

# HOUSE BILL 1406

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CF SB 304

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By: **Delegate Griffith (Chair, Joint Committee on Pensions) and Delegates Aumann, Barve, Bates, Branch, Bronrott, Conway, Davis, Donoghue, Doory, Dumais, Harrison, Healey, Heller, Hixson, Howard, James, Jones, Krysiak, Levy, Malone, McIntosh, Morhaim, Pendergrass, Proctor, Rudolph, and Vallario**

Introduced and read first time: March 5, 2007

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Military Service that Interrupts**  
3 **State Service – Calculation**

4 FOR the purpose of providing that certain military service that members receive is  
5 applied toward their retirement allowance using a certain accrual rate; and  
6 generally relating to the calculation of military service that interrupts State  
7 service.

8 BY repealing and reenacting, with amendments,  
9 Article – State Personnel and Pensions  
10 Section 38–103  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2006 Supplement)

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

15 **Article – State Personnel and Pensions**

16 38–103.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (a) This section applies only to a member of a State or local retirement or  
2 pension system who:

3                   (1) does not withdraw any of the member's accumulated contributions,  
4 unless the member redeposits the sum withdrawn as provided under subsection (b) of  
5 this section;

6                   (2) within 1 year after the member leaves military service, is employed  
7 by the State or a political subdivision of the State;

8                   (3) does not take any employment other than the employment  
9 described in item (2) of this subsection, except for temporary employment after the  
10 member:

11                           (i) applied for reemployment in the member's former  
12 classification or position in the State service; and

13                           (ii) was refused immediate reemployment for causes beyond the  
14 member's control; and

15                   (4) applies for service credit with the State or local retirement or  
16 pension system in which the member held membership before the member's military  
17 service began.

18           (b) If a member of a State or local retirement or pension system who is  
19 absent from employment for military service withdraws any of the member's  
20 accumulated contributions and redeposits the sum withdrawn with regular interest  
21 into the State or local retirement or pension system, the member, if otherwise  
22 qualified, is entitled to the benefits of this section as if the withdrawal had not been  
23 made.

24           (c) Except as otherwise provided in this subtitle, a member of a State or local  
25 retirement or pension system who is actively reemployed under subsection (a)(2) of  
26 this section retains the status and rights as a member during a period of absence from  
27 employment for military service.

28           (d) (1) Subject to paragraph (2)(i) of this subsection, a member of a State  
29 or local retirement or pension system shall receive service credit for a period of  
30 absence from employment while in military service if:

31                           (i) the employment of the member under subsection (a)(2) of  
32 this section is active or the employee is reinstated as a regular employee on a leave of  
33 absence; and

1 (ii) membership in a State or local retirement or pension system  
2 is a requirement of employment.

3 (2) (i) For an absence for military service on or after January 1,  
4 1946, service credit for the military service may not exceed 5 years.

5 (ii) 1. This subparagraph applies only to a member of a  
6 State system.

7 2. Subject to subparagraph (i) of this paragraph and in  
8 addition to any service credit received under paragraph (1) of this subsection, a  
9 member of the Maryland National Guard who has been activated under Title 10 of the  
10 United States Code, shall receive service credit at the rate of 4 months for each full  
11 year for military service, not to exceed a total of 36 months.

12 (e) A member of a State or local retirement or pension system who receives  
13 service credit for military service under this section may transfer the credit to another  
14 State or local retirement or pension system.

15 **(F) THE SERVICE CREDIT FOR MILITARY SERVICE THAT A MEMBER OF A**  
16 **STATE SYSTEM RECEIVES UNDER THIS SECTION SHALL BE APPLIED TO THE**  
17 **INDIVIDUAL'S RETIREMENT ALLOWANCE USING THE ACCRUAL RATE AT THE**  
18 **TIME THE INDIVIDUAL RETIRES FROM A STATE SYSTEM.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 2007.