

# SENATE BILL 515

K4

71r2142

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

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2007

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## 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; clarifying that certain  
8 members of the Correctional Officers' Retirement System are eligible to receive  
9 a normal service retirement allowance and a deferred vested retirement  
10 allowance; requiring certain participating governmental units to offset certain  
11 workers' compensation benefits in a certain manner; repealing obsolete  
12 language regarding a local retirement plan in Dorchester County; requiring  
13 certain eligible members ~~of the Teachers' Retirement System or the Teachers'~~  
14 ~~Pension System~~ to elect membership in the Optional Retirement Program  
15 within a certain period of time; exempting from a certain offset of a retirement  
16 allowance certain members in the Judges' Retirement System; repealing certain  
17 provisions of the State Personnel and Pensions Article that set age restrictions  
18 for membership in the State Retirement and Pension System for certain  
19 individuals; providing for the delayed effective date of a certain provision of this  
20 Act; making certain technical and conforming changes; and generally relating to  
21 simplifying the administration of the State Retirement and Pension System.

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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.



1 BY repealing and reenacting, with amendments,  
 2 Article – State Personnel and Pensions  
 3 Section 21–307, 21–403(e) and (f), 22–303.1, 23–201, ~~23–206~~, 23–304.1, 23–306,  
 4 24–304.1, 25–304.1, 25–401, 26–306, 26–306.1, 27–406, 28–306, 28–306.1,  
 5 29–118(a), ~~and 29–302(e)~~ 29–302(c), 30–302, 30–303, and 30–305  
 6 Annotated Code of Maryland  
 7 (2004 Replacement Volume and 2006 Supplement)

8 ~~BY adding to~~  
 9 ~~Article – State Personnel and Pensions~~  
 10 ~~Section 22–212.1 and 23–207~~  
 11 ~~Annotated Code of Maryland~~  
 12 ~~(2004 Replacement Volume and 2006 Supplement)~~

13 BY repealing and reenacting, with amendments,  
 14 Article – State Personnel and Pensions  
 15 Section 6–306  
 16 Annotated Code of Maryland  
 17 (2004 Replacement Volume and 2006 Supplement)  
 18 (As enacted by Chapter \_\_\_\_\_ (S.B. 6) of the Acts of the General Assembly of  
 19 2007)

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

22 **Article – State Personnel and Pensions**

23 21–307.

24 (a) For a permanent employee of a board of supervisors of elections who is a  
 25 member of the Employees’ Retirement System or the Employees’ Pension System, the  
 26 county where the member is employed shall:

27 (1) pay to the Board of Trustees or the Central Payroll Bureau the  
 28 employer contributions otherwise required to be made by the State on behalf of the  
 29 member; and

30 (2) deduct from the compensation payable to the member and pay to  
 31 the Board of Trustees or the Central Payroll Bureau the required member  
 32 contributions.

1           (b)   (1)   For a master in chancery or a master in juvenile causes who is  
2 eligible for benefits under the Judges' Retirement System, the county where the  
3 master serves shall pay to the Judges' Retirement System a portion of the employer  
4 contributions required to be paid on behalf of the master as determined under  
5 paragraph (2) of this subsection.

6           (2)   The amount payable by a county for a master under this subsection  
7 is the product of multiplying:

8                   (i)   the sum of the accrued liability contribution rate and the  
9 normal contribution rate; and

10                   (ii) the difference between the master's current earnable  
11 compensation and the earnable compensation of the master as of January 1, 1989.

12           (c)   For a member or retiree who transferred to the Teachers' Retirement  
13 System of the State of Maryland from the Employees' Retirement System of the City of  
14 Baltimore, the local system shall pay any excess of the amount to which the member  
15 or retiree would have been entitled under the provisions of the local system as they  
16 existed as of July 1, 1971, over the amount that is provided under this Division II.

17           (d)   For an additional employee or agent of the State Racing Commission who  
18 is a member of the Employees' Pension System, the licensees of the State Racing  
19 Commission shall pay the employer contributions otherwise required to be made by  
20 the State on behalf of the member in the manner that the licensees pay the salary for  
21 an additional employee or agent under the Maryland Horse Racing Act.

