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27 those contributions.

2004 Regular Session 4lr1801

By: Delegate James (Chairman, Joint Committee on Pensions) Introduced and read first time: February 4, 2004 Assigned to: Appropriations A BILL ENTITLED 1 AN ACT concerning 2 State Retirement and Pension System - Transfer of Service Credit -3 **Restriction on Benefits** 4 FOR the purpose of providing that a certain restriction on benefits paid on 5 transferred service credit does not apply to certain individuals; and generally 6 relating to a certain restriction on benefits paid on transferred service credit. 7 BY repealing and reenacting, with amendments, Article - State Personnel and Pensions 8 9 Section 37-203(f) 10 Annotated Code of Maryland (1997 Replacement Volume and 2003 Supplement) 11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 12 13 MARYLAND, That the Laws of Maryland read as follows: 14 **Article - State Personnel and Pensions** 15 37-203. Except as otherwise provided in this subsection, after an individual 17 transfers service credit to a new system under this title, the individual: shall pay the rate of contribution applicable to a member of the 18 (i) 19 new system; and 20 is eligible for a pension and annuity as provided under the new 21 system, determined by taking into account the transferred service credit. Except as provided in § 37-204 of this subtitle, if an individual 22 23 transfers from a noncontributory system to a contributory system, on retirement the

24 individual's retirement allowance shall be reduced by the actuarial equivalent of the 25 accumulated contributions that would have been deducted if the individual had 26 earned the transferred service credit under the new system, including interest on

- 1 THIS PARAGRAPH DOES NOT APPLY TO AN INDIVIDUAL WHO: (3) (I) 2 1. TRANSFERS INTO ONE OF THE SEVERAL STATE SYSTEMS; 3 AND 2. RECEIVES A DISABILITY RETIREMENT ALLOWANCE FROM 5 THE NEW SYSTEM WITHIN 5 YEARS AFTER TRANSFERRING INTO THAT SYSTEM. If an individual retires within 5 years after transferring into a 6 7 new system, the benefits payable with respect to the transferred service credit may 8 not be greater than the benefits that would have been payable by the previous system 9 with respect to that service if the individual had remained in the previous system.
- 10~ SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 11~ effect July 1, 2004.