

SENATE BILL 515

K4

(7lr2142)

ENROLLED BILL

— Budget and Taxation / Appropriations —

Introduced by **Senator Kramer (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 **State Retirement and Pension System – Administration – Simplification**

3 FOR the purpose of allowing certain members of the State Retirement and Pension
4 System to purchase certain service credit within a certain period of time;
5 eliminating pro-rated payments of certain optional retirement allowances to
6 certain retirees; providing that certain appointed and elected officials are not
7 required to join the Employees' Pension System; requiring that certain eligible
8 governmental units are responsible for certain member contributions under
9 certain circumstances; clarifying that certain members of the Correctional
10 Officers' Retirement System are eligible to receive a normal service retirement
11 allowance and a deferred vested retirement allowance; requiring certain

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 participating governmental units to offset certain workers' compensation
 2 benefits in a certain manner; repealing obsolete language regarding a local
 3 retirement plan in Dorchester County; requiring certain eligible members of the
 4 ~~Teachers' Retirement System or the Teachers' Pension System~~ to elect
 5 membership in the Optional Retirement Program within a certain period of
 6 time; exempting from a certain offset of a retirement allowance certain
 7 members in the Judges' Retirement System; repealing certain provisions of the
 8 State Personnel and Pensions Article that set age restrictions for membership
 9 in the State Retirement and Pension System for certain individuals; providing
 10 that certain members of the Employees' Retirement System may receive a certain
 11 number of years of service credit for certain employment under certain
 12 circumstances; providing for the delayed effective date of a certain provision of
 13 this Act; providing for the application of a certain provision of this Act;
 14 providing for the termination of a certain provision of this Act; making certain
 15 technical and conforming changes; and generally relating to simplifying the
 16 administration of the State Retirement and Pension System.

17 BY repealing and reenacting, with amendments,

18 Article – State Personnel and Pensions

19 Section 21–307, 21–403(e) and (f), 22–303.1, 23–201, ~~23–204, 23–206~~, 23–304.1,
 20 23–306, 24–304.1, 25–304.1, 25–401, 26–306, 26–306.1, 27–406, 28–306,
 21 28–306.1, 29–118(a), ~~and 29–302(e)~~ 29–302(c), 30–302, 30–303, and
 22 30–305

23 Annotated Code of Maryland

24 (2004 Replacement Volume and 2006 Supplement)

25 ~~BY adding to~~

26 ~~Article – State Personnel and Pensions~~

27 ~~Section ~~22–212.1~~ and ~~23–207~~~~

28 ~~Annotated Code of Maryland~~

29 ~~(2004 Replacement Volume and 2006 Supplement)~~

30 BY repealing and reenacting, with amendments,

31 Article – State Personnel and Pensions

32 Section 6–306

33 Annotated Code of Maryland

34 (2004 Replacement Volume and 2006 Supplement)

35 (As enacted by Chapter _____ (S.B. 6) of the Acts of the General Assembly of
 36 2007)

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

1 [(e) For an employee of Dorchester County who is a member of the
2 Employees' Pension System or the Employees' Retirement System, Dorchester County
3 shall pay the employer contributions otherwise required to be made by the State on
4 behalf of the member.]

5 [(f) (E) (1) For a member of the State Police Retirement System, the
6 State shall pay the cost of special death benefits under § 29–204(a)(2)(i)2 of this
7 article, including the normal contribution rate and the accrued liability rate, up to the
8 current contribution rate for employers for federal old age, survivors, and disability
9 insurance.

10 (2) Except as provided in paragraph (3) of this subsection, the
11 members shall pay the cost of the special death benefits that exceeds the current rate
12 for federal old age, survivors, and disability insurance.

13 (3) The State shall pay the full costs of each special death benefit
14 applicable to each member whose death arises out of or in the course of actual
15 performance of duty.

16 [(g) (F) For an employee of the Maryland Environmental Service who is a
17 member of the Employees' Retirement System or the Pension System for Employees,
18 the Maryland Environmental Service shall pay to the Board of Trustees the employer
19 contributions otherwise required to be made by the State on behalf of the member.

20 [(h) (G) For a court reporter for the Circuit Court for Charles County who
21 is a member of the Employees' Retirement System or the Employees' Pension System,
22 the County Commissioners of Charles County shall pay the employer contributions
23 otherwise required to be made by the State on behalf of the member.

24 [(i) (H) (1) Except as provided in subsection [(j)] (I) of this section, the
25 University System of Maryland shall pay an annual accrued liability contribution
26 equal to an amount that is sufficient to liquidate over not more than 5 years, the
27 increase in the accrued liability by means of annual payments that increase each year
28 based on actuarial assumptions adopted by the Board of Trustees on the
29 recommendation of the actuary.

