
By: Delegate Proctor (Chairman, Joint Committee on Pensions)

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Pensions - Technical Corrections**

3 FOR the purpose of altering the procedure for certain payments due to a retiree for the
4 month in which the retiree dies; clarifying membership eligibility in the Teachers'
5 Retirement System and Teachers' Pension System with respect to librarians of
6 certain libraries; providing that members of the State Police Retirement System may
7 purchase service credit for certain employer-approved leaves of absence not
8 exceeding a certain number of years; applying certain provisions of law relating to
9 reemployment of retirees to retirees of the Correctional Officers' Retirement
10 System, the Natural Resources Pension System, and the Local Fire and Police
11 System; altering the method for making contributions for certain military service
12 credit; and generally relating to technical corrections that apply to the State
13 retirement and pension systems.

14 BY renumbering

15 Article - State Personnel and Pensions
16 Section 25-403, 26-403, and 28-402, respectively
17 to be Section 25-404, 26-404, and 28-403, respectively
18 Annotated Code of Maryland
19 (1994 Volume and 1995 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - State Personnel and Pensions
22 Section 21-406(b), 22-205(a), 23-206(a), and 24-305
23 Annotated Code of Maryland
24 (1994 Volume and 1995 Supplement)

25 BY adding to

26 Article - State Personnel and Pensions
27 Section 25-403, 26-403, and 28-402
28 Annotated Code of Maryland
29 (1994 Volume and 1995 Supplement)

30 BY repealing

31 Article - State Personnel and Pensions

2

1 Section 38-103(f) and 38-104(c)
2 Annotated Code of Maryland
3 (1994 Volume and 1995 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That Section(s) 25-403, 26-403, and 28-402, respectively, of Article -
6 State Personnel and Pensions of the Annotated Code of Maryland be renumbered to be
7 Section(s) 25-404, 26-404, and 28-403, respectively.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
9 read as follows:

10 **Article - State Personnel and Pensions**

11 21-406.

12 (b) When a retiree dies [and no further payments are due to a designated
13 beneficiary], the Board of Trustees shall pay [to the retiree's estate]the part of the
14 allowance due to the retiree for the month in which the death occurs:

15 (1) TO THE DESIGNATED BENEFICIARY; OR

16 (2) IF THERE IS NO DESIGNATED BENEFICIARY, TO THE RETIREE'S
17 ESTATE.

18 22-205.

19 (a) Except as provided in subsection (b) of this section, §§ 22-206 through 22-208
20 of this subtitle apply only to:

21 (1) an employee of a day school in the State under the authority and
22 supervision of a county board of education or the Baltimore City Board of School
23 Commissioners, employed as:

24 (i) an attendance officer;

25 (ii) a clerk;

26 (iii) a helping teacher;

27 (iv) a principal;

28 (v) a superintendent;

29 (vi) a supervisor; or

30 (vii) a teacher;

31 (2) a faculty employee of an educational institution supported by and under
32 the control of the State;

33 (3) a [professional] LIBRARIAN or clerical employee of any library that is
34 established or operates under the Education Article; or

3

1 (4) a professional or clerical employee of a community college that is
2 established or operates under the Education Article.

3 23-206.

4 (a) Except as provided in subsection (b) of this section, §§ 23-207 through 23-210
5 of this subtitle apply only to:

6 (1) an employee of a day school in the State under the authority and
7 supervision of a county board of education or the Baltimore City Board of School
8 Commissioners, employed as:

9 (i) a clerk;

10 (ii) a helping teacher;

11 (iii) a principal;

12 (iv) a superintendent;

13 (v) a supervisor; or

14 (vi) a teacher;

15 (2) a faculty employee of an educational institution supported by and under
16 the control of the State;

17 (3) a [professional] LIBRARIAN or clerical employee of a library that is
18 established or operates under the Education Article; or

19 (4) a professional or clerical employee of a community college that is
20 established or operates under the Education Article.

21 24-305.

22 (a) A member may purchase service credit as provided in subsection (b) of this
23 section for:

24 (1) periods of employment from July 1, 1970, through June 30, 1972, both
25 inclusive, during which the member elected to delay enrollment in the State Police
26 Retirement System and for which the member is not otherwise entitled to service credit;
27 AND

28 (2) A PERIOD OF EMPLOYMENT WHEN THE MEMBER WAS ON AN
29 EMPLOYER-APPROVED LEAVE OF ABSENCE NOT EXCEEDING 2 YEARS THAT HAS
30 QUALIFIED FOR PURCHASE UNDER REGULATIONS ADOPTED BY THE BOARD OF
31 TRUSTEES.

