
By: **Senator Munson**
Introduced and read first time: January 19, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 14, 2001

CHAPTER 580

1 AN ACT concerning

2 **Correctional Officers' Retirement System - Reemployment of Retirees**

3 FOR the purpose of exempting from a certain offset of a retirement allowance certain
4 retirees of the Correctional Officers' Retirement System who are reemployed by
5 certain employers; providing for the application of this Act; providing for the
6 termination of this Act; and generally relating to the computation of the
7 retirement allowance of certain reemployed retirees of the Correctional Officers'
8 Retirement System.

9 BY repealing and reenacting, with amendments,
10 Article - State Personnel and Pensions
11 Section 25-403
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2000 Supplement)

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

16 **Article - State Personnel and Pensions**

17 25-403.

18 (a) Subject to subsection (b) of this section, an individual who is receiving a
19 service retirement allowance or vested allowance may accept employment with a
20 participating employer on a permanent, temporary, or contractual basis, without any
21 reduction in the allowance, if the individual immediately notifies the Board of
22 Trustees:

1 (1) of the individual's intention to accept the employment; and

2 (2) of the compensation that the individual will receive.

3 (b) (1) This subsection does not apply to:

4 (i) an individual who has been retired for more than 10 years;

5 (ii) an individual whose average final compensation was less than
6 \$10,000 and who is reemployed on a temporary or contractual basis; [or]

7 (iii) an individual who is serving in an elected position as an official
8 of a participating governmental unit or as a constitutional officer for a county that is
9 a participating governmental unit; OR

10 (IV) AN INDIVIDUAL WHO HAS RETIRED:

11 1. WHO IS REEMPLOYED BY A PARTICIPATING EMPLOYER ON
12 OR BEFORE DECEMBER 31, 2000; AND

13 2. WHOSE EMPLOYMENT COMPENSATION IS NOT DERIVED,
14 IN WHOLE OR PART, FROM STATE FUNDS.

15 (2) The Board of Trustees shall reduce an individual's allowance by the
16 amount that the sum of the individual's initial annual basic allowance and the
17 individual's annual compensation exceeds the average final compensation used to
18 compute the basic allowance.

19 (c) An individual who is receiving a service retirement allowance or a vested
20 allowance and who is reemployed by a participating employer may not receive
21 creditable service or eligibility service during the period of reemployment.

22 (d) The individual's compensation during the period of reemployment may not
23 be subject to the employer pickup provisions of § 21-303 of this article or any
24 reduction or deduction as a member contribution for pension or retirement purposes.

25 (e) The State Retirement Agency shall institute appropriate reporting
26 procedures with the affected payroll systems to ensure compliance with this section.

27 (f) (1) Immediately on the employment of any individual receiving a service
28 retirement allowance or a vested allowance, a participating employer shall notify the
29 State Retirement Agency of the type of employment and the anticipated earnings of
30 the individual.

31 (2) At least once each year, in a format specified by the State Retirement
32 Agency, each participating employer shall provide the State Retirement Agency with
33 a list of all employees included on any payroll of the employer, the Social Security
34 numbers of the employees, and their earnings for that year.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
36 construed retroactively and shall be applied to and interpreted to affect any

1 retirement allowance subject to an offset because of employment compensation that
2 was earned on or after January 1, 1998.

3 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
4 effect ~~October 1, 2001~~ June 1, 2001. It shall remain effective for a period of 6 months
5 and, at the end of November 30, 2001, with no further action required by the General
6 Assembly, this Act shall be abrogated and of no further force and effect.