

SENATE BILL 598

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By: **Senator Guzzone**

Introduced and read first time: February 2, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the criteria used to determine the eligibility of certain members
4 of the State Retirement and Pension System to receive service credit for military
5 service so as to authorize certain legislative employment to be counted in certain
6 service credit earned through employment; and generally relating to eligibility
7 criteria for certain members of the State Retirement and Pension System to receive
8 service credit for military service.

9 BY repealing and reenacting, without amendments,
10 Article – State Personnel and Pensions
11 Section 38–101(a) and (g)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 38–104
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2016 Supplement)

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

21 **Article – State Personnel and Pensions**

22 38–101.

23 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(g) “State system” means a retirement or pension system that is included in the State Retirement and Pension System under § 21–102 of this article other than the Legislative Pension Plan except to the extent provided by the joint resolution submitted to the General Assembly by the General Assembly Compensation Commission under Article III, § 15 of the Maryland Constitution.

38–104.

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

(i) a member of a State system; or

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

(2) This section does not apply to a retiree of a State system.

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

(1) A SENATOR IN THE SENATE OF MARYLAND;

(2) A DELEGATE IN THE HOUSE OF DELEGATES; OR

(3) a member of a State system.

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

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

(i) credit for military service provided under:

1. the Social Security Act;

2. the National Railroad Retirement Act; or

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

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

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

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

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

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2017.