
By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 22, 2003

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 11, 2003

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of exempting from a certain offset of an allowance certain retirees of
4 the Local Fire and Police Retirement System who are reemployed by certain
5 employers; altering certain requirements for the reemployment of certain
6 retirees of the Local Fire and Police Retirement System; and generally relating
7 to the reemployment of retirees of the Local Fire and Police Retirement System.

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

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

15 **Article - State Personnel and Pensions**

16 28-402.

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

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

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

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

3 (i) an individual whose average final compensation was less than
4 \$10,000 and who is reemployed on a temporary or contractual basis; or

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

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

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

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

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

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

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

35 (e) The State Retirement Agency shall institute appropriate reporting
36 procedures with the affected payroll systems to ensure compliance with this section.

37 (f) (1) Immediately on the employment of any individual receiving a service
38 retirement allowance or a vested allowance, a participating employer shall notify the

1 State Retirement Agency of the type of employment and the anticipated earnings of
2 the individual.

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

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