

# SENATE BILL 369

P6

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CF HB 527

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

Introduced and read first time: February 1, 2023

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 3, 2023

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Correctional Officers' Retirement System – Transfer of Membership –**  
3 **Modifications**

4 FOR the purpose of making certain members of the Correctional Officers' Retirement  
5 System eligible to receive creditable service at retirement for unused sick leave  
6 accrued by the member in the State Employees' Retirement System or the State  
7 Employees' Pension System; requiring the Board of Trustees for the State  
8 Retirement and Pension System to transfer certain individuals' Employees'  
9 Retirement System or Employees' Pension System service to the Correctional  
10 Officers' Retirement System on or before a certain date; authorizing individuals to  
11 elect not to transfer service to the Correctional Officers' Retirement System on or  
12 before a certain date; and generally relating to the transfer of membership from the  
13 Employees' Retirement System and the Employees' Pension System to the  
14 Correctional Officers' Retirement System.

15 BY repealing and reenacting, without amendments,  
16 Article – State Personnel and Pensions  
17 Section 20–206(a)  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2022 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – State Personnel and Pensions  
22 Section 20–206(g)  
23 Annotated Code of Maryland

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**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.



(2015 Replacement Volume and 2022 Supplement)

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

**Article – State Personnel and Pensions**

20–206.

(a) In this section, “unused sick leave” means sick leave credit that:

(1) has not been used before retirement; and

(2) was available to the member to be used as sick leave during employment.

(g) (1) This subsection applies to a member of the Correctional Officers’ Retirement System who:

(i) was a member of the Employees’ Pension System or Employees’ Retirement System and was transferred from the Employees’ Pension System or Employees’ Retirement System to the Correctional Officers’ Retirement System as a result of a change in membership within the several systems that rendered the individual ineligible for membership in the Employees’ Pension System or the Employees’ Retirement System;

(ii) did not transfer service credit from the Employees’ Pension System or the Employees’ Retirement System to the Correctional Officers’ Retirement System; and

(iii) 1. retires under § 25–401 of this article, and receives a vested benefit from the Employees’ Pension System or the Employees’ Retirement System;

2. retires under §§ 22–401, 22–402, 23–401, or 23–402 of this article, and receives a vested benefit from the Correctional Officers’ Retirement System for service earned on or after July 1, 2016; or

3. retires with a vested benefit from the Employees’ Pension System or Employees’ Retirement System, and earned service in the Correctional Officers’ Retirement System on or after July 1, 2016, for which the individual is not eligible for a benefit.

(2) Subject to paragraphs (3) and (4) of this subsection, a member is entitled to receive creditable service for the total amount of unused sick leave accrued by the member at the time of retirement.

1                   (3)   (i)    This paragraph applies to an individual described under item  
2 (1)(iii)1 or 2 of this subsection.

3                   (ii)   The creditable service for unused sick leave shall be calculated  
4 for each of the two State systems by multiplying the total amount of unused sick leave,  
5 calculated in accordance with subsection (e) of this section, by a fraction:

6                   1.    the numerator of which is the creditable service earned in  
7 the State system, not including the creditable service for unused sick leave; and

8                   2.    the denominator of which is the total creditable service  
9 earned in both State systems, not including the creditable service for unused sick leave.

10                  (4)   (i)    This paragraph applies to an individual described under item  
11 (1)(iii)3 of this subsection.

12                  (ii)   An individual's retirement benefit from the Employees' Pension  
13 System or Employees' Retirement System shall be adjusted to include any credit for unused  
14 sick leave that the individual accrued in the Employees' Pension System or Employees'  
15 Retirement System prior to becoming a member of the Correctional Officers' Retirement  
16 System:

17                  1.    on or after July 1, 2016, in a position included under §  
18 25-201(a)(7) of this article;

19                  2.    on or after July 1, 2017, in a position included under §  
20 25-201(a)(8) or (9) of this article; [or]

21                  3.    on or after July 1, 2018, in a position included under §  
22 25-201(a)(10) or (11) of this article; **OR**

23                  4.    **ON OR AFTER JULY 1, 2022, IN A POSITION INCLUDED**  
24 **UNDER § 25-201(A)(12) OF THIS ARTICLE.**

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

26                  (a)   This section applies only to individuals who were transferred into the  
27 Correctional Officers' Retirement System under:

28                  (1)    Chapters 218 and 219 of the Acts of the General Assembly of 2016;

29                  (2)    Chapters 688, 689, and 690 of the Acts of the General Assembly of 2017;

30                  (3)    Chapters 579 and 580 of the Acts of the General Assembly of 2018; or

31                  (4)    Chapter 147 of the Acts of the General Assembly of 2022.

1 (b) Except as provided in subsections (c) and (d) of this section, on June 30, 2024,  
 2 the Board of Trustees for the State Retirement and Pension System shall transfer the  
 3 service of an individual identified under subsection (a) of this section from the Employees'  
 4 Retirement System or Employees' Pension System to the Correctional Officers' Retirement  
 5 System.

6 (c) On or before June 1, 2024, an individual identified under subsection (a) of this  
 7 section may elect not to transfer the individual's Employees' Retirement System or  
 8 Employees' Pension System service to the Correctional Officers' Retirement System by  
 9 submitting to the Board of Trustees for the State Retirement and Pension System a form  
 10 provided by the State Retirement Agency for the purpose of electing not to transfer service  
 11 under this Act.

12 (d) If an individual identified under subsection (a) of this section submits an  
 13 application for retirement to retire before June 30, 2024, the Board of Trustees for the State  
 14 Retirement and Pension System shall transfer the individual's service from the Employees'  
 15 Retirement System or the Employees' Pension System to the Correctional Officers'  
 16 Retirement System prior to the effective date of retirement, unless the individual elects not  
 17 to transfer the individual's service in accordance with subsection (c) of this section.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 19 1, 2023. Section 2 of this Act shall remain effective for a period of 1 year and, at the end of  
 20 June 30, 2024, Section 2 of this Act, with no further action required by the General  
 21 Assembly, shall be abrogated and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.