

SENATE BILL 306

K4

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

A BILL ENTITLED

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; making conforming changes; making clarifying changes; and generally
8 relating to providing member contributions and supporting payroll data to the State
9 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
21 member for all pay periods ending during a calendar year even if an amount is paid to the
22 member after December 31 of the calendar year.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

9 (d) (1) A participating employer that does not pay the member contributions
10 certified under this section to the Board of Trustees [within the time required] is liable for:

11 (i) a penalty of 10% of the amounts due; and

12 (ii) interest on delinquent amounts at 10% a year until paid.

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

15 (i) a [late charge of] \$250 **PENALTY** for each payroll for which the
16 supporting data is [late] **NOT SUBMITTED**; and

17 (ii) interest on [delinquent late charges] **A PENALTY** at 10% per year
18 if the [late charge] **PENALTY** is not paid by the date certified by the State Retirement
19 Agency.

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

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2019.