

HOUSE BILL 902

K4

3lr2425
CF SB 751

By: **Delegate Guzzone**

Introduced and read first time: February 7, 2013

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2013

CHAPTER _____

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 for
5 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 that a retiree of the State Police Retirement
9 System who is reemployed by a participating governmental unit may receive
10 certain service credit during the period of reemployment; providing for the
11 termination of certain provisions of this Act; and generally relating to the
12 reemployment of retirees of the State Police Retirement System.

13 BY repealing and reenacting, with amendments,
14 Article – State Personnel and Pensions
15 Section 24–405
16 Annotated Code of Maryland
17 (2009 Replacement Volume and 2012 Supplement)

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

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

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 **Article – State Personnel and Pensions**

2 24–405.

3 (a) Except as provided in § 24–405.1 of this subtitle and subject to
 4 subsections (b), (c), and (d) of this section, an individual who is receiving a service
 5 retirement allowance or vested allowance may accept employment with a participating
 6 employer **ON A CONTRACTUAL BASIS AS A POLICE EMPLOYEE, AS DEFINED IN §**
 7 **2–101 OF THE PUBLIC SAFETY ARTICLE, AT A RANK OF TROOPER FIRST CLASS**
 8 **OR** on a temporary [or contractual] basis, if:

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

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

11 (i) of the individual’s intention to accept the employment; and

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

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

16 (i) the individual’s current employer is any unit of State
 17 government; and

18 (ii) the individual’s employer at the time of the individual’s last
 19 separation from employment with the State before the individual commenced
 20 receiving a service retirement allowance or vested allowance was also a unit of State
 21 government.

22 (2) (i) Subject to subparagraph (ii) of this paragraph, the reduction
 23 under paragraph (1) of this subsection shall equal the amount by which the sum of the
 24 individual’s initial annual basic allowance and the individual’s annual compensation
 25 exceeds the average final compensation used to compute the basic allowance.

26 (ii) 1. Any reduction taken to a retiree’s allowance under
 27 this subsection may not exceed an amount that would reduce the retiree’s allowance to
 28 less than what is required to be deducted for the retiree’s monthly State–approved
 29 medical insurance premiums.

30 2. If a reduction for a calendar year taken under
 31 subparagraph 1 of this subparagraph is less than the reduction required under
 32 subparagraph (i) of this paragraph, the Board of Trustees shall recover from the
 33 retiree an amount equal to the reduction required under subparagraph (i) of this
 34 paragraph less the reduction taken under subparagraph 1 of this subparagraph.

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

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

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

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

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

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

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

16 (d) Prior to commencing reemployment under subsection (b)(3)(iii) of this
17 section, a retiree shall terminate participation in the Deferred Retirement Option
18 Program and receive any lump sum payment associated with the retiree’s
19 participation in the Deferred Retirement Option Program as provided under §
20 24–401.1(i) of this subtitle.

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

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

26 (f) **(1) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO:**

27 **(I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR**
28 **A VESTED ALLOWANCE; AND**

29 **(II) IS REEMPLOYED BY A PARTICIPATING GOVERNMENTAL**
30 **UNIT.**

1 **(2)** An individual who is receiving a service retirement allowance or a
 2 vested allowance and who is reemployed by a participating employer may not receive
 3 creditable service or eligibility service during the period of reemployment.

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

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

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

13 (2) At least once each year, in a format specified by the State
 14 Retirement Agency, the Department of State Police shall provide the State Retirement
 15 Agency with a list of all employees included on any payroll of the employer, the Social
 16 Security numbers of the employees, and their earnings for that year.

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

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

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

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

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

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

28 Chapter 644 of the Acts of 2009

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 30 July 1, 2009. It shall remain effective for a period of [5] 9 years and, at the end of June
 31 30, [2014] 2018, with no further action required by the General Assembly, this Act
 32 shall be abrogated and of no further force and effect.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 34 July 1, 2013. Section 1 of this Act shall remain effective until the taking effect of the

1 termination provision specified in Section 3 of Chapter 644 of the Acts of the General
2 Assembly of 2009. If that termination provision takes effect, Section 1 of this Act shall
3 be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.