

## Chapter 126

**(Senate Bill 695)**

AN ACT concerning

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

FOR the purpose of authorizing members of the State Retirement and Pension System to receive certain credit for attendance at a United States service academy; and generally relating to credit in the State Retirement and Pension System for military service.

BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section 38–103 and 38–104  
Annotated Code of Maryland  
(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**

38–103.

(a) This section applies only to a member of a State or local retirement or pension system who:

(1) does not withdraw any of the member's accumulated contributions, unless the member redeposits the sum withdrawn as provided under subsection (b) of this section;

(2) within 1 year after the member leaves military service, is employed by the State or a political subdivision of the State;

(3) does not take any employment other than the employment described in item (2) of this subsection, except for temporary employment after the member:

(i) applied for reemployment in the member's former classification or position in the State service; and

(ii) was refused immediate reemployment for causes beyond the member's control; and

(4) applies for service credit with the State or local retirement or pension system in which the member held membership before the member's military service began.

(b) If a member of a State or local retirement or pension system who is absent from employment for military service withdraws any of the member's accumulated contributions and redeposits the sum withdrawn with regular interest into the State or local retirement or pension system, the member, if otherwise qualified, is entitled to the benefits of this section as if the withdrawal had not been made.

(c) Except as otherwise provided in this subtitle, a member of a State or local retirement or pension system who is actively reemployed under subsection (a)(2) of this section retains the status and rights as a member during a period of absence from employment for military service.

(d) (1) Subject to paragraph (2)(i) of this subsection, a member of a State or local retirement or pension system shall receive service credit for a period of absence from employment while in military service if:

(i) the employment of the member under subsection (a)(2) of this section is active or the employee is reinstated as a regular employee on a leave of absence; and

(ii) membership in a State or local retirement or pension system is a requirement of employment.

(2) (i) For an absence for military service, service credit for the military service may not exceed 5 years.

(ii) 1. This subparagraph applies only to a member of a State system.

2. Subject to subparagraph (i) of this paragraph and in addition to any service credit received under paragraph (1) of this subsection, a member of the Maryland National Guard or of a reserve component of the armed forces of the United States who has been activated under Title 10 of the United States Code and who is on active or inactive duty for training that interrupts the member's service shall receive service credit at the rate of 4 months for each full year for military service, not to exceed a total of 36 months.

**3. SUBJECT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH, AN INDIVIDUAL SHALL RECEIVE SERVICE CREDIT AT THE RATE OF 4 MONTHS FOR EACH FULL YEAR OF ATTENDANCE AT A UNITED STATES SERVICE ACADEMY THAT INTERRUPTS THE MEMBER'S EMPLOYMENT, NOT TO EXCEED A TOTAL OF 16 MONTHS.**

(e) A member of a State or local retirement or pension system who receives service credit for military service under this section may transfer the credit to another State or local retirement or pension system.

(f) The service credit for military service that a member of a State system receives under this section shall be applied to the individual's retirement allowance using the accrual rate at the time the individual retires from a State system.

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 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.

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

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

National Guard or with a reserve component of the armed forces of the United States, not to exceed a total of 36 months.

**(III) SUBJECT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH, AN INDIVIDUAL SHALL RECEIVE SERVICE CREDIT AT THE RATE OF 4 MONTHS FOR EACH FULL YEAR OF ATTENDANCE AT A UNITED STATES SERVICE ACADEMY, NOT TO EXCEED A TOTAL OF 16 MONTHS.**

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023.

**Approved by the Governor, April 24, 2023.**