

HOUSE BILL 569

K4

5lr2127

By: **Delegates Jackson, Jalisi, Jameson, Patterson, and C. Wilson**

Introduced and read first time: February 12, 2015

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System and Law Enforcement Officers' Pension System**
3 **– Reemployment of Retirees**

4 FOR the purpose of allowing a retiree of the State Police Retirement System to be
5 reemployed in a permanent position, subject to certain limitations; requiring a
6 retiree of the State Police Retirement System to earn service credit in the Law
7 Enforcement Officers' Pension System under certain circumstances; requiring a
8 retiree of the State Police Retirement System who earns service credit in the Law
9 Enforcement Officers' Pension System to make certain contributions; requiring a
10 retiree of the Law Enforcement Officers' Pension System to earn service credit in the
11 State Police Retirement System under certain circumstances; requiring a retiree of
12 the Law Enforcement Officers' Pension System who earns service credit in the State
13 Police Retirement System to make certain contributions; repealing a certain
14 termination provision pertaining to the reemployment of retirees of the State Police
15 Retirement System; making conforming changes; and generally relating to the
16 reemployment of retirees of the State Police Retirement System and the Law
17 Enforcement Officers' Pension System.

18 BY repealing and reenacting, with amendments,
19 Article – State Personnel and Pensions
20 Section 24–405 and 26–403
21 Annotated Code of Maryland
22 (2009 Replacement Volume and 2014 Supplement)

23 BY repealing and reenacting, with amendments,
24 Chapter 644 of the Acts of the General Assembly of 2009, as amended by Chapter
25 649 of the Acts of the General Assembly of 2013
26 Section 3

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – State Personnel and Pensions**

2 24–405.

3 (a) **(1)** Except as provided in § 24–405.1 of this subtitle and subject to
 4 **PARAGRAPH (2) OF THIS SUBSECTION AND** subsections (b), (c), and (d) of this section, an
 5 individual who is receiving a service retirement allowance or vested allowance may accept
 6 employment with a participating employer:

7 **(I)** on a contractual basis as a police employee, as defined in § 2–101
 8 of the Public Safety Article, at a rank of trooper first class **[or];**

9 **(II)** on a temporary basis, **[if:**

10 **(1)] IF** the employment is not in a regularly allocated **[position; and**

11 **(2)** the individual immediately notifies the Board of Trustees:

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

13 (ii) of the compensation that the individual will receive.] **POSITION;**

14 **OR**

15 **(III) ON A PERMANENT BASIS.**

16 **(2) AN INDIVIDUAL WHO IS REEMPLOYED ON A PERMANENT BASIS IN**
 17 **ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE**
 18 **REEMPLOYED BY THE DEPARTMENT OF STATE POLICE AS A POLICE EMPLOYEE, AS**
 19 **DEFINED UNDER § 2–101 OF THE PUBLIC SAFETY ARTICLE.**

20 **(3) AN INDIVIDUAL REEMPLOYED UNDER PARAGRAPH (1) OF THIS**
 21 **SUBSECTION SHALL IMMEDIATELY NOTIFY THE BOARD OF TRUSTEES OF:**

22 **(I) THE INDIVIDUAL’S INTENTION TO ACCEPT THE**
 23 **EMPLOYMENT; AND**

24 **(II) THE COMPENSATION THAT THE INDIVIDUAL WILL RECEIVE.**

25 (b) (1) Except as provided in paragraph (3) of this subsection, the Board of
 26 Trustees shall reduce the allowance of an individual who accepts employment as provided
 27 under subsection (a) of this section if:

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

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

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

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

12 2. If a reduction for a calendar year taken under
13 subparagraph 1 of this subparagraph is less than the reduction required under
14 subparagraph (i) of this paragraph, the Board of Trustees shall recover from the retiree an
15 amount equal to the reduction required under subparagraph (i) of this paragraph less the
16 reduction taken under subparagraph 1 of this subparagraph.

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

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

20 (ii) an individual who participates in the Deferred Retirement
21 Option Program established under § 24-401.1 of this subtitle; or

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

25 (c) For purposes of this section, employment is not on a temporary basis if, in any
26 12-month period, an individual works:

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

28 (2) part time for the equivalent of more than 6 months of full-time work.