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

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

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

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

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

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

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

18                   (2)    The University System of Maryland:

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

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

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

32                   (2)    The Medical System:

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

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

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

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

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

21 21-403.

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

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

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

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

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

1 (f) (1) Subject to paragraph (2) of this subsection, under Option 6, when a  
 2 retiree dies, the Board of Trustees shall pay 50% of the retiree's reduced allowance to  
 3 the 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 ~~22-212.1.~~

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

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

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

18 ~~(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS~~  
 19 ~~SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' RETIREMENT~~  
 20 ~~SYSTEM UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL~~  
 21 ~~RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE~~  
 22 ~~JUNE 30, 2008.~~

23 22-303.1.

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

26 (b) A member **WHO IS SEPARATED FROM EMPLOYMENT** may purchase  
 27 service credit under this title [if the member is on] **FOR** a leave of absence approved  
 28 by the Board of Trustees under regulations that apply to all members, **IF THE**

1 **MEMBER PURCHASES THE SERVICE CREDIT WITHIN 60 DAYS AFTER THE**  
2 **EXPIRATION OF THE LEAVE OF ABSENCE.**

3 23–201.

4 (a) Except as provided in subsection (b) of this section, §§ 23–203 through  
5 23–205 of this subtitle apply only to:

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

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

9 (i) a clerk of the circuit court;

10 (ii) a register of wills;

11 (iii) a State’s Attorney; and

12 (iv) a sheriff;

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

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

16 (5) an additional employee or agent of the State Racing Commission  
17 authorized by § 11–207 of the Business Regulation Article;

18 (6) a permanent employee of the board of supervisors of elections of a  
19 county;

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

22 (8) an employee of the Maryland Environmental Service who is a  
23 member of the Employees’ Pension System on June 30, 1993, or transfers from the  
24 Employees’ Retirement System on or after July 1, 1993;

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

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

4            [(11)] **(10)** a nonfaculty employee of the Baltimore City Community  
5 College who:

6                            (i) is a member of the Employees' Pension System on October 1,  
7 2002;

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

10                           (iii) transfers from the Teachers' Pension System in accordance  
11 with § 23–202.1 of this subtitle; or

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

14            [(12)] **(11)** a court reporter for the Circuit Court for Charles County  
15 who is a member of the Employees' Pension System on July 1, 1994, or transfers from  
16 the Employees' Retirement System on or after July 1, 1994;

17            [(13)] **(12)** a staff employee of the University System of Maryland,  
18 Morgan State University, or St. Mary's College who is:

19                           (i) a member of the Employees' Pension System on January 1,  
20 1998, or transfers from the Employees' Retirement System on or after January 1,  
21 1998; or

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

25            [(14)] **(13)** on or after the date that the Board of Education of Kent  
26 County begins participation in the Employees' Pension System, a supportive service  
27 employee of the Board of Education of Kent County;

28            [(15)] **(14)** an employee of the Town of Oakland on or after the date  
29 that the Town of Oakland begins participation in the Employees' Pension System; and



1            [(16)] (15) an employee of the City of Frostburg on or after the date  
2 that the City of Frostburg begins participation in the Employees' Pension System.

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

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

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

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

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

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

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

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

17                (ii) was employed by the New Community College of Baltimore  
18 on or before December 31, 1990, as a “Class A” member of the Baltimore City  
19 Retirement Plan; and

20                (iii) elected to remain a member of the Baltimore City  
21 Retirement Plan;

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

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

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

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

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

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

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

12 ~~23-206.~~

13 ~~(a) Except as provided in subsection (b) of this section, §§ 23-208 through~~  
14 ~~23-210 of this subtitle apply only to:~~

