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By: **Delegate James**

Introduced and read first time: February 8, 2006

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System - Military Service - Members and**  
3 **Former Members**

4 FOR the purpose of providing that members or certain former members of a State  
5 system may apply for service credit in a State system for certain military  
6 service; prohibiting certain retirees from applying for service credit in a State  
7 system for certain military service; providing that the military service that  
8 members or certain former members receive is applied toward their retirement  
9 allowance using a certain accrual rate; and generally relating to members and  
10 former members of a State system receiving service credit for certain military  
11 service.

12 BY repealing and reenacting, with amendments,  
13 Article - State Personnel and Pensions  
14 Section 23-309(c) and 38-104  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume and 2005 Supplement)

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

19 **Article - State Personnel and Pensions**

20 23-309.

21 (c) (1) This subsection applies only to a member who is:

22 (i) subject to the contributory pension benefit under Subtitle 2,  
23 Part II of this title; and

24 (ii) entitled to eligibility service for military service credit granted  
25 under Title 38 of this article.

26 (2) The Board of Trustees shall adjust a member's eligibility service for  
27 military service credit granted under Title 38 of this article as provided in this  
28 subsection.

1           [(3) (i) Except as provided in subparagraph (ii) of this paragraph, a  
2 member's eligibility service for military service credit shall be treated as creditable  
3 service on or after July 1, 1998.

4           (ii) The Board of Trustees shall treat a member's military service  
5 credit as creditable service on or before June 30, 1998, if the member:

6                           1.       is entitled to credit for the military service under § 38-103  
7 of this article on account of the member's absence from employment while in military  
8 service on or before June 30, 1998; or

9                           2.       received credit for the military service under § 38-104 of  
10 this article on or before June 30, 1998, as reflected in the records of the State  
11 Retirement Agency.]

12 38-104.

13 (a) (1) THIS SECTION APPLIES TO AN INDIVIDUAL WHO IS:

14                           (I)     A MEMBER OF A STATE SYSTEM; OR

15                           (II)    A FORMER MEMBER OF A STATE SYSTEM WHO IS ELIGIBLE TO  
16 RECEIVE A BENEFIT UNDER § 29-302 OR § 29-303 OF THIS ARTICLE.

17           (2)     THIS SECTION DOES NOT APPLY TO A RETIREE OF A STATE SYSTEM.

18 (B)     Except as provided in subsection [(b)] (C) of this section, [a member of a  
19 State system] AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION, who  
20 has not met the conditions set forth in § 38-103(a)(2) through (4) of this subtitle, is  
21 entitled to receive service credit for military service only on the attainment of 10  
22 years of creditable service.

23 [(b)] (C) (1) [A member of a State system] AN INDIVIDUAL DESCRIBED IN  
24 SUBSECTION (A) OF THIS SECTION may not receive credit for that military service if  
25 the [member] INDIVIDUAL receives credit for military service from another  
26 retirement system for which retirement benefits have been or will be received by the  
27 [member] INDIVIDUAL.

28           (2)     Paragraph (1) of this subsection does not apply to:

29                           (i)     credit for military service provided under:

30                                   1.       the Social Security Act;

31                                   2.       the National Railroad Retirement Act; or

32                                   3.       Title 3 or Title 10, Chapter 1223, §§ 12731 through 12737  
33 of the United States Code; or

34                           (ii)    disability payments from a pension or retirement system.

1                   (3)     (i)       Military service credit under this section may not exceed 5  
2 years.

3                               (ii)       Subject to subparagraph (i) of this paragraph, a member of the  
4 Maryland National Guard who has not been activated under Title 10 of the United  
5 States Code, shall receive service credit at the rate of 4 months for each full year of  
6 service with the Maryland National Guard, not to exceed a total of 36 months.

7     (D)       THE SERVICE CREDIT FOR MILITARY SERVICE THAT AN INDIVIDUAL  
8 RECEIVES UNDER THIS SECTION SHALL BE APPLIED TO THE INDIVIDUAL'S  
9 RETIREMENT ALLOWANCE USING THE ACCRUAL RATE IN EFFECT AT THE TIME THE  
10 INDIVIDUAL RETIRES FROM A STATE SYSTEM.

11     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2006.