

Chapter 230

**(House Bill 217)**

AN ACT concerning

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

FOR the purpose of clarifying that a member of the State Retirement and Pension System may not receive creditable service for unused sick leave at retirement unless the leave was available to the member to be used as sick leave during employment; clarifying the definition of “unused sick leave” to specify that the leave must have been available to be used as sick leave during employment; and generally relating to 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 System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 20–206

Annotated Code of Maryland

(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:

**Article – State Personnel and Pensions**

20–206.

(a) In this section, “unused sick leave” means sick leave credit that:

(1) has not been used before retirement; AND

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

(b) This section does not apply to:

(1) the Judges’ Retirement System; or

(2) the Legislative Pension Plan.

(c) Except as provided in subsection (f) of this section, a member is entitled to receive creditable service for unused sick leave if the member retires on or before 30 days

after the member is separated from employment with a participating employer or a participating governmental unit that has withdrawn from one of the several systems under Title 31 of this article.

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

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

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

(e) (1) Subject to paragraphs (2) and (3) of this subsection, for 22 days of 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.

(3) For the purposes of this section:

(i) a member may not accumulate more than 15 days of sick leave 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

(iii) in determining the amount of unused sick leave a member is eligible to use as creditable service at retirement, the Board of Trustees shall use the lesser of:

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

2. the member's cumulative number of **UNUSED** sick leave days reported by the participating employer.

(f) (1) This subsection applies to a member of the Employees' Pension System who:

(i) was a member of the Correctional Officers' Retirement System and was transferred from the Correctional Officers' Retirement System to the Employees' Pension System as a result of a change in position with the same employer that rendered the individual ineligible for membership in the Correctional Officers' Retirement System; and

(ii) did not transfer service credit from the Correctional Officers' Retirement System to the Employees' Pension System.

(2) Subject to paragraph (3) of this subsection, a member is entitled to receive creditable service for the total amount of unused sick leave accrued by the member at the time of retirement.

(3) The creditable service for unused sick leave shall be calculated for each of the two State systems by multiplying the total amount of unused sick leave, calculated in accordance with subsection (e) of this section, by a fraction:

(i) the numerator of which is the creditable service earned in the State system, not including the creditable service for unused sick leave; and

(ii) the denominator of which is the total creditable service earned in both State systems, not including the creditable service for unused sick leave.

(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

(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.

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

**Approved by the Governor, May 12, 2015.**