
By: **Delegate James**
Introduced and read first time: February 8, 2006
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2006

CHAPTER _____

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; providing for a delayed effective date for
10 certain provisions of this Act; and generally relating to members and former
11 members of a State system receiving service credit for certain military 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 BY repealing and reenacting, with amendments,
18 Article - State Personnel and Pensions
19 Section 38-104
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2005 Supplement)
22 (As enacted by Section 1 of this Act)

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

1 **Article - State Personnel and Pensions**2 ~~23-309.~~

3 (e) (1) This subsection applies only to a member who is:

4 (i) subject to the contributory pension benefit under Subtitle 2,
5 ~~Part II of this title; and~~6 (ii) entitled to eligibility service for military service credit granted
7 ~~under Title 38 of this article.~~8 (2) The Board of Trustees shall adjust a member's eligibility service for
9 ~~military service credit granted under Title 38 of this article as provided in this~~
10 ~~subsection.~~11 ~~[(3) (i) Except as provided in subparagraph (ii) of this paragraph, a~~
12 ~~member's eligibility service for military service credit shall be treated as creditable~~
13 ~~service on or after July 1, 1998.~~14 (ii) The Board of Trustees shall treat a member's military service
15 ~~credit as creditable service on or before June 30, 1998, if the member:~~16 1. is entitled to credit for the military service under § 38-103
17 ~~of this article on account of the member's absence from employment while in military~~
18 ~~service on or before June 30, 1998; or~~19 2. received credit for the military service under § 38-104 of
20 ~~this article on or before June 30, 1998, as reflected in the records of the State~~
21 ~~Retirement Agency.]~~

22 38-104.

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

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

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

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

28 (B) Except as provided in subsection [(b)] (C) of this section, [a member of a
29 State system] AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION, who
30 has not met the conditions set forth in § 38-103(a)(2) through (4) of this subtitle, is
31 entitled to receive service credit for military service only on the attainment of 10
32 years of creditable service.33 [(b)] (C) (1) [A member of a State system] AN INDIVIDUAL DESCRIBED IN
34 SUBSECTION (A) OF THIS SECTION may not receive credit for that military service if
35 the [member] INDIVIDUAL receives credit for military service from another

1 retirement system for which retirement benefits have been or will be received by the
2 [member] INDIVIDUAL.

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

4 (i) credit for military service provided under:

5 1. the Social Security Act;

6 2. the National Railroad Retirement Act; or

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

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

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

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

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
21 read as follows:

22 **Article - State Personnel and Pensions**

23 23-309.

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

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

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

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

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

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

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

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

9 38-104.

10 (a) (1) This section applies to an individual who is:

11 (i) a member of a State system; or

12 (ii) a former member of a State system who is eligible to receive a
13 benefit under § 29-302 or § 29-303 of this article.

14 (2) This section does not apply to a retiree of a State system.

15 (b) Except as provided in subsection (c) of this section, an individual described
16 in subsection (a) of this section, who has not met the conditions set forth in §
17 38-103(a)(2) through (4) of this subtitle, is entitled to receive service credit for
18 military service only on the attainment of 10 years of creditable service.

19 (c) (1) An individual described under subsection (a) of this section may not
20 receive credit for that military service if the individual receives credit for military
21 service from another retirement system for which retirement benefits have been or
22 will be received by the individual.

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

24 (i) credit for military service provided under:

25 1. the Social Security Act;

26 2. the National Railroad Retirement Act; or

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

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

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

32 (ii) Subject to subparagraph (i) of this paragraph, a member of the
33 Maryland National Guard who has not been activated under Title 10 of the United

1 States Code, shall receive service credit at the rate of 4 months for each full year of
2 service with the Maryland National Guard, not to exceed a total of 36 months.

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

7 SECTION 3. AND BE IT FURTHER ENACTED, That, Section 2 of this Act shall
8 take effect October 1, 2006.

9 SECTION 2- 4. AND BE IT FURTHER ENACTED, ~~That~~ That, except as
10 provided in Section 3 of this Act, this Act shall take effect July 1, 2006.