K4 8lr2402 CF SB 895

By: Delegate B. Barnes

AN ACT concerning

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Introduced and read first time: February 7, 2018

Assigned to: Appropriations

A BILL ENTITLED

Alterations

2	State Police Retirement System -	Deferred Retirement	Option Program -

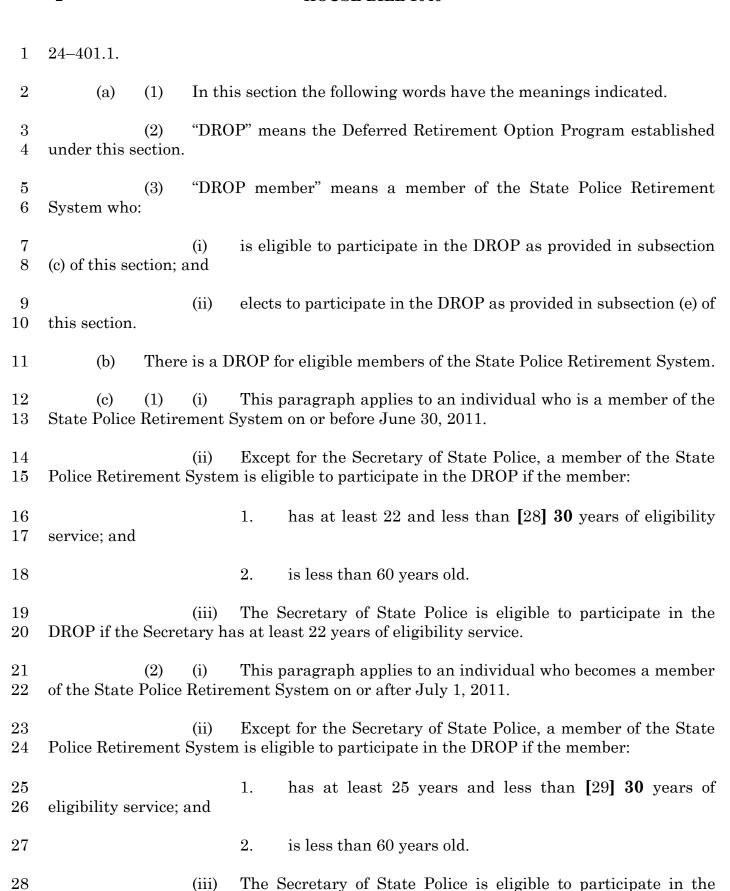
4 FOR the purpose of increasing the maximum number of years of eligibility service that 5 certain members of the State Police Retirement System may have to participate in 6 the Deferred Retirement Option Program (DROP); increasing the number of years 7 that certain members of the State Police Retirement System may participate in the 8 DROP; authorizing certain individuals, subject to certain limitations and 9 requirements, to elect to extend their participation in the DROP; prohibiting certain individuals from electing to extend their participation in the DROP; requiring the 10 11 State Retirement Agency to request certain documentation from the Internal 12 Revenue Service; making this Act subject to a certain contingency; providing for the 13 application of this Act; and generally relating to certain members of the State Police 14 Retirement System and the Deferred Retirement Option Program.

- 15 BY repealing and reenacting, without amendments,
- 16 Article State Personnel and Pensions
- 17 Section 24–401.1(a), (b), and (e)
- 18 Annotated Code of Maryland
- 19 (2015 Replacement Volume and 2017 Supplement)
- 20 BY repealing and reenacting, with amendments,
- 21 Article State Personnel and Pensions
- 22 Section 24–401.1(c) and (d)
- 23 Annotated Code of Maryland
- 24 (2015 Replacement Volume and 2017 Supplement)
- 25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 26 That the Laws of Maryland read as follows:

