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

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 15, 2001

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CHAPTER \_\_\_\_\_

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 AS OF JULY  
20 1, 2001, HAS BEEN EMPLOYED BY THE STATE FOR AT LEAST ~~30~~ 40 YEARS ON A  
21 FULL-TIME OR PART-TIME BASIS MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE  
22 OF UP TO 10 YEARS FOR WHICH THE MEMBER IS NOT OTHERWISE ENTITLED TO  
23 SERVICE CREDIT.

1 (2) THIS SECTION DOES NOT APPLY TO:

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3 A FORMER PARTICIPATING GOVERNMENTAL UNIT THAT HAS WITHDRAWN; OR

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

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

8 (I) COMPLETE A CLAIM FOR THE SERVICE CREDIT AND FILE IT  
9 WITH THE BOARD OF TRUSTEES ON THE FORM THAT THE BOARD OF TRUSTEES  
10 PROVIDES; AND

11 (II) PAY TO THE BOARD OF TRUSTEES THE MEMBER  
12 CONTRIBUTIONS THE MEMBER WOULD HAVE MADE FOR THE PERIOD OF  
13 EMPLOYMENT FOR WHICH SERVICE CREDIT IS BEING PURCHASED PLUS REGULAR  
14 INTEREST TO THE DATE OF PAYMENT.

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

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

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

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

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