
By: **Delegates D'Amato, Busch, Clagett, Rosenberg, and Linton**
Introduced and read first time: January 25, 2001
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of allowing certain members of the Employees' Pension System to
4 purchase a full year of service credit for certain full-time and part-time
5 employment with the State; establishing a method of payment for the purchase
6 of service credit for certain full-time and part-time employment with the State;
7 calculating service credit for certain part-time employment; and generally
8 relating to the purchase of service credit for members of the Employees' Pension
9 System.

10 BY adding to

11 Article - State Personnel and Pensions
12 Section 23-307.3
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2000 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 23-307.3.

19 (A) (1) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM WHO HAS BEEN
20 EMPLOYED BY THE STATE FOR AT LEAST 30 YEARS ON A FULL-TIME OR PART-TIME
21 BASIS MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE OF UP TO 10 YEARS FOR
22 WHICH THE MEMBER IS NOT OTHERWISE ENTITLED TO SERVICE CREDIT.

23 (2) THIS SECTION DOES NOT APPLY TO:

24 (I) AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT OR
25 A FORMER PARTICIPATING GOVERNMENTAL UNIT THAT HAS WITHDRAWN; OR

26 (II) ANY PERIOD OF EMPLOYMENT DURING WHICH AN INDIVIDUAL
27 PARTICIPATED IN THE OPTIONAL RETIREMENT PROGRAM.

1 (B) (1) A MEMBER WHO PURCHASES SERVICE CREDIT UNDER THIS SECTION
2 SHALL:

3 (I) COMPLETE A CLAIM FOR THE SERVICE CREDIT AND FILE IT
4 WITH THE BOARD OF TRUSTEES ON THE FORM THAT THE BOARD OF TRUSTEES
5 PROVIDES; AND

6 (II) PAY TO THE BOARD OF TRUSTEES THE MEMBER
7 CONTRIBUTIONS THE MEMBER WOULD HAVE MADE FOR THE PERIOD OF
8 EMPLOYMENT FOR WHICH SERVICE CREDIT IS BEING PURCHASED PLUS REGULAR
9 INTEREST TO THE DATE OF PAYMENT.

10 (2) A MEMBER MAY PAY THE AMOUNT REQUIRED BY PARAGRAPH (1)(II)
11 OF THIS SUBSECTION ON AN INSTALLMENT BASIS BY CONTRIBUTING AT LEAST 2%
12 OF EARNABLE COMPENSATION PER YEAR WITH THE APPROPRIATE FINAL
13 ADJUSTMENTS BEING MADE IN THE YEAR THE MEMBER RETIRES.

14 (3) A MEMBER MAY PAY FOR SERVICE CREDIT PURCHASED UNDER THIS
15 SECTION AT ANY TIME BEFORE RETIREMENT.

16 (C) (1) A MEMBER WHO PURCHASES SERVICE CREDIT UNDER THIS SECTION
17 MAY NOT PURCHASE MORE THAN A TOTAL OF 10 YEARS OF SERVICE CREDIT FOR
18 PERIODS OF EMPLOYMENT WITH THE STATE.

19 (2) FOR SERVICE CREDIT PURCHASED UNDER THIS SECTION, A YEAR OR
20 A PART OF A YEAR OF EMPLOYMENT EQUALS 1 YEAR OF SERVICE CREDIT.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2001.