

HOUSE BILL 862

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CF SB 827

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

Introduced and read first time: February 8, 2019

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2019

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 who are receiving certain retirement allowances from the State Police
5 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

14 Section 24–405

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2018 Supplement)

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

19 **Article – State Personnel and Pensions**

20 [24–405.

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

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

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

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

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

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

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

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

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

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

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

27 (c) For purposes of this section, employment is not on a temporary basis if, in any
28 12–month period, an individual works:

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

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

31 **24–405.**

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

7 (1) OF THE RETIREE'S INTENTION TO ACCEPT THE EMPLOYMENT;
8 AND

9 (2) OF THE COMPENSATION THAT THE RETIREE WILL RECEIVE.

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

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

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

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

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

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

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

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

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

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

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

10 **(II) A RETIREE WHO PARTICIPATES IN THE DEFERRED**
 11 **RETIREMENT OPTION PROGRAM ESTABLISHED UNDER § 24-401.1 OF THIS**
 12 **SUBTITLE.**

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

17 [24-405.1.

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 22 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.