30 (2) The University System of Maryland:

31 (i) shall pay to the Board of Trustees the amount required
32 under this subsection on July 1 of each year until the increase in the accrued liability
33 is paid in full; and

1 (ii) may prepay all or a portion of the increase in the accrued
2 liability in accordance with a calculation approved by the Board of Trustees.

3 [(j)] (I) (1) The Medical System, as defined in § 13–301(k) of the
4 Education Article, shall pay an annual accrued liability contribution equal to an
5 amount that is sufficient to liquidate, over not more than 5 years, the increase in the
6 accrued liability determined under § 21–304(d)(2) of this subtitle that is attributable to
7 the retirement of Medical System university personnel, as defined in § 13–301(q) of
8 the Education Article, by means of annual payments that increase each year based on
9 actuarial assumptions adopted by the Board of Trustees on the recommendation of the
10 actuary.

11 (2) The Medical System:

12 (i) shall pay to the Board of Trustees the amount required
13 under this subsection on July 1 of each year until the increase in the accrued liability
14 is paid in full; and

15 (ii) may prepay all or a portion of the increase in the accrued
16 liability in accordance with a calculation approved by the Board of Trustees.

17 [(k)] (J) For each employee who is subject to the contributory pension
18 benefit under Title 23, Subtitle 2, Part II of this article, Frederick County shall pay
19 the additional liabilities that result from the contributory pension benefit according to
20 a schedule of amortization that is subject to the approval of the Board of Trustees.

21 [(l)] (K) For each employee of a participating governmental unit that
22 initially elects to provide its employees with the contributory pension benefit under
23 Title 23, Subtitle 2, Part II of this article between July 1, 2002 and December 31, 2002,
24 inclusive, the participating governmental unit shall pay the additional liabilities that
25 result from the contributory pension benefit according to any increase in the normal
26 cost percentage plus a schedule of amortization that is subject to the approval of the
27 Board of Trustees.

28 [(m)] (L) For each employee of the Maryland Transit Administration who is
29 a member of the Law Enforcement Officers' Pension System, the Maryland Transit
30 Administration shall pay to the Board of Trustees the employer contributions
31 otherwise required to be made by the State on behalf of the member.

32 21–403.

1 (e) (1) Subject to paragraph (2) of this subsection, under Option 5, when a
 2 retiree dies, the Board of Trustees shall pay the retiree's reduced allowance to the
 3 designated beneficiary for the designated beneficiary's life.

4 (2) If the designated beneficiary dies before the retiree, then:

5 (i) [from] **BEGINNING IN THE MONTH FOLLOWING** the date of
 6 death of the designated beneficiary, the Board of Trustees shall pay the retiree the
 7 basic allowance; or

8 (ii) 1. the retiree may designate a new beneficiary in
 9 accordance with § 21-404 of this subtitle; and

10 2. the Board of Trustees shall pay the retiree an
 11 allowance as provided in § 21-404(d)(2) of this subtitle.

12 (f) (1) Subject to paragraph (2) of this subsection, under Option 6, when a
 13 retiree dies, the Board of Trustees shall pay 50% of the retiree's reduced allowance to
 14 the designated beneficiary for the designated beneficiary's life.

15 (2) If the designated beneficiary dies before the retiree, then:

16 (i) [from] **BEGINNING IN THE MONTH FOLLOWING** the date of
 17 death of the designated beneficiary, the Board of Trustees shall pay the retiree the
 18 basic allowance; or

19 (ii) 1. the retiree may designate a new beneficiary in
 20 accordance with § 21-404 of this subtitle; and

21 2. the Board of Trustees shall pay the retiree an
 22 allowance as provided in § 21-404(d)(2) of this subtitle.

23 ~~**22-212.1.**~~

24 ~~(A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO:~~

25 ~~(1) IS A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM ON~~
 26 ~~JUNE 30, 2007; AND~~

27 ~~(2) IS ELIGIBLE TO PARTICIPATE IN THE OPTIONAL RETIREMENT~~
 28 ~~PROGRAM UNDER TITLE 30 OF THIS ARTICLE.~~

1 ~~(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS~~
2 ~~SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' RETIREMENT~~
3 ~~SYSTEM UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL~~
4 ~~RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE~~
5 ~~JUNE 30, 2008.~~

6 22-303.1.

7 (a) Except as provided in subsection (b) of this section, a member may not
8 purchase service credit under this title if the member is separated from employment.

9 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
10 service credit under this title [if the member is on] **FOR** a leave of absence approved
11 by the Board of Trustees under regulations that apply to all members, **IF THE**
12 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
13 **EXPIRATION OF THE LEAVE OF ABSENCE.**

14 23-201.

