

SENATE BILL 304

K4

71r2138

By: **Senator Kramer (Chair, Joint Committee on Pensions) and Senators Brinkley, Currie, Hogan, Kasemeyer, McFadden, Munson, Garagiola, and Peters Peters, Harris, Hooper, Jacobs, Edwards, Simonaire, Greenip, Mooney, Stoltzfus, Haines, Colburn, Kittleman, and Stone**

Introduced and read first time: January 31, 2007

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 2, 2007

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Military Service that Interrupts**
3 **State Service – Calculation**

4 FOR the purpose of providing that certain military service that members receive is
5 applied toward their retirement allowance using a certain accrual rate; and
6 generally relating to the calculation of military service that interrupts State
7 service.

8 BY repealing and reenacting, with amendments,
9 Article – State Personnel and Pensions
10 Section 38–103
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2006 Supplement)

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

15 **Article – State Personnel and Pensions**

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 38-103.

2 (a) This section applies only to a member of a State or local retirement or
3 pension system who:

4 (1) does not withdraw any of the member's accumulated contributions,
5 unless the member redeposits the sum withdrawn as provided under subsection (b) of
6 this section;

7 (2) within 1 year after the member leaves military service, is employed
8 by the State or a political subdivision of the State;

9 (3) does not take any employment other than the employment
10 described in item (2) of this subsection, except for temporary employment after the
11 member:

12 (i) applied for reemployment in the member's former
13 classification or position in the State service; and

14 (ii) was refused immediate reemployment for causes beyond the
15 member's control; and

16 (4) applies for service credit with the State or local retirement or
17 pension system in which the member held membership before the member's military
18 service began.

19 (b) If a member of a State or local retirement or pension system who is
20 absent from employment for military service withdraws any of the member's
21 accumulated contributions and redeposits the sum withdrawn with regular interest
22 into the State or local retirement or pension system, the member, if otherwise
23 qualified, is entitled to the benefits of this section as if the withdrawal had not been
24 made.

25 (c) Except as otherwise provided in this subtitle, a member of a State or local
26 retirement or pension system who is actively reemployed under subsection (a)(2) of
27 this section retains the status and rights as a member during a period of absence from
28 employment for military service.

29 (d) (1) Subject to paragraph (2)(i) of this subsection, a member of a State
30 or local retirement or pension system shall receive service credit for a period of
31 absence from employment while in military service if:

1 (i) the employment of the member under subsection (a)(2) of
2 this section is active or the employee is reinstated as a regular employee on a leave of
3 absence; and

4 (ii) membership in a State or local retirement or pension system
5 is a requirement of employment.

6 (2) (i) For an absence for military service on or after January 1,
7 1946, service credit for the military service may not exceed 5 years.

8 (ii) 1. This subparagraph applies only to a member of a
9 State system.

10 2. Subject to subparagraph (i) of this paragraph and in
11 addition to any service credit received under paragraph (1) of this subsection, a
12 member of the Maryland National Guard who has been activated under Title 10 of the
13 United States Code, shall receive service credit at the rate of 4 months for each full
14 year for military service, not to exceed a total of 36 months.

15 (e) A member of a State or local retirement or pension system who receives
16 service credit for military service under this section may transfer the credit to another
17 State or local retirement or pension system.

18 **(F) THE SERVICE CREDIT FOR MILITARY SERVICE THAT A MEMBER OF A**
19 **STATE SYSTEM RECEIVES UNDER THIS SECTION SHALL BE APPLIED TO THE**
20 **INDIVIDUAL’S RETIREMENT ALLOWANCE USING THE ACCRUAL RATE AT THE**
21 **TIME THE INDIVIDUAL RETIRES FROM A STATE SYSTEM.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.