

Chapter 484

(Senate Bill 119)

AN ACT concerning

~~Employees' Pension System~~ ***Employees' and Teachers' Pension Systems –
Purchase of Eligibility Service Credit – Clarification Benefits***

FOR the purpose of clarifying a provision authorizing a certain purchase of eligibility service credit in the Employees' Pension System for certain employment; *providing that certain members of the Employees' or Teachers' Pension System who meet certain criteria may continue employment with certain participating employers of the State Retirement and Pension System without incurring a certain break in service following retirement from the Employees' or Teachers' Pension System; requiring certain members of the Employees' Pension System to cease membership in the Employees' Pension System under certain circumstances; providing that certain individuals shall receive a specified benefit from the Employees' Pension System after separating from certain employment with certain participating employers of the State Retirement and Pension System;* and generally relating to ~~purchases of service credit in the Employees' Pension System~~ *benefits in the Employees' and Teachers' Pension Systems.*

BY repealing and reenacting, without amendments,
 Article – State Personnel and Pensions
 Section 23–307(a) *and 23–407(d)*
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 23–307(b)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 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

23–307.

(a) (1) Except as provided in subsection (b) of this section, in the year of retirement, a member of the Employees' Pension System may purchase credit for eligibility service of up to 10 years for periods of employment described in paragraph (3) of this subsection for which the member is not otherwise entitled to service credit.

(2) To purchase service credit under this subsection, a member must:

(i) complete a claim for the service credit and file it with the Board of Trustees on the form that the Board of Trustees provides; and

(ii) pay to the Board of Trustees an amount equal to the annuity reserve and pension reserve required to fund the additional allowance.

(3) A member may only purchase service credit under this subsection for employment with:

(i) the State;

(ii) a political subdivision in the State;

(iii) an out-of-state school as a teacher;

(iv) the federal government;

(v) an out-of-state political subdivision;

(vi) a public or nonpublic school as a teacher; or

(vii) a postsecondary school as a teacher.

(b) (1) This subsection does not apply to an employee of a participating governmental unit or a former participating governmental unit that has withdrawn.

(2) In the year of retirement, a member of the Employees' Pension System may purchase credit for eligibility service for periods of employment with the State for which the member is not otherwise entitled to service credit in a State system.

(3) [Except as provided in paragraph (4) of this subsection, a] **A** member who purchases service credit under this subsection[,] may not purchase:

(i) more than a total of 10 years of service credit in the Employees' Pension System;

(ii) service credit for any period of employment during which the member participated in the optional retirement program; or

(iii) more than a total of 5 years of service credit in the Employees' Pension System for employment as a postsecondary school teacher.

(4) To purchase service credit under this subsection, a member must:

(i) complete a claim for the service credit and file it with the Board of Trustees on the form that the Board of Trustees provides; and

(ii) pay to the Board of Trustees an amount equal to one-half of the annuity reserve and one-half of the pension reserve required to fund the additional allowance.

23-407.

(d) An individual who is receiving a service retirement allowance under this title may not be employed within 45 days of the date the individual retired, on a permanent, temporary, or contractual basis, by:

(1) the State or other participating employer; or

(2) a withdrawn participating governmental unit, if the retiree was an employee of the withdrawn participating governmental unit while the withdrawn governmental unit was a participating employer.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) This section applies to an individual who:

(1) was employed as a teacher for the Montgomery County Public School System and enrolled in the Teachers' Pension System under Title 23 of the State Personnel and Pensions Article on or after September 1, 1991;

(2) remains employed as a teacher for the Montgomery County Public School System and is a member of the Teachers' Pension System on July 1, 2019;

(3) (i) was elected to the Howard County Board of Education in 2016;

(ii) enrolled in the Employees' Pension System under Title 23 of the State Personnel and Pensions Article as a member of the Howard County Board of Education on or after December 1, 2016; and

(iii) remains a member of the Howard County Board of Education and is a member of the Employees' Pension System on July 1, 2019; and

(4) on or before July 1, 2019:

(i) has reached or exceeded normal retirement age in the Employees' Pension System and Teachers' Pension System; and

(ii) is eligible to receive a normal service retirement allowance in the Teachers' Pension System.

(b) Notwithstanding § 23-407(d) of the State Personnel and Pensions Article, an individual described under subsection (a) of this section may retire from the Teachers' Pension System on or after July 1, 2019, and on or before December 31, 2019, and continue serving as a member of the Howard County Board of Education without obtaining a 45-day break in service after retirement.

(c) (1) An individual who retires under subsection (b) of this section shall cease membership in the Employees' Pension System on the day preceding the individual's retirement from the Teachers' Pension System.

(2) After separating from employment as a member of the Howard County Board of Education, the individual shall be entitled to receive a return of accumulated contributions or any other benefit to which the individual is entitled on the basis of the individual's membership in the Employees' Pension System.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) This section applies to an individual who:

(1) (i) was elected and served as a County Commissioner for Kent County from 1994 through 2002; and

(ii) enrolled in the Employees' Pension System as County Commissioner for Kent County on or after July 1, 2002;

(2) (i) was appointed as Town Manager for the Town of Rock Hall in 1997;

(ii) enrolled in the Employees' Pension System as Town Manager for the Town of Rock Hall on or after May 1, 2005; and

(iii) remains employed as Town Manager for the Town of Rock Hall and is a member of the Employees' Pension System on July 1, 2019;

(3) (i) was elected as a County Commissioner for Kent County in 2006;

(ii) resumed membership in the Employees' Pension System as a County Commissioner for Kent County on or after December 1, 2006; and

(iii) remains a County Commissioner and is a member of the Employees' Pension System on July 1, 2019; and

(4) on or before July 1, 2019:

(i) has reached or exceeded normal retirement age in the Employees' Pension System; and

(ii) is eligible to receive a normal service retirement allowance in the Employees' Pension System as Town Manager for the Town of Rock Hall.

(b) Notwithstanding § 23-407(d) of the State Personnel and Pensions Article, an individual described under subsection (a) of this section may retire from the Employees' Pension System as Town Manager for the Town of Rock Hall on or after July 1, 2019, and on or before December 31, 2019, and continue serving as a County Commissioner for Kent County without obtaining a 45-day break in service after retirement.

(c) (1) An individual who retires under subsection (b) of this section shall cease membership in the Employees' Pension System as a County Commissioner for Kent County on the day preceding the individual's retirement from the Employees' Pension System as the Town Manager for the Town of Rock Hall.

(2) After separating from employment as a County Commissioner for Kent County, the individual shall be entitled to receive a return of accumulated contributions or any other benefit to which the individual is entitled on the basis of the individual's employment as a County Commissioner for Kent County.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

Approved by the Governor, May 13, 2019.