

SENATE BILL 119

K4

(9lr1603)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senator Griffith (Chair, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 ~~Employees' Pension System~~ ***Employees' and Teachers' Pension Systems –***
3 ~~Purchase of Eligibility Service Credit – Clarification~~ ***Benefits***

4 FOR the purpose of clarifying a provision authorizing a certain purchase of eligibility
5 service credit in the Employees' Pension System for certain employment; *providing*
6 *that certain members of the Employees' or Teachers' Pension System who meet certain*
7 *criteria may continue employment with certain participating employers of the State*
8 *Retirement and Pension System without incurring a certain break in service following*
9 *retirement from the Employees' or Teachers' Pension System; requiring certain*
10 *members of the Employees' Pension System to cease membership in the Employees'*
11 *Pension System under certain circumstances; providing that certain individuals shall*
12 *receive a specified benefit from the Employees' Pension System after separating from*
13 *certain employment with certain participating employers of the State Retirement and*
14 *Pension System; and generally relating to purchases of service credit in the*

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.

Italics indicate opposite chamber/conference committee amendments.



1 ~~Employees' Pension System~~ benefits in the Employees' and Teachers' Pension
 2 Systems.

3 BY repealing and reenacting, without amendments,
 4 Article – State Personnel and Pensions
 5 Section 23–307(a) and 23–407(d)
 6 Annotated Code of Maryland
 7 (2015 Replacement Volume and 2018 Supplement)

8 BY repealing and reenacting, with amendments,
 9 Article – State Personnel and Pensions
 10 Section 23–307(b)
 11 Annotated Code of Maryland
 12 (2015 Replacement Volume and 2018 Supplement)

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

15 **Article – State Personnel and Pensions**

16 23–307.

17 (a) (1) Except as provided in subsection (b) of this section, in the year of
 18 retirement, a member of the Employees' Pension System may purchase credit for eligibility
 19 service of up to 10 years for periods of employment described in paragraph (3) of this
 20 subsection for which the member is not otherwise entitled to service credit.

21 (2) To purchase service credit under this subsection, a member must:

22 (i) complete a claim for the service credit and file it with the Board
 23 of Trustees on the form that the Board of Trustees provides; and

24 (ii) pay to the Board of Trustees an amount equal to the annuity
 25 reserve and pension reserve required to fund the additional allowance.

26 (3) A member may only purchase service credit under this subsection for
 27 employment with:

28 (i) the State;

29 (ii) a political subdivision in the State;

30 (iii) an out-of-state school as a teacher;

31 (iv) the federal government;

32 (v) an out-of-state political subdivision;

1 (vi) a public or nonpublic school as a teacher; or

2 (vii) a postsecondary school as a teacher.

3 (b) (1) This subsection does not apply to an employee of a participating
4 governmental unit or a former participating governmental unit that has withdrawn.

5 (2) In the year of retirement, a member of the Employees' Pension System
6 may purchase credit for eligibility service for periods of employment with the State for
7 which the member is not otherwise entitled to service credit in a State system.

8 (3) [Except as provided in paragraph (4) of this subsection, a] A member
9 who purchases service credit under this subsection[,] may not purchase:

10 (i) more than a total of 10 years of service credit in the Employees'
11 Pension System;

12 (ii) service credit for any period of employment during which the
13 member participated in the optional retirement program; or

14 (iii) more than a total of 5 years of service credit in the Employees'
15 Pension System for employment as a postsecondary school teacher.

16 (4) To purchase service credit under this subsection, a member must:

17 (i) complete a claim for the service credit and file it with the Board
18 of Trustees on the form that the Board of Trustees provides; and

19 (ii) pay to the Board of Trustees an amount equal to one-half of the
20 annuity reserve and one-half of the pension reserve required to fund the additional
21 allowance.

22 23-407.

23 (d) An individual who is receiving a service retirement allowance under this title
24 may not be employed within 45 days of the date the individual retired, on a permanent,
25 temporary, or contractual basis, by:

26 (1) the State or other participating employer; or

27 (2) a withdrawn participating governmental unit, if the retiree was an
28 employee of the withdrawn participating governmental unit while the withdrawn
29 governmental unit was a participating employer.

