

SENATE BILL 1019

K4

9lr3246
CF HB 1495

By: **Senators McFadden and Robey**
Introduced and read first time: March 4, 2009
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System - Reemployment of Retirees**

3 FOR the purpose of exempting from a certain offset of a retirement allowance certain
4 retirees of the State Police Retirement System who are reemployed as police
5 employees at certain ranks; requiring certain retirees of the State Police
6 Retirement System who are reemployed under certain circumstances to
7 terminate participation in the Deferred Retirement Option Program and receive
8 a certain lump sum payment prior to being reemployed by the Department of
9 State Police; requiring that certain retirees of the State Police Retirement
10 System who are reemployed and injured under certain circumstances receive a
11 certain adjustment to their retirement allowance; requiring that the Board of
12 Trustees for the State Retirement and Pension System pay a certain death
13 benefit under certain circumstances; requiring the Department of State Police
14 to provide the State Retirement Agency with certain information; providing that
15 certain retirees of the State Police Retirement System may only be reemployed
16 for a certain period of time; requiring the Department of State Police to submit
17 certain reports by a certain date to certain committees; making certain
18 technical changes; and generally relating to the reemployment of retirees in the
19 State Police Retirement System.

20 BY repealing and reenacting, with amendments,
21 Article – State Personnel and Pensions
22 Section 24–405
23 Annotated Code of Maryland
24 (2004 Replacement Volume and 2008 Supplement)

25 BY repealing
26 Article – State Personnel and Pensions
27 Section 24–405.1
28 Annotated Code of Maryland
29 (2004 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Personnel and Pensions**

4 24–405.

5 (a) Except as provided in [§ 24–405.1 of this subtitle and subject to
6 subsections (b) and (c) of this section] **SUBSECTION (H) OF THIS SECTION**, an
7 individual who is receiving a service retirement allowance or vested allowance may
8 accept employment with a participating employer on a temporary **OR CONTRACTUAL**
9 basis, if[:

10 (1) the employment is not in a regularly allocated position; and

11 (2)] the individual immediately notifies the Board of Trustees:

12 [(i)] (1) of the individual’s intention to accept the employment;
13 and

14 [(ii)] (2) of the compensation that the individual will receive.

15 (b) (1) **THE BOARD OF TRUSTEES SHALL REDUCE THE ALLOWANCE**
16 **OF AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT AS PROVIDED UNDER**
17 **SUBSECTION (A) OF THIS SECTION IF:**

18 (I) **THE INDIVIDUAL’S CURRENT EMPLOYER IS ANY UNIT OF**
19 **STATE GOVERNMENT; AND**

20 (II) **THE INDIVIDUAL’S EMPLOYER AT THE TIME OF THE**
21 **INDIVIDUAL’S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE**
22 **THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE**
23 **OR VESTED ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.**

24 (2) **THE REDUCTION UNDER PARAGRAPH (1) OF THIS**
25 **SUBSECTION SHALL EQUAL THE AMOUNT BY WHICH THE SUM OF THE**
26 **INDIVIDUAL’S INITIAL ANNUAL BASIC ALLOWANCE AND THE INDIVIDUAL’S**
27 **ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED**
28 **TO COMPUTE THE BASIC ALLOWANCE.**

29 [(1)] (3) [This] **THE REDUCTION UNDER PARAGRAPH (1) OF THIS**
30 **subsection does not apply to:**

1 (i) an individual who has been retired for 9 years, beginning on
2 January 1, after the date the individual retires; [or]

3 (ii) an individual who participates in the Deferred Retirement
4 Option Program established under § 24-401.1 of this subtitle; **OR**

5 **(III) A RETIREE OF THE STATE POLICE RETIREMENT**
6 **SYSTEM WHO IS REEMPLOYED BY THE DEPARTMENT OF STATE POLICE ON A**
7 **CONTRACTUAL BASIS FOR NOT MORE THAN 4 YEARS AS A POLICE EMPLOYEE, AS**
8 **DEFINED IN § 2-101 OF THE PUBLIC SAFETY ARTICLE, AT A RANK OF SERGEANT**
9 **OR BELOW.**

10 [(2) The Board of Trustees shall reduce an individual's allowance by
11 the amount that the sum of the individual's initial annual basic allowance and the
12 individual's annual compensation exceeds the average final compensation used to
13 compute the basic allowance.