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

18 ~~(i) a clerk;~~

19 ~~(ii) a helping teacher;~~

20 ~~(iii) a principal;~~

21 ~~(iv) a superintendent;~~

22 ~~(v) a supervisor; or~~

23 ~~(vi) a teacher;~~

24 ~~(2) a faculty employee of an educational institution supported by and~~  
25 ~~under the control of the State;~~

26 ~~(3) a librarian or clerical employee of a library that is established or~~  
27 ~~operates under the Education Article;~~

1           ~~(4) a professional or clerical employee of a community college that is~~  
2 ~~established or operates under the Education Article;~~

3           ~~(5) a staff employee of the University System of Maryland, Morgan~~  
4 ~~State University, or St. Mary's College who is a member of the Teachers' Pension~~  
5 ~~System as of January 1, 1998, or who transfers from the Teachers' Retirement System~~  
6 ~~on or after January 1, 1998; or~~

7           ~~(6) a nonfaculty employee of the Baltimore City Community College~~  
8 ~~who:~~

9                     ~~(i) is a member of the Teachers' Pension System as of October~~  
10 ~~1, 2002 and does not transfer to the Employees' Pension System in accordance with §~~  
11 ~~23-202.1 of this subtitle; or~~

12                     ~~(ii) transfers from the Teachers' Retirement System on or after~~  
13 ~~October 1, 2002.~~

14           ~~(b) [Sections] EXCEPT AS PROVIDED IN § 23-207 OF THIS SUBTITLE, §§~~  
15 ~~23-208 and 23-209 of this subtitle do not apply to:~~

16                     ~~(1) an individual who has elected to participate in an optional~~  
17 ~~retirement program under Title 30 of this article **WITHIN 1 YEAR OF BECOMING A**~~  
18 ~~**MEMBER OF THE TEACHERS' PENSION SYSTEM;**~~

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

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

24                     ~~(4) a staff employee of the University System of Maryland, Morgan~~  
25 ~~State University, or St. Mary's College who becomes employed on or after January 1,~~  
26 ~~1998 in a position as a staff employee of the educational institution that was eligible~~  
27 ~~for membership in the Teachers' Retirement System or Teachers' Pension System~~  
28 ~~under Chapter 6, § 8, paragraphs 1(a) and 2(a) of the Acts of 1994;~~

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

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

4 ~~**23-207.**~~

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

6           ~~(1) IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE~~  
 7 ~~30, 2007; AND~~

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

10           ~~(B) AN INDIVIDUAL DESCRIBED UNDER SUBSECTION (A) OF THIS~~  
 11 ~~SECTION CONTINUES TO BE A MEMBER OF THE TEACHERS' PENSION SYSTEM~~  
 12 ~~UNLESS THE INDIVIDUAL ELECTS TO PARTICIPATE IN THE OPTIONAL~~  
 13 ~~RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE ON OR BEFORE~~  
 14 ~~JUNE 30, 2008.~~

15 23-304.1.

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

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

23 23-306.

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

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

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

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

6 24-304.1.

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 25-304.1.

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

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

22 25-401.

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

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

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

28                           **(I)** a security attendant at Clifton T. Perkins Hospital  
29 Center[,];

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

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

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

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

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

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

14 26-306.

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

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

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

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

25 26-306.1.

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.

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 27-406.

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

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

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

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

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

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

18 (c) (1) The Board of Trustees shall reduce [a retiree's retirement  
19 allowance by] **THE RETIREMENT ALLOWANCE OF A RETIREE WHO ACCEPTS**  
20 **EMPLOYMENT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION IF THE**  
21 **RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE GOVERNMENT AND THE**  
22 **RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S LAST SEPARATION FROM**  
23 **EMPLOYMENT WITH THE STATE BEFORE THE RETIREE COMMENCED RECEIVING**  
24 **A SERVICE RETIREMENT ALLOWANCE WAS ALSO A UNIT OF STATE**  
25 **GOVERNMENT.**

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

30 [(2)] **(D)** If a retiree accepts employment as allowed by subsection (a)  
31 of this section and is subsequently awarded retirement benefits because of that

1 employment, the Board of Trustees shall reduce the retiree's benefits under this  
2 subtitle by the amount of the retirement benefits resulting from the subsequent  
3 employment **IF THE RETIREE'S CURRENT EMPLOYER IS ANY UNIT OF STATE**  
4 **GOVERNMENT AND THE RETIREE'S EMPLOYER AT THE TIME OF THE RETIREE'S**  
5 **LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE RETIREE**  
6 **COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE WAS ALSO A**  
7 **UNIT OF STATE GOVERNMENT.**

8 28-306.

