

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 476

(Senator Jones-Rodwell)(Chair, Joint Committee on
Pensions)

Budget and Taxation

Appropriations

State Retirement and Pension System - Unused Sick Leave Calculation -
Clarification

This bill alters the methodology by which the State Retirement and Pension System (SRPS) calculates the additional creditable service to which a retiree is entitled due to the conversion of unused sick leave at the time of retirement.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None. The bill conforms statute to current practice and does not change the benefits to which an SRPS retiree is entitled.

Local Effect: None. The bill conforms statute to current practice and does not change the benefits to which an SRPS retiree is entitled.

Small Business Effect: None.

Analysis

Bill Summary: In determining the amount of unused sick leave that a member is eligible to convert to creditable service upon retirement, SRPS must use the lesser of:

- the member's years of creditable service, not including credit for unused sick leave, multiplied by 15; or

- the member's cumulative number of sick leave days reported by the participating employer.

The bill clarifies that a member who has at least 11 days but fewer than 22 days of unused sick leave is entitled to one month of creditable service. A member who has at least 22 days of unused sick leave and fractional days totaling at least 11 days may receive one *additional* month of creditable service for the fractional days.

Current Law: At retirement, an SRPS member is entitled to one additional month of creditable service for every 22 days of unused sick leave. If the member has fractional unused sick leave adding to 11 or more days, the member is entitled to one additional month of creditable service. However, a member may not accumulate, and therefore convert to creditable service, more than 15 days of sick leave per year. If a participating employer provides more than 15 days of sick leave per year, SRPS must reduce the member's accumulated sick leave by the lesser of:

- the number of days of sick leave used by the member in that year; or
- the number of days of sick leave provided by the employer for the year, less 15.

Background: The State awards 15 days of sick leave per year to employees; however, some participating employers, most commonly local boards of education, award more than 15 days of sick leave.

The State Retirement Agency advises that it cannot apply the methodology for reducing accumulated sick leave in current law because it receives only the total accumulated sick leave from a participating employer, not the number of days awarded and used each year. Instead, it has traditionally calculated the maximum number of unused sick leave days a member can convert by multiplying his or her years of service by 15; if the actual number of days reported by the employer is less than the result of that calculation, the agency uses the lesser number. Otherwise, it uses the maximum number of days.

Additional Comments: Under current law, unused sick leave may be converted to additional creditable service even if a member has been otherwise compensated for the unused sick leave by the employer (not including the State).

Additional Information

Prior Introductions: None.

Cross File: HB 495 (Delegate Griffith)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): Maryland State Retirement Agency, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2013
mc/rhh Revised - Enrolled Bill - May 7, 2013

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