14 (c) For purposes of this section, employment is not on a temporary basis if, in
15 any 12-month period, an individual works:

16 (1) full time for more than 6 months; or

17 (2) part time for the equivalent of more than 6 months of full-time
18 work.]

19 **(C) PRIOR TO COMMENCING REEMPLOYMENT UNDER SUBSECTION**
20 **(B)(3)(III) OF THIS SECTION, A RETIREE SHALL TERMINATE PARTICIPATION IN**
21 **THE DEFERRED RETIREMENT OPTION PROGRAM AND RECEIVE ANY LUMP SUM**
22 **PAYMENT ASSOCIATED WITH THE RETIREE'S PARTICIPATION IN THE DEFERRED**
23 **RETIREMENT OPTION PROGRAM AS PROVIDED UNDER § 24-401.1(I) OF THIS**
24 **SUBTITLE.**

25 **(D) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO:**

26 **(I) WHILE REEMPLOYED UNDER SUBSECTION (B)(3)(III) OF**
27 **THIS SECTION, IS TOTALLY AND PERMANENTLY INCAPACITATED FOR DUTY IN**
28 **THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY WITHOUT WILLFUL**
29 **NEGLIGENCE BY THE RETIREE; AND**

30 **(II) THE MEDICAL BOARD CERTIFIES THAT:**

31 **1. THE RETIREE IS TOTALLY INCAPACITATED,**
32 **EITHER MENTALLY OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF**
33 **DUTY;**

1 **2. THE RETIREE'S INCAPACITY IS LIKELY TO BE**
2 **PERMANENT; AND**

3 **3. THE RETIREE SHOULD CEASE REEMPLOYMENT.**

4 **(2) THE NORMAL SERVICE RETIREMENT ALLOWANCE THAT A**
5 **RETIREE DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS**
6 **RECEIVING AT THE TIME THE RETIREE IS DETERMINED TO BE DISABLED UNDER**
7 **THIS SUBSECTION, SHALL BE READJUSTED TO EQUAL TWO-THIRDS OF THE**
8 **RETIREE'S AVERAGE FINAL COMPENSATION AT THE TIME THE RETIREE**
9 **RETIRED, WITH ACCUMULATED COST-OF-LIVING ADJUSTMENTS FROM THE**
10 **DATE THE RETIREE RETIRED.**

11 **(E) (1) THIS SUBSECTION APPLIES TO A RETIREE WHO:**

12 **(I) DIES WHILE REEMPLOYED UNDER SUBSECTION**
13 **(B)(3)(III) OF THIS SECTION;**

14 **(II) DIES WITHOUT WILLFUL NEGLIGENCE BY THE RETIREE;**
15 **AND**

16 **(III) IS KILLED IN THE COURSE OF THE ACTUAL**
17 **PERFORMANCE OF DUTY.**

18 **(2) WHEN THE BOARD OF TRUSTEES RECEIVES PROOF OF DEATH**
19 **OF A RETIREE AND FINDS THAT THE DEATH HAS OCCURRED IN THE MANNER**
20 **DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD OF TRUSTEES**
21 **SHALL PAY A SPECIAL DEATH BENEFIT ALLOWANCE EQUAL TO TWO-THIRDS OF**
22 **THE RETIREE'S AVERAGE FINAL COMPENSATION AT THE TIME OF RETIREMENT:**

23 **(I) TO THE SURVIVING SPOUSE;**

24 **(II) IF THERE IS NO SURVIVING SPOUSE OR IF THE**
25 **SURVIVING SPOUSE DIES BEFORE THE YOUNGEST CHILD OF THE MEMBER IS 18**
26 **YEARS OLD, TO ALL CHILDREN UNDER THE AGE OF 18 YEARS; OR**

