
By: **Chairman, Appropriations Committee**

Rules suspended

Introduced and read first time: March 11, 2002

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System - Purchase of Service Credit**

3 FOR the purpose of altering the provisions allowing the purchase of service credit for
4 certain members of the State Police Retirement System; and expanding the type
5 of employment that service credit can be purchased to include in-State service
6 with a political subdivision.

7 BY repealing and reenacting, with amendments,
8 Article - State Personnel and Pensions
9 Section 24-305 and 24-306
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2001 Supplement)

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

14 **Article - State Personnel and Pensions**

15 24-305.

16 (a) A member may purchase service credit as provided in subsection (b) of this
17 section for:

18 (1) periods of employment from July 1, 1970, through June 30, 1972,
19 both inclusive, during which the member elected to delay enrollment in the State
20 Police Retirement System and for which the member is not otherwise entitled to
21 service credit; [and]

22 (2) a period of employment when the member was on an
23 employer-approved leave of absence not exceeding 2 years that has qualified for
24 purchase under regulations adopted by the Board of Trustees; AND

25 (3) PERIODS OF EMPLOYMENT DURING WHICH THE MEMBER
26 PREVIOUSLY HELD MEMBERSHIP IN A PENSION SYSTEM OF A POLITICAL
27 SUBDIVISION OF THE STATE.

1 (b) (1) A member who purchases service credit under this section shall:

2 (i) complete a claim for the service credit and file it with the Board
3 of Trustees on the form that the Board of Trustees provides; and

4 (ii) pay to the Board of Trustees in a single payment the member
5 contributions the member would have made for the period of employment for which
6 service credit is being purchased plus regular interest to the date of payment.

7 (2) A member may pay for service credit purchased under this section at
8 any time before retirement.

9 24-306.

10 (a) A member may purchase service credit as provided in this section for
11 periods of employment described in subsection (c) of this section for which the
12 member is not otherwise entitled to service credit.

13 (b) (1) A member who purchases service credit under this section shall:

14 (i) complete a claim for the service credit and file it with the Board
15 of Trustees on the form that the Board of Trustees provides; and

16 (ii) pay to the Board of Trustees an amount equal to the annuity
17 reserve and pension reserve required to fund the additional allowance.

18 (2) The member shall pay for service credit purchased under this section:

19 (i) in a single payment at retirement; or

20 (ii) through a payroll deduction of not less than 2% of earnable
21 compensation, with the appropriate final adjustment made at retirement.

22 (c) A member may purchase service credit for a period of employment not
23 exceeding 10 years for:

24 (1) federal service; [or]

25 (2) out-of-state service with a political subdivision; OR

26 (3) IN-STATE SERVICE WITH A POLITICAL SUBDIVISION.

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