32 (b) (1) A member who purchases service credit under this section shall:

33 (i) complete a claim for the service credit and file it with the Board of
34 Trustees on the form that the Board of Trustees provides; and

4

1 (ii) pay to the Board of Trustees in a single payment the member
2 contributions the member would have made for the period of employment for which
3 service credit is being purchased plus regular interest to the date of payment.

4 (2) A member may pay for service credit purchased under this section at any
5 time before retirement.

6 25-403.

7 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A RETIREE WHO IS
8 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH
9 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL
10 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, IF THE RETIREE
11 IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES:

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

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

14 (B) (1) THIS SUBSECTION DOES NOT APPLY TO:

15 (I) A RETIREE WHO HAS BEEN RETIRED FOR MORE THAN 10
16 YEARS;

17 (II) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS
18 THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL
19 BASIS; OR

20 (III) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN
21 OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL
22 OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.

23 (2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S
24 RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S
25 ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S
26 ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO
27 COMPUTE THE BASIC ALLOWANCE.

28 (C) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE RETIREMENT
29 ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR ELIGIBILITY SERVICE
30 DURING THE PERIOD OF REEMPLOYMENT.

31 (D) THE RETIREE'S COMPENSATION DURING THE PERIOD OF
32 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §
33 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER
34 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

35 (E) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE
36 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE
37 COMPLIANCE WITH THIS SECTION.

38 (F) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A
39 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF
40 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

1 (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE
2 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE
3 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY
4 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,
5 AND THEIR EARNINGS FOR THAT YEAR.

6 26-403.

7 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A RETIREE WHO IS
8 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH
9 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL
10 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, IF:

11 (1) THE RETIREE IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES OF
12 THE RETIREE'S INTENTION TO ACCEPT THIS EMPLOYMENT; AND

13 (2) THE RETIREE SPECIFIES THE COMPENSATION TO BE RECEIVED.

14 (B) (1) THIS SUBSECTION DOES NOT APPLY TO:

15 (I) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS
16 THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL
17 BASIS; OR

18 (II) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN
19 OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL
20 OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.

21 (2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S
22 RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S
23 ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S
24 ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO
25 COMPUTE THE BASIC ALLOWANCE.

26 (C) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE RETIREMENT
27 ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR ELIGIBILITY SERVICE
28 DURING THE PERIOD OF REEMPLOYMENT.

29 (D) THE RETIREE'S COMPENSATION DURING THE PERIOD OF
30 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §
31 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER
32 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

33 (E) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE
34 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE
35 COMPLIANCE WITH THIS SECTION.

36 (F) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A
37 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF
38 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

39 (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE
40 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE

6

1 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY
2 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,
3 AND THEIR EARNINGS FOR THAT YEAR.

4 28-402.

5 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A RETIREE WHO IS
6 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH
7 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL
8 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, IF:

9 (1) THE RETIREE IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES OF
10 THE RETIREE'S INTENTION TO ACCEPT THIS EMPLOYMENT; AND

11 (2) THE RETIREE SPECIFIES THE COMPENSATION TO BE RECEIVED.

12 (B) (1) THIS SUBSECTION DOES NOT APPLY TO:

13 (I) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS
14 THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL
15 BASIS; OR

16 (II) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN
17 OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL
18 OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.

19 (2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S
20 RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S
21 ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S
22 ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO
23 COMPUTE THE BASIC ALLOWANCE.

24 (C) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE RETIREMENT
25 ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR ELIGIBILITY SERVICE
26 DURING THE PERIOD OF REEMPLOYMENT.

27 (D) THE RETIREE'S COMPENSATION DURING THE PERIOD OF
28 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §
29 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER
30 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

31 (E) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE
32 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE
33 COMPLIANCE WITH THIS SECTION.

34 (F) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A
35 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF
36 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

37 (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE
38 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE
39 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY

HOUSE BILL 401

7
1 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,
2 AND THEIR EARNINGS FOR THAT YEAR.

3 38-103.

4 [(f) (1) With respect to the period of a member's absence from employment for
5 military service, the State or political subdivision that employed the member shall make
6 the member contributions and employer contributions as if the member had not been
7 absent and had retained the status of an employee.

8 (2) A member may not withdraw any contribution made under paragraph
9 (1) of this subsection.]

10 38-104.

11 [(c) The State or other governmental unit that makes contributions for members of
12 State systems shall make the member contributions and employer contributions for the
13 military service credit for a member who:

14 (1) attains 10 years of creditable service; and

15 (2) is otherwise entitled to the military service credit under this section.]

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 1996.