

SENATE BILL 343

K4

6lr1602
CF HB 379

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

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 16, 2016

CHAPTER _____

1 AN ACT concerning

2 **Employees' and Teachers' Pension Systems – Reformed Contributory Pension**
3 **Benefit – Eligibility Service Clarifications**

4 FOR the purpose of clarifying that a member of the Employees' Pension System or the
5 Teachers' Pension System is eligible to receive certain prorated eligibility service
6 credit if the member is subject to the Reformed Contributory Pension Benefit and
7 works less than a certain number of hours in a fiscal year; clarifying that certain
8 eligibility service rules relating to a member's break in service do not apply to a
9 member who is subject to the Reformed Contributory Pension Benefit; clarifying that
10 eligibility service for a member who is subject to the Reformed Contributory Pension
11 Benefit and has transferred between the Employees' Pension System and the
12 Teachers' Pension System includes certain eligibility service under the previous
13 system; and generally relating to the Reformed Contributory Pension Benefit of the
14 Employees' Pension System and the Teachers' Pension System.

15 BY repealing and reenacting, with amendments,
16 Article – State Personnel and Pensions
17 Section 23–302(d), 23–303(b), and 23–304
18 Annotated Code of Maryland
19 (2015 Replacement Volume)

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

22 **Article – State Personnel and Pensions**

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 23-302.

2 (d) If a member who is subject to the contributory pension benefit [or], the
3 Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY**
4 **PENSION BENEFIT** completes less than 500 hours of employment while a member, the
5 Board of Trustees shall prorate the member's eligibility service based on the number of
6 hours worked.

7 23-303.

8 (b) (1) This section applies to a member of the Employees' Pension System or
9 the Teachers' Pension System who was a member of one of those State systems.

10 (2) This section does not apply to:

11 (i) a retiree of the Employees' Pension System or the Teachers'
12 Pension System; or

13 (ii) a member of the Employees' Pension System or Teachers'
14 Pension System who is subject to the contributory pension benefit [or], the Alternate
15 Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION**
16 **BENEFIT**.

17 23-304.

18 A member is entitled to eligibility service that equals:

19 (1) the member's service credit transferred from a retirement or pension
20 system under Title 37 of this article;

21 (2) for a member who has transferred to the Employees' Pension System
22 from the Employees' Retirement System or to the Teachers' Pension System from the
23 Teachers' Retirement System, the member's creditable service recognized under the
24 previous system through the date before the member became a member of the current
25 system;

26 (3) for a member of the Employees' Pension System, the member's service
27 credit transferred from a retirement or pension system under Title 31, Subtitle 1 of this
28 article; and

29 (4) for a member who has transferred between the Employees' Pension
30 System and the Teachers' Pension System, the member's eligibility service under the
31 previous system through the date before the member became a member of the current
32 system if the member:

1 (i) is not subject to the noncontributory pension benefit in both the
2 current and previous systems;

3 (ii) is subject to the contributory pension benefit in both the current
4 and previous systems; [or]

5 (iii) is subject to the Alternate Contributory Pension Selection in both
6 the current and previous systems; **OR**

7 **(IV) IS SUBJECT TO THE REFORMED CONTRIBUTORY PENSION**
8 **BENEFIT IN BOTH THE CURRENT AND PREVIOUS SYSTEMS.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.