
By: Delegate C. Mitchell

Introduced and read first time: January 31, 1997

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Employees - Eligibility for Retirement**

3 FOR the purpose of providing that a member of the Employees' Retirement System or
4 the Employees' Pension System who is a State employee is eligible to retire with an
5 unreduced service retirement allowance if the member has at least a certain number
6 of years of eligibility service; providing that certain reductions for early retirement
7 do not apply to these members; clarifying that the reduction for early retirement
8 continues to apply to certain members of the Employees' Pension System who elect
9 to receive a vested allowance; and generally relating to the eligibility to retire of
10 members of the Employees' Retirement System and the Employees' Pension System
11 who are State employees.

12 BY repealing and reenacting, with amendments,
13 Article - State Personnel and Pensions
14 Section 22-401, 22-402, 23-401, 23-402, and 29-303
15 Annotated Code of Maryland
16 (1994 Volume and 1996 Supplement)

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

19 **Article - State Personnel and Pensions**

20 22-401.

21 (a) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A
22 member may retire with a normal service retirement allowance if:

23 (1) on or before the date of retirement, the member:

24 (i) has at least 30 years of eligibility service; or

25 (ii) is at least 60 years old; and

26 (2) the member completes and submits a written application to the Board of
27 Trustees stating the date when the member desires to retire.

28 (b) A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM WHO IS A STATE
29 EMPLOYEE MAY RETIRE WITH A NORMAL SERVICE RETIREMENT ALLOWANCE IF:

2

1 (1) ON OR BEFORE THE DATE OF RETIREMENT, THE MEMBER:

2 (I) HAS AT LEAST 25 YEARS OF ELIGIBILITY SERVICE; OR

3 (II) IS AT LEAST 60 YEARS OLD; AND

4 (2) THE MEMBER COMPLETES AND SUBMITS A WRITTEN APPLICATION
5 TO THE BOARD OF TRUSTEES STATING THE DATE WHEN THE MEMBER DESIRES TO
6 RETIRE.

7 (C) On retirement under this section, a member is entitled to receive a normal
8 service retirement allowance that equals one fifty-fifth of the member's average final
9 compensation multiplied by the number of years of creditable service.

10 22-402.

11 (a) THIS SECTION DOES NOT APPLY TO A MEMBER OF THE EMPLOYEES'
12 RETIREMENT SYSTEM WHO IS A STATE EMPLOYEE.

13 (B) A member may retire with an early service retirement allowance if:

14 (1) on or before the date of retirement, the member:

15 (i) has at least 25 but less than 30 years of eligibility service; and

16 (ii) is less than 60 years old; and

17 (2) the member completes and submits a written application to the Board of
18 Trustees stating the date when the member desires to retire.

19 [(b)] (C) On retirement under this section, a member is entitled to an early
20 service retirement allowance that equals one fifty-fifth of the member's average final
21 compensation multiplied by the number of years of creditable service reduced by 0.5% for
22 each month by which the member's date of retirement precedes the earlier of:

23 (1) the date the member will be 60 years old; or

24 (2) the date the member would have completed 30 years of eligibility service
25 had the member continued employment.

26 23-401.

27 (a) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A
28 member may retire with a normal service retirement allowance if:

29 (1) the member completes and submits a written application to the Board of
30 Trustees stating the date when the member desires to retire; and

31 (2) on or before the date of retirement, the member:

32 (i) has at least 30 years of eligibility service; or

33 (ii) has attained the age and the years of eligibility service as follows:

34	Age	Years of Eligibility Service						
35	62	with 5	with	536	63	with	4	

4

1 under § 23-401 of this subtitle, reduced by 0.5% for each month that the member's early
2 retirement date precedes the date the member will be 62 years old.

3 29-303.

4 (a) This section applies only to members of:

- 5 (1) the Employees' Pension System;
- 6 (2) the Local Fire and Police System;
- 7 (3) the Law Enforcement Officers' Pension System; or
- 8 (4) the Teachers' Pension System.

9 (b) A member is eligible to receive a vested allowance if:

- 10 (1) the member separated from employment other than by death or
11 retirement; and
- 12 (2) the member has at least 5 years of eligibility service.

13 (c) Except as provided in subsection (e) of this section, a vested allowance:

- 14 (1) is a deferred allowance that begins at normal retirement age;
- 15 (2) is computed as a normal service retirement allowance on the basis of the
16 member's average final compensation and eligibility service at separation from
17 employment; and
- 18 (3) may be paid in one of the optional forms of allowances under § 21-403
19 of this article.

20 (d) If a member of the Employees' Pension System or the Teachers' Pension
21 System separated from employment on or before June 30, 1990, unused sick leave
22 reported by the member's employer at the time of separation from employment is
23 creditable service for computing the vested allowance.

24 (e) A former member of the Employees' Pension System or the Teachers' Pension
25 System who has separated from employment before the age of 55 with at least 15 years of
26 eligibility service is eligible to receive a vested allowance that:

- 27 (1) begins on the first day of the month following the member's 55th
28 birthday; and
- 29 (2) equals the [reduced allowance computed under § 23-402 of this article]
30 NORMAL SERVICE RETIREMENT ALLOWANCE UNDER § 23-401 OF THIS SUBTITLE,
31 REDUCED BY 0.5% FOR EACH MONTH THAT THE MEMBER'S EARLY RETIREMENT
32 DATE PRECEDES THE DATE THE MEMBER WILL BE 62 YEARS OLD.

33 (f) (1) If a former member who elected a vested allowance requests the return
34 of accumulated contributions before payment of the vested allowance begins, the Board
35 of Trustees shall return the accumulated contributions to the former member.

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1 (2) When the former member is eligible to begin receiving a vested
2 allowance, the former member shall receive a pension only.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 1997.