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By: Delegates Cadden, James, Boutin, Cluster, Edwards, Jones, Kelly,
Malone, Oaks, Anderson, Boteler, Bozman, Branch, Cardin, Costa,
Dwyer, Elmore, Glassman, Impallaria, Jameson, Kach, Krebs, Leopold,
Morhaim, Myers, O'Donnell, Parrott, Rudolph, Shewell, Smigiel,
Stocksdale, Walkup, and Zirkin

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Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2005

CHAPTER____

1 AN ACT concerning

2 State Police Retirement System - Deferred Retirement Option Program - Eligibility

- 4 FOR the purpose of providing that certain members of the State Police Retirement
- 5 System are eligible to participate in the Deferred Retirement Option Program;
- 6 providing the period of time certain members of the State Police Retirement
- 7 System may participate in the Deferred Retirement Option Program; requiring
- 8 that certain members of the State Police Retirement System complete and
- 9 submit certain forms to the Board of Trustees for the State Retirement and
- Pension System; providing that the period of time certain members of the State
- Police Retirement System may participate in the Deferred Retirement Option
- Program be applied either retroactively or prospectively; requiring the Board of
- 13 Trustees for the State Retirement and Pension System to calculate the normal
- 14 service retirement allowance for certain members of the State Police Retirement
- 15 System as of a certain date; requiring the Board of Trustees for the State
- Retirement and Pension System to make certain adjustments to the normal
- 17 service retirement allowance for certain members of the State Police Retirement
- 18 System; requiring certain members of the State Police Retirement System to
- 19 forfeit certain creditable service and eligibility service for a certain period of
- 20 time; requiring the Board of Trustees for the State Retirement and Pension
- 21 System to make certain payments to certain individuals within a certain period
- of time; providing that certain payments made by the Board of Trustees for the
- 23 State Retirement and Pension System to certain individuals be made in a
- 24 certain manner; defining a certain term; and generally relating to the eligibility

1 2	of members of the State Police Retirement System to participate in the Deferred Retirement Option Program.								
3	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:								
5 6	(a) In this section, "DROP" means the Deferred Retirement Option Program established under § 24-401.1 of the State Personnel and Pensions Article.								
7 8	(b) System who:		tion appl	ies only to	o a member of the State Police Retirement				
9		(1)	is a men	nber of the	e State Police Retirement System on July 1, 2005;				
10 11	July 1, 1999	(2)	was a m	ember of	the State Police Retirement System on or before				
12 13	1999, preven	(3) nting the			than 24 years of eligibility service as of July 1, cipating in the DROP for 4 years; and				
14		(4)	is less th	nan 60 yea	urs old.				
15 16	(c) A member who is described in subsection (b) of this section may elect to participate in the DROP for a period not to exceed the lesser of:								
17		(1)	4 years;						
	that the men		pletes an		ween age 60 and the member's age as of the date on under subsection (d) of this section to				
21		(3)	a term s	elected by	the member.				
22	(d)	<u>(c)</u>	(1)	An eligib	ble member who elects to participate in the DROP shall:				
	Trustees on provides, sta		(i) Decemb		and submit a written election form to the Board of 05, on the form that the Board of Trustees				
26				1.	the member's intention to participate in the DROP;				
27				2.	the date when the member desires to retire;				
28 29	DROP , as pr	rovided i	n subsect		the period that the member desires to participate in the this section;				
32				d State Po	the date when the member intends to terminate blice in the form of a binding letter of the State Police or the Secretary's designee;				

