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By: **Delegate Wood**  
Introduced and read first time: February 26, 1999  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System - Purchase of Service Credit**

3 FOR the purpose of authorizing certain members or retirees of the Employees'  
4 Pension System to purchase service credit for certain service with the State on  
5 or before a certain date as a member of the Employees' Retirement System or  
6 the Legislative Pension Plan; providing for the amount to be paid for the service  
7 credit; requiring retirees to purchase the service credit within a certain time  
8 after retirement; and generally relating to the purchase of service credit by  
9 members and retirees of the Employees' Pension System.

10 BY adding to  
11 Article - State Personnel and Pensions  
12 Section 23-307(d)  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 1998 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 23-307.

19 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A MEMBER OR  
20 RETIREE OF THE EMPLOYEES' PENSION SYSTEM MAY PURCHASE CREDIT TO WHICH  
21 THE MEMBER IS NOT OTHERWISE ENTITLED FOR SERVICE WITH THE STATE ON OR  
22 BEFORE DECEMBER 31, 1979, AS A MEMBER OF THE EMPLOYEES' RETIREMENT  
23 SYSTEM OR THE LEGISLATIVE PENSION PLAN.

24 (2) TO BE ELIGIBLE TO PURCHASE THE SERVICE CREDIT UNDER THIS  
25 SUBSECTION:

26 (I) THE MEMBER OR RETIREE, BEFORE THE BREAK IN SERVICE  
27 THAT PRECEDED THE LATEST PERIOD OF MEMBERSHIP IN THE EMPLOYEES'  
28 PENSION SYSTEM, MUST HAVE HAD ENOUGH PRIOR SERVICE THAT QUALIFIES FOR

1 PURCHASE UNDER THIS SECTION TO HAVE MADE THE MEMBER OR RETIREE  
2 ELIGIBLE FOR A VESTED ALLOWANCE IF THE MEMBER OR RETIREE HAD PURCHASED  
3 THE SERVICE CREDIT BEFORE THE BREAK IN SERVICE;

4 (II) THE MEMBER OR RETIREE DID NOT VOLUNTARILY WITHDRAW  
5 ACCUMULATED CONTRIBUTIONS BEFORE THE LATEST PERIOD OF MEMBERSHIP IN  
6 THE EMPLOYEES' PENSION SYSTEM; AND

7 (III) IF A RETIREE, THE RETIREE PURCHASES THE SERVICE CREDIT  
8 WITHIN 1 YEAR OF RETIREMENT.

9 (3) TO PURCHASE SERVICE CREDIT UNDER THIS SUBSECTION, A  
10 MEMBER MUST:

11 (I) COMPLETE A CLAIM FOR THE SERVICE CREDIT AND FILE IT  
12 WITH THE BOARD OF TRUSTEES ON THE FORM THAT THE BOARD OF TRUSTEES  
13 PROVIDES; AND

14 (II) PAY TO THE BOARD OF TRUSTEES AN AMOUNT EQUAL TO THE  
15 SUM OF:

16 1. THE AMOUNT THAT THE MEMBER WOULD HAVE BEEN  
17 REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; AND

18 2. INTEREST ON THE MEMBER'S CONTRIBUTIONS,  
19 COMPOUNDED ANNUALLY.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 1999.