
By: **Allegany County Delegation**
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Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
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CHAPTER _____

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 exempting from a certain offset of an allowance certain retirees of the~~
7 Local Fire and Police System who are reemployed by certain employers; altering
8 certain requirements for the reemployment of certain retirees of the Local Fire
9 and Police System; and generally relating to the reemployment of retirees of the
10 Local Fire and Police System.

11 BY repealing and reenacting, with amendments,
12 Article - State Personnel and Pensions
13 Section 28-402
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2002 Supplement)

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

18 **Article - State Personnel and Pensions**

19 28-402.

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

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

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

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

5 (i) an individual whose average final compensation was less than
6 \$10,000 and who is reemployed on a temporary or contractual basis; or

7 (ii) an individual who is serving in an elected position as an official
8 of a participating governmental unit or as a constitutional officer for a county that is
9 a participating governmental unit] THE BOARD OF TRUSTEES SHALL REDUCE THE
10 ALLOWANCE OF AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT AS PROVIDED UNDER
11 SUBSECTION (A) OF THIS SECTION IF THE INDIVIDUAL'S CURRENT EMPLOYER IS A
12 PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS THE SAME
13 PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE
14 INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A PARTICIPATING
15 EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE
16 RETIREMENT ALLOWANCE OR VESTED ALLOWANCE.

17 (2) [The Board of Trustees shall reduce an individual's allowance by]
18 THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL
19 EQUAL the amount that the sum of the individual's initial annual basic allowance and
20 the individual's annual compensation exceeds the average final compensation used to
21 compute the basic allowance.

22 (3) EXCEPT FOR AN INDIVIDUAL WHOSE ALLOWANCE IS SUBJECT TO A
23 REDUCTION AS PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE
24 REDUCTION OF AN ALLOWANCE UNDER THIS SUBSECTION DOES NOT APPLY TO:

25 (I) AN INDIVIDUAL WHOSE AVERAGE FINAL COMPENSATION WAS
26 LESS THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL
27 BASIS; OR

28 (II) AN INDIVIDUAL WHO IS SERVING IN AN ELECTED POSITION AS
29 AN OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL
30 OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.

31 (c)} An individual who is receiving a service retirement allowance or a vested
32 allowance and who is reemployed by a participating employer may not receive
33 creditable service or eligibility service during the period of reemployment.

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

37 ~~(e)}~~ ~~(D)~~ The State Retirement Agency shall institute appropriate reporting
38 procedures with the affected payroll systems to ensure compliance with this section.

1 {(f) (1) Immediately on the employment of any individual receiving a service
2 retirement allowance or a vested allowance, a participating employer shall notify the
3 State Retirement Agency of the type of employment and the anticipated earnings of
4 the individual.

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

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