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By: **Allegany County Delegation**

Introduced and read first time: January 29, 2003

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Pensions - Local Fire and Police System - Reemployment of Retirees**

3 FOR the purpose of repealing the earnings limitation placed on an individual who is  
4 receiving a service retirement allowance or vested allowance under the Local  
5 Fire and Police System if the individual is reemployed by a participating  
6 employer.

7 BY repealing and reenacting, with amendments,  
8 Article - State Personnel and Pensions  
9 Section 28-402  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2002 Supplement)

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

14 **Article - State Personnel and Pensions**

15 28-402.

16 (a) [Subject to subsection (b) of this section, an] AN individual who is  
17 receiving a service retirement allowance or vested allowance may accept employment  
18 with a participating employer on a permanent, temporary, or contractual basis,  
19 without any reduction in the allowance, if:

20 (1) the individual immediately notifies the Board of Trustees of the  
21 individual's intention to accept the employment; and

22 (2) the individual specifies the compensation to be received.

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

24 (i) an individual whose average final compensation was less than  
25 \$10,000 and who is reemployed on a temporary or contractual basis; or

1                   (ii)       an individual who is serving in an elected position as an official  
2 of a participating governmental unit or as a constitutional officer for a county that is  
3 a participating governmental unit.

4                   (2)       The Board of Trustees shall reduce an individual's allowance by the  
5 amount that the sum of the individual's initial annual basic allowance and the  
6 individual's annual compensation exceeds the average final compensation used to  
7 compute the basic allowance.

8       (c)]       An individual who is receiving a service retirement allowance or a vested  
9 allowance and who is reemployed by a participating employer may not receive  
10 creditable service or eligibility service during the period of reemployment.

11       [(d)]     (C)       The individual's compensation during the period of reemployment  
12 may not be subject to the employer pickup provisions of § 21-303 of this article or any  
13 reduction or deduction as a member contribution for pension or retirement purposes.

14       [(e)]     (D)       The State Retirement Agency shall institute appropriate reporting  
15 procedures with the affected payroll systems to ensure compliance with this section.

16       [(f)]     (1)       Immediately on the employment of any individual receiving a service  
17 retirement allowance or a vested allowance, a participating employer shall notify the  
18 State Retirement Agency of the type of employment and the anticipated earnings of  
19 the individual.

20                   (2)       At least once each year, in a format specified by the State Retirement  
21 Agency, each participating employer shall provide the State Retirement Agency with  
22 a list of all employees included on any payroll of the employer, the Social Security  
23 numbers of the employees, and their earnings for that year.]

24       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 July 1, 2003.