

Chapter 649

(House Bill 902)

AN ACT concerning

State Police Retirement System – Reemployment of Retirees

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

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 24–405
 Annotated Code of Maryland
 (2009 Replacement Volume and 2012 Supplement)

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

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

Article – State Personnel and Pensions

24–405.

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

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

- (2) the individual immediately notifies the Board of Trustees:
 - (i) of the individual's intention to accept the employment; and
 - (ii) of the compensation that the individual will receive.

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

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

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

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

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

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

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

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

(iii) a retiree of the State Police Retirement System who is reemployed by the Department of State Police on a contractual basis as a police

employee, as defined in § 2–101 of the Public Safety Article, at a rank of trooper first class.

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

- (1) full time for more than 6 months; or
- (2) part time for the equivalent of more than 6 months of full–time work.

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

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

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

(f) ~~(1) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL WHO:~~
~~(I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE; AND~~
~~(II) IS REEMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT.~~

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

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

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

(i) (1) Immediately on the employment of a retiree who is rehired under subsection (b)(3)(iii) of this section, the Department of State Police shall notify the

State Retirement Agency of the type of employment and the anticipated earnings of the individual.

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

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

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

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

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

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

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

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 by the Governor, May 16, 2013.