27 **(III) IF THERE IS NO SURVIVING SPOUSE OR CHILDREN**
28 **YOUNGER THAN 18 YEARS OF AGE, TO THE MEMBER'S DEPENDENT PARENT TO**
29 **CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE**
30 **PARENT'S LIFE.**

31 **(3) ANY BENEFITS UNDER TITLE 21, SUBTITLE 4 OF THIS**
32 **ARTICLE MAY NOT BE PAID IF A SPECIAL DEATH BENEFIT IS PAID UNDER**
33 **PARAGRAPH 2.**

1 **(F) AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**
2 **ALLOWANCE OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY A**
3 **PARTICIPATING EMPLOYER MAY NOT RECEIVE CREDITABLE SERVICE OR**
4 **ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.**

5 **(G) THE INDIVIDUAL'S COMPENSATION DURING THE PERIOD OF**
6 **REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS**
7 **OF § 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER**
8 **CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.**

9 **(H) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE**
10 **REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE**
11 **COMPLIANCE WITH THIS SECTION.**

12 **(I) (1) IMMEDIATELY ON THE EMPLOYMENT OF A RETIREE WHO IS**
13 **REHIRED UNDER SUBSECTION (B)(3)(III) OF THIS SECTION, THE DEPARTMENT**
14 **OF STATE POLICE SHALL NOTIFY THE STATE RETIREMENT AGENCY OF THE**
15 **TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE INDIVIDUAL.**

16 **(2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE**
17 **STATE RETIREMENT AGENCY, THE DEPARTMENT OF STATE POLICE SHALL**
18 **PROVIDE THE STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES**
19 **INCLUDED ON ANY PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY**
20 **NUMBERS OF THE EMPLOYEES, AND THEIR EARNINGS FOR THAT YEAR.**

21 **(J) AN INDIVIDUAL WHO IS REHIRED UNDER THIS SECTION MAY NOT BE**
22 **REHIRED WITHIN 45 DAYS OF THE DATE THE INDIVIDUAL RETIRED IF:**

23 **(1) THE INDIVIDUAL'S CURRENT EMPLOYER IS A PARTICIPATING**
24 **EMPLOYER OTHER THAN THE STATE AND IS THE SAME PARTICIPATING**
25 **EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE**
26 **INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A PARTICIPATING**
27 **EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE**
28 **RETIREMENT ALLOWANCE; OR**

29 **(2) THE INDIVIDUAL'S CURRENT EMPLOYER IS ANY UNIT OF**
30 **STATE GOVERNMENT AND THE INDIVIDUAL'S EMPLOYER AT THE TIME OF THE**
31 **INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE**
32 **THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE**
33 **WAS ALSO A UNIT OF STATE GOVERNMENT.**

1 **(K) THE DEPARTMENT OF STATE POLICE SHALL NOTIFY THE STATE**
2 **RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION**
3 **(B)(3)(III) OF THIS SECTION.**

4 **(L) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY OF**
5 **STATE POLICE SHALL SUBMIT A REPORT IN ACCORDANCE WITH § 2-1246 OF**
6 **THE STATE GOVERNMENT ARTICLE TO THE JOINT COMMITTEE ON PENSIONS**
7 **THAT PROVIDES:**

8 **(1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION**
9 **(B)(3)(III) OF THIS SECTION;**

10 **(2) THE ANNUAL SALARY OF EACH REHIRED RETIREE AT THE**
11 **TIME OF RETIREMENT AND THE CURRENT ANNUAL SALARY OF EACH REHIRED**
12 **RETIREE;**

13 **(3) THE NUMBER OF POLICE EMPLOYEES HIRED WHO ARE NOT**
14 **RETIREEES; AND**

15 **(4) THE ANNUAL SALARY OF EACH POLICE EMPLOYEE WHO IS**
16 **HIRED.**

17 [24-405.1.

18 A retiree of the State Police Retirement System who is rehired on a permanent,
19 temporary, or contractual basis may not be rehired within 45 days of the date the
20 individual retired if the individual's current employer is any unit of State government
21 and the individual's employer at the time of the individual's last separation from
22 employment with the State before the individual commenced receiving a service
23 retirement allowance was also a unit of State government.]

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2009.