

HOUSE BILL 77

K4

5lr1297
CF SB 103

By: **Delegate B. Barnes (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 23, 2015

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 17, 2015

CHAPTER _____

1 AN ACT concerning

2 **Judges' Retirement System – Membership, Accrual of Interest, and**
3 **Reemployment**

4 FOR the purpose of clarifying that regular interest may not be paid on member
5 contributions of certain members of the Judges' Retirement System under certain
6 circumstances; providing that membership in the Judges' Retirement System ~~for~~
7 ~~certain members~~ ends under certain circumstances; repealing a limitation on when
8 a member may withdraw accumulated contributions from the Judges' Retirement
9 System; repealing a duplicative provision pertaining to the withdrawal of
10 accumulated contributions from the Judges' Retirement System; clarifying that
11 certain retirees of the Judges' Retirement System are required to have a certain
12 break in service before obtaining certain employment; repealing obsolete language
13 pertaining to the reemployment of retired former members of the Judges' Retirement
14 System; making certain provisions of law relating to the return of accumulated
15 contributions applicable to the Judges' Retirement System; providing that an
16 individual who was a member of the Judges' Retirement System on or before a
17 certain date, is separated from employment for a certain period of time, and returns
18 to employment in a position that requires membership in the Judges' Retirement
19 System, is subject to certain requirements; making conforming changes; and
20 generally relating to membership, accrual of interest, and reemployment in the
21 Judges' Retirement System.

22 BY repealing and reenacting, with amendments,

23 Article – State Personnel and Pensions

24 Section 27–203, 27–204, 27–405, ~~and~~ 27–406, and 29–502

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 Annotated Code of Maryland
2 (2009 Replacement Volume and 2014 Supplement)

3 BY repealing
4 Article – State Personnel and Pensions
5 Section 29–501
6 Annotated Code of Maryland
7 (2009 Replacement Volume and 2014 Supplement)

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

10 **Article – State Personnel and Pensions**

11 27–203.

12 (A) [Regular] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,
13 REGULAR interest is payable on member contributions at the rate of 4% a year
14 compounded annually, until retirement or withdrawal of the accumulated contributions.

15 (B) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO
16 BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1,
17 2012.

18 ~~(B)~~ (2) NO FURTHER INTEREST SHALL BE PAID ON MEMBER
19 CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER:

20 ~~(1) WAS NOT A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON~~
21 ~~OR BEFORE JUNE 30, 2012; AND~~

22 ~~(2)~~ IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER
23 TITLE 29, SUBTITLE 3 OF THIS ARTICLE.

24 27–204.

25 ~~(A) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO~~
26 ~~BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1,~~
27 ~~2012.~~

28 ~~(2)~~ (A) MEMBERSHIP ENDS IF THE MEMBER:

29 ~~(1)~~ (1) IS SEPARATED FROM EMPLOYMENT FOR MORE THAN 4
30 YEARS;

1 ~~(H)~~ (2) WITHDRAWS THE MEMBER'S ACCUMULATED
2 CONTRIBUTIONS;

3 ~~(H)~~ (3) BECOMES A RETIREE; OR

4 ~~(IV)~~ (4) DIES.

5 **(B)** A former member who withdraws accumulated contributions does not have
6 further rights under the Judges' Retirement System.

7 27-405.

8 **[(a)]** If a member's service is terminated by death and the member leaves no
9 spouse, child under the age of 18 years, or designated beneficiary or beneficiaries, the
10 member's accumulated contributions shall be paid to the member's estate.

11 **[(b) (1)]** At the time of termination of service, or within 6 months thereafter, but
12 before receiving payment of a retirement allowance, a former member may elect to
13 withdraw in a single payment the former member's accumulated contributions from the
14 dates of payment.

15 (2) If the former member elects to withdraw the accumulated
16 contributions, the former member has no further rights under the Judges' Retirement
17 System.]

18 27-406.

