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

Introduced and read first time: February 3, 2000

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: March 21, 2000

CHAPTER _____

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:

1 **Article - State Personnel and Pensions**

2 22-303.

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

5 (1) for employment as a member;

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

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

9 (4) purchased under this subtitle; AND

10 (5) THAT EQUALS, FOR A MEMBER WHO HAS TRANSFERRED BETWEEN
11 THE EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM,
12 THE MEMBER'S ELIGIBILITY SERVICE RECOGNIZED UNDER THE PREVIOUS SYSTEM
13 THROUGH THE DATE BEFORE THE MEMBER BECAME A MEMBER OF THE CURRENT
14 SYSTEM.

15 23-304.

16 A member is entitled to eligibility service that equals:

17 (1) the member's service credit transferred from a retirement or pension
18 system under Title 37 of this article;19 (2) for a member who has transferred to the Employees' Pension System
20 from the Employees' Retirement System or to the Teachers' Pension System from the
21 Teachers' Retirement System, the member's creditable service recognized under the
22 previous system through the date before the member became a member of the current
23 system; [and]24 (3) for a member of the Employees' Pension System, the member's
25 service credit transferred from a retirement or pension system under Title 31,
26 Subtitle 1 of this article; AND27 (4) FOR A MEMBER WHO HAS TRANSFERRED BETWEEN THE
28 EMPLOYEES' PENSION SYSTEM AND THE TEACHERS' PENSION SYSTEM, THE
29 MEMBER'S ELIGIBILITY SERVICE UNDER THE PREVIOUS SYSTEM THROUGH THE
30 DATE BEFORE THE MEMBER BECAME A MEMBER OF THE CURRENT SYSTEM IF THE
31 MEMBER:32 (I) IS NOT SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT
33 UNDER SUBTITLE 2, PART II OF THIS TITLE IN THE CURRENT AND PREVIOUS
34 SYSTEMS; OR35 (II) IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER
36 SUBTITLE 2, PART II OF THIS TITLE IN THE CURRENT AND PREVIOUS SYSTEMS.

1 37-201.

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

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

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

9 (b) This title does not apply to:

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

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

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

18 (4) a transfer from the Teachers' Retirement System of the State of
19 Maryland to the Teachers' Pension System of the State of Maryland under § 22-212 or
20 § 22-213 of this article; [or]

21 (5) a transfer from the Employees' Retirement System of the State of
22 Maryland or the Employees' Pension System of the State of Maryland to the Law
23 Enforcement Officers' Pension System of the State of Maryland;

24 (6) A TRANSFER BETWEEN THE EMPLOYEES' RETIREMENT SYSTEM OF
25 THE STATE OF MARYLAND AND THE TEACHERS' RETIREMENT SYSTEM OF THE STATE
26 OF MARYLAND;

27 (7) 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 NOT SUBJECT TO THE CONTRIBUTORY PENSION
30 BENEFIT UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE IN THE PREVIOUS
31 AND CURRENT SYSTEM; OR

32 (8) A TRANSFER BETWEEN THE EMPLOYEES' PENSION SYSTEM OF THE
33 STATE OF MARYLAND AND THE TEACHERS' PENSION SYSTEM OF THE STATE OF
34 MARYLAND IF THE MEMBER IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT
35 UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE IN THE PREVIOUS AND
36 CURRENT SYSTEM.

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