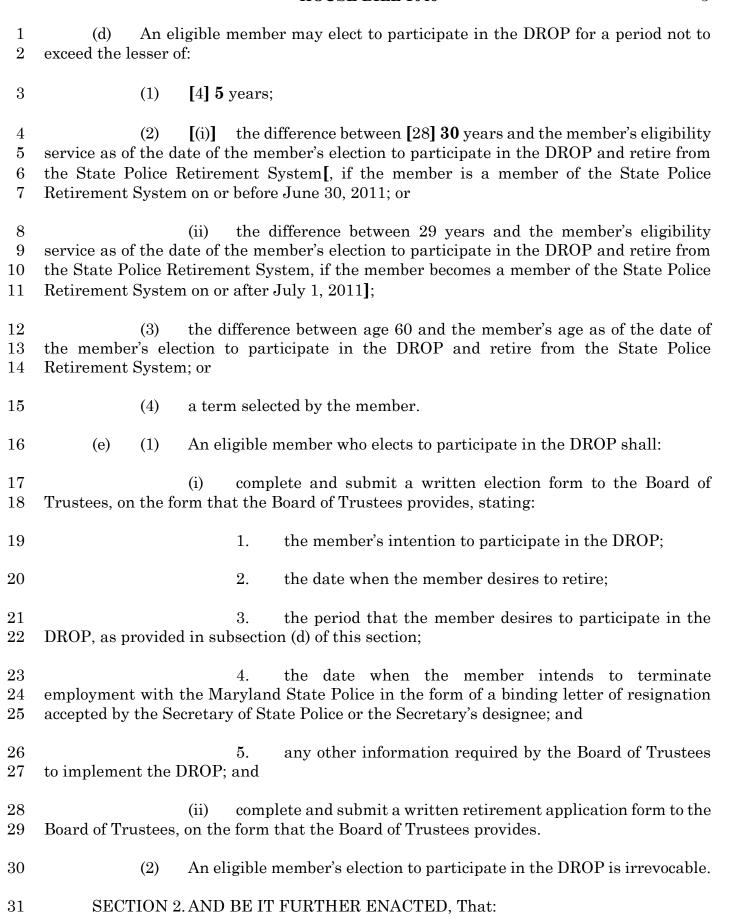
Article - State Personnel and Pensions



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DROP if the Secretary has at least 25 years of eligibility service.



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- 1 (a) Section 1 of this Act applies to any individual who began participation in the 2 DROP under § 24–401.1 of the State Personnel and Pensions Article before July 1, 2018, 3 and continues to participate in the DROP on or after July 1, 2018.
- 4 (b) (1) Except as provided in paragraph (2) of this subsection, an individual described in subsection (a) of this section may elect to extend participation in the DROP by the lesser of:
- 7 (i) the difference between 5 years and the number of years the 8 individual elected to participate in the DROP at the time the individual joined the DROP; 9 or
- 10 (ii) the difference between 30 years of eligibility service and the total 11 amount of eligibility service the individual had accrued at the time the individual joined 12 the DROP.
- 13 (2) An individual may not elect to extend participation in the DROP by a number of years that will result in the individual terminating the DROP at an age older than age 60.
- 16 (c) (1) An individual who elects to extend participation in the DROP shall do 17 so on or before December 31, 2018, by completing a form provided by the Board of Trustees 18 for the State Retirement and Pension System.
- 19 (2) The form submitted by the individual in paragraph (1) of this subsection shall include a signed acknowledgment by the individual's Director of Human Resources within the Department of State Police that the individual's employment with the Department of State Police and participation in DROP will be extended by the time period specified on that form.
- SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2018, the State Retirement Agency shall request a determination letter from the Internal Revenue Service that confirms the continued qualification under § 401 of the Internal Revenue Code of the State Police Retirement System, as amended under Section 1 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That:

- 29 (a) Section 1 of this Act shall take effect contingent on receipt of a determination letter from the Internal Revenue Service that confirms that the State Police Retirement System, as amended under Section 1 of this Act, is a qualified plan under § 401 of the Internal Revenue Code.
- 33 (b) If a favorable determination letter is received, Section 1 of this Act shall take 34 effect the first day of the month after the State Retirement Agency receives the 35 determination letter.
 - (c) If the State Retirement Agency does not receive a favorable determination

- letter, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect.
- 3 (d) The State Retirement Agency, within 5 days after receiving the determination 4 letter from the Internal Revenue Service, shall forward a copy of the ruling to the 5 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.
- 6 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this 7 Act, this Act shall take effect July 1, 2018.