

HOUSE BILL 718

K4

3lr1678
CF SB 813

By: **Delegate Serafini**

Introduced and read first time: February 4, 2013

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2013

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Service Credit for Unused Sick Leave**

3 FOR the purpose of making certain members of the State Retirement and Pension
4 System eligible to receive creditable service at retirement for the total amount
5 of unused sick leave accumulated as a member of a former system accrued by
6 the member in certain systems in the State Retirement and Pension System
7 under certain circumstances; providing for the ~~computation~~ calculation of the
8 creditable service for unused sick leave ~~accumulated in the former State system~~
9 accrued by a member in certain systems; requiring the Department of
10 Legislative Services and the State Retirement Agency to provide a certain
11 report on or before a certain date; and generally relating to additional creditable
12 service at retirement for unused sick leave for members of the State Retirement
13 and Pension System.

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 20–206
17 Annotated Code of Maryland
18 (2009 Replacement Volume and 2012 Supplement)

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

21 **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 20–206.

2 (a) In this section, “unused sick leave” means sick leave credit that has not
3 been used before retirement.

4 (b) This section does not apply to:

5 (1) the Judges’ Retirement System; or

6 (2) the Legislative Pension Plan.

7 (c) **[A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A**
8 member is entitled to receive creditable service for unused sick leave if the member
9 retires on or before 30 days after the member is separated from employment with a
10 participating employer or a participating governmental unit that has withdrawn from
11 one of the several systems under Title 31 of this article.

12 (d) (1) At retirement, a member is entitled to receive creditable service for
13 unused sick leave, on verification of the unused sick leave to the Board of Trustees.

14 (2) (i) This subsection does not apply to the Local Fire and Police
15 System or the Law Enforcement Officers’ Pension System.

16 (ii) A member who separates from employment for reasons other
17 than retirement on or before June 30, 1990, is entitled to receive creditable service for
18 unused sick leave that is reported by the member’s employer at the member’s
19 separation from employment if the member was entitled to a vested allowance at the
20 time of separation.

21 (e) (1) Subject to paragraph (3) of this subsection, for 22 days of unused
22 sick leave a member is entitled to receive 1 month of creditable service.

23 (2) If fractional days totaling 11 or more result from the application of
24 the formula described in paragraph (1) of this subsection, a member is entitled to
25 receive 1 additional month of creditable service.

26 (3) For the purposes of this section:

27 (i) a member may not accumulate more than 15 days of sick
28 leave per year;

29 (ii) unless sick leave credit is accepted and credited by the
30 current participating employer, a member may not receive credit for unused sick leave
31 granted by a former employer; and

32 (iii) if a participating employer provides a member with more
33 than 15 days of sick leave per year, before crediting the member with additional sick

1 leave for a year, the Board of Trustees shall reduce the member's accumulated sick
2 leave by the lesser of:

3 1. the days of sick leave used by the member in that
4 year; or

5 2. the number of days of sick leave provided by the
6 participating employer for the year, less 15.

7 ~~(F) (1) THIS SUBSECTION APPLIES TO A MEMBER OF A STATE SYSTEM~~
8 ~~WHO:~~

9 ~~(I) WAS TRANSFERRED INVOLUNTARILY FROM ANOTHER~~
10 ~~STATE SYSTEM AS A RESULT OF A CHANGE IN POSITION THAT RENDERED THE~~
11 ~~INDIVIDUAL INELIGIBLE FOR MEMBERSHIP IN THE FORMER STATE SYSTEM;~~
12 ~~AND~~

13 ~~(H) DID NOT TRANSFER SERVICE CREDIT TO THE NEW~~
14 ~~STATE SYSTEM.~~

15 ~~(2) A MEMBER IS ENTITLED TO RECEIVE CREDITABLE SERVICE~~
16 ~~FOR UNUSED SICK LEAVE THAT:~~

17 ~~(I) IS ACCUMULATED WHILE A MEMBER OF THE STATE~~
18 ~~SYSTEM FROM WHICH THE MEMBER RETIRES AS PROVIDED IN SUBSECTIONS (C)~~
19 ~~THROUGH (E) OF THIS SECTION; AND~~

20 ~~(H) WAS ACCUMULATED WHILE A MEMBER OF THE FORMER~~
21 ~~STATE SYSTEM AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.~~