29 (d) Prior to commencing reemployment under subsection (b)(3)(iii) of this section,
30 a retiree shall terminate participation in the Deferred Retirement Option Program and
31 receive any lump sum payment associated with the retiree's participation in the Deferred
32 Retirement Option Program as provided under § 24-401.1(i) of this subtitle.

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

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

3 (f) (1) [An] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
4 **SUBSECTION, AN** individual who is receiving a service retirement allowance or a vested
5 allowance and who is reemployed by a participating employer may not receive creditable
6 service or eligibility service during the period of reemployment.

7 (2) **AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**
8 **ALLOWANCE OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY AN EMPLOYER**
9 **PARTICIPATING IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM SHALL**
10 **RECEIVE CREDITABLE SERVICE AND ELIGIBILITY SERVICE DURING THE PERIOD OF**
11 **REEMPLOYMENT.**

12 (g) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
13 **SUBSECTION, AN** individual's compensation during the period of reemployment may not
14 be subject to the employer pickup provisions of § 21–303 of this article or any reduction or
15 deduction as a member contribution for pension or retirement purposes.

16 (2) **IF AN INDIVIDUAL RECEIVES CREDITABLE SERVICE AND**
17 **ELIGIBILITY SERVICE IN ACCORDANCE WITH SUBSECTION (F)(2) OF THIS SECTION,**
18 **THE INDIVIDUAL'S COMPENSATION DURING THE PERIOD OF REEMPLOYMENT IS**
19 **SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF § 21–303 OF THIS ARTICLE AND**
20 **ANY REDUCTION OR DEDUCTION AS A MEMBER CONTRIBUTION FOR PENSION OR**
21 **RETIREMENT PURPOSES.**

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

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

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

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

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

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

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

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

5 26–403.

6 (a) Except as provided in subsection (f) of this section, a retiree who is receiving
7 a service retirement allowance may accept employment with a participating employer on a
8 permanent, temporary, or contractual basis, without any reduction in retirement
9 allowance.

10 (b) (1) **[A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
11 **SUBSECTION, A** rehired retiree who is receiving a service retirement allowance may
12 not receive creditable service or eligibility service during the period of reemployment.

13 (2) **AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**
14 **ALLOWANCE AND WHO IS REEMPLOYED BY AN EMPLOYER PARTICIPATING IN THE**
15 **STATE POLICE RETIREMENT SYSTEM SHALL RECEIVE CREDITABLE SERVICE AND**
16 **ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.**

17 (c) (1) **[The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
18 **SUBSECTION, A** retiree's compensation during the period of reemployment may not be
19 subject to the employer pickup provisions of § 21–303 of this article or any reduction or
20 deduction as a member contribution for pension or retirement purposes.

21 (2) **IF AN INDIVIDUAL RECEIVES CREDITABLE SERVICE AND**
22 **ELIGIBILITY SERVICE IN ACCORDANCE WITH SUBSECTION (B)(2) OF THIS SECTION,**
23 **THE INDIVIDUAL'S COMPENSATION DURING THE PERIOD OF REEMPLOYMENT IS**
24 **SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF § 21–303 OF THIS ARTICLE AND**
25 **ANY REDUCTION OR DEDUCTION AS A MEMBER CONTRIBUTION FOR PENSION OR**
26 **RETIREMENT PURPOSES.**

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

29 (e) (1) Immediately on the employment of any retiree, a participating
30 employer shall notify the State Retirement Agency of the type of employment and the
31 anticipated earnings of the retiree.

32 (2) At least once each year, in a format specified by the State Retirement
33 Agency, each participating employer shall provide the State Retirement Agency with a list

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

3 (f) An individual who is receiving a service retirement allowance under this title
4 may not be employed within 45 days of the date the individual retired, on a permanent,
5 temporary, or contractual basis, by:

6 (1) the State or other participating employer; or

7 (2) a withdrawn participating governmental unit, if the retiree was an
8 employee of the withdrawn participating governmental unit while the withdrawn
9 governmental unit was a participating employer.

10 **Chapter 644 of the Acts of 2009, as amended by Chapter 649 of the Acts of 2013**

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2009. [It shall remain effective for a period of 9 years and, at the end of June 30, 2018,
13 with no further action required by the General Assembly, this Act shall be abrogated and
14 of no further force and effect.]

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2015.