

HOUSE BILL 902

K4

3lr2425
CF SB 751

By: **Delegate Guzzone**

Introduced and read first time: February 7, 2013

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System – Reemployment of Retirees**

3 FOR the purpose of clarifying the applicability of certain requirements for an offset
4 from certain retirement allowances from the State Police Retirement System
5 for certain individuals who accept employment with certain participating
6 employers; extending a certain termination provision that applies to certain
7 provisions that relate to the reemployment of retirees of the State Police
8 Retirement System; providing for the termination of certain provisions of this
9 Act; and generally relating to the reemployment of retirees of the State Police
10 Retirement System.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 24–405
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2012 Supplement)

16 BY repealing and reenacting, with amendments,
17 Chapter 644 of the Acts of the General Assembly of 2009
18 Section 3

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

21 **Article – State Personnel and Pensions**

22 24–405.

23 (a) Except as provided in § 24–405.1 of this subtitle and subject to
24 subsections (b), (c), and (d) of this section, an individual who is receiving a service
25 retirement allowance or vested allowance may accept employment with a participating

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 employer **ON A CONTRACTUAL BASIS AS A POLICE EMPLOYEE, AS DEFINED IN §**
2 **2-101 OF THE PUBLIC SAFETY ARTICLE, AT A RANK OF TROOPER FIRST CLASS**
3 **OR** on a temporary [or contractual] basis, if:

4 (1) the employment is not in a regularly allocated position; and

5 (2) the individual immediately notifies the Board of Trustees:

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

7 (ii) of the compensation that the individual will receive.

8 (b) (1) **[The] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**
9 **SUBSECTION, THE** Board of Trustees shall reduce the allowance of an individual who
10 accepts employment as provided under subsection (a) of this section if:

11 (i) the individual's current employer is any unit of State
12 government; and

13 (ii) the individual's employer at the time of the individual's last
14 separation from employment with the State before the individual commenced
15 receiving a service retirement allowance or vested allowance was also a unit of State
16 government.

17 (2) (i) Subject to subparagraph (ii) of this paragraph, the reduction
18 under paragraph (1) of this subsection shall equal the amount by which the sum of the
19 individual's initial annual basic allowance and the individual's annual compensation
20 exceeds the average final compensation used to compute the basic allowance.

21 (ii) 1. Any reduction taken to a retiree's allowance under
22 this subsection may not exceed an amount that would reduce the retiree's allowance to
23 less than what is required to be deducted for the retiree's monthly State-approved
24 medical insurance premiums.

25 2. If a reduction for a calendar year taken under
26 subparagraph 1 of this subparagraph is less than the reduction required under
27 subparagraph (i) of this paragraph, the Board of Trustees shall recover from the
28 retiree an amount equal to the reduction required under subparagraph (i) of this
29 paragraph less the reduction taken under subparagraph 1 of this subparagraph.

30 (3) The reduction under paragraph (1) of this subsection does not
31 apply to:

32 (i) an individual who has been retired for 5 years, beginning on
33 January 1, after the date the individual retires;

1 (ii) an individual who participates in the Deferred Retirement
2 Option Program established under § 24–401.1 of this subtitle; or

3 (iii) a retiree of the State Police Retirement System who is
4 reemployed by the Department of State Police on a contractual basis as a police
5 employee, as defined in § 2–101 of the Public Safety Article, at a rank of trooper first
6 class.

7 (c) For purposes of this section, employment is not on a temporary basis if, in
8 any 12–month period, an individual works:

9 (1) full time for more than 6 months; or

10 (2) part time for the equivalent of more than 6 months of full–time
11 work.

12 (d) Prior to commencing reemployment under subsection (b)(3)(iii) of this
13 section, a retiree shall terminate participation in the Deferred Retirement Option
14 Program and receive any lump sum payment associated with the retiree’s
15 participation in the Deferred Retirement Option Program as provided under §
16 24–401.1(i) of this subtitle.

17 (e) (1) Subject to paragraph (2) of this subsection, a retiree reemployed
18 under subsection (b)(3)(iii) of this section may not be reemployed for more than 4
19 years.

20 (2) A retiree reemployed under subsection (b)(3)(iii) of this section may
21 not be reemployed after becoming 60 years old.

22 (f) An individual who is receiving a service retirement allowance or a vested
23 allowance and who is reemployed by a participating employer may not receive
24 creditable service or eligibility service during the period of reemployment.

25 (g) The individual’s compensation during the period of reemployment may
26 not be subject to the employer pickup provisions of § 21–303 of this article or any
27 reduction or deduction as a member contribution for pension or retirement purposes.

28 (h) The State Retirement Agency shall institute appropriate reporting
29 procedures with the affected payroll systems to ensure compliance with this section.

30 (i) (1) Immediately on the employment of a retiree who is rehired under
31 subsection (b)(3)(iii) of this section, the Department of State Police shall notify the
32 State Retirement Agency of the type of employment and the anticipated earnings of
33 the individual.

34 (2) At least once each year, in a format specified by the State
35 Retirement Agency, the Department of State Police shall provide the State Retirement

1 Agency with a list of all employees included on any payroll of the employer, the Social
2 Security numbers of the employees, and their earnings for that year.

3 (j) On or before September 1 of each year, the Secretary of State Police shall
4 submit a report in accordance with § 2-1246 of the State Government Article to the
5 Joint Committee on Pensions that provides:

6 (1) the number of rehired retirees under subsection (b)(3)(iii) of this
7 section;

8 (2) the annual salary of each rehired retiree at the time of retirement
9 and the current annual salary of each rehired retiree;

10 (3) the number of police employees hired who are not retirees; and

11 (4) the annual salary of each police employee who is hired.

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

14 **Chapter 644 of the Acts of 2009**

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2009. It shall remain effective for a period of **[5] 9** years and, at the end of June
17 30, **[2014] 2018**, with no further action required by the General Assembly, this Act
18 shall be abrogated and of no further force and effect.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2013. Section 1 of this Act shall remain effective until the taking effect of the
21 termination provision specified in Section 3 of Chapter 644 of the Acts of the General
22 Assembly of 2009. If that termination provision takes effect, Section 1 of this Act shall
23 be abrogated and of no further force and effect.