## **SENATE BILL 829**

K4 9lr1606 CF HB 861

By: Senator Griffith (Chair, Joint Committee on Pensions)

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 6, 2019

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 System 4 eligible to receive creditable service at retirement for unused sick leave accrued by 5 the member in certain systems in the State Retirement and Pension System under 6 certain circumstances; providing for the calculation of the creditable service for 7 unused sick leave accrued by certain members in certain systems; requiring a certain adjustment to a certain retirement benefit for certain retirees; and generally relating 8 9 to creditable service for unused sick leave in the State Retirement and Pension 10 System.
- 11 BY repealing and reenacting, with amendments,
- 12 Article State Personnel and Pensions
- 13 Section 20–206
- 14 Annotated Code of Maryland
- 15 (2015 Replacement Volume and 2018 Supplement)
- 16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 17 That the Laws of Maryland read as follows:
- 18 Article State Personnel and Pensions
- 19 20–206.
- 20 (a) In this section, "unused sick leave" means sick leave credit that:

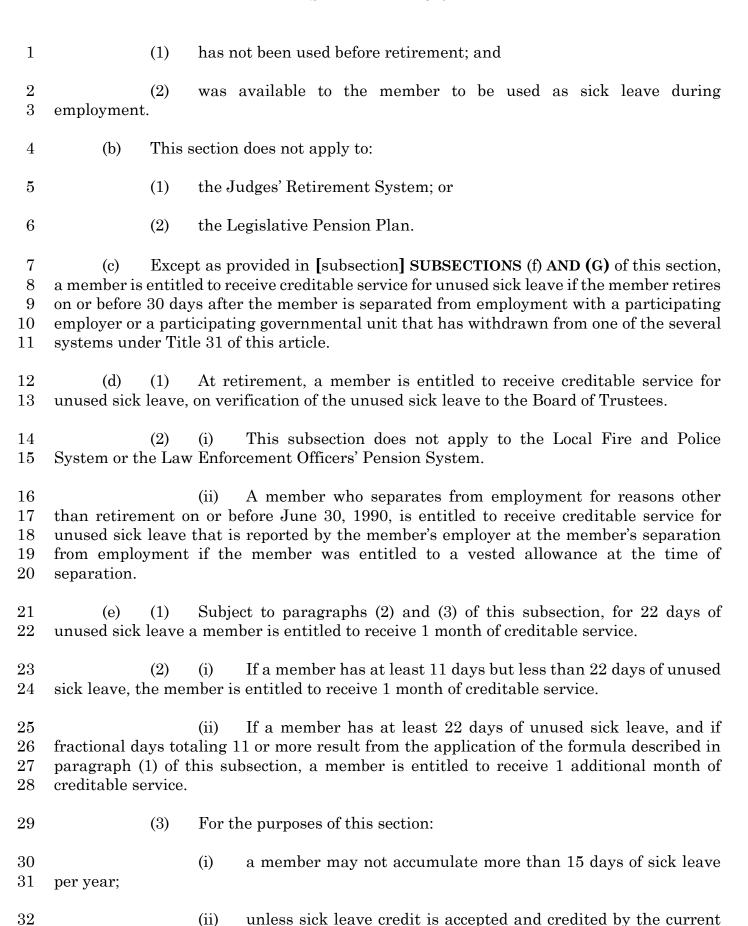
## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

