

Chapter 209

(House Bill 862)

AN ACT concerning

State Police Retirement System – Employment of Retirees – Clarifications

FOR the purpose of clarifying certain provisions of law related to the employment of certain ~~retirees~~ *individuals* who are receiving certain ~~retirement~~ allowances from the State Police Retirement System; making conforming changes; and generally relating to the employment of certain retirees of the State Police Retirement System.

BY repealing

Article – State Personnel and Pensions
 Section 24–405 and 24–405.1
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

BY adding to

Article – State Personnel and Pensions
 Section 24–405
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

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

Article – State Personnel and Pensions

[24–405.

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

- (1) the employment is not in a regularly allocated position; and
- (2) the individual immediately notifies the Board of Trustees:
 - (i) of the individual’s intention to accept the employment; and
 - (ii) of the compensation that the individual will receive.

(b) (1) This subsection does not apply to:

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

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

(2) (i) Subject to subparagraph (ii) of this paragraph, the Board of Trustees shall reduce an individual's allowance by the amount that the sum of the individual's initial annual basic allowance and the individual's annual compensation exceeds the average final compensation used to compute the basic allowance.

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

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

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

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

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

24–405.

(A) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AND EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, ~~A RETIREE~~ AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ~~RETIREMENT~~ ALLOWANCE MAY ACCEPT EMPLOYMENT WITH A PARTICIPATING EMPLOYER ON A PERMANENT, CONTRACTUAL, OR TEMPORARY BASIS IF THE ~~RETIREE~~ INDIVIDUAL IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES:

(1) OF THE ~~RETIREE'S~~ INDIVIDUAL'S INTENTION TO ACCEPT THE EMPLOYMENT; AND

(2) OF THE COMPENSATION THAT THE ~~RETIREE~~ INDIVIDUAL WILL RECEIVE.

(B) ~~A RETIREE~~ AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT ON A PERMANENT OR CONTRACTUAL BASIS IS NOT SUBJECT TO A REDUCTION TO THE ~~RETIREE'S INDIVIDUAL'S RETIREMENT~~ ALLOWANCE.

(C) (1) (I) FOR PURPOSES OF THIS SECTION, EMPLOYMENT IS NOT ON A TEMPORARY BASIS IF, IN ANY 12-MONTH PERIOD, ~~A RETIREE~~ AN INDIVIDUAL WORKS:

1. FULL TIME FOR MORE THAN 6 MONTHS; OR

2. PART TIME FOR THE EQUIVALENT OF MORE THAN 6 MONTHS OF FULL-TIME WORK.

(II) ~~A RETIREE~~ AN INDIVIDUAL MAY ACCEPT EMPLOYMENT UNDER THIS SECTION ON A TEMPORARY BASIS ONLY IF THE EMPLOYMENT IS NOT IN A REGULARLY ALLOCATED POSITION.

(2) THE ~~RETIREMENT~~ ALLOWANCE OF ~~A RETIREE~~ AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT ON A TEMPORARY BASIS IS SUBJECT TO A REDUCTION AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.

(3) THE BOARD OF TRUSTEES SHALL REDUCE THE ALLOWANCE OF ~~A RETIREE~~ AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT ON A TEMPORARY BASIS BY THE AMOUNT BY WHICH THE SUM OF THE ~~RETIREE'S INDIVIDUAL'S~~ INITIAL ANNUAL BASIC ALLOWANCE AND THE ~~RETIREE'S INDIVIDUAL'S~~ ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO COMPUTE THE BASIC ALLOWANCE.

(4) (I) ANY REDUCTION TAKEN TO ~~A RETIREE'S~~ AN ALLOWANCE UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY NOT REDUCE THE ~~RETIREE'S~~ ALLOWANCE TO LESS THAN THE AMOUNT REQUIRED TO BE DEDUCTED FOR THE ~~RETIREE'S INDIVIDUAL'S~~ MONTHLY STATE-APPROVED MEDICAL INSURANCE PREMIUMS.

(II) IF A REDUCTION FOR A CALENDAR YEAR TAKEN UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS LESS THAN THE REDUCTION REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD OF TRUSTEES SHALL RECOVER FROM THE ~~RETIREE~~ INDIVIDUAL AN AMOUNT EQUAL TO THE REDUCTION REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION LESS THE REDUCTION TAKEN UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(5) PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO:

(I) ~~A RETIREE~~ AN INDIVIDUAL WHO HAS BEEN RETIRED FOR 5 YEARS, BEGINNING ON JANUARY 1, AFTER THE DATE THE INDIVIDUAL RETIRES; OR

(II) ~~A RETIREE~~ AN INDIVIDUAL WHO PARTICIPATES IN THE DEFERRED RETIREMENT OPTION PROGRAM ESTABLISHED UNDER § 24-401.1 OF THIS SUBTITLE.

(D) A RETIREE WHO IS RECEIVING A SERVICE RETIREMENT ALLOWANCE UNDER THIS TITLE MAY NOT BE EMPLOYED BY THE STATE OR OTHER PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL BASIS WITHIN 45 DAYS OF THE DATE THE RETIREE RETIRED.

[24-405.1.

An individual who is receiving a service retirement allowance under this title may not be employed by the State or other participating employer on a permanent, temporary, or contractual basis within 45 days of the date the individual retired.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

Approved by the Governor, April 18, 2019.