

SENATE BILL 813

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CF HB 718

By: **Senator Shank**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Service Credit for Unused Sick Leave**

3 FOR the purpose of making certain members of the State Retirement and Pension
4 System eligible to receive creditable service at retirement for unused sick leave
5 accumulated as a member of a former system in the State Retirement and
6 Pension System under certain circumstances; providing for the computation of
7 the creditable service for unused sick leave accumulated in the former State
8 system; requiring the Department of Legislative Services to provide a certain
9 report on or before a certain date; and generally relating to additional creditable
10 service at retirement for unused sick leave for members of the State Retirement
11 and Pension System.

12 BY repealing and reenacting, with amendments,
13 Article – State Personnel and Pensions
14 Section 20–206
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2012 Supplement)

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

19 **Article – State Personnel and Pensions**

20 20–206.

21 (a) In this section, “unused sick leave” means sick leave credit that has not
22 been used before retirement.

23 (b) This section does not apply to:

24 (1) the Judges’ Retirement System; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) the Legislative Pension Plan.

2 (c) **[A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A**
3 member is entitled to receive creditable service for unused sick leave if the member
4 retires on or before 30 days after the member is separated from employment with a
5 participating employer or a participating governmental unit that has withdrawn from
6 one of the several systems under Title 31 of this article.

7 (d) (1) At retirement, a member is entitled to receive creditable service for
8 unused sick leave, on verification of the unused sick leave to the Board of Trustees.

9 (2) (i) This subsection does not apply to the Local Fire and Police
10 System or the Law Enforcement Officers' Pension System.

11 (ii) A member who separates from employment for reasons other
12 than retirement on or before June 30, 1990, is entitled to receive creditable service for
13 unused sick leave that is reported by the member's employer at the member's
14 separation from employment if the member was entitled to a vested allowance at the
15 time of separation.

16 (e) (1) Subject to paragraph (3) of this subsection, for 22 days of unused
17 sick leave a member is entitled to receive 1 month of creditable service.

18 (2) If fractional days totaling 11 or more result from the application of
19 the formula described in paragraph (1) of this subsection, a member is entitled to
20 receive 1 additional month of creditable service.

21 (3) For the purposes of this section:

22 (i) a member may not accumulate more than 15 days of sick
23 leave per year;

24 (ii) unless sick leave credit is accepted and credited by the
25 current participating employer, a member may not receive credit for unused sick leave
26 granted by a former employer; and

27 (iii) if a participating employer provides a member with more
28 than 15 days of sick leave per year, before crediting the member with additional sick
29 leave for a year, the Board of Trustees shall reduce the member's accumulated sick
30 leave by the lesser of:

31 1. the days of sick leave used by the member in that
32 year; or

33 2. the number of days of sick leave provided by the
34 participating employer for the year, less 15.

1 **(F) (1) THIS SUBSECTION APPLIES TO A MEMBER OF A STATE SYSTEM**
2 **WHO:**

3 **(I) WAS TRANSFERRED INVOLUNTARILY FROM ANOTHER**
4 **STATE SYSTEM AS A RESULT OF A CHANGE IN POSITION THAT RENDERED THE**
5 **INDIVIDUAL INELIGIBLE FOR MEMBERSHIP IN THE FORMER STATE SYSTEM;**
6 **AND**

7 **(II) DID NOT TRANSFER SERVICE CREDIT TO THE NEW**
8 **STATE SYSTEM.**

9 **(2) A MEMBER IS ENTITLED TO RECEIVE CREDITABLE SERVICE**
10 **FOR UNUSED SICK LEAVE THAT:**

11 **(I) IS ACCUMULATED WHILE A MEMBER OF THE STATE**
12 **SYSTEM FROM WHICH THE MEMBER RETIRES AS PROVIDED IN SUBSECTIONS (C)**
13 **THROUGH (E) OF THIS SECTION; AND**

14 **(II) WAS ACCUMULATED WHILE A MEMBER OF THE FORMER**
15 **STATE SYSTEM AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.**

16 **(3) (I) AT RETIREMENT, A MEMBER IS ENTITLED TO RECEIVE**
17 **CREDITABLE SERVICE IN THE FORMER STATE SYSTEM FOR UNUSED SICK LEAVE**
18 **ACCUMULATED WHILE A MEMBER OF THE FORMER STATE SYSTEM ON**
19 **VERIFICATION OF THE UNUSED SICK LEAVE TO THE BOARD OF TRUSTEES.**

20 **(II) THE CREDITABLE SERVICE SHALL BE COMPUTED AS**
21 **PROVIDED IN SUBSECTION (E) OF THIS SECTION.**

22 **[(f)] (G) Credit for unused sick leave may not be used under this section:**

23 (1) to determine years of eligibility service required for a benefit under
24 this Division II; or

25 (2) to compute average final compensation.

26 **[(g)] (H) A State employee who came into the State system while retaining**
27 **sick leave and annual leave benefits under a county system and who came under the**
28 **provisions of Chapter 423 of the Acts of 1971 shall be entitled to the same full credit**
29 **toward retirement as provided by this section.**

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1 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,
2 2013, the Department of Legislative Services shall report to the Joint Committee on
3 Pensions on the cost of authorizing a member of the Correctional Officers' Retirement
4 System to remain a member of the Correctional Officers' Retirement System even
5 though the member is promoted to a position in which the member must join the
6 Employees' Pension System as a condition of employment.

7 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2013.