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By: **Senator Kasemeyer**  
Introduced and read first time: January 28, 2002  
Assigned to: Budget and Taxation

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A BILL ENTITLED

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; providing for the application of this Act; and  
8 generally relating to service retirement benefits for members of the Employees'  
9 Pension System or the Teachers' Pension System.

10 BY repealing and reenacting, with amendments,  
11 Article - State Personnel and Pensions  
12 Section 23-401  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 2001 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 23-401.

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

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

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

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

24 (ii) HAS A COMBINED TOTAL OF AT LEAST 30 YEARS OF ELIGIBILITY  
25 SERVICE FROM THE EMPLOYEES' PENSION SYSTEM, THE TEACHERS' PENSION  
26 SYSTEM, THE EMPLOYEES' RETIREMENT SYSTEM, OR THE TEACHERS' RETIREMENT  
27 SYSTEM; OR

1 (III) has attained the age and the years of eligibility service as  
2 follows:

3 Age	Years of Eligibility Service
4 62 with	5
5 63 with	4
6 64 with	3
7 65 or more with	2

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

12 (1) 0.8% of the member's average final compensation that is not in excess  
13 of the Social Security integration level; and

14 (2) 1.5% of the member's average final compensation that exceeds the  
15 Social Security integration level.

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

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

22 (2) the greater of:

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

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

28 1. 0.8% of the member's average final compensation that is  
29 not in excess of the Social Security integration level; and

30 2. 1.5% of the member's average final compensation that  
31 exceeds the Social Security integration level.

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

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

1 (I) AN ALLOWANCE BASED ON THE ELIGIBILITY SERVICE THE  
2 MEMBER EARNED IN THE EMPLOYEES' PENSION SYSTEM;

3 (II) AN ALLOWANCE BASED ON THE ELIGIBILITY SERVICE THE  
4 MEMBER EARNED IN THE EMPLOYEES' RETIREMENT SYSTEM;

5 (III) AN ALLOWANCE BASED ON THE ELIGIBILITY SERVICE THE  
6 MEMBER EARNED IN THE TEACHERS' PENSION SYSTEM; PLUS

7 (IV) AN ALLOWANCE BASED ON THE ELIGIBILITY SERVICE THE  
8 MEMBER EARNED IN THE TEACHERS' RETIREMENT SYSTEM.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
10 construed to apply retroactively and shall be applied and interpreted to affect any  
11 individual who retired from the Employees' Pension System or the Teachers' Pension  
12 System on or after February 1, 2002.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
14 effect July 1, 2002.