

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 862

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

Appropriations

Budget and Taxation

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State Police Retirement System - Employment of Retirees - Clarifications

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This bill makes clarifying, nonsubstantive changes to provisions related to the reemployment of retirees of the State Police Retirement System (SPRS). **The bill takes effect July 1, 2019.**

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Fiscal Summary

**State Effect:** The bill is clarifying in nature and has no effect on State operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary/Current Law:** In general, an individual who is receiving a normal service or vested allowance under SPRS may accept employment with a participating employer of SPRS on a permanent, contractual, or temporary basis if the individual has been separated from service for more than 45 days and notifies the board of trustees:

- of the individual's intention to accept the employment; and
- of the compensation that will be paid to the individual.

If the employment is on a permanent or contractual basis, the individual's allowance is not subject to a reduction. Unless an individual has been retired for at least five years or

participates in the Deferred Retirement Option Program, an individual employed on a temporary basis, as defined, is subject to a reduction in the allowance. The reduction is equal to the amount by which sum of the initial annual allowance and the annual compensation exceeds the average final compensation at the time of retirement, and it is subject to specified limits.

**Background:** The SRPS board of trustees advised the Joint Committee on Pensions (JCP) that current statutory language regarding the reemployment of SPRS retirees is not clear. The board asked JCP to sponsor legislation to make clarifying, nonsubstantive changes to the statute, and JCP agreed to sponsor the legislation.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 827 (Senator Griffith)(Chair, Joint Committee on Pensions) - Budget and Taxation.

**Information Source(s):** State Retirement Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2019  
mag/vlg Third Reader - March 22, 2019  
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