

# HOUSE BILL 872

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By: **Delegates Schuh, Dwyer, and Kipke**  
Introduced and read first time: February 12, 2009  
Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System - Purchase of Service Credit - Washington**  
3 **Suburban Transit Commission**

4 FOR the purpose of providing that certain members of the Employees' Pension System  
5 may purchase certain service credit in the Employees' Pension System;  
6 requiring certain members of the Employees' Pension System who choose to  
7 purchase certain service credit, to pay to the Board of Trustees of the State  
8 Retirement and Pension System a certain amount for that service credit;  
9 authorizing certain members of the Employees' Pension System who choose to  
10 purchase certain service credit to use certain funds towards the purchase;  
11 requiring certain members of the Employees' Pension System to complete  
12 certain claims and make certain purchases to the Board of Trustees on or before  
13 a certain date; providing for the termination of this Act; and generally relating  
14 to the purchase of service credit in the Employees' Pension System for  
15 employment with the Washington Suburban Transit Commission.

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That:

18 (a) This section applies to an individual who:

19 (1) on or after March 1, 1999, was hired by the Washington Suburban  
20 Transit Commission;

21 (2) upon commencing employment with the Washington Suburban  
22 Transit Commission, was enrolled in the Montgomery County Government 401(a)  
23 Retirement Plan;

24 (3) on or after September 1, 2005, but on or before February 1, 2006,  
25 was employed by the Maryland Transit Administration and enrolled in the Employees'  
26 Pension System under Title 23 of the State Personnel and Pensions Article; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (4) upon enrolling in the Employees' Pension System did not withdraw  
2 any funds deposited into the Montgomery County Government 401(a) Retirement Plan  
3 that had been deposited by the individual or the Washington Suburban Transit  
4 Commission on behalf of the individual.

5           (b) An individual described under subsection (a) of this section may elect to  
6 purchase service credit in the Employees' Pension System under Title 23 of the State  
7 Personnel and Pensions Article for the period of time the individual was employed by  
8 the Washington Suburban Transit Commission and enrolled in the Montgomery  
9 County Government 401(a) Retirement Plan.

10           (c) An individual who elects to purchase service credit in the Employees'  
11 Pension System under subsection (b) of this section shall pay to the Board of Trustees  
12 of the State Retirement and Pension System:

13           (1) the member contributions that would have been paid by a member  
14 of the Employees' Pension System for the period of time the individual was employed  
15 by the Washington Suburban Transit Commission, plus regular interest to the date of  
16 payment; and

17           (2) the employer contributions that would have been paid by the State  
18 to the Employees' Pension System for the period of time the individual was employed  
19 by the Washington Suburban Transit Commission, plus 7.75% interest to the date of  
20 payment.

21           (d) An individual who elects to purchase service credit in the Employees'  
22 Pension System under subsection (b) of this section may use to purchase this service  
23 credit any funds that have been deposited on behalf of the individual in the  
24 individual's account with the Montgomery County Government 401(a) Retirement  
25 Plan.

26           (e) To purchase service credit under subsection (b) of this section, on or  
27 before December 31, 2009, an individual shall:

28           (1) complete a claim for the service credit and file it with the Board of  
29 Trustees on a form that the Board of Trustees provides; and

30           (2) pay to the Board of Trustees an amount equal to the amount  
31 determined under subsection (c) of this section.

32           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2009. It shall remain effective for a period of 6 months and, at the end of  
34 December 31, 2009, with no further action required by the General Assembly, this Act  
35 shall be abrogated and of no further force and effect.