

3. the accumulated contributions that would have been deducted during the period the individual was a member of the State system while it was a noncontributory system if the individual had earned the transferred service credit under the contributory system, including interest on those contributions.

(2) On retirement from the contributory system, the individual's retirement allowance shall be reduced by the actuarial equivalent of the amounts determined under paragraph (1)(ii)2 and 3 of this subsection if the member elects not to deposit those amounts in the annuity savings fund or other corresponding fund of the contributory system.

(e) Except as provided in § 37-204 of this subtitle, an individual who transfers service credit under this title shall receive service credit in the new system in the amount of service credit accumulated under the previous system.

(f) On verification of the service credit, the previous system may not provide any benefit for service credit transferred from the previous system to a new system under this title.

(g) (1) Except as otherwise provided in this subsection, after an individual transfers service credit to a new system under this title, the individual:

(i) shall pay the rate of contribution applicable to a member of the new system; and

(ii) is eligible for a pension and annuity as provided under the new system, determined by taking into account the transferred service credit.

(2) If an individual retires within 5 years after transferring into a new system, the benefits payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the previous system with respect to that service if the individual had remained in the previous system.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007.

Approved by the Governor, May 8, 2007.