the participant to submit, to the Executive Director, documentation to support the hardship he/she is requesting of the Executive Director. The amendments also give a designee of the Executive Director the authority to grant a request on a permanent or temporary basis, and if the request

**BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

***ADMINISTRATIVE COMMITTEE MEETING REPORT
FEBRUARY 3, 2015***

Mr. Kenderdine reported that the Governor's budget allowance provides twelve new full-time positions through a combination of new positions and the conversion of currently held contractual positions. The recommendation of the budget analyst was to cut one of those twelve positions. Eight of the positions would be assigned to Benefits Administration.

Ms. Brogan asked how the new phone system was operating.

Mr. Kenderdine responded that there have been some issues with the Interactive Voice Response (IVR) system, in that calls are not being routed the way they should be. Agency staff is working with the vendor to correct those issues.

Board Work Plan
Annual Checklist

Mr. Kenderdine provided the Administrative Committee with an updated Board work plan annual checklist. Mr. Kenderdine indicated that minor changes had been made to the schedule based upon the Board's experience over recent years. For instance, the presentation of the Executive Director's evaluation results was moved from March to April, as the later month is more practical for the State's director of personnel who compiles the results of the evaluation and reports them to the trustees.

ATTACHMENT A

Legislative Update 2015 Session February 13, 2015

House Bill 30 (Schulz)

Frederick County Public Charter School Program - Establishment

This bill establishes a Frederick County Public Charter School Program and a Frederick County Public Charter School Board. House Bill 30 provides that membership in the EPS will be optional for employees of an individual that is responsible for running a Frederick County Public Charter School. The bill also provides that the governing body of the Frederick County Public Charter School shall be a governmental entity for purposes of participating in the EPS as a participating governmental unit. Finally, the proposed legislation provides that while membership is optional for employees of an individual operating a Frederick County Public Charter School, the legislative body of a public charter school in Frederick County is required to approve participation of the governmental unit in the EPS.

- No hearing scheduled in Ways and Means at this time

Staff recommends opposing this legislation.

House Bill 67 (The Speaker)/Senate Bill 220 (The President)

General Assembly – Mandated Reports by State Agencies

This bill repeals several reports presently required to be submitted by the Board of Trustees to the General Assembly. These reports include:

1. the attendance, educational training, and travel reports for the Board;
2. the sale or purchase of directly held real estate;
3. additional actuarial studies of the several systems;
4. the complaints received by the State Retirement Agency regarding any direct mailing received by a retiree from a retiree organization; and
5. the initial submission of the criteria established by the Board of Trustees for awarding financial incentives to the Chief Investment Officer.

- Hearing in Health and Government Operations – 2/4/15, 3:00 pm
- Hearing in Senate Rules – 2/11/15, 11:00 am

Staff recommends taking no position on this legislation.

**House Bill 76 (Barnes as Chair for JCP)/Senate Bill 102 (Peters as Chair for JCP)
State Retirement and Pension System – Accumulated Contributions of Nonvested Former Members**

This board requested legislation requires the Board of Trustees to transfer a former member's accumulated contributions from the annuity savings fund to the accumulation fund at the time membership ends for the former member, if the former member is not vested in one of the several systems.

- Appropriations Pension Subcommittee voted favorable, 2/12/15
- Hearing in Budget and Tax – 2/5/15, 9:00 am

Board requested legislation.

**House Bill 77 (Barnes as Chair for JCP)/Senate Bill 103 (Peters as Chair for JCP)
Judges' Retirement System – Membership, Accrual Rate of Interest, and Reemployment**

This board requested legislation removes language in the JRS that limits the period of time when JRS members may withdraw their accumulated contributions to 6 months after leaving the JRS. In addition, this legislation makes clarifying changes to the reemployment provisions in the JRS to address inconsistencies and confusion when implementing this provision. Finally, House Bill 77/Senate Bill 103 make clarifying changes to the length of time regular interest shall accrue on a deferred vested JRS member's contributions after the individual is no longer an active member of the plan and provides the length of time a JRS member maintains membership in the JRS after leaving the JRS. These last two clarifying changes only apply to an individual who joins the JRS on or after July 1, 2012.

- Appropriations Pension Subcommittee voted favorable, 2/12/15
- Hearing in Budget and Tax – 2/5/15, 9:00 am

Board requested legislation.