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

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

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

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

19 28-306.1.

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

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

27 29-118.

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

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



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

3                   **2.** a retiree of the Employees' Pension System or the  
 4 Employees' Retirement System who receives a disability retirement benefit as a  
 5 former employee of a county board of education[,] **OR** the Board of School  
 6 Commissioners of Baltimore City, [or a participating governmental unit] or a  
 7 designated beneficiary of that retiree.

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

14 29–302.

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

16           (1) normal retirement age for members of:

17                   (i) the Employees' Retirement System;

18                   (ii) the State Police Retirement System; and

19                   (iii) the Teachers' Retirement System;

20           (2) age 55 for a member of the Correctional Officers' Retirement  
 21 System who is:

22                   (I) a correctional officer in the first six job classifications; [or]

23                   (II) **A DETENTION CENTER OFFICER EMPLOYED BY A**  
 24 **PARTICIPATING GOVERNMENTAL UNIT WHO HAS ELECTED TO PARTICIPATE IN**  
 25 **THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR**

26                   (III) **AN INDIVIDUAL SERVING AS A CORRECTIONAL DIETARY,**  
 27 **MAINTENANCE, OR SUPPLY OFFICER; OR**

1                   (3)    age 60 for a member of the Correctional Officers' Retirement  
2 System who is a maximum security attendant at the Clifton T. Perkins Hospital  
3 Center.

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

6                                   **Article – State Personnel and Pensions**

7                   6–306.

8                   [(a)] Any individual 70 years old or older is eligible for appointment to any  
9 nontemporary position in the State Personnel Management System for which the  
10 individual qualifies, and the appointment is subject to the provisions of the State  
11 Personnel and Pensions Article.

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

15                   30–302.

16                   (A) An election to participate in the program shall be made [as provided in  
17 this subtitle] BY AN ELIGIBLE EMPLOYEE WITHIN 1 YEAR OF BECOMING AN  
18 ELIGIBLE EMPLOYEE OF AN EMPLOYING INSTITUTION.

19                   (B) AN ELIGIBLE EMPLOYEE'S ELECTION TO PARTICIPATE IN THE  
20 PROGRAM IS IRREVOCABLE.

21                   30–303.

22                   (a) An eligible employee shall elect to:

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

25                                   (2) participate in the program.

26                   (b) An eligible employee shall:

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

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

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

9           (D) The effective date of the election shall be the first day of the month after  
10 the election.

11 30-305.

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

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

17           (c) An eligible employee shall:

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

19               (2) file the election with the Board of Trustees and the employing  
20 institution **WITHIN 1 YEAR OF BECOMING AN ELIGIBLE EMPLOYEE OF AN**  
21 **EMPLOYING INSTITUTION.**

22           (D) **AN ELIGIBLE EMPLOYEE MAY NOT PARTICIPATE IN THE PROGRAM**  
23 **IF BOTH THE BOARD OF TRUSTEES AND THE EMPLOYING INSTITUTION HAVE**  
24 **NOT RECEIVED THE ELIGIBLE EMPLOYEE'S WRITTEN ELECTION REQUIRED**  
25 **UNDER SUBSECTION (C) OF THIS SECTION, WITHIN 1 YEAR OF THE ELIGIBLE**  
26 **EMPLOYEE ACCEPTING EMPLOYMENT WITH AN EMPLOYING INSTITUTION.**

27           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
28 take effect October 1, 2007.

1           SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in  
2 Section 3 of this Act, this Act shall take effect July 1, 2007.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.