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1 2	implement the DROP	; and	5.	any other information required by the Board of Trustees to
3	the Board of Trustees,	(ii) on the fo	-	e and submit a written retirement application form to the Board of Trustees provides.
5 6	(2) irrevocable.	An eligi	ble mem	ber's election to participate in the DROP is
7 8	(e) (d) subsection (e) (f)(2) o			d is the period elected by the member under etion.
9 10	(f) (e) retroactively or prosp	_	ble mem	ber may elect to participate in the DROP either
11 12	(g) (f) participate in the DRO	(1) OP retroa		osection applies to an eligible member who elects to
13 14	(2) participate in the DRO			participates in the DROP retroactively, may elect to ot to exceed the lesser of:
15		<u>(i)</u>	3 years;	
	date that the member participate in the DRO	_		erence between age 60 and the member's age as of the lication under subsection (c) of this section to
19		(iii)	a term s	elected by the member.
20 21	(2) DROP application to	(3) the Boar	(i) d of Trus	The DROP period ends on the date the member submits a stees.
22 23	member's application	(ii) date by t		t date for the DROP period is the date that precedes the per of days in the DROP period.
26		of the men		The Board of Trustees shall determine the member's nder § 24-401 of the State Personnel and art date in the DROP under paragraph (2)(ii)
28 29	DROP, the Board of	(ii) Trustees		period that a member retroactively participates in the
				adjust the member's normal service retirement allowance 29, Subtitle 4, Part III of the State Personnel the DROP period; and
				calculate any interest retroactively, that would have er item 1 of this subparagraph for the member compounded monthly.

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1 2	(4) (5) received during the DROP peri		ditable service or eligibility service that the member has feited by the member.
			Upon approving the member's application under pard of Trustees shall pay in a lump sum to the designated beneficiary of the member:
6 7	this subsection; and	1.	the amount determined under paragraph (3)(ii) (4)(ii) of
8 9	DROP period, plus regular inte	2.	any member contributions the member made during the
	· /		ments made under this subsection shall be reduced by nternal Revenue Service or other taxing
13	(iii)	The desi	ignated beneficiary of a member is:
14		1.	the member's surviving spouse;
		2. is 18 yea	if there is not a surviving spouse or if the surviving spouse ars old, each child of the deceased member who
			if there is not a surviving spouse or a child who is under 18 ciary in an acknowledged written designation member.
23		a portion	per or designated beneficiary of a member may direct the n of the amount under subparagraph (i) of this n eligible retirement plan as provided in Title d Pensions Article.
25 26	(v) receive the amount due under		per or designated beneficiary of a member is eligible to ection within 90 days after the:
27 28	application to participate retro	1. actively i	date the Board of Trustees approves the member's in the DROP; and
31		the desig	receipt by the Board of Trustees of any other information rocess payments under subparagraph (i) of gnated beneficiary of the member, or the
35 36	member's retroactive participa commence and continue paym	tion in the	Except as provided in subparagraph (ii) of this paragraph, and the date the Board of Trustees approves the Board of Trustees shall a normal service retirement allowance, as a provided in Title 29. Subtitle 4. Part III of

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	the State Personnel and Pensions Article, to the member as provided in §§ 24-401 and 24-403 of the State Personnel and Pensions Article.						
5 6 7	(ii) If a member dies before the Board of Trustees approves the member's application to participate retroactively in the DROP, the Board of Trustees shall pay 50% of the normal service retirement allowance, including the cost of living adjustments as provided in Title 29, Subtitle 4, Part III of the State Personnel and Pensions Article, to the beneficiary as provided in § 24-403 of the State Personnel and Pensions Article.						
9 10	$\frac{\text{(h)}}{\text{(g)}}$ (1) This subsection applies to an eligible member who elects to participate in the DROP prospectively.						
	(2) An Except as provided in paragraph (3) of this subsection, an eligible member shall participate in the DROP in accordance with the provisions of § 24-401.1 of the State Personnel and Pensions Article.						
14 15	(3) A member who participates in the DROP prospectively, may elect to participate in the DROP for a period not to exceed the lesser of:						
16	<u>(i)</u> <u>3 years;</u>						
	(ii) the difference between age 60 and the member's age as of the date that the member completes an application under subsection (c) of this section to participate in the DROP; or						
20	(iii) a term selected by the member.						
21 22	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2005.						