SENATE BILL 191

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5lr0904 CF HB 217

By: Senator Peters (Chair, Joint Committee on Pensions) Introduced and read first time: February 2, 2015 Assigned to: Budget and Taxation

A BILL ENTITLED

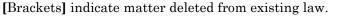
1 AN ACT concerning

State Retirement and Pension System – Credit for Unused Sick Leave – Clarification

4 FOR the purpose of clarifying that a member of the State Retirement and Pension System $\mathbf{5}$ may not receive creditable service for unused sick leave at retirement unless the 6 leave was available to the member to be used as sick leave during employment; 7 clarifying the definition of "unused sick leave" to specify that the leave must have 8 been available to be used as sick leave during employment; and generally relating to 9 the clarification of unused sick leave that may be used to provide additional creditable service at retirement for members of the State Retirement and Pension 1011 System.

- 12 BY repealing and reenacting, with amendments,
- 13 Article State Personnel and Pensions
- 14 Section 20–206
- 15 Annotated Code of Maryland
- 16 (2009 Replacement Volume and 2014 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:
- 19Article State Personnel and Pensions
 - 20 20-206.
- 21 (a) In this section, "unused sick leave" means sick leave credit that:
- 22 (1) has not been used before retirement; AND

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.





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1 (2) WAS AVAILABLE TO THE MEMBER TO BE USED AS SICK LEAVE 2 DURING EMPLOYMENT.

- 3 (b) This section does not apply to:
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- (1) the Judges' Retirement System; or
- $\mathbf{5}$
- (2) the Legislative Pension Plan.

6 (c) Except as provided in subsection (f) of this section, a member is entitled to 7 receive creditable service for unused sick leave if the member retires on or before 30 days 8 after the member is separated from employment with a participating employer or a 9 participating governmental unit that has withdrawn from one of the several systems under 10 Title 31 of this article.

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

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

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

20 (e) (1) Subject to paragraphs (2) and (3) of this subsection, for 22 days of 21 unused sick leave a member is entitled to receive 1 month of creditable service.

(2) (i) If a member has at least 11 days but less than 22 days of unused
sick leave, the member is entitled to receive 1 month of creditable service.

(ii) If a member has at least 22 days of unused sick leave, and if
fractional days totaling 11 or more result from the application of the formula described in
paragraph (1) of this subsection, a member is entitled to receive 1 additional month of
creditable service.

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(3) For the purposes of this section:

29 (i) a member may not accumulate more than 15 days of sick leave30 per year;

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

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1 in determining the amount of unused sick leave a member is (iii) $\mathbf{2}$ eligible to use as creditable service at retirement, the Board of Trustees shall use the lesser 3 of: the member's number of years of creditable service, not 4 1. $\mathbf{5}$ including credit for unused sick leave, multiplied by 15; or 6 2.the member's cumulative number of UNUSED sick leave 7 days reported by the participating employer. 8 (f) This subsection applies to a member of the Employees' Pension System (1)9 who: 10 was a member of the Correctional Officers' Retirement System (i) and was transferred from the Correctional Officers' Retirement System to the Employees' 11 12Pension System as a result of a change in position with the same employer that rendered 13the individual ineligible for membership in the Correctional Officers' Retirement System; 14and 15(ii) did not transfer service credit from the Correctional Officers' Retirement System to the Employees' Pension System. 16 17Subject to paragraph (3) of this subsection, a member is entitled to (2)18receive creditable service for the total amount of unused sick leave accrued by the member 19 at the time of retirement. 20The creditable service for unused sick leave shall be calculated for each (3)of the two State systems by multiplying the total amount of unused sick leave, calculated 2122in accordance with subsection (e) of this section, by a fraction: 23the numerator of which is the creditable service earned in the (i) 24State system, not including the creditable service for unused sick leave; and 25(ii) the denominator of which is the total creditable service earned in 26both State systems, not including the creditable service for unused sick leave. 27(g)Credit for unused sick leave may not be used under this section:

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

30 (2) to compute average final compensation.

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 2 1, 2015.