

HOUSE BILL 349

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2000 Regular Session
(01r1545)

ENROLLED BILL
-- Appropriations/Budget and Taxation --

Introduced by **Delegate Proctor (Chairman, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of altering the amount that a ~~State employee member~~ certain
4 members of the Employees' Pension System who are not employees of
5 participating governmental units or former participating governmental units
6 that have withdrawn from participation in the Employees' Pension System shall
7 pay to the Board of Trustees of the State Retirement and Pension System when
8 purchasing certain service credit; and generally relating to purchase of service
9 credit by ~~State employee~~ certain members of the Employees' Pension System.

10 BY repealing and reenacting, with amendments,
11 Article - State Personnel and Pensions
12 Section 23-307
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 1999 Supplement)

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

3 **Article - State Personnel and Pensions**

4 23-307.

5 (a) (1) [In] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IN
6 the year of retirement, a member of the Employees' Pension System may purchase
7 credit for eligibility service of up to 10 years for periods of employment described in
8 paragraph (4) of this subsection for which the member is not otherwise entitled to
9 service credit.

10 (2) To purchase service credit under this subsection, a member must:

11 (i) complete a claim for the service credit and file it with the Board
12 of Trustees on the form that the Board of Trustees provides; and

13 (ii) pay to the Board of Trustees an amount equal to the annuity
14 reserve and pension reserve required to fund the additional allowance.

15 (3) A member may pay the amount required by paragraph (2) of this
16 subsection on an installment basis by contributing at least 2% of earnable
17 compensation per year with the appropriate final adjustments being made in the year
18 the member retires.

19 (4) A member may only purchase service credit under this subsection for
20 employment with:

21 (i) the State;

22 (ii) the Division of Employment Service while the Division was
23 under federal control;

24 (iii) the Maryland Tuberculosis Association as the operator of
25 radiological equipment under the supervision of the Maryland Health Department;

26 (iv) a political subdivision in the State;

27 (v) an out-of-state school as a teacher;

28 (vi) the federal government;

29 (vii) an out-of-state political subdivision; or

30 (viii) a public school as a teacher.

31 (B) (1) THIS SUBSECTION DOES NOT APPLY TO AN EMPLOYEE OF A
32 PARTICIPATING GOVERNMENTAL UNIT OR A FORMER PARTICIPATING
33 GOVERNMENTAL UNIT THAT HAS WITHDRAWN.

1 (2) IN THE YEAR OF RETIREMENT, A ~~STATE EMPLOYEE~~ MEMBER OF THE
2 EMPLOYEES' PENSION SYSTEM MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE ~~OF~~
3 ~~UP TO 10 YEARS~~ FOR PERIODS OF EMPLOYMENT WITH THE STATE FOR WHICH THE
4 MEMBER IS NOT OTHERWISE ENTITLED TO SERVICE CREDIT IN A STATE SYSTEM.

5 (3) A MEMBER WHO PURCHASES SERVICE CREDIT UNDER THIS
6 SUBSECTION, MAY NOT PURCHASE:

7 (1) MORE THAN A TOTAL OF 10 YEARS OF SERVICE CREDIT IN THE
8 EMPLOYEES' PENSION SYSTEM; OR

9 (II) SERVICE CREDIT FOR ANY PERIOD OF EMPLOYMENT DURING
10 WHICH THE MEMBER PARTICIPATED IN THE OPTIONAL RETIREMENT PROGRAM.

11 (2) (4) TO PURCHASE SERVICE CREDIT UNDER THIS SUBSECTION, A
12 MEMBER MUST:

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

16 (II) PAY TO THE BOARD OF TRUSTEES AN AMOUNT EQUAL TO
17 ONE-HALF OF THE ANNUITY RESERVE AND ONE-HALF OF THE PENSION RESERVE
18 REQUIRED TO FUND THE ADDITIONAL ALLOWANCE.

19 (3) (5) A MEMBER MAY PAY THE AMOUNT REQUIRED BY PARAGRAPH
20 ~~(2)~~ (4) OF THIS SUBSECTION ON AN INSTALLMENT BASIS BY CONTRIBUTING AT LEAST
21 2% OF EARNABLE COMPENSATION PER YEAR WITH THE APPROPRIATE FINAL
22 ADJUSTMENTS BEING MADE IN THE YEAR THE MEMBER RETIRES.

23 [(b)] (C) (1) A member of the Employees' Pension System may purchase
24 credit for eligibility service for previous service in a position described in § 23-204(a)
25 of this title.

26 (2) To purchase the service credit, the member must pay in a single
27 payment, the contributions, with interest, that the Board of Trustees considers
28 appropriate.

29 [(c)] (D) (1) A member of the Employees' Pension System who is employed
30 by a member of the State Senate or House of Delegates for at least 130 days per year
31 as a legislative employee before becoming a member is considered to have been a
32 permanent part-time legislative employee.

33 (2) A member described in paragraph (1) of this subsection may purchase
34 credit for eligibility service for that period of legislative employment by paying to the
35 Board of Trustees:

36 (i) for a period of employment on or before December 31, 1979, the
37 sum of:

