

SENATE BILL 103

K4

5lr0902
CF HB 77

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

Introduced and read first time: January 26, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Judges' Retirement System – Membership, Accrual of Interest, and**
3 **Reemployment**

4 FOR the purpose of clarifying that regular interest may not be paid on member
5 contributions of certain members of the Judges' Retirement System under certain
6 circumstances; providing that membership in the Judges' Retirement System for
7 certain members ends under certain circumstances; repealing a limitation on when
8 a member may withdraw accumulated contributions from the Judges' Retirement
9 System; repealing a duplicative provision pertaining to the withdrawal of
10 accumulated contributions from the Judges' Retirement System; clarifying that
11 certain retirees of the Judges' Retirement System are required to have a certain
12 break in service before obtaining certain employment; repealing obsolete language
13 pertaining to the reemployment of retired former members of the Judges' Retirement
14 System; making conforming changes; and generally relating to membership, accrual
15 of interest, and reemployment in the Judges' Retirement System.

16 BY repealing and reenacting, with amendments,
17 Article – State Personnel and Pensions
18 Section 27–203, 27–204, 27–405, and 27–406
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2014 Supplement)

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

23 **Article – State Personnel and Pensions**

24 27–203.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A)** [Regular] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**
2 **REGULAR** interest is payable on member contributions at the rate of 4% a year
3 compounded annually, until retirement or withdrawal of the accumulated contributions.

4 **(B)** **NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS**
5 **AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER:**

6 **(1)** **WAS NOT A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON**
7 **OR BEFORE JUNE 30, 2012; AND**

8 **(2)** **IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER**
9 **TITLE 29, SUBTITLE 3 OF THIS ARTICLE.**

10 27-204.

11 **(A) (1)** **THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO**
12 **BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1,**
13 **2012.**

14 **(2)** **MEMBERSHIP ENDS IF THE MEMBER:**

15 **(I)** **IS SEPARATED FROM EMPLOYMENT FOR MORE THAN 4**
16 **YEARS;**

17 **(II)** **WITHDRAWS THE MEMBER'S ACCUMULATED**
18 **CONTRIBUTIONS;**

19 **(III)** **BECOMES A RETIREE; OR**

20 **(IV)** **DIES.**

21 **(B)** A former member who withdraws accumulated contributions does not have
22 further rights under the Judges' Retirement System.

23 27-405.

24 **[(a)]** If a member's service is terminated by death and the member leaves no
25 spouse, child under the age of 18 years, or designated beneficiary or beneficiaries, the
26 member's accumulated contributions shall be paid to the member's estate.

27 **[(b) (1)]** At the time of termination of service, or within 6 months thereafter, but
28 before receiving payment of a retirement allowance, a former member may elect to
29 withdraw in a single payment the former member's accumulated contributions from the
30 dates of payment.

1 (2) If the former member elects to withdraw the accumulated
2 contributions, the former member has no further rights under the Judges' Retirement
3 System.]

4 27-406.

5 (a) This section does not apply to a retiree who [:

6 (1)] is temporarily assigned to sit in a court of this State under the authority
7 of Article IV, § 3A of the Maryland Constitution [; or

8 (2) is employed as a member of the faculty of a public institution of higher
9 education in the State].

10 (b) Subject to subsection (e) of this section, a retiree may accept employment in
11 which all or part of the compensation for the employment comes from municipal, county, or
12 State funds, if the retiree immediately notifies the Board of Trustees of:

13 (1) the retiree's intention to accept the employment; and

14 (2) the compensation that the retiree will receive.

15 (c) (1) Except as provided in paragraph (3) of this subsection, the Board of
16 Trustees shall reduce the retirement allowance of a retiree who accepts employment as
17 provided under subsection (b) of this section if the retiree's current employer is any unit of
18 State government and the retiree's employer at the time of the retiree's last separation
19 from employment with the State before the retiree commenced receiving a service
20 retirement allowance was also a unit of State government.

21 (2) The reduction required under paragraph (1) of this subsection shall
22 equal the amount that the sum of the retiree's annual retirement allowance and the
23 retiree's annual compensation exceeds the amount of the compensation on which the
24 retirement allowance is based.

25 (3) The reduction required under paragraph (1) of this subsection does not
26 apply to an individual who:

27 (I) has been retired for 5 years, beginning on January 1 after the
28 date the individual retires; OR

29 (II) IS EMPLOYED AS A MEMBER OF THE FACULTY OF A PUBLIC
30 INSTITUTION OF HIGHER EDUCATION IN THE STATE.

31 (d) (1) [Subject to paragraph (2) of this subsection, if a retiree accepts
32 employment as allowed by subsection (a) of this section and is subsequently awarded
33 retirement benefits because of that employment, the Board of Trustees shall reduce the

1 retiree's benefits under this subtitle by the amount of the retirement benefits resulting
2 from the subsequent employment if the retiree's current employer is any unit of State
3 government and the retiree's employer at the time of the retiree's last separation from
4 employment with the State before the retiree commenced receiving a service retirement
5 allowance was also a unit of State government.

6 (2) (i) Any reduction taken to a retiree's allowance under [this
7 subsection] **SUBSECTION (C) OF THIS SECTION** may not exceed an amount that would
8 reduce the retiree's allowance to less than what is required to be deducted for the retiree's
9 monthly State-approved medical insurance premiums.

10 [(ii)] (2) If a reduction for a calendar year taken under
11 [subparagraph (i) of this paragraph] **PARAGRAPH (1) OF THIS SUBSECTION** is less than
12 the reduction required under [paragraph (1) of this subsection] **SUBSECTION (C) OF THIS**
13 **SECTION**, the Board of