

HOUSE BILL 1483

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CF SB 1082

By: **Delegates Hucker and Costa**

Introduced and read first time: February 24, 2014

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, March 7, 2014

Committee Report: Favorable

House action: Adopted

Read second time: March 27, 2014

CHAPTER _____

1 AN ACT concerning

2 **State Reformed Contributory Employees' and Teachers' Pension Systems –**
3 **Prior Eligibility Service**

4 FOR the purpose of authorizing a member of the State Reformed Contributory
5 Employees' Pension System or the State Reformed Contributory Teachers'
6 Pension System who meets certain requirements to combine certain prior
7 eligibility service in the Employees' Pension System or the Teachers' Pension
8 System with the member's current service; making certain clarifying changes;
9 and generally relating to prior eligibility service for members of the State
10 Reformed Contributory Employees' Pension System and the State Reformed
11 Contributory Teachers' Pension System.

12 BY repealing and reenacting, with amendments,
13 Article – State Personnel and Pensions
14 Section 23–303.1
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2013 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 23–303.1.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) This section applies to a member of the Employees' Pension System or
2 Teachers' Pension System who has prior service in a part of the Employees' Pension
3 System or Teachers' Pension System that is subject to a different rate of member
4 contributions and benefit accrual.

5 (b) A member who is subject to the contributory pension benefit [or],
6 Alternate Contributory Pension Selection, **OR REFORMED CONTRIBUTORY**
7 **PENSION BENEFIT** is entitled to combine the member's prior eligibility service with
8 the member's current service if the member:

9 (1) at the time of separation from employment, was entitled to a
10 vested allowance from:

11 (i) the Employees' Pension System; or

12 (ii) the Teachers' Pension System;

13 (2) did not transfer to the Employees' Pension System or the Teachers'
14 Pension System from the Employees' Retirement System or Teachers' Retirement
15 System after April 1, 1998; and

16 (3) has completed 1 year of employment as a member [who is subject
17 to the contributory pension benefit under Subtitle 2, Part II of this title] **OF THE**
18 **PENSION BENEFIT OR SELECTION IN WHICH THE MEMBER IS EARNING SERVICE**
19 **CREDIT AS AN ACTIVE MEMBER AT THE TIME THE PRIOR SERVICE CREDIT IS**
20 **COMBINED WITH THE CURRENT SERVICE CREDIT.**

21 (c) A member who is subject to the noncontributory pension benefit is
22 entitled to combine the member's prior eligibility service with the member's current
23 service if the member did not transfer to the Employees' Pension System or Teachers'
24 Pension System from the Employees' Retirement System or Teachers' Retirement
25 System after April 1, 1998.

26 (d) (1) A member may combine the member's prior credit for eligibility
27 service with the member's current service under this section if the member:

28 (i) completes a claim for the service credit and files it with the
29 Board of Trustees on the form that the Board of Trustees provides at any time before
30 retirement; and

31 (ii) deposits into the annuity savings fund the member
32 contributions, if any, that would have been due if the member had earned the prior
33 service in the same part of the Employees' Pension System or Teachers' Pension
34 System in which the member is currently enrolled, plus regular interest on the
35 contributions.

1 (2) When a member combines credit for eligibility service under this
2 section, the member has no further rights in the prior system.

3 (3) Subject to § 414(h)(2) of the Internal Revenue Code, an individual's
4 accumulated contributions in excess of the amount determined under paragraph (1) of
5 this subsection shall be refunded on request.

6 (e) If a member withdrew the member's accumulated contributions after the
7 prior separation from employment, the member shall:

8 (1) redeposit any of the amounts withdrawn with regular interest to
9 the date of redeposit; or

10 (2) on retirement, the individual's retirement allowance shall be
11 reduced by the actuarial equivalent of the accumulated contributions withdrawn with
12 regular interest to the date of retirement.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.