**House Bill 78 (Barnes as Chair for JCP)/Senate Bill 76 (Peters as Chair for JCP)
State Retirement and Pension System – Noncontributory Pension Benefit – Definition**

This board requested legislation clarifies the definition of "noncontributory pension benefit" under 20-101(aa-1) of the State Personnel and Pensions Article to conform to changes made through the 2011 pension reforms.

- Appropriations Pension Subcommittee voted favorable, 2/12/15
- Budget and Tax Pension Subcommittee voted favorable, 2/5/15

Board requested legislation.

**House Bill 79 (Barnes as Chair for JCP)/Senate Bill 104 (Peters as Chair for JCP)
Correctional Officers' Retirement System – Membership**

This board requested legislation allows two ERS members to transfer back to the CORS under the provisions of Chapter 188 of 2014.

- Hearing in Appropriations – 2/3/15, 1:00 pm
- Hearing in Budget and Tax – 2/5/15, 9:00 am

Board requested legislation.

House Bill 210 (Cluster)/Senate Bill 268 (Hough)

Correctional Services - Baltimore City Detention Center - Transfer of Ownership

House Bill 210/Senate Bill 268 transfers ownership of the Baltimore City Detention Center from the State to Baltimore City beginning January 1, 2016. All current employees of the Baltimore City Detention Center will be terminated from State employment on December 31, 2015. The Mayor for Baltimore City will have the option to hire these same individuals. Current employees of the Baltimore City Detention Center will remain members of the CORS until July 1, 2019, at which point they will have the option to remain in the CORS or join the Baltimore City Employees' Retirement System. For those employees who remain in the CORS, Baltimore City will be responsible for submitting the employer contributions for these individuals to the State. Vested CORS members who choose to transfer to the Baltimore City ERS will receive their vested benefit from the CORS; non vested CORS members who choose to transfer will receive a lump-sum payment of the benefit they have accrued in the CORS prior to transferring.

- Hearing in Appropriations – 2/17/15, 1:00 pm
- Hearing in Judicial Proceedings – 2/17/15, 1:00 pm

Staff recommends opposing this legislation.

**House Bill 217 (Barnes as Chair for JCP)/Senate Bill 191 (Peters as Chair for JCP)
State Retirement and Pension System - Credit for Unused Sick Leave – Clarification**

This board requested legislation clarifies that that only unused sick leave that was available to the employee as sick leave during employment may be reported by the employer to the State Retirement Agency.

- Appropriations Pension Subcommittee voted favorable, 2/12/15
- Hearing in Budget and Tax – 2/19/15, 8:30 am

Board requested legislation.

House Bill 380 (Bromwell)

State Retirement and Pension System – Military Service Credit – Exception

This bill applies to individuals who retire from the JRS between January 1, 2015 and April 1, 2015, and who at the time of retirement have at least 9 years of service credit, but are unable to serve 10 years on the bench due to mandatory retirement at age 70. House Bill 380 provides that these individuals may purchase “air time” to reach the 10 years of service credit necessary to apply for up to five years of military service in the Judges’ Retirement System. House Bill 380 will sunset on June 30, 2016.

- Hearing in Appropriations – 2/24/15, 1:00 pm

Staff recommends opposing this legislation

House Bill 421 (Frick)/Senate Bill 312 (Rosapepe)

Maryland Secure Choice Retirement Savings Program and Trust

This proposal establishes a Maryland Secure Choice Retirement Savings Trust intended to promote greater retirement savings for Maryland private sector employees in a convenient, voluntary, low-cost, and portable manner. The Trust is managed by a board of eight individuals, including the Treasurer, the Comptroller, the Secretary of Budget and Management, and five individuals appointed by the Governor. The funds of the Trust may be invested by the Treasurer, through a contract with the Board of Trustees for the State Retirement and Pension System, or private money managers. The bills provide that private sector employers shall offer their employees the option to participate in a payroll-deposit IRA arrangement. For the first three months, employer participation in this program is optional. Beginning at the start of the fourth month, and every three months thereafter, employer participation is mandatory depending on the number of employees each eligible employer has employed. Full participation is mandated by the ninth month of the program’s inception.

