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By: **Delegates W. Baker, Cadden, and Edwards**  
Introduced and read first time: February 6, 2002  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 23, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Retirement and Pensions - Service Retirement Benefit**

3 FOR the purpose of altering the requirements that certain members of the  
4 Employees' Pension System or the Teachers' Pension System must satisfy to be  
5 eligible for a service retirement benefit; providing for the calculation of a service  
6 retirement benefit for certain members of the Employees' Pension System or the  
7 Teachers' Pension System; and generally relating to service retirement benefits  
8 for members of the Employees' Pension System or the Teachers' Pension System.

9 BY repealing and reenacting, with amendments,  
10 Article - State Personnel and Pensions  
11 Section 23-401  
12 Annotated Code of Maryland  
13 (1997 Replacement Volume and 2001 Supplement)

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

16 **Article - State Personnel and Pensions**

17 23-401.

18 (a) A member may retire with a normal service retirement allowance if:

19 (1) the member completes and submits a written application to the  
20 Board of Trustees stating the date when the member desires to retire; and

21 (2) on or before the date of retirement, the member:

1 (i) has at least 30 years of eligibility service; [or]

2 (ii) HAS A COMBINED TOTAL OF AT LEAST 30 YEARS OF ELIGIBILITY  
3 SERVICE FROM THE EMPLOYEES' PENSION SYSTEM, THE TEACHERS' PENSION  
4 SYSTEM, THE EMPLOYEES' RETIREMENT SYSTEM; OR THE TEACHERS' RETIREMENT  
5 SYSTEM; OR

6 (III) has attained the age and the years of eligibility service as  
7 follows:

8 Age	Years of Eligibility Service
9 62 with	5
10 63 with	4
11 64 with	3
12 65 or more with	2

13 (b) Except as provided in [subsection (c)] SUBSECTIONS (C) AND (D) of this  
14 section, on retirement under this section, a member is entitled to receive a normal  
15 service retirement allowance that equals the number of years of the member's  
16 creditable service multiplied by:

17 (1) 0.8% of the member's average final compensation that is not in excess  
18 of the Social Security integration level; and

19 (2) 1.5% of the member's average final compensation that exceeds the  
20 Social Security integration level.

21 (c) [On] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, ON  
22 retirement under this section, a member who is subject to the contributory pension  
23 benefit under Subtitle 2, Part II of this title is entitled to receive a normal service  
24 retirement allowance that equals the sum of:

25 (1) the number of years of the member's creditable service on or after  
26 July 1, 1998 multiplied by 1.4% of the member's average final compensation; and

27 (2) the greater of:

28 (i) the number of years of the member's creditable service on or  
29 before June 30, 1998 multiplied by 1.2% of the member's average final compensation;  
30 or

31 (ii) the number of years of the member's creditable service on or  
32 before June 30, 1998 multiplied by:

33 1. 0.8% of the member's average final compensation that is  
34 not in excess of the Social Security integration level; and

35 2. 1.5% of the member's average final compensation that  
36 exceeds the Social Security integration level.

1 (D) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER WHO HAS A  
2 COMBINED TOTAL OF 30 YEARS OF ELIGIBILITY SERVICE AS PROVIDED IN  
3 SUBSECTION (A)(2)(II) OF THIS SECTION.

4 (2) A MEMBER IS ENTITLED TO RECEIVE A NORMAL SERVICE  
5 RETIREMENT ALLOWANCE THAT EQUALS:

6 (I) AN ALLOWANCE BASED ON THE ~~ELIGIBILITY~~ CREDITABLE  
7 SERVICE THE MEMBER EARNED IN THE EMPLOYEES' PENSION SYSTEM;

8 (II) AN ALLOWANCE BASED ON THE ~~ELIGIBILITY~~ CREDITABLE  
9 SERVICE THE MEMBER EARNED IN THE EMPLOYEES' RETIREMENT SYSTEM;

10 (III) AN ALLOWANCE BASED ON THE ~~ELIGIBILITY~~ CREDITABLE  
11 SERVICE THE MEMBER EARNED IN THE TEACHERS' PENSION SYSTEM; PLUS

12 (IV) AN ALLOWANCE BASED ON THE ~~ELIGIBILITY~~ CREDITABLE  
13 SERVICE THE MEMBER EARNED IN THE TEACHERS' RETIREMENT SYSTEM.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect July 1, 2002.