

**ENROLLED BILL**  
-- Budget and Taxation/Appropriations --

Introduced by **Senator Kasemeyer**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

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)

1 *BY repealing and reenacting, with amendments,*  
 2 *Article - State Personnel and Pensions*  
 3 *Section 38-104*  
 4 *Annotated Code of Maryland*  
 5 *(2004 Replacement Volume and 2005 Supplement)*  
 6 *(As enacted by Section 1 of this Act)*

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

9 **Article - State Personnel and Pensions**

10 ~~23-309.~~

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

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

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

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

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

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

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

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

30 38-104.

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

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

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

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

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

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

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

13 (i) credit for military service provided under:

- 14 1. the Social Security Act;
- 15 2. the National Railroad Retirement Act; or
- 16 3. Title 3 or Title 10, Chapter 1223, §§ 12731 through 12737  
17 of the United States Code; or

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

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

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

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

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

31 **Article - State Personnel and Pensions**

32 23-309.

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

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

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

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

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

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

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

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

19 38-104.

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

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

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

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

25 (b) Except as provided in subsection (c) of this section, an individual described  
26 in subsection (a) of this section, who has not met the conditions set forth in  
27 § 38-103(a)(2) through (4) of this subtitle, is entitled to receive service credit for  
28 military service only on the attainment of 10 years of creditable service.

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

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

34 (i) credit for military service provided under:

35 1. the Social Security Act;

