

# SENATE BILL 695

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By: ~~Senator Jennings~~ Senators Jennings, Bailey, Benson, Corderman, Elfreth, Guzzone, Hettleman, Jackson, King, McCray, Rosapepe, Salling, and Zucker

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 12, 2023

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

1 AN ACT concerning

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

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

7 BY repealing and reenacting, with amendments,  
8 Article – State Personnel and Pensions  
9 Section 38–103 and 38–104  
10 Annotated Code of Maryland  
11 (2015 Replacement Volume and 2022 Supplement)

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

14 **Article – State Personnel and Pensions**

15 38–103.

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

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2 unless the member redeposits the sum withdrawn as provided under subsection (b) of this  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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 38–104.

20           (a)     (1)    This section applies to an individual who is:

21                   (i)     a member of a State system; or

22                   (ii)    a former member of a State system who is eligible to receive a  
23 benefit under § 29–302 or § 29–303 of this article.

24           (2)    This section does not apply to a retiree of a State system.

25           (b)     Except as provided in subsection (c) of this section, an individual described in  
26 subsection (a) of this section, who has not met the conditions set forth in § 38–103(a)(2)  
27 through (4) of this subtitle, is entitled to receive service credit for military service only on  
28 the attainment of 10 years of service credit earned through employment as a member of a  
29 State system.

30           (c)     (1)    An individual described in subsection (a) of this section may not receive  
31 credit for that military service if the individual receives credit for military service from  
32 another retirement system for which retirement benefits have been or will be received by  
33 the individual.

34           (2)    Paragraph (1) of this subsection does not apply to:

35                   (i)     credit for military service provided under:

- 1                   1.     the Social Security Act;
- 2                   2.     the National Railroad Retirement Act; or
- 3                   3.     Title 3 or Title 10, Chapter 1223, §§ 12731 through 12737  
4 of the United States Code; or

5                   (ii)    disability payments from a pension or retirement system.

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

7                   (ii)    Subject to subparagraph (i) of this paragraph, a member of the  
8 Maryland National Guard or of a reserve component of the armed forces of the United  
9 States who has not been activated under Title 10 of the United States Code, shall receive  
10 service credit at the rate of 4 months for each full year of service with the Maryland  
11 National Guard or with a reserve component of the armed forces of the United States, not  
12 to exceed a total of 36 months.

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

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

21                   (2)     If an individual applies for military service credit on or after July 1,  
22 2011, the service credit for military service that the individual receives under this section  
23 shall be applied to the individual's retirement allowance using the accrual rate in effect at  
24 the time the individual submits an application for military service credit to the State  
25 Retirement Agency.

26                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2023.