

# SENATE BILL 119

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CF HB 62

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

Introduced and read first time: January 17, 2019

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System – Purchase of Eligibility Service Credit –**  
3 **Clarification**

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; and  
6 generally relating to purchases of service credit in the Employees' Pension System.

7 BY repealing and reenacting, without amendments,  
8 Article – State Personnel and Pensions  
9 Section 23–307(a)  
10 Annotated Code of Maryland  
11 (2015 Replacement Volume and 2018 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – State Personnel and Pensions  
14 Section 23–307(b)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2018 Supplement)

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

19 **Article – State Personnel and Pensions**

20 23–307.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

8                   (i) the State;

9                   (ii) a political subdivision in the State;

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

11                  (iv) the federal government;

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

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

14                  (vii) a postsecondary school as a teacher.

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

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

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

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

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

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

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

29                   (i) complete a claim for the service credit and file it with the Board

1 of Trustees on the form that the Board of Trustees provides; and

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

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2019.