19 (a) This section does not apply to a retiree who[:

20 (1)] is temporarily assigned to sit in a court of this State under the authority
21 of Article IV, § 3A of the Maryland Constitution[; or

22 (2) is employed as a member of the faculty of a public institution of higher
23 education in the State].

24 (b) Subject to subsection (e) of this section, a retiree may accept employment in
25 which all or part of the compensation for the employment comes from municipal, county, or
26 State funds, if the retiree immediately notifies the Board of Trustees of:

27 (1) the retiree's intention to accept the employment; and

28 (2) the compensation that the retiree will receive.

29 (c) (1) Except as provided in paragraph (3) of this subsection, the Board of
30 Trustees shall reduce the retirement allowance of a retiree who accepts employment as
31 provided under subsection (b) of this section if the retiree's current employer is any unit of

1 State government and the retiree's employer at the time of the retiree's last separation
2 from employment with the State before the retiree commenced receiving a service
3 retirement allowance was also a unit of State government.

4 (2) The reduction required under paragraph (1) of this subsection shall
5 equal the amount that the sum of the retiree's annual retirement allowance and the
6 retiree's annual compensation exceeds the amount of the compensation on which the
7 retirement allowance is based.

8 (3) The reduction required under paragraph (1) of this subsection does not
9 apply to an individual who:

10 (I) has been retired for 5 years, beginning on January 1 after the
11 date the individual retires; **OR**

12 (II) **IS EMPLOYED AS A MEMBER OF THE FACULTY OF A PUBLIC**
13 **INSTITUTION OF HIGHER EDUCATION IN THE STATE.**

14 (d) (1) [Subject to paragraph (2) of this subsection, if a retiree accepts
15 employment as allowed by subsection (a) of this section and is subsequently awarded
16 retirement benefits because of that employment, the Board of Trustees shall reduce the
17 retiree's benefits under this subtitle by the amount of the retirement benefits resulting
18 from the subsequent employment if the retiree's current employer is any unit of State
19 government and the retiree's employer at the time of the retiree's last separation from
20 employment with the State before the retiree commenced receiving a service retirement
21 allowance was also a unit of State government.

22 (2) (i) Any reduction taken to a retiree's allowance under [this
23 subsection] **SUBSECTION (C) OF THIS SECTION** may not exceed an amount that would
24 reduce the retiree's allowance to less than what is required to be deducted for the retiree's
25 monthly State-approved medical insurance premiums.

26 [(ii)] (2) If a reduction for a calendar year taken under
27 [subparagraph (i) of this paragraph] **PARAGRAPH (1) OF THIS SUBSECTION** is less than
28 the reduction required under [paragraph (1) of this subsection] **SUBSECTION (C) OF THIS**
29 **SECTION**, the Board of Trustees shall recover from the retiree an amount equal to the
30 reduction required under [paragraph (1) of this subsection] **SUBSECTION (C) OF THIS**
31 **SECTION** less the reduction taken under [subparagraph (i) of this paragraph]
32 **PARAGRAPH (1) OF THIS SUBSECTION.**

33 (e) A retiree may not be employed by the State or other participating employer
34 on a permanent, temporary, or contractual basis within 45 days of the date the individual
35 retired.

36 [29-501.

1 This subtitle does not apply to the Judges' Retirement System.]

2 [29-502.] 29-501.

3 The Board of Trustees shall pay a member or former member the amount of the
4 member's or former member's accumulated contributions if:

5 (1) the member or former member separated from employment for a reason
6 other than death or retirement; and

7 (2) the member or former member requests the payment.

8 SECTION 2. AND BE IT FURTHER ENACTED, That an individual who was a
9 member of the Judges' Retirement System on or before June 30, 2012, is separated from
10 employment for more than 4 years, and returns to employment in a position that requires
11 membership in the Judges' Retirement System, is subject to the same requirements to
12 which an individual is subject who was a member of the Judges' Retirement System on or
13 before June 30, 2012.

14 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.