

SENATE BILL 498

K4

0lr2473
CF 0lr2497

By: **Senator McFadden (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 3, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Reemployment Earnings Limitation**
3 **– Exemptions**

4 FOR the purpose of increasing the maximum average final compensation that certain
5 retirees of the State Retirement and Pension System must have at the time of
6 retirement in order to be exempt from a certain reemployment earnings
7 limitation; and generally relating to exemptions from a reemployment earnings
8 limitation for retirees of the State Retirement and Pension System.

9 BY repealing and reenacting, without amendments,
10 Article – State Personnel and Pensions
11 Section 22–406(c)(1) and (3) and 23–407(c)(1) and (3)
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 22–406(c)(4)(ii) and 23–407(c)(4)(i)
17 Annotated Code of Maryland
18 (2009 Replacement Volume and 2009 Supplement)

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

21 **Article – State Personnel and Pensions**

22 22–406.

23 (c) (1) Except as provided in § 22–407 of this subtitle, the Board of
24 Trustees shall reduce the allowance of an individual who accepts employment as
25 provided under subsection (b) of this section if:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) the individual's current employer is a participating employer
2 other than the State and is the same participating employer that employed the
3 individual at the time of the individual's last separation from employment with a
4 participating employer before the individual commenced receiving a service retirement
5 allowance or vested allowance;

6 (ii) the individual's current employer is any unit of State
7 government and the individual's employer at the time of the individual's last
8 separation from employment with the State before the individual commenced
9 receiving a service retirement allowance or vested allowance was also a unit of State
10 government; or

11 (iii) the individual becomes reemployed within 12 months of
12 receiving an early service retirement allowance under § 22-402 of this subtitle.

13 (3) A reduction of an early service retirement allowance under
14 paragraph (1)(iii) of this subsection shall be applied only until the individual has
15 received an allowance for 12 months.

16 (4) Except for an individual whose allowance is subject to a reduction
17 as provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an
18 allowance under this subsection does not apply to:

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

21 23-407.

22 (c) (1) Except as provided in § 23-408 of this subtitle, the Board of
23 Trustees shall reduce the allowance of an individual who accepts employment as
24 provided under subsection (b) of this section if:

25 (i) the individual's current employer is a participating employer
26 other than the State and is the same participating employer that employed the
27 individual at the time of the individual's last separation from employment with a
28 participating employer before the individual commenced receiving a service retirement
29 allowance or vested allowance;

30 (ii) the individual's current employer is any unit of State
31 government and the individual's employer at the time of the individual's last
32 separation from employment with the State before the individual commenced
33 receiving a service retirement allowance or vested allowance was also a unit of State
34 government; or

1 (iii) the individual becomes reemployed within 12 months of
2 receiving an early service retirement allowance or an early vested allowance computed
3 under § 23-402 of this subtitle.

4 (3) A reduction of an early service retirement allowance or an early
5 vested allowance under paragraph (1)(iii) of this subsection shall be applied only until
6 the individual has received an allowance for 12 months.

7 (4) Except for an individual whose allowance is subject to a reduction
8 as provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an
9 allowance under this subsection does not apply to:

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2010.