22 ~~(3) (I) AT RETIREMENT, A MEMBER IS ENTITLED TO RECEIVE~~
23 ~~CREDITABLE SERVICE IN THE FORMER STATE SYSTEM FOR UNUSED SICK LEAVE~~
24 ~~ACCUMULATED WHILE A MEMBER OF THE FORMER STATE SYSTEM ON~~
25 ~~VERIFICATION OF THE UNUSED SICK LEAVE TO THE BOARD OF TRUSTEES.~~

26 ~~(H) THE CREDITABLE SERVICE SHALL BE COMPUTED AS~~
27 ~~PROVIDED IN SUBSECTION (E) OF THIS SECTION.~~

28 (F) (1) THIS SUBSECTION APPLIES TO A MEMBER OF THE
29 EMPLOYEES' PENSION SYSTEM WHO:

30 (I) WAS A MEMBER OF THE CORRECTIONAL OFFICERS'
31 RETIREMENT SYSTEM AND WAS TRANSFERRED FROM THE CORRECTIONAL
32 OFFICERS' RETIREMENT SYSTEM TO THE EMPLOYEES' PENSION SYSTEM AS A
33 RESULT OF A CHANGE IN POSITION WITH THE SAME EMPLOYER THAT

1 RENDERED THE INDIVIDUAL INELIGIBLE FOR MEMBERSHIP IN THE
 2 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; AND

3 (II) DID NOT TRANSFER SERVICE CREDIT FROM THE
 4 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM TO THE EMPLOYEES'
 5 PENSION SYSTEM.

6 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A
 7 MEMBER IS ENTITLED TO RECEIVE CREDITABLE SERVICE FOR THE TOTAL
 8 AMOUNT OF UNUSED SICK LEAVE ACCRUED BY THE MEMBER AT THE TIME OF
 9 RETIREMENT.

10 (3) THE CREDITABLE SERVICE FOR UNUSED SICK LEAVE SHALL
 11 BE CALCULATED FOR EACH OF THE TWO STATE SYSTEMS BY MULTIPLYING THE
 12 TOTAL AMOUNT OF UNUSED SICK LEAVE, CALCULATED IN ACCORDANCE WITH
 13 SUBSECTION (E) OF THIS SECTION, BY A FRACTION:

14 (I) THE NUMERATOR OF WHICH IS THE CREDITABLE
 15 SERVICE EARNED IN THE STATE SYSTEM, NOT INCLUDING THE CREDITABLE
 16 SERVICE FOR UNUSED SICK LEAVE; AND

17 (II) THE DENOMINATOR OF WHICH IS THE TOTAL
 18 CREDITABLE SERVICE EARNED IN BOTH STATE SYSTEMS, NOT INCLUDING THE
 19 CREDITABLE SERVICE FOR UNUSED SICK LEAVE.

20 [(f)] (G) Credit for unused sick leave may not be used under this section:

21 (1) to determine years of eligibility service required for a benefit under
 22 this Division II; or

23 (2) to compute average final compensation.

24 [(g)] (H) A State employee who came into the State system while retaining
 25 sick leave and annual leave benefits under a county system and who came under the
 26 provisions of Chapter 423 of the Acts of 1971 shall be entitled to the same full credit
 27 toward retirement as provided by this section.

28 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,~~
 29 ~~2013, the Department of Legislative Services shall report to the Joint Committee on~~
 30 ~~Pensions on~~

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
 32 Legislative Services and the State Retirement Agency shall:

1 (a) (1) study the requirement for a member of the Correctional Officers'
2 Retirement System to join the Employees' Pension System as a condition of
3 employment when the member is promoted to certain positions, including:

4 (i) when the requirement was established;

5 (ii) the rationale for the requirement;

6 (iii) the number of individuals who have been affected by the
7 requirement; and

8 (iv) the difference in benefits between the Correctional Officers'
9 Retirement System and the Employees' Pension System, including whether the
10 benefits have changed since the Correctional Officers' Retirement System was
11 established; and

12 (2) determine the cost of authorizing a member of the Correctional
13 Officers' Retirement System to remain a member of the Correctional Officers'
14 Retirement System even though the member is promoted to a position in which the
15 member must join the Employees' Pension System as a condition of employment; and

16 (b) on or before December 1, 2013, report any findings and recommendations
17 to the Joint Committee on Pensions.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.