15 (a) Except as provided in subsection (b) of this section, §§ 23-203 through
16 23-205 of this subtitle apply only to:

17 (1) a regular employee whose compensation is provided by State
18 appropriation or paid from State funds;

19 (2) an appointed or elected official of the State, including:

20 (i) a clerk of the circuit court;

21 (ii) a register of wills;

22 (iii) a State's Attorney; and

23 (iv) a sheriff;

24 (3) an employee or official of a participating governmental unit who is
25 eligible to participate under Title 31, Subtitle 1 of this article;

26 (4) an employee of the Office of the Sheriff of Baltimore City;

27 (5) an additional employee or agent of the State Racing Commission
28 authorized by § 11-207 of the Business Regulation Article;

1 (6) a permanent employee of the board of supervisors of elections of a
2 county;

3 (7) a full-time master in chancery or in juvenile causes who is
4 appointed on or after July 1, 1989, in any county by the circuit court for that county;

5 (8) an employee of the Maryland Environmental Service who is a
6 member of the Employees' Pension System on June 30, 1993, or transfers from the
7 Employees' Retirement System on or after July 1, 1993;

8 [(9) an employee of Dorchester County who is not a member of the
9 county's general pension and retirement program;]

10 [(10)] **(9)** a former Baltimore City jail employee who became an
11 employee of the Baltimore City Detention Center and a member of the Employees'
12 Pension System on July 1, 1991;

13 [(11)]**(10)** a nonfaculty employee of the Baltimore City Community
14 College who:

15 (i) is a member of the Employees' Pension System on October 1,
16 2002;

17 (ii) transfers from the Employees' Retirement System on or
18 after October 1, 2002;

19 (iii) transfers from the Teachers' Pension System in accordance
20 with § 23-202.1 of this subtitle; or

21 (iv) becomes an employee of the Baltimore City Community
22 College on or after October 1, 2002;

23 [(12)] **(11)** a court reporter for the Circuit Court for Charles County
24 who is a member of the Employees' Pension System on July 1, 1994, or transfers from
25 the Employees' Retirement System on or after July 1, 1994;

26 [(13)] **(12)** a staff employee of the University System of Maryland,
27 Morgan State University, or St. Mary's College who is:

1 (i) a member of the Employees' Pension System on January 1,
2 1998, or transfers from the Employees' Retirement System on or after January 1,
3 1998; or

4 (ii) a staff employee of the University System of Maryland,
5 Morgan State University, or St. Mary's College who becomes an employee on or after
6 January 1, 1998;

7 [(14)] (13) on or after the date that the Board of Education of Kent
8 County begins participation in the Employees' Pension System, a supportive service
9 employee of the Board of Education of Kent County;

10 [(15)] (14) an employee of the Town of Oakland on or after the date
11 that the Town of Oakland begins participation in the Employees' Pension System; and

12 [(16)] (15) an employee of the City of Frostburg on or after the date
13 that the City of Frostburg begins participation in the Employees' Pension System.

14 (b) Sections 23–203 through 23–205 of this subtitle do not apply to:

15 (1) an individual who is or is entitled to be a member of any State
16 system other than the Employees' Pension System;

17 (2) a contractual, emergency, or temporary extra employee;

18 (3) an individual who is employed under a federal public service
19 employment program;

20 (4) an assessor who is a member of a retirement or pension system
21 operated by a political subdivision of the State;

22 (5) an employee of a local board of elections who chooses to stay in a
23 local merit system under § 2–207 of the Election Law Article;

24 (6) a nonclerical or nonprofessional employee of the Baltimore City
25 Community College who:

26 (i) was an employee of the New Community College of
27 Baltimore during the 1989–1990 academic year;

1 (ii) was employed by the New Community College of Baltimore
2 on or before December 31, 1990, as a "Class A" member of the Baltimore City
3 Retirement Plan; and

4 (iii) elected to remain a member of the Baltimore City
5 Retirement Plan;

6 (7) an employee who is not a member of a State system and who
7 accepts a position for which the budgeted hours per fiscal year are less than 500 hours
8 in the first fiscal year of employment; [or]

9 (8) an employee of the Domestic Relations Division of the Anne
10 Arundel County Circuit Court who:

11 (i) was transferred on or after July 1, 2002, into the State
12 Personnel Management System as an employee of the Child Support Enforcement
13 Administration of the Maryland Department of Human Resources;

14 (ii) elected, under § 2-510 of the Courts Article, to remain as a
15 participant in the Anne Arundel County Retirement and Pension System; and

16 (iii) remains as an employee of the Child Support Enforcement
17 Administration of the Maryland Department of Human Resources or an attorney
18 employed to represent the Child Support Enforcement Administration; [or]

19 (9) a nonfaculty employee of the Baltimore City Community College
20 who is eligible to participate and elects to participate in an optional retirement
21 program under Title 30 of this article; **OR**

