
By: **Delegate Proctor (Chairman, Joint Committee on Pensions)**

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Committee Report: Favorable

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CHAPTER _____

1 AN ACT concerning

2 **Employees' and Teachers' Retirement Systems - Combination Formula**
3 **Computation of Early Service Retirement Allowance**

4 FOR the purpose of providing a certain limit on a reduction of an early service
5 retirement allowance for certain members of the Employees' Retirement System
6 or the Teachers' Retirement System who are subject to a certain combination
7 formula for computing the allowance.

8 BY repealing and reenacting, with amendments,
9 Article - State Personnel and Pensions
10 Section 22-221
11 Annotated Code of Maryland
12 (1997 Replacement Volume)

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

15 **Article - State Personnel and Pensions**

16 22-221.

17 (a) (1) This section applies only to a member who is not subject to Selection
18 A (Additional member contributions) or Selection B (Limited cost-of-living
19 adjustment).

20 (2) The effective date for application of this section is:

1 (i) July 1, 1984, for a member employed by a participating
2 employer on that day who had not elected Selection A (Additional member
3 contributions) or Selection B (Limited cost-of-living adjustment);

4 (ii) the date of return to employment by a participating employer
5 for a member who returned to active employment and had not elected Selection A
6 (Additional member contributions) or Selection B (Limited cost-of-living
7 adjustment); or

8 (iii) the date of election of Selection C (Combination formula) under
9 § 22-219 or § 22-220 of this subtitle.

10 (b) For purposes of computing a member's allowance under this section:

11 (1) service credit, other than military service credit, received by an
12 individual before the individual last became a member shall be treated as service
13 credit as of the date the service was rendered; and

14 (2) military service credit, received by a member in accordance with Title
15 38 of this article, shall be determined as of the date the Board of Trustees verifies the
16 military service credit.

17 (c) (1) From the effective date for application of this section, a member shall
18 receive an allowance as provided in this subsection.

19 (2) For normal service retirement, the allowance is computed:

20 (i) for creditable service before the effective date, as provided by §
21 22-401 of this title; and

22 (ii) for creditable service on and after the effective date, as provided
23 by § 23-401 of this article.

24 (3) For early service retirement, the allowance is computed:

25 (i) for creditable service before the effective date, as provided by §
26 22-402 of this title; and

27 (ii) for creditable service on and after the effective date, as provided
28 by § 23-402 of this article, EXCEPT THAT THE REDUCTION UNDER THAT SECTION
29 MAY NOT EXCEED 42% OF THE NORMAL SERVICE RETIREMENT ALLOWANCE BASED
30 ON THE CREDITABLE SERVICE ON OR AFTER THE EFFECTIVE DATE.

31 (4) For ordinary disability retirement, the allowance is computed on the
32 greater of:

33 (i) the allowance computed as provided by § 29-106 of this article;
34 or

35 (ii) the allowance computed as provided by § 29-108 of this article.

1 (5) For accidental disability retirement the allowance is computed as
2 provided by § 29-110 of this article.

3 (d) A member who is subject to this section and who at the time of retirement
4 is entitled to service credit for unused sick leave under § 20-206 of this article shall
5 have the total amount of unused sick leave credit apportioned in the same ratio that
6 the member's creditable service is apportioned for computation of the allowance
7 under subsection (c) of this section.

8 (e) A member who retires on or after the effective date for application of this
9 section shall have the allowance adjusted as provided in Title 29, Subtitle 4, Part V of
10 this article.

11 (f) For creditable service received on and after the effective date for
12 application of this section, the rate of member contributions is that provided by §
13 23-212 of this article.

14 (g) A member who is subject to this section may transfer to the Employees'
15 Pension System or the Teachers' Pension System, as provided in § 22-212 of this
16 subtitle.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 1998.