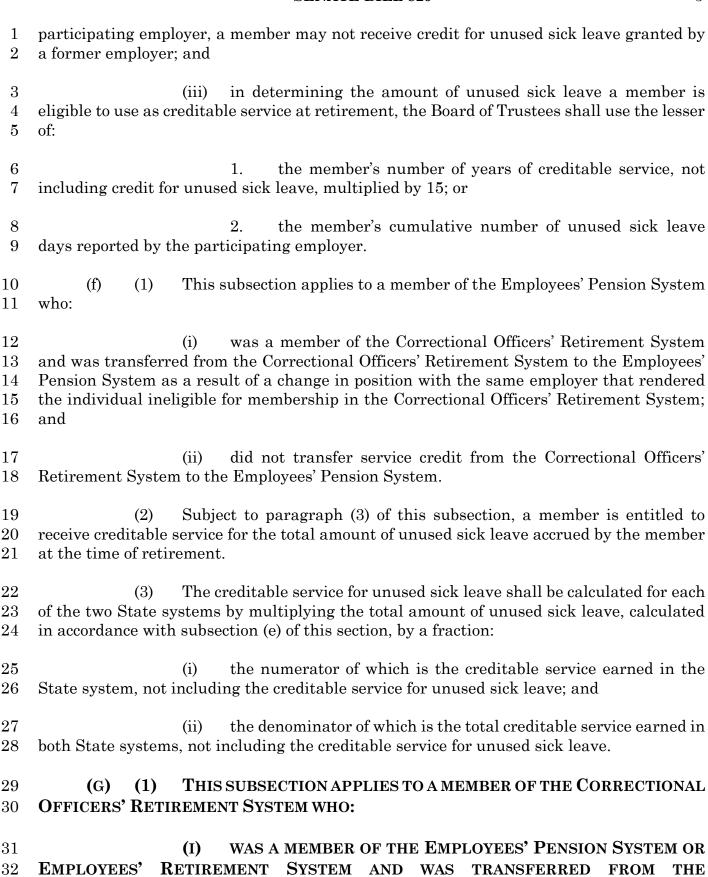
[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.







EMPLOYEES' PENSION SYSTEM OR EMPLOYEES' RETIREMENT SYSTEM TO THE

CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AS A RESULT OF A CHANGE IN

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- 1 MEMBERSHIP WITHIN THE SEVERAL SYSTEMS THAT RENDERED THE INDIVIDUAL
- 2 INELIGIBLE FOR MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM OR THE
- 3 EMPLOYEES' RETIREMENT SYSTEM;
- 4 (II) DID NOT TRANSFER SERVICE CREDIT FROM THE
- 5 EMPLOYEES' PENSION SYSTEM OR THE EMPLOYEES' RETIREMENT SYSTEM TO THE
- 6 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; AND
- 7 (III) 1. RETIRES UNDER § 25–401 OF THIS ARTICLE, AND
- 8 RECEIVES A VESTED BENEFIT FROM THE EMPLOYEES' PENSION SYSTEM OR THE
- 9 EMPLOYEES' RETIREMENT SYSTEM;
- 2. RETIRES UNDER §§ 22-401, 22-402, 23-401, OR
- 11 23-402 OF THIS ARTICLE, AND RECEIVES A VESTED BENEFIT FROM THE
- 12 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM FOR SERVICE EARNED ON OR
- 13 AFTER JULY 1, 2016; OR
- 3. RETIRES WITH A VESTED BENEFIT FROM THE
- 15 EMPLOYEES' PENSION SYSTEM OR EMPLOYEES' RETIREMENT SYSTEM, AND
- 16 EARNED SERVICE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ON OR
- 17 AFTER JULY 1, 2016, FOR WHICH THE INDIVIDUAL IS NOT ELIGIBLE FOR A BENEFIT.
- 18 (2) SUBJECT TO PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, A
- 19 MEMBER IS ENTITLED TO RECEIVE CREDITABLE SERVICE FOR THE TOTAL AMOUNT
- 20 OF UNUSED SICK LEAVE ACCRUED BY THE MEMBER AT THE TIME OF RETIREMENT.
- 21 (3) (I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL DESCRIBED
- 22 UNDER ITEM (1)(III)1 OR 2 OF THIS SUBSECTION.
- 23 (II) THE CREDITABLE SERVICE FOR UNUSED SICK LEAVE SHALL
- 24 BE CALCULATED FOR EACH OF THE TWO STATE SYSTEMS BY MULTIPLYING THE
- 25 TOTAL AMOUNT OF UNUSED SICK LEAVE, CALCULATED IN ACCORDANCE WITH
- 26 SUBSECTION (E) OF THIS SECTION, BY A FRACTION:
- 27 1. THE NUMERATOR OF WHICH IS THE CREDITABLE
- 28 SERVICE EARNED IN THE STATE SYSTEM, NOT INCLUDING THE CREDITABLE
- 29 SERVICE FOR UNUSED SICK LEAVE; AND

