

SENATE BILL 498

K4

0lr2473
CF HB 774

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

Introduced and read first time: February 3, 2010

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2010

CHAPTER _____

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 ~~(2) and (3)~~, 23–407(c)(1) and (3), and 25–403(a)
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), and 25–403(b)(3)
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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 22-406.

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

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

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

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

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

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

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

26 23-407.

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

30 (i) the individual's current employer is a participating employer
31 other than the State and is the same participating employer that employed the
32 individual at the time of the individual's last separation from employment with a
33 participating employer before the individual commenced receiving a service retirement
34 allowance or vested allowance;

1 (ii) the individual's current employer is any unit of State
2 government and the individual's employer at the time of the individual's last
3 separation from employment with the State before the individual commenced
4 receiving a service retirement allowance or vested allowance was also a unit of State
5 government; or

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

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

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

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

18 25-403.

19 (a) Except as provided in subsection (h) of this section, an individual who is
20 receiving a service retirement allowance or vested allowance may accept employment
21 with a participating employer on a permanent, temporary, or contractual basis, if the
22 individual immediately notifies the Board of Trustees:

23 (1) of the individual's intention to accept the employment; and

24 (2) of the compensation that the individual will receive.

25 (b) (3) The reduction under this subsection does not apply to:

26 (i) an individual who has been retired for 9 years, beginning on
27 January 1, after the date the individual retires;

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

31 (iii) an individual who is serving in an elected position as an
32 official of a participating governmental unit or as a constitutional officer for a county
33 that is a participating governmental unit; or

1 (iv) a retiree of the Correctional Officers' Retirement System
 2 who is reemployed on a contractual basis for not more than 4 years by the Division of
 3 Corrections, the Division of Pretrial Detention and Services, or the Patuxent
 4 Institution in the Department of Public Safety and Correctional Services as a
 5 correctional officer in a correctional facility defined in § 1-101 of the Correctional
 6 Services Article.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.