30 SECTION 2. AND BE IT FURTHER ENACTED, That:

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

2 (1) *was employed as a teacher for the Montgomery County Public School*
3 *System and enrolled in the Teachers' Pension System under Title 23 of the State Personnel*
4 *and Pensions Article on or after September 1, 1991;*

5 (2) *remains employed as a teacher for the Montgomery County Public*
6 *School System and is a member of the Teachers' Pension System on July 1, 2019;*

7 (3) (i) *was elected to the Howard County Board of Education in 2016;*

8 (ii) *enrolled in the Employees' Pension System under Title 23 of the*
9 *State Personnel and Pensions Article as a member of the Howard County Board of Education*
10 *on or after December 1, 2016; and*

11 (iii) *remains a member of the Howard County Board of Education and*
12 *is a member of the Employees' Pension System on July 1, 2019; and*

13 (4) *on or before July 1, 2019:*

14 (i) *has reached or exceeded normal retirement age in the Employees'*
15 *Pension System and Teachers' Pension System; and*

16 (ii) *is eligible to receive a normal service retirement allowance in the*
17 *Teachers' Pension System.*

18 (b) *Notwithstanding § 23-407(d) of the State Personnel and Pensions Article, an*
19 *individual described under subsection (a) of this section may retire from the Teachers'*
20 *Pension System on or after July 1, 2019, and on or before December 31, 2019, and continue*
21 *servng as a member of the Howard County Board of Education without obtaining a 45-day*
22 *break in service after retirement.*

23 (c) (1) *An individual who retires under subsection (b) of this section shall cease*
24 *membership in the Employees' Pension System on the day preceding the individual's*
25 *retirement from the Teachers' Pension System.*

26 (2) *After separating from employment as a member of the Howard County*
27 *Board of Education, the individual shall be entitled to receive a return of accumulated*
28 *contributions or any other benefit to which the individual is entitled on the basis of the*
29 *individual's membership in the Employees' Pension System.*

30 ***SECTION 3. AND BE IT FURTHER ENACTED, That:***

31 (a) *This section applies to an individual who:*

32 (1) (i) *was elected and served as a County Commissioner for Kent*
33 *County from 1994 through 2002; and*

1 (ii) enrolled in the Employees' Pension System as County
2 Commissioner for Kent County on or after July 1, 2002;

3 (2) (i) was appointed as Town Manager for the Town of Rock Hall in
4 1997;

5 (ii) enrolled in the Employees' Pension System as Town Manager for
6 the Town of Rock Hall on or after May 1, 2005; and

7 (iii) remains employed as Town Manager for the Town of Rock Hall
8 and is a member of the Employees' Pension System on July 1, 2019;

9 (3) (i) was elected as a County Commissioner for Kent County in 2006;

10 (ii) resumed membership in the Employees' Pension System as a
11 County Commissioner for Kent County on or after December 1, 2006; and

12 (iii) remains a County Commissioner and is a member of the
13 Employees' Pension System on July 1, 2019; and

14 (4) on or before July 1, 2019:

15 (i) has reached or exceeded normal retirement age in the Employees'
16 Pension System; and

17 (ii) is eligible to receive a normal service retirement allowance in the
18 Employees' Pension System as Town Manager for the Town of Rock Hall.

19 (b) Notwithstanding § 23-407(d) of the State Personnel and Pensions Article, an
20 individual described under subsection (a) of this section may retire from the Employees'
21 Pension System as Town Manager for the Town of Rock Hall on or after July 1, 2019, and
22 on or before December 31, 2019, and continue serving as a County Commissioner for Kent
23 County without obtaining a 45-day break in service after retirement.

24 (c) (1) An individual who retires under subsection (b) of this section shall cease
25 membership in the Employees' Pension System as a County Commissioner for Kent County
26 on the day preceding the individual's retirement from the Employees' Pension System as the
27 Town Manager for the Town of Rock Hall.

28 (2) After separating from employment as a County Commissioner for Kent
29 County, the individual shall be entitled to receive a return of accumulated contributions or
30 any other benefit to which the individual is entitled on the basis of the individual's
31 employment as a County Commissioner for Kent County.

32 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2019.