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By: **Delegate Heller**  
Introduced and read first time: February 12, 1999  
Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Pension System - Benefits**

3 FOR the purpose of altering the formula for computing the retirement allowance of  
4 certain members of the Teachers' Pension System; and generally relating to  
5 benefits for retirees of the Teachers' Pension System.

6 BY repealing and reenacting, with amendments,  
7 Article - State Personnel and Pensions  
8 Section 23-401  
9 Annotated Code of Maryland  
10 (1997 Replacement Volume and 1998 Supplement)

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

13 **Article - State Personnel and Pensions**

14 23-401.

15 (a) A member may retire with a normal service retirement allowance if:

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

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

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

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

22 Age	Years of Eligibility Service
23 62 with 5	
24 63 with 4	
25 64 with 3	
26 65 or more with 2	

1 (b) Except as provided in subsection (c) of this section, on retirement under  
2 this section, a member is entitled to receive a normal service retirement allowance  
3 that equals the number of years of the member's creditable service multiplied by:

4 (1) 0.8% of the member's average final compensation that is not in excess  
5 of the social security integration level; and

6 (2) 1.5% of the member's average final compensation that exceeds the  
7 social security integration level.

8 (c) (1) This subsection does not apply to:

9 (i) an employee of a participating governmental unit or a former  
10 participating governmental unit that has withdrawn; or

11 (ii) a member of the Employees' Pension System or Teachers'  
12 Pension System who transferred from the Employees' Retirement System or Teachers'  
13 Retirement System after April 1, 1998.

14 (2) On retirement under this section, a member is entitled to receive a  
15 normal service retirement allowance that equals the sum of:

16 (i) the number of years of the member's creditable service on or  
17 after July 1, 1998 multiplied by:

18 1. 1.4% of the [member's] average final compensation OF A  
19 MEMBER OF THE EMPLOYEES' PENSION SYSTEM; OR

20 2. 1.5% OF THE AVERAGE FINAL COMPENSATION OF A  
21 MEMBER OF THE TEACHERS' PENSION SYSTEM; and

22 (ii) the greater of:

23 1. the number of years of the member's creditable service on  
24 or before June 30, 1998 multiplied by 1.2% of the member's average final  
25 compensation; or

26 2. the number of years of the member's creditable service on  
27 or before June 30, 1998 multiplied by:

28 A. 0.8% of the member's average final compensation that is  
29 not in excess of the social security integration level; and

30 B. 1.5% of the member's average final compensation that  
31 exceeds the Social Security integration level.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
33 effect July 1, 1999. It shall be construed retroactively and shall be applied to and  
34 interpreted to affect the participants of the Teachers' Pension System who are affected  
35 by this Act beginning July 1, 1998.