

# HOUSE BILL 862

K4

(9lr1139)

## ENROLLED BILL

— Appropriations/Budget and Taxation —

Introduced by **Delegate B. Barnes (Chair, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **State Police Retirement System – Employment of Retirees – Clarifications**

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

7 BY repealing

8 Article – State Personnel and Pensions

9 Section 24–405 and 24–405.1

10 Annotated Code of Maryland

11 (2015 Replacement Volume and 2018 Supplement)

12 BY adding to

13 Article – State Personnel and Pensions

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#### 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.

*Italics* indicate opposite chamber/conference committee amendments.



1 Section 24–405  
2 Annotated Code of Maryland  
3 (2015 Replacement Volume and 2018 Supplement)

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

6 **Article – State Personnel and Pensions**

7 [24–405.

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

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

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

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

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

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

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

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

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

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

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

1 (c) For purposes of this section, employment is not on a temporary basis if, in any  
2 12-month period, an individual works:

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

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

5 **24-405.**

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

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

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

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

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

22 1. FULL TIME FOR MORE THAN 6 MONTHS; OR

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

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

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

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

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

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

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

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

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

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

28 [24-405.1.

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
33 1, 2019.