
By: Delegates Kach and Klima

Introduced and read first time: February 2, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 Retirement and Pensions - Laid-Off State Employees - Early Retirement

3 FOR the purpose of allowing a State employee who is a member of the Employees'
4 Retirement System, the Employees' Pension System, the Teachers' Retirement
5 System, or the Teachers' Pension System to retire if the member has a certain
6 minimum number of years of eligibility service and the member's position is subject
7 to certain kinds of termination; providing for a reduction in the retirement
8 allowance under certain circumstances; and providing for the effective date of this
9 Act.

10 BY adding to

11 Article - State Personnel and Pensions
12 Section 22-402.1 and 23-402.1
13 Annotated Code of Maryland
14 (1994 Volume and 1995 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - State Personnel and Pensions**

18 22-402.1.

19 (A) A MEMBER WHO IS A STATE EMPLOYEE MAY RETIRE WITH AN EARLY
20 SERVICE RETIREMENT ALLOWANCE IF:

21 (1) THE STATE EMPLOYEE'S POSITION IS SUBJECT TO LAYOFF OR
22 OTHER INVOLUNTARY TERMINATION THAT IS NOT FOR CAUSE;

23 (2) ON OR BEFORE THE DATE OF RETIREMENT, THE MEMBER HAS AT
24 LEAST 20 YEARS OF ELIGIBILITY SERVICE; AND

25 (3) THE MEMBER COMPLETES AND SUBMITS A WRITTEN APPLICATION
26 TO THE BOARD OF TRUSTEES STATING THE DATE WHEN THE MEMBER DESIRES TO
27 RETIRE.

28 (B) ON RETIREMENT UNDER THIS SECTION, A MEMBER IS ENTITLED TO AN
29 EARLY SERVICE RETIREMENT ALLOWANCE THAT EQUALS ONE FIFTY-FIFTH OF THE

HOUSE BILL 1008

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1 MEMBER'S AVERAGE FINAL COMPENSATION MULTIPLIED BY THE NUMBER OF
2 YEARS OF CREDITABLE SERVICE REDUCED BY THE LESSER OF:

3 (1) 50%; OR

4 (2) 0.5% FOR EACH MONTH BY WHICH THE MEMBER'S DATE OF
5 RETIREMENT PRECEDES THE EARLIER OF:

6 (I) THE DATE THE MEMBER WILL BE 60 YEARS OLD; OR

7 (II) THE DATE THE MEMBER WOULD HAVE COMPLETED 30 YEARS
8 OF ELIGIBILITY SERVICE HAD THE MEMBER CONTINUED EMPLOYMENT.

9 23-402.1.

10 (A) A MEMBER WHO IS A STATE EMPLOYEE MAY RETIRE WITH AN EARLY
11 SERVICE RETIREMENT ALLOWANCE IF:

12 (1) THE STATE EMPLOYEE'S POSITION IS SUBJECT TO A LAYOFF OR
13 OTHER INVOLUNTARY TERMINATION THAT IS NOT FOR CAUSE;

14 (2) ON OR BEFORE THE DATE OF RETIREMENT, THE MEMBER HAS AT
15 LEAST 20 YEARS OF ELIGIBILITY SERVICE; AND

16 (3) THE MEMBER COMPLETES AND SUBMITS A WRITTEN APPLICATION
17 TO THE BOARD OF TRUSTEES STATING THE DATE WHEN THE MEMBER DESIRES TO
18 RETIRE.

19 (B) ON RETIREMENT UNDER THIS SECTION, A MEMBER IS ENTITLED TO
20 RECEIVE AN EARLY SERVICE RETIREMENT ALLOWANCE THAT EQUALS THE
21 NORMAL SERVICE RETIREMENT ALLOWANCE UNDER § 23-401 OF THIS SUBTITLE,
22 REDUCED BY THE LESSER OF:

23 (1) 50%; OR

24 (2) 0.5% FOR EACH MONTH THAT THE MEMBER'S EARLY RETIREMENT
25 DATE PRECEDES THE DATE THE MEMBER WILL BE 62 YEARS OLD.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 June 1, 1996.