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

Introduced and read first time: February 3, 2000

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Employees' and Teachers' Retirement and Pension Systems - Transfers of**  
3 **Service Credit**

4 FOR the purpose of clarifying that transfers between a State employees' retirement or  
5 pension system and a State teachers' retirement or pension system are not  
6 subject to provisions of law concerning transfers between State and local  
7 retirement or pension systems under certain circumstances; clarifying that  
8 eligibility service for a member who has transferred between the Employees'  
9 Retirement System and the Teachers' Retirement System includes eligibility  
10 service recognized under the previous system; clarifying that eligibility service  
11 for a member who has transferred between the Employees' Pension System and  
12 the Teachers' Pension System includes eligibility service recognized under the  
13 previous system under certain circumstances; and generally relating to  
14 transfers of service credit for members who transfer between a State employees'  
15 retirement or pension system and a State teachers' retirement or pension  
16 system.

17 BY repealing and reenacting, with amendments,  
18 Article - State Personnel and Pensions  
19 Section 22-303, 23-304, and 37-201  
20 Annotated Code of Maryland  
21 (1997 Replacement Volume and 1999 Supplement)

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

24 **Article - State Personnel and Pensions**

25 22-303.

26 Eligibility service for a member of the Employees' Retirement System or the  
27 Teachers' Retirement System consists of service credit:

28 (1) for employment as a member;

1 (2) transferred from a retirement or pension system under Title 37 of  
2 this article or Title 31, Subtitle 1 of this article;

3 (3) for military service, as provided in Title 38 of this article; [and]

4 (4) purchased under this subtitle; AND

5 (5) THAT EQUALS, FOR A MEMBER WHO HAS TRANSFERRED BETWEEN  
6 THE EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM,  
7 THE MEMBER'S ELIGIBILITY SERVICE RECOGNIZED UNDER THE PREVIOUS SYSTEM  
8 THROUGH THE DATE BEFORE THE MEMBER BECAME A MEMBER OF THE CURRENT  
9 SYSTEM.

10 23-304.

11 A member is entitled to eligibility service that equals:

12 (1) the member's service credit transferred from a retirement or pension  
13 system under Title 37 of this article;

14 (2) for a member who has transferred to the Employees' Pension System  
15 from the Employees' Retirement System or to the Teachers' Pension System from the  
16 Teachers' Retirement System, the member's creditable service recognized under the  
17 previous system through the date before the member became a member of the current  
18 system; [and]

19 (3) for a member of the Employees' Pension System, the member's  
20 service credit transferred from a retirement or pension system under Title 31,  
21 Subtitle 1 of this article; AND

22 (4) FOR A MEMBER WHO HAS TRANSFERRED BETWEEN THE  
23 EMPLOYEES' PENSION SYSTEM AND THE TEACHERS' PENSION SYSTEM, THE  
24 MEMBER'S ELIGIBILITY SERVICE UNDER THE PREVIOUS SYSTEM THROUGH THE  
25 DATE BEFORE THE MEMBER BECAME A MEMBER OF THE CURRENT SYSTEM IF THE  
26 MEMBER:

27 (I) IS NOT SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT  
28 UNDER SUBTITLE 2, PART II OF THIS TITLE IN THE CURRENT AND PREVIOUS  
29 SYSTEMS; OR

30 (II) IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER  
31 SUBTITLE 2, PART II OF THIS TITLE IN THE CURRENT AND PREVIOUS SYSTEMS.

32 37-201.

33 (a) Subject to subsection (b) of this section, this title applies to transfers from  
34 a State or local retirement or pension system to another State or local retirement or  
35 pension system only if:

36 (1) each system is operated on an actuarial basis; and

1           (2)       under each system contributions that are computed to be sufficient to  
2 provide the reserves needed to cover the benefits payable on account of the system's  
3 members are made during the employment of members.

4       (b)       This title does not apply to:

5           (1)       a transfer to the Judges' Retirement System of the State of Maryland;

6           (2)       a transfer to or from the Legislative Pension Plan of the State of  
7 Maryland except to the extent provided by the Joint Resolution submitted to the  
8 General Assembly by the General Assembly Compensation Commission under Article  
9 III, § 15 of the Maryland Constitution;

10          (3)       a transfer from the Employees' Retirement System of the State of  
11 Maryland to the Employees' Pension System of the State of Maryland under § 22-212  
12 or § 22-213 of this article;

13          (4)       a transfer from the Teachers' Retirement System of the State of  
14 Maryland to the Teachers' Pension System of the State of Maryland under § 22-212 or  
15 § 22-213 of this article; [or]

16          (5)       a transfer from the Employees' Retirement System of the State of  
17 Maryland or the Employees' Pension System of the State of Maryland to the Law  
18 Enforcement Officers' Pension System of the State of Maryland;

19          (6)       A TRANSFER BETWEEN THE EMPLOYEES' RETIREMENT SYSTEM OF  
20 THE STATE OF MARYLAND AND THE TEACHERS' RETIREMENT SYSTEM OF THE STATE  
21 OF MARYLAND;

22          (7)       A TRANSFER BETWEEN THE EMPLOYEES' PENSION SYSTEM OF THE  
23 STATE OF MARYLAND AND THE TEACHERS' PENSION SYSTEM OF THE STATE OF  
24 MARYLAND IF THE MEMBER IS NOT SUBJECT TO THE CONTRIBUTORY PENSION  
25 BENEFIT UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE IN THE PREVIOUS  
26 AND CURRENT SYSTEM; OR

27          (8)       A TRANSFER BETWEEN THE EMPLOYEES' PENSION SYSTEM OF THE  
28 STATE OF MARYLAND AND THE TEACHERS' PENSION SYSTEM OF THE STATE OF  
29 MARYLAND IF THE MEMBER IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT  
30 UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE IN THE PREVIOUS AND  
31 CURRENT SYSTEM.

32       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2000.