- Hearing in Economic Matters – 2/24/15, 1:00 pm
- Hearing in Budget and Tax – 2/25/15, 1:00 pm

Staff recommends taking no position on this legislation

House Bill 569 (Jackson)

State Police Retirement System and Law Enforcement Officers’ Pension System – Reemployment of Retirees

This legislation provides that a retiree of the SPRS who is reemployed by a participating employer in the LEOPS shall be enrolled in the LEOPS and begin receiving creditable and eligibility service in that system during the period of reemployment. In addition, the bill also provides that a retiree of the LEOPS who is reemployed by an employer participating in the SPRS shall be enrolled in the SPRS and begin receiving creditable and eligibility service in that system during the period of reemployment.

- No hearing scheduled in Judiciary at this time.

Staff recommends opposing this legislation.

**House Bill 694 (Jackson)/Senate Bill 286 (Manno)
Law Enforcement Officers' Pension System – Division of Parole and Probation – Warrant
Apprehension Unit Employees – Membership**

This proposed legislation would transfer employees of the Warrant Apprehension Unit who are currently members of the EPS into the LEOPS.

- No hearing scheduled in Appropriations at this time
- Hearing in Budget and Tax – 2/19/15, 8:30 am

Staff recommends taking no position on this legislation.

Senate Bill 165 (Feldman)

State Retirement and Pension System - Constitutional Officers - Forfeiture of Benefits

This proposed legislation would provide that any constitutional officer of the State (the Attorney General, Comptroller, Lieutenant Governor, Secretary of State, or Treasurer) who is convicted of a specified crime during the officer's term of office, shall forfeit all retirement benefits earned under the State Retirement and Pension System. Senate Bill 165 further provides that this bill shall only apply to any crime committed on or after July 1, 2015.

- Hearing in Budget and Tax – 2/19/15, 8:30 am

Staff recommends that the Board take no position on this legislation but does recommend directing staff to work with the Budget and Tax Committee to address Agency implementation issues with Senate Bill 165.

Senate Bill 364 (Kasemeyer)/Senate Bill 485 (Simonaire)

Alternate Contributory Pension Selection – Return to Employment

This bill would allow an individual to resume membership in the ACPS if the individual has been separated from service for more than 4 years, but was vested in the ACPS on or before July 1, 2011.

- Hearing in Budget and Tax – 2/19/15, 8:30 am

Staff recommends taking no position on this legislation.

Senate Bill 432 (Peters)

Employees' and Teachers' Pension Systems – Combination of Service – Clarification

This legislation clarifies the proper member contribution rate to use when participants seek to combine previous EPS or TPS service with the EPS or TPS account under which they are currently members.

- Hearing in Budget and Tax – 2/19/15, 8:30 am

Board requested legislation.

Senate Bill 442 (Eckardt)

Employees' Pension System – Dorchester County Sanitary Commission – Eligible Governmental Unit

This bill provides that any employee of the Dorchester County Sanitary Commission that was employed by Dorchester County Council on June 30, 2011, and remains an employee of the Commission on its effective date of participation in the EPS, may remain in the ACPS.

- Hearing in Budget and Tax – 2/19/15, 8:30 am

Staff recommends taking no position on this legislation.

Senate Bill 560 (Peters)

Employees' Pension System – Elected and Appointed Officials – Optional Membership

This bill provides that membership in the EPS is optional for officials who are elected or appointed for fixed terms.

- No hearing scheduled in Budget and Tax at this time

Board requested legislation

Senate Bill 639 (Serafini)

Teachers' Retirement and Pension Systems – Reemployment of Retirees – Exemptions

This bill provides that up to 10 TRS or TPS retirees may be hired by each local school system and the Maryland School for the Deaf in a position other than a classroom teacher, substitute teachers, teacher mentor, or principal, and not be subject to a reemployment earnings limitation.

- No hearing scheduled in Budget and Tax at this time

Staff recommends taking no position on this legislation.

Senate Bill 640 (Serafini)

State Retirement and Pension System – Actuarial Stress Test

This bill requires the Board of Trustees to commission an actuary other than the System's current actuary to perform a stress test of future financial positions of the several systems to measure investment and contribution risks. This bill requires the stress test to be completed by December 31, 2015. The bill will sunset June 30, 2016.

- No hearing scheduled in Budget and Tax at this time

Staff recommends taking no position on this legislation, until we have had an opportunity to discuss the provisions of the bill with the sponsor and are able to obtain additional information.