

# SENATE BILL 343

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CF HB 379

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By: **Senator Peters (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Employees' and Teachers' Pension Systems – Reformed Contributory Pension**  
3 **Benefit – Eligibility Service Clarifications**

4 FOR the purpose of clarifying that a member of the Employees' Pension System or the  
5 Teachers' Pension System is eligible to receive certain prorated eligibility service  
6 credit if the member is subject to the Reformed Contributory Pension Benefit and  
7 works less than a certain number of hours in a fiscal year; clarifying that certain  
8 eligibility service rules relating to a member's break in service do not apply to a  
9 member who is subject to the Reformed Contributory Pension Benefit; clarifying that  
10 eligibility service for a member who is subject to the Reformed Contributory Pension  
11 Benefit and has transferred between the Employees' Pension System and the  
12 Teachers' Pension System includes certain eligibility service under the previous  
13 system; and generally relating to the Reformed Contributory Pension Benefit of the  
14 Employees' Pension System and the Teachers' Pension System.

15 BY repealing and reenacting, with amendments,  
16 Article – State Personnel and Pensions  
17 Section 23–302(d), 23–303(b), and 23–304  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume)

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

22 **Article – State Personnel and Pensions**

23 23–302.

24 (d) If a member who is subject to the contributory pension benefit [or], the  
25 Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **PENSION BENEFIT** completes less than 500 hours of employment while a member, the  
2 Board of Trustees shall prorate the member's eligibility service based on the number of  
3 hours worked.

4 23-303.

5 (b) (1) This section applies to a member of the Employees' Pension System or  
6 the Teachers' Pension System who was a member of one of those State systems.

7 (2) This section does not apply to:

8 (i) a retiree of the Employees' Pension System or the Teachers'  
9 Pension System; or

10 (ii) a member of the Employees' Pension System or Teachers'  
11 Pension System who is subject to the contributory pension benefit [or], the Alternate  
12 Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION**  
13 **BENEFIT.**

14 23-304.

15 A member is entitled to eligibility service that equals:

16 (1) the member's service credit transferred from a retirement or pension  
17 system under Title 37 of this article;

18 (2) for a member who has transferred to the Employees' Pension System  
19 from the Employees' Retirement System or to the Teachers' Pension System from the  
20 Teachers' Retirement System, the member's creditable service recognized under the  
21 previous system through the date before the member became a member of the current  
22 system;

23 (3) for a member of the Employees' Pension System, the member's service  
24 credit transferred from a retirement or pension system under Title 31, Subtitle 1 of this  
25 article; and

26 (4) for a member who has transferred between the Employees' Pension  
27 System and the Teachers' Pension System, the member's eligibility service under the  
28 previous system through the date before the member became a member of the current  
29 system if the member:

30 (i) is not subject to the noncontributory pension benefit in both the  
31 current and previous systems;

32 (ii) is subject to the contributory pension benefit in both the current  
33 and previous systems; [or]

1 (iii) is subject to the Alternate Contributory Pension Selection in both  
2 the current and previous systems; **OR**

3 (IV) **IS SUBJECT TO THE REFORMED CONTRIBUTORY PENSION**  
4 **BENEFIT IN BOTH THE CURRENT AND PREVIOUS SYSTEMS.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2016.