22 **(10) AN APPOINTED OR ELECTED OFFICIAL WHO ON OR AFTER**
23 **JULY 1, 2007, IS A MEMBER OF ANY OTHER STATE OR LOCAL RETIREMENT OR**
24 **PENSION SYSTEM AS DEFINED UNDER TITLE 37 OF THIS ARTICLE.**

25 ~~23-206.~~

26 ~~(a) Except as provided in subsection (b) of this section, §§ 23-208 through~~
27 ~~23-210 of this subtitle apply only to:~~

28 ~~(1) an employee of a day school in the State under the authority and~~
29 ~~supervision of a county board of education or the Baltimore City Board of School~~
30 ~~Commissioners, employed as:~~

- 1 (i) ~~a clerk;~~
- 2 (ii) ~~a helping teacher;~~
- 3 (iii) ~~a principal;~~
- 4 (iv) ~~a superintendent;~~
- 5 (v) ~~a supervisor; or~~
- 6 (vi) ~~a teacher;~~
- 7 (2) ~~a faculty employee of an educational institution supported by and~~
8 ~~under the control of the State;~~
- 9 (3) ~~a librarian or clerical employee of a library that is established or~~
10 ~~operates under the Education Article;~~
- 11 (4) ~~a professional or clerical employee of a community college that is~~
12 ~~established or operates under the Education Article;~~
- 13 (5) ~~a staff employee of the University System of Maryland, Morgan~~
14 ~~State University, or St. Mary's College who is a member of the Teachers' Pension~~
15 ~~System as of January 1, 1998, or who transfers from the Teachers' Retirement System~~
16 ~~on or after January 1, 1998; or~~
- 17 (6) ~~a nonfaculty employee of the Baltimore City Community College~~
18 ~~who:~~
- 19 (i) ~~is a member of the Teachers' Pension System as of October~~
20 ~~1, 2002 and does not transfer to the Employees' Pension System in accordance with §~~
21 ~~23-202.1 of this subtitle; or~~
- 22 (ii) ~~transfers from the Teachers' Retirement System on or after~~
23 ~~October 1, 2002.~~
- 24 (b) ~~[Sections] EXCEPT AS PROVIDED IN § 23-207 OF THIS SUBTITLE, §§~~
25 ~~23-208 and 23-209 of this subtitle do not apply to:~~
- 26 (1) ~~an individual who has elected to participate in an optional~~
27 ~~retirement program under Title 30 of this article WITHIN 1 YEAR OF BECOMING A~~
28 ~~MEMBER OF THE TEACHERS' PENSION SYSTEM;~~

1 ~~(2) an individual who is employed under a federal public service~~
2 ~~employment program;~~

3 ~~(3) a professional or clerical employee of the Department of Public~~
4 ~~Libraries of Montgomery County who is participating in the Employees' Retirement~~
5 ~~System of Montgomery County;~~

6 ~~(4) a staff employee of the University System of Maryland, Morgan~~
7 ~~State University, or St. Mary's College who becomes employed on or after January 1,~~
8 ~~1998 in a position as a staff employee of the educational institution that was eligible~~
9 ~~for membership in the Teachers' Retirement System or Teachers' Pension System~~
10 ~~under Chapter 6, § 8, paragraphs 1(a) and 2(a) of the Acts of 1994;~~

11 ~~(5) an employee who is not a member of a State system and who~~
12 ~~accepts a position for which the budgeted hours per fiscal year are less than 500 hours~~
13 ~~in the first fiscal year of employment; or~~

14 ~~(6) a nonfaculty employee of the Baltimore City Community College~~
15 ~~who becomes employed on or after October 1, 2002, or who transfers to the Employees'~~
16 ~~Pension System in accordance with § 23-202.1 of this subtitle.~~

17 ~~**23-207.**~~

18 ~~**(A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO:**~~

19 ~~**(1) IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE**~~
20 ~~**30, 2007; AND**~~

21 ~~**(2) IS ELIGIBLE TO PARTICIPATE IN THE OPTIONAL RETIREMENT**~~
22 ~~**PROGRAM UNDER TITLE 30 OF THIS ARTICLE.**~~

23 ~~**(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS**~~
24 ~~**SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' PENSION SYSTEM**~~
25 ~~**UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL**~~
26 ~~**RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE**~~
27 ~~**JUNE 30, 2008.**~~

28 ~~23-304.1.~~

29 (a) Except as provided in subsection (b) of this section, a member may not
30 purchase service credit under this title if the member is separated from employment.

1 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
2 service credit under this title [if the member is on] **FOR** a leave of absence approved
3 by the Board of Trustees under regulations that apply to all members, **IF THE**
4 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
5 **EXPIRATION OF THE LEAVE OF ABSENCE.**

6 23–306.