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- 30 2. THE DENOMINATOR OF WHICH IS THE TOTAL
- 31 CREDITABLE SERVICE EARNED IN BOTH STATE SYSTEMS, NOT INCLUDING THE
- 32 CREDITABLE SERVICE FOR UNUSED SICK LEAVE.
  - (4) (I) THIS PARAGRAPH APPLIES TO AN INDIVIDUAL DESCRIBED

## 1 UNDER ITEM (1)(III)3 OF THIS SUBSECTION.

- 2 (II) AN INDIVIDUAL'S RETIREMENT BENEFIT FROM THE
- 3 EMPLOYEES' PENSION SYSTEM OR EMPLOYEES' RETIREMENT SYSTEM SHALL BE
- 4 ADJUSTED TO INCLUDE ANY CREDIT FOR UNUSED SICK LEAVE THAT THE
- 5 INDIVIDUAL ACCRUED IN THE EMPLOYEES' PENSION SYSTEM OR EMPLOYEES'
- 6 RETIREMENT SYSTEM PRIOR TO BECOMING A MEMBER OF THE CORRECTIONAL
- 7 OFFICERS' RETIREMENT SYSTEM:
- 8 1. ON OR AFTER JULY 1, 2016, IN A POSITION INCLUDED
- 9 UNDER § 25–201(A)(7) OF THIS ARTICLE;
- 2. ON OR AFTER JULY 1, 2017, IN A POSITION INCLUDED
- 11 UNDER § 25–201(A)(8) OR (9) OF THIS ARTICLE; OR
- 3. ON OR AFTER JULY 1, 2018, IN A POSITION INCLUDED
- 13 UNDER § 25–201(A)(10) OR (11) OF THIS ARTICLE.
- 14 [(g)] (H) Credit for unused sick leave may not be used under this section:
- 15 (1) to determine years of eligibility service required for a benefit under this
- 16 Division II; or
- 17 (2) to compute average final compensation.
- [(h)] (I) A State employee who came into the State system while retaining sick
- 19 leave and annual leave benefits under a county system and who came under the provisions
- 20 of Chapter 423 of the Acts of 1971 shall be entitled to the same full credit toward retirement
- 21 as provided by this section.
- SECTION 2. AND BE IT FURTHER ENACTED, That:
- 23 (a) This section applies to an individual who:
- 24 (1) retired from a position:
- 25 (i) affected by Chapter 218 or 219 of the Acts of the General
- 26 Assembly of 2016 and did not transfer service credit from the Employees' Pension System
- 27 or Employees' Retirement System to the Correctional Officers' Retirement System prior to
- 28 retirement:
- 29 (ii) affected by Chapter 688, 689, or 690 of the Acts of the General
- 30 Assembly of 2017 and did not transfer service credit from the Employees' Pension System
- 31 or Employees' Retirement System to the Correctional Officers' Retirement System prior to
- 32 retirement; or

| 1<br>2<br>3<br>4               | (iii) affected by Chapter 579 or 580 of the Acts of the General Assembly of 2018 and did not transfer service credit from the Employees' Pension System or Employees' Retirement System to the Correctional Officers' Retirement System prior to retirement; and   |
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| 5<br>6<br>7                    | (2) retired from the Employees' Pension System before July 1, 2019, and was not eligible for a vested benefit from the Correctional Officers' Retirement System at the time of retirement.   |
| 8<br>9<br>10<br>11<br>12<br>13 | (b) An individual described under subsection (a) of this section shall have the individual's retirement benefit from the Employees' Pension System or Employees' Retirement System adjusted to include any credit for unused sick leave that the individual accrued in the Employees' Pension System or Employees' Retirement System prior to becoming a member of the Correctional Officers' Retirement System, subject to the restrictions of § 20–206(e) of the State Personnel and Pensions Article. |
| 14<br>15                       | SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.  |
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|                                | Approved:  |
|                                | Governor.  |
|                                | President of the Senate.   |
|                                | Speaker of the House of Delegates  |