

CHAPTER 480

(House Bill 1406)

AN ACT concerning

State Retirement and Pension System – Military Service that Interrupts State Service – Calculation

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

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

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

Article – State Personnel and Pensions

38–103.

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

(1) does not withdraw any of the member's accumulated contributions, unless the member redeposits the sum withdrawn as provided under subsection (b) of this section;

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

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

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

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

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

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from employment for military service withdraws any of the member's accumulated contributions and redeposits the sum withdrawn with regular interest into the State or local retirement or pension system, the member, if otherwise qualified, is entitled to the benefits of this section as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

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

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

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

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

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

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

2. Subject to subparagraph (i) of this paragraph and in addition to any service credit received under paragraph (1) of this subsection, a member of the Maryland National Guard who has been activated under Title 10 of the

United States Code, shall receive service credit at the rate of 4 months for each full year for military service, not to exceed a total of 36 months.

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

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

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

Approved by the Governor, May 8, 2007.