

# HOUSE BILL 902

K4

(3lr2425)

## ENROLLED BILL

— Appropriations/Budget and Taxation —

Introduced by **Delegate Guzzone**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

3 FOR the purpose of clarifying the applicability of certain requirements for an offset  
4 from certain retirement allowances from the State Police Retirement System for  
5 certain individuals who accept employment with certain participating  
6 employers; extending a certain termination provision that applies to certain  
7 provisions that relate to the reemployment of retirees of the State Police  
8 Retirement System; ~~providing that a retiree of the State Police Retirement~~  
9 ~~System who is reemployed by a participating governmental unit may receive~~  
10 ~~certain service credit during the period of reemployment;~~ providing for the  
11 termination of certain provisions of this Act; and generally relating to the  
12 reemployment of retirees of the State Police Retirement System.

13 BY repealing and reenacting, with amendments,  
14 Article – State Personnel and Pensions

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#### 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.

*Italics* indicate opposite chamber/conference committee amendments.



1 Section 24–405  
2 Annotated Code of Maryland  
3 (2009 Replacement Volume and 2012 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Chapter 644 of the Acts of the General Assembly of 2009  
6 Section 3

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

9 **Article – State Personnel and Pensions**

10 24–405.

11 (a) Except as provided in § 24–405.1 of this subtitle and subject to  
12 subsections (b), (c), and (d) of this section, an individual who is receiving a service  
13 retirement allowance or vested allowance may accept employment with a participating  
14 employer **ON A CONTRACTUAL BASIS AS A POLICE EMPLOYEE, AS DEFINED IN §**  
15 **2–101 OF THE PUBLIC SAFETY ARTICLE, AT A RANK OF TROOPER FIRST CLASS**  
16 **OR** on a temporary [or contractual] basis, if:

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

18 (2) the individual immediately notifies the Board of Trustees:

19 (i) of the individual’s intention to accept the employment; and

20 (ii) of the compensation that the individual will receive.

21 (b) (1) **[The] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**  
22 **SUBSECTION, THE** Board of Trustees shall reduce the allowance of an individual who  
23 accepts employment as provided under subsection (a) of this section if:

24 (i) the individual’s current employer is any unit of State  
25 government; and

26 (ii) the individual’s employer at the time of the individual’s last  
27 separation from employment with the State before the individual commenced  
28 receiving a service retirement allowance or vested allowance was also a unit of State  
29 government.

30 (2) (i) Subject to subparagraph (ii) of this paragraph, the reduction  
31 under paragraph (1) of this subsection shall equal the amount by which the sum of the  
32 individual’s initial annual basic allowance and the individual’s annual compensation  
33 exceeds the average final compensation used to compute the basic allowance.

1 (ii) 1. Any reduction taken to a retiree's allowance under  
2 this subsection may not exceed an amount that would reduce the retiree's allowance to  
3 less than what is required to be deducted for the retiree's monthly State-approved  
4 medical insurance premiums.

5 2. If a reduction for a calendar year taken under  
6 subsubparagraph 1 of this subparagraph is less than the reduction required under  
7 subparagraph (i) of this paragraph, the Board of Trustees shall recover from the  
8 retiree an amount equal to the reduction required under subparagraph (i) of this  
9 paragraph less the reduction taken under subsubparagraph 1 of this subparagraph.

10 (3) The reduction under paragraph (1) of this subsection does not  
11 apply to:

12 (i) an individual who has been retired for 5 years, beginning on  
13 January 1, after the date the individual retires;

14 (ii) an individual who participates in the Deferred Retirement  
15 Option Program established under § 24-401.1 of this subtitle; or

16 (iii) a retiree of the State Police Retirement System who is  
17 reemployed by the Department of State Police on a contractual basis as a police  
18 employee, as defined in § 2-101 of the Public Safety Article, at a rank of trooper first  
19 class.

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

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

23 (2) part time for the equivalent of more than 6 months of full-time  
24 work.

25 (d) Prior to commencing reemployment under subsection (b)(3)(iii) of this  
26 section, a retiree shall terminate participation in the Deferred Retirement Option  
27 Program and receive any lump sum payment associated with the retiree's  
28 participation in the Deferred Retirement Option Program as provided under §  
29 24-401.1(i) of this subtitle.

30 (e) (1) Subject to paragraph (2) of this subsection, a retiree reemployed  
31 under subsection (b)(3)(iii) of this section may not be reemployed for more than 4  
32 years.

33 (2) A retiree reemployed under subsection (b)(3)(iii) of this section may  
34 not be reemployed after becoming 60 years old.

1 (f) ~~(1) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO:~~

2 ~~(I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR~~  
3 ~~A VESTED ALLOWANCE; AND~~

4 ~~(II) IS REEMPLOYED BY A PARTICIPATING GOVERNMENTAL~~  
5 ~~UNIT.~~

6 ~~(2)~~ An individual who is receiving a service retirement allowance or a  
7 vested allowance and who is reemployed by a participating employer may not receive  
8 creditable service or eligibility service during the period of reemployment.

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

12 (h) The State Retirement Agency shall institute appropriate reporting  
13 procedures with the affected payroll systems to ensure compliance with this section.

14 (i) (1) Immediately on the employment of a retiree who is rehired under  
15 subsection (b)(3)(iii) of this section, the Department of State Police shall notify the  
16 State Retirement Agency of the type of employment and the anticipated earnings of  
17 the individual.

18 (2) At least once each year, in a format specified by the State  
19 Retirement Agency, the Department of State Police shall provide the State Retirement  
20 Agency with a list of all employees included on any payroll of the employer, the Social  
21 Security numbers of the employees, and their earnings for that year.

22 (j) On or before September 1 of each year, the Secretary of State Police shall  
23 submit a report in accordance with § 2-1246 of the State Government Article to the  
24 Joint Committee on Pensions that provides:

25 (1) the number of rehired retirees under subsection (b)(3)(iii) of this  
26 section;

27 (2) the annual salary of each rehired retiree at the time of retirement  
28 and the current annual salary of each rehired retiree;

29 (3) the number of police employees hired who are not retirees; and

30 (4) the annual salary of each police employee who is hired.

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
32 read as follows:

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**Chapter 644 of the Acts of 2009**

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2009. It shall remain effective for a period of **[5] 9** years and, at the end of June 30, **[2014] 2018**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013. Section 1 of this Act shall remain effective until the taking effect of the termination provision specified in Section 3 of Chapter 644 of the Acts of the General Assembly of 2009. If that termination provision takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.