

SENATE BILL 726

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CF HB 907

By: **Senators Bates and Ready**

Introduced and read first time: February 13, 2015

Assigned to: Rules

Re-referred to: Budget and Taxation, February 18, 2015

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2015

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System – Town of Sykesville – Service Credit**

3 FOR the purpose of ~~repealing a limitation on the amount of service credit an employee of~~
4 ~~the Town of Sykesville may receive for employment with the Town of Sykesville~~
5 ~~before the Town of Sykesville's effective date of participation in the Employees'~~
6 ~~Pension System as a participating governmental unit; repealing a provision made~~
7 ~~obsolete by this Act that prohibits an entitlement to service credit for certain~~
8 ~~employment under a certain circumstance; making a conforming change; and~~
9 ~~generally relating to participating governmental units in the Employees' Pension~~
10 ~~System~~ authorizing the Town of Sykesville to purchase certain additional service
11 credit for certain employees; requiring certain additional service credit to be credited
12 to certain employees on a certain date; requiring a certain adjustment to a certain
13 new entrant valuation that is used to determine a certain employer contribution in
14 the fiscal year in which a certain purchase of service credit is made; and generally
15 relating to service credit of an employee of the Town of Sykesville for the period of
16 employment before the effective date of participation in the Employees' Pension
17 System as a participating governmental unit.

18 ~~BY repealing and reenacting, with amendments,~~
19 ~~Article – State Personnel and Pensions~~
20 ~~Section 31-111(a)~~
21 ~~Annotated Code of Maryland~~
22 ~~(2000 Replacement Volume and 2014 Supplement)~~

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 BY repealing and reenacting, with amendments,
 2 Article – State Personnel and Pensions
 3 Section 31–111.5
 4 Annotated Code of Maryland
 5 (2009 Replacement Volume and 2014 Supplement)

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

8 **Article – State Personnel and Pensions**

9 ~~31–111.~~

10 ~~(a) Except as provided in subsection (b) of this section and §§ 31–111.1, 31–111.3,~~
 11 ~~31–111.4, [31–111.5,] 31–111.6, 31–111.7, and 31–111.8 of this subtitle, if an employee of~~
 12 ~~a participating governmental unit joins the Employees’ Pension System on the effective~~
 13 ~~date, the employee is entitled to service credit for employment with the participating~~
 14 ~~governmental unit before the effective date.~~

15 ~~§31–111.5.~~

16 (a) **(1)** An individual who is an employee of the Town of Sykesville on the
 17 effective date shall receive eligibility service and creditable service in the Employees’
 18 Pension System equal to 75% of the individual’s period of employment with the Town of
 19 Sykesville before the effective date as certified by the Town of Sykesville as of the effective
 20 date.

21 **(2) (I) THIS PARAGRAPH APPLIES ONLY TO A MEMBER OF THE**
 22 **EMPLOYEES’ PENSION SYSTEM WHO RECEIVED ELIGIBILITY SERVICE AND**
 23 **CREDITABLE SERVICE IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.**

24 **(II) THE TOWN OF SYKESVILLE MAY PURCHASE ADDITIONAL**
 25 **SERVICE CREDIT FOR EACH MEMBER SO THAT THE MEMBER’S ELIGIBILITY SERVICE**
 26 **AND CREDITABLE SERVICE FOR EMPLOYMENT WITH THE TOWN OF SYKESVILLE**
 27 **BEFORE THE EFFECTIVE DATE OF PARTICIPATION IS EQUAL TO 100% OF THE**
 28 **MEMBER’S PERIOD OF EMPLOYMENT WITH THE TOWN OF SYKESVILLE BEFORE THE**
 29 **EFFECTIVE DATE OF PARTICIPATION.**

30 **(III) ADDITIONAL SERVICE CREDIT PURCHASED UNDER THIS**
 31 **PARAGRAPH SHALL BE CREDITED TO AN EMPLOYEE ON JULY 1 OF THE FISCAL YEAR**
 32 **IN WHICH THE ADDITIONAL SERVICE CREDIT IS PURCHASED.**

33 **(IV) THE NEW ENTRANT VALUATION THAT IS USED TO**
 34 **DETERMINE THE EMPLOYER CONTRIBUTION FOR THE TOWN OF SYKESVILLE SHALL**
 35 **BE ADJUSTED IN THE FISCAL YEAR IN WHICH THE PURCHASE OF SERVICE CREDIT IS**

1 MADE TO REFLECT ANY CHANGE IN LIABILITIES ATTRIBUTABLE TO THE TOWN OF
2 SYKESVILLE RESULTING FROM A PURCHASE OF SERVICE CREDIT UNDER THIS
3 PARAGRAPH.

4 (b) If an employee or former employee of the Town of Sykesville becomes a
5 member of the Employees' Pension System at any time after the effective date, the
6 employee may not receive service credit for employment with the Town of Sykesville before
7 the effective date.‡

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.