

HOUSE BILL 380

K4

5lr1290

By: **Delegates Bromwell, Aumann, and Lafferty**

Introduced and read first time: February 6, 2015

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Military Service Credit – Exception**

3 FOR the purpose of providing that certain retirees of the Judges' Retirement System may
4 receive additional service credit for military service under certain circumstances;
5 providing that in order to receive additional service credit for military service a
6 retiree of the Judges' Retirement System shall have a certain amount of service
7 credit earned through employment by a certain date, be unable to accumulate a
8 certain amount of service credit for military service due to mandatory retirement at
9 age 70, become a retiree due to mandatory retirement, and have a certain amount of
10 service credit at the time of retirement; requiring an individual claiming additional
11 service credit to complete and file a certain form with the State Retirement Agency
12 on or before a certain date and purchase a certain amount of additional service credit
13 after retirement; authorizing an individual to receive additional service credit for
14 military service under this Act; altering certain eligibility requirements for certain
15 retirees to receive additional service credit for military service under certain
16 circumstances; providing for the termination of this Act; and generally relating to
17 additional service credit awarded for prior military service for retirees of the Judges'
18 Retirement System.

19 BY adding to

20 Article – State Personnel and Pensions
21 Section 27–305
22 Annotated Code of Maryland
23 (2009 Replacement Volume and 2014 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – State Personnel and Pensions
26 Section 38–104
27 Annotated Code of Maryland
28 (2009 Replacement Volume and 2014 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Personnel and Pensions**

4 **27–305.**

5 **(A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO:**

6 **(1) AFTER JANUARY 1, 2015, BUT BEFORE APRIL 1, 2015, BECAME A**
7 **RETIREE OF THE JUDGES’ RETIREMENT SYSTEM UNDER § 27–401(A)(2)(III) OF THIS**
8 **TITLE;**

9 **(2) BEFORE APRIL 1, 2015, ACCUMULATED AT LEAST 9 YEARS OF**
10 **SERVICE CREDIT EARNED THROUGH EMPLOYMENT AS A MEMBER OF THE JUDGES’**
11 **RETIREMENT SYSTEM;**

12 **(3) WAS NOT ABLE TO ACCUMULATE 10 YEARS OF SERVICE CREDIT**
13 **EARNED THROUGH EMPLOYMENT AS A MEMBER OF THE JUDGES’ RETIREMENT**
14 **SYSTEM DUE TO THE PROHIBITION UNDER ARTICLE IV, § 3 OF THE MARYLAND**
15 **CONSTITUTION AGAINST A JUDGE HOLDING OFFICE PAST THE AGE OF 70; AND**

16 **(4) AT THE TIME OF RETIREMENT HAD ACCUMULATED SERVICE**
17 **CREDIT EARNED THROUGH EMPLOYMENT AS A MEMBER OF THE JUDGES’**
18 **RETIREMENT SYSTEM THAT IS EQUAL TO 70 YEARS MINUS THE AGE OF THE**
19 **INDIVIDUAL WHEN THE INDIVIDUAL BEGAN MEMBERSHIP IN THE JUDGES’**
20 **RETIREMENT SYSTEM.**

21 **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN INDIVIDUAL WHO**
22 **MEETS THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION,**
23 **NOTWITHSTANDING THE INDIVIDUAL’S STATUS AS A RETIREE, MAY RECEIVE**
24 **SERVICE CREDIT FOR MILITARY SERVICE IN ACCORDANCE WITH § 38–104 OF THIS**
25 **ARTICLE.**

26 **(C) TO CLAIM ADDITIONAL SERVICE CREDIT FOR PRIOR MILITARY SERVICE**
27 **UNDER SUBSECTION (B) OF THIS SECTION, AN INDIVIDUAL SHALL:**

28 **(1) COMPLETE A CLAIM ON A FORM PROVIDED BY THE BOARD OF**
29 **TRUSTEES FOR THE STATE RETIREMENT AND PENSION SYSTEM AND FILE IT WITH**
30 **THE BOARD OF TRUSTEES NO LATER THAN SEPTEMBER 1, 2015; AND**

31 **(2) PURCHASE ADDITIONAL SERVICE CREDIT IN THE JUDGES’**
32 **RETIREMENT SYSTEM SO THAT THE INDIVIDUAL’S AMOUNT OF CREDITABLE**

1 **SERVICE EQUALS 10 YEARS BY PAYING TO THE BOARD OF TRUSTEES FOR THE STATE**
2 **RETIREMENT AND PENSION SYSTEM AN AMOUNT EQUAL TO THE SUM OF:**

3 **(I) THE MEMBER CONTRIBUTIONS THAT WOULD HAVE BEEN**
4 **DUE IF THE SERVICE TO BE PURCHASED WAS EARNED PRIOR TO RETIREMENT; AND**

5 **(II) THE CONTRIBUTIONS THAT WOULD HAVE BEEN PAYABLE BY**
6 **THE STATE DURING THE YEARS OF SERVICE TO BE PURCHASED.**

7 38–104.

8 (a) (1) This section applies to an individual who is:

9 (i) a member of a State system; [or]

10 (ii) a former member of a State system who is eligible to receive a
11 benefit under § 29–302 or § 29–303 of this article; OR

12 **(III) A RETIREE OF THE JUDGES’ RETIREMENT SYSTEM WHO**
13 **MEETS THE REQUIREMENTS OF § 27–305 OF THIS ARTICLE.**

14 (2) [This] **EXCEPT AS PROVIDED IN PARAGRAPH (1)(III) OF THIS**
15 **SUBSECTION, THIS** section does not apply to a retiree of a State system.

16 (b) Except as provided in subsection (c) of this section, an individual described in
17 subsection (a) of this section, who has not met the conditions set forth in § 38–103(a)(2)
18 through (4) of this subtitle, is entitled to receive service credit for military service only on
19 the attainment of 10 years of service credit earned through employment as a member of a
20 State system.

21 (c) (1) An individual described in subsection (a) of this section may not receive
22 credit for that military service if the individual receives credit for military service from
23 another retirement system for which retirement benefits have been or will be received by
24 the individual.

25 (2) Paragraph (1) of this subsection does not apply to:

26 (i) credit for military service provided under:

27 1. the Social Security Act;

28 2. the National Railroad Retirement Act; or

29 3. Title 3 or Title 10, Chapter 1223, §§ 12731 through 12737
30 of the United States Code; or

1 (ii) disability payments from a pension or retirement system.

2 (3) (i) Military service credit under this section may not exceed 5 years.

3 (ii) Subject to subparagraph (i) of this paragraph, a member of the
4 Maryland National Guard or of a reserve component of the armed forces of the United
5 States who has not been activated under Title 10 of the United States Code, shall receive
6 service credit at the rate of 4 months for each full year of service with the Maryland
7 National Guard or with a reserve component of the armed forces of the United States, not
8 to exceed a total of 36 months.

9 (d) (1) Except as provided in paragraph (2) of this subsection, the service credit
10 for military service that an individual receives under this section shall be applied to the
11 individual's retirement allowance using the accrual rate in effect at the time the individual
12 retires from a State system.

13 (2) If an individual applies for military service credit on or after July 1,
14 2011, the service credit for military service that the individual receives under this section
15 shall be applied to the individual's retirement allowance using the accrual rate in effect at
16 the time the individual submits an application for military service credit to the State
17 Retirement Agency.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2015. It shall remain effective for a period of 1 year and, at the end of June 30, 2016,
20 with no further action required by the General Assembly, this Act shall be abrogated and
21 of no further force and effect.