7 (A) A member is entitled to eligibility service during a leave of absence if the
8 leave of absence:

9 (1) is approved by the Board of Trustees under regulations that apply
10 to all members similarly situated; and

11 (2) is not otherwise recognized as eligibility service under this subtitle.

12 (B) **TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE**
13 **DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY**
14 **THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS**
15 **DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY**
16 **TO ALL MEMBERS SIMILARLY SITUATED.**

17 24–304.1.

18 (a) Except as provided in subsection (b) of this section, a member may not
19 purchase service credit under this title if the member is separated from employment.

20 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
21 service credit under this title [if the member is on] **FOR** a leave of absence approved
22 by the Board of Trustees under regulations that apply to all members, **IF THE**
23 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
24 **EXPIRATION OF THE LEAVE OF ABSENCE.**

25 25–304.1.

26 (a) Except as provided in subsection (b) of this section, a member may not
27 purchase service credit under this title if the member is separated from employment.

28 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
29 service credit under this title [if the member is on] **FOR** a leave of absence approved

1 by the Board of Trustees under regulations that apply to all members, **IF THE**
2 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
3 **EXPIRATION OF THE LEAVE OF ABSENCE.**

4 25-401.

5 (a) A member may retire with a normal service retirement allowance if:

6 (1) on or before the date of retirement, the member has at least 20
7 years of eligibility service;

8 (2) for at least 5 years immediately before retirement, the member
9 was:

10 (I) a security attendant at Clifton T. Perkins Hospital
11 Center[,];

12 (II) a correctional officer in any of the first six job
13 classifications[, or];

14 (III) **A DETENTION CENTER OFFICER EMPLOYED BY A**
15 **PARTICIPATING GOVERNMENTAL UNIT THAT HAS ELECTED TO PARTICIPATE IN**
16 **THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;**

17 (IV) **AN INDIVIDUAL SERVING AS A CORRECTIONAL DIETARY,**
18 **MAINTENANCE, OR SUPPLY OFFICER; OR**

19 (V) in a combination of these positions; and

20 (3) the member completes and submits a written application to the
21 Board of Trustees stating the date when the member desires to retire.

22 (b) On retirement under this section, a member is entitled to receive a
23 normal service retirement allowance that equals one fifty-fifth of the member's
24 average final compensation multiplied by the number of years of creditable service.

25 26-306.

26 (A) A member is entitled to eligibility service during a leave of absence if the
27 leave of absence:

1 (1) is approved by the Board of Trustees under regulations that apply
2 to all members similarly situated; and

3 (2) is not otherwise recognized as eligibility service under this subtitle.

4 **(B) TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE**
5 **DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY**
6 **THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS**
7 **DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY**
8 **TO ALL MEMBERS SIMILARLY SITUATED.**

9 26–306.1.

10 (a) Except as provided in subsection (b) of this section, a member may not
11 purchase service credit under this title if the member is separated from employment.

12 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
13 service credit under this title [if the member is on] **FOR** a leave of absence approved
14 by the Board of Trustees under regulations that apply to all members, **IF THE**
15 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
16 **EXPIRATION OF THE LEAVE OF ABSENCE.**

17 27–406.

18 (a) This section does not apply to a retiree who:

19 (1) is temporarily assigned to sit in a court of this State under the
20 authority of Article IV, § 3A of the Maryland Constitution; or

21 (2) is reemployed as a member of the faculty of a community college in
22 the State.

23 (b) [Subject to subsection (c) of this section, a] **A** retiree may accept
24 employment in which all or part of the compensation for the employment comes from
25 municipal, county, or State funds, if the retiree immediately notifies the Board of
26 Trustees of:

27 (1) the retiree's intention to accept the employment; and

28 (2) the compensation that the retiree will receive.

1 (c) (1) The Board of Trustees shall reduce [a retiree's retirement
2 allowance by] **THE RETIREMENT ALLOWANCE OF A RETIREE WHO ACCEPTS**
3 **EMPLOYMENT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION IF THE**
4 **RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE GOVERNMENT AND THE**
5 **RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S LAST SEPARATION FROM**
6 **EMPLOYMENT WITH THE STATE BEFORE THE RETIREE COMMENCED RECEIVING**
7 **A SERVICE RETIREMENT ALLOWANCE WAS ALSO A UNIT OF STATE**
8 **GOVERNMENT.**

9 (2) **THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS**
10 **SUBSECTION SHALL EQUAL** the amount that the sum of the retiree's annual
11 retirement allowance and the retiree's annual compensation exceeds the amount of the
12 compensation on which the retirement allowance is based.

13 [(2)] (D) If a retiree accepts employment as allowed by subsection (a)
14 of this section and is subsequently awarded retirement benefits because of that
15 employment, the Board of Trustees shall reduce the retiree's benefits under this
16 subtitle by the amount of the retirement benefits resulting from the subsequent
17 employment **IF THE RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE**
18 **GOVERNMENT AND THE RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S**
19 **LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE RETIREE**
20 **COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE WAS ALSO A**
21 **UNIT OF STATE GOVERNMENT.**

22 28-306.

23 (A) A member is entitled to eligibility service during a leave of absence if the
24 leave of absence:

25 (1) is approved by the Board of Trustees under regulations that apply
26 to all members similarly situated; and

27 (2) is not otherwise recognized as eligibility service under this subtitle.

28 (B) **TO RECEIVE SERVICE CREDIT FOR A LEAVE OF ABSENCE**
29 **DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, A MEMBER SHALL PAY**
30 **THE MEMBER CONTRIBUTIONS WITH REGULAR INTEREST, IF ANY, AS**
31 **DETERMINED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY**
32 **TO ALL MEMBERS SIMILARLY SITUATED.**

33 28-306.1.

1 (a) Except as provided in subsection (b) of this section, a member may not
2 purchase service credit under this title if the member is separated from employment.

3 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase
4 service credit under this title [if the member is on] **FOR** a leave of absence approved
5 by the Board of Trustees under regulations that apply to all members, **IF THE**
6 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**
7 **EXPIRATION OF THE LEAVE OF ABSENCE.**

8 29–118.

9 (a) (1) Except as otherwise provided in this subsection, this section
10 applies to a retiree and any designated beneficiary.

11 (2) (i) This section does not apply to:

12 **1. A RETIREE OF A PARTICIPATING GOVERNMENTAL**
13 **UNIT, OR A DESIGNATED BENEFICIARY OF THAT RETIREE; OR**

14 **2.** a retiree of the Employees' Pension System or the
15 Employees' Retirement System who receives a disability retirement benefit as a
16 former employee of a county board of education[,] **OR** the Board of School
17 Commissioners of Baltimore City, [or a participating governmental unit] or a
18 designated beneficiary of that retiree.

19 (ii) A retiree [of the Employees' Pension System or the
20 Employees' Retirement System who receives a disability benefit as a former employee
21 of a county board of education, the Board of School Commissioners of Baltimore City,
22 or a participating governmental unit] **DESCRIBED IN SUBPARAGRAPH (I) OF THIS**
23 **PARAGRAPH**, or a designated beneficiary of that retiree is subject to § 9–610 of the
24 Labor and Employment Article.

25 29–302.

26 (c) A vested allowance is a deferred allowance starting at:

27 (1) normal retirement age for members of:

28 (i) the Employees' Retirement System;

- 1 (ii) the State Police Retirement System; and
- 2 (iii) the Teachers' Retirement System;
- 3 (2) age 55 for a member of the Correctional Officers' Retirement
4 System who is:
- 5 (I) a correctional officer in the first six job classifications; [or]
- 6 (II) **A DETENTION CENTER OFFICER EMPLOYED BY A**
7 **PARTICIPATING GOVERNMENTAL UNIT WHO HAS ELECTED TO PARTICIPATE IN**
8 **THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR**
- 9 (III) **AN INDIVIDUAL SERVING AS A CORRECTIONAL DIETARY,**
10 **MAINTENANCE, OR SUPPLY OFFICER; OR**
- 11 (3) age 60 for a member of the Correctional Officers' Retirement
12 System who is a maximum security attendant at the Clifton T. Perkins Hospital
13 Center.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
15 read as follows:

16 **Article – State Personnel and Pensions**

17 6–306.

18 [(a) Any individual 70 years old or older is eligible for appointment to any
19 nontemporary position in the State Personnel Management System for which the
20 individual qualifies, and the appointment is subject to the provisions of the State
21 Personnel and Pensions Article.

22 [(b) Any individual who is first appointed to a nontemporary position
23 governed by the State Personnel Management System at the age of 70 or older is not
24 eligible for membership in the pension systems of the State.]

25 30–302.

26 (A) An election to participate in the program shall be made [as provided in
27 this subtitle] BY AN ELIGIBLE EMPLOYEE WITHIN 1 YEAR OF *FIRST* BECOMING AN
28 ELIGIBLE EMPLOYEE OF AN EMPLOYING INSTITUTION.

1 **(B) AN ELIGIBLE EMPLOYEE'S ELECTION TO PARTICIPATE IN THE**
2 **PROGRAM IS ~~IRREVOCABLE~~ A ONE-TIME IRREVOCABLE ELECTION.**

3 30-303.

4 (a) An eligible employee shall elect to:

5 (1) join a pension OR RETIREMENT system in accordance with the
6 provisions of this Division II applicable to that system; or

7 (2) participate in the program.

8 (b) An eligible employee shall:

9 (1) make an election under this section in writing; and

10 (2) file the election with the Board of Trustees and the employing
11 institution **WITHIN 1 YEAR OF FIRST BECOMING AN ELIGIBLE EMPLOYEE OF AN**
12 **EMPLOYING INSTITUTION.**

13 **(c) AN ELIGIBLE EMPLOYEE MAY NOT PARTICIPATE IN THE PROGRAM**
14 **IF BOTH THE BOARD OF TRUSTEES AND THE EMPLOYING INSTITUTION HAVE**
15 **NOT RECEIVED THE ELIGIBLE EMPLOYEE'S WRITTEN ELECTION REQUIRED**
16 **UNDER SUBSECTION (B) OF THIS SECTION, WITHIN 1 YEAR OF ~~THE ELIGIBLE~~**
17 **~~EMPLOYEE ACCEPTING EMPLOYMENT~~ FIRST BECOMING AN ELIGIBLE EMPLOYEE**
18 **WITH AN EMPLOYING INSTITUTION.**

19 **(D) The effective date of the election shall be the first day of the month after**
20 **the election.**

21 30-305.

22 (a) This section applies only to a State employee who becomes eligible to
23 elect participation in the program if the employee is appointed, promoted, transferred,
24 or reclassified to a [professional staff] position **AS AN ELIGIBLE EMPLOYEE.**

25 (b) A State employee described in subsection (a) of this section may elect to
26 participate in the program.

27 (c) An eligible employee shall:

1 (1) make an election under this section in writing; and

2 (2) file the election with the Board of Trustees and the employing
 3 institution WITHIN 1 YEAR OF FIRST BECOMING AN ELIGIBLE EMPLOYEE OF AN
 4 EMPLOYING INSTITUTION.

5 **(D) AN ELIGIBLE EMPLOYEE MAY NOT PARTICIPATE IN THE PROGRAM**
 6 **IF BOTH THE BOARD OF TRUSTEES AND THE EMPLOYING INSTITUTION HAVE**
 7 **NOT RECEIVED THE ELIGIBLE EMPLOYEE'S WRITTEN ELECTION REQUIRED**
 8 **UNDER SUBSECTION (C) OF THIS SECTION, WITHIN 1 YEAR OF ~~THE ELIGIBLE~~**
 9 **~~EMPLOYEE ACCEPTING EMPLOYMENT~~ FIRST BECOMING AN ELIGIBLE EMPLOYEE**
 10 **WITH AN EMPLOYING INSTITUTION.**

11 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 12 read as follows:

13 **Article – State Personnel and Pensions**

14 23-204.

15 (a) (1) This subsection applies to an individual who on June 30, 2004,
 16 receives an annual salary and who is:

17 (i) an elected or appointed official;

18 (ii) an employee of the Governor's office;

19 (iii) an employee of the Senate or House of Delegates;

20 (iv) a member of the Prince George's County Board of License
 21 Commissioners; or

22 (v) an employee of Dorchester County who is not a member of the
 23 county's general pension and retirement program.

24 (2) Membership in the Employees' Pension System is optional for an
 25 individual under paragraph (1) of this subsection while the individual remains
 26 employed in the position the individual held on June 30, 2004.

27 **(3) (1) IN LIEU OF MEMBERSHIP IN ANY OTHER RETIREMENT**
 28 **OR PENSION SYSTEM OPERATED UNDER THE LAWS OF THE STATE OR ANY**
 29 **POLITICAL SUBDIVISION OF THE STATE, AN INDIVIDUAL UNDER PARAGRAPH**

1 (1)(I) OF THIS SUBSECTION MAY ELECT TO JOIN THE EMPLOYEES' PENSION
 2 SYSTEM WITHIN 1 YEAR OF EMPLOYMENT OR JULY 1, 2008, WHICHEVER IS
 3 LATER.

4 (II) AN INDIVIDUAL UNDER PARAGRAPH (1)(I) OF THIS
 5 SUBSECTION WHO ELECTS TO JOIN THE EMPLOYEES' PENSION SYSTEM UNDER
 6 SUBPARAGRAPH (I) OF THIS PARAGRAPH, MAY TRANSFER FROM A STATE OR
 7 LOCAL RETIREMENT OR PENSION SYSTEM TO THE EMPLOYEES' PENSION
 8 SYSTEM IN ACCORDANCE WITH TITLE 37 OF THIS ARTICLE, ANY SERVICE CREDIT
 9 EARNED WHILE SERVING IN THAT POSITION.

10 (b) (1) (i) Except as provided in paragraph (2) of this subsection, this
 11 subsection applies only to the employees of a participating governmental unit who:

12 1. are employed by the participating governmental unit
 13 on June 30, 2004; and

14 2. were employed by the participating governmental unit
 15 on the effective date of participation in the State systems.

16 (ii) Except as provided in paragraph (2) of this subsection,
 17 membership in the Employees' Pension System is optional for an individual under
 18 subparagraph (i) of this paragraph until the individual ceases employment with the
 19 participating governmental unit that was employing the individual on June 30, 2004.

20 (2) Membership in the Employees' Pension System is not optional for
 21 individuals who are:

22 (i) supportive service employees of the Board of Education of
 23 Kent County;

24 (ii) employees of the Town of Oakland; or

25 (iii) employees of the City of Frostburg.

26 (c) (1) Subject to paragraph (2) of this subsection, membership in the
 27 Employees' Pension System is optional for an individual described in § 23-201(a)(2)(iv)
 28 of this subtitle who is elected or appointed as the Baltimore City Sheriff.

29 (2) An individual who is elected or appointed as the Baltimore City
 30 Sheriff and who does not elect to join the Employees' Pension System is a member of the

1 Law Enforcement Officers' Pension System under Title 26 of this article as a condition
 2 of employment.

3 (3) To elect to be a member of the Employees' Pension System under
 4 this subsection, an individual shall file a written application with the State Retirement
 5 Agency.

6 (4) An individual who does not elect membership within 6 months of
 7 the date the individual begins serving as the Baltimore City Sheriff shall become a
 8 member of the Law Enforcement Officers' Pension System.

9 (D) (1) **THIS SUBSECTION APPLIES TO AN INDIVIDUAL DESCRIBED IN**
 10 **§ 23-201(A)(2)(IV) OF THIS SUBTITLE WHO ELECTS MEMBERSHIP IN THE**
 11 **EMPLOYEES' PENSION SYSTEM UNDER THIS SECTION.**

12 (2) **AN INDIVIDUAL DESCRIBED IN PARAGRAPH (1) OF THIS**
 13 **SUBSECTION MAY ELECT MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS'**
 14 **PENSION SYSTEM IF THE COUNTY EMPLOYING THE INDIVIDUAL ELECTS TO**
 15 **BECOME AN ELIGIBLE GOVERNMENTAL UNIT IN THE LAW ENFORCEMENT**
 16 **OFFICERS' PENSION SYSTEM IN ACCORDANCE WITH § 31-2A-02 THROUGH §**
 17 **31-2A-05 OF THIS ARTICLE.**

18 (3) **IF AN INDIVIDUAL TRANSFERS TO THE LAW ENFORCEMENT**
 19 **OFFICERS' PENSION SYSTEM UNDER THIS SUBSECTION, THE ELIGIBLE**
 20 **GOVERNMENTAL UNIT IS RESPONSIBLE FOR ALL EMPLOYER CONTRIBUTIONS**
 21 **REQUIRED FOR THE INDIVIDUAL UNDER § 21-306.1 OF THIS ARTICLE.**

22 **SECTION 4. AND BE IT FURTHER ENACTED, That:**

23 (a) (1) A member of the Employees' Retirement System who, on or before
 24 March 1, 1975, has been employed by the General Assembly as a desk officer on a
 25 full-time or part-time basis may receive up to 5 years of service credit for which the
 26 member is not otherwise entitled.

27 (2) Any service credit that a member of the Employees' Retirement
 28 System receives under paragraph (1) of this subsection shall be for the period of time
 29 that the member:

30 (i) was employed as a desk officer or in any other position as a
 31 full-time or part-time permanent, temporary, or contractual State employee; and

32 (ii) was not a member of the Employees' Retirement System.

1 (3) Except as provided in subsection (b) of this section, for service credit
 2 granted under this Act, a year or part of a year of employment equals 1 year of service
 3 credit.

4 (b) A member may receive service credit under subsection (a) of this section
 5 only for the period of time the member was employed, if the member receives service
 6 credit from the Employees' Retirement System for any employment during the same
 7 year as the service credit under subsection (a) of this section is accrued.

8 SECTION ~~3~~ 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act
 9 shall take effect October 1, 2007.

10 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act
 11 shall be construed to apply retroactively and shall be applied to and interpreted to
 12 affect any individual who on or after July 1, 2006, was serving as an elected or
 13 appointed official and was eligible for optional membership in the Employees' Pension
 14 System under § 23-204 of the State Personnel and Pensions Article.

15 SECTION ~~2~~ ~~4~~ 7. AND BE IT FURTHER ENACTED, That, except as provided
 16 in Section ~~3~~ 5 of this Act and subject to Section 6 of this Act, this Act shall take effect
 17 July 1, 2007. Section 4 of this Act shall remain effective for a period of 6 months and, at
 18 the end of December 31, 2007, with no further action required by the General Assembly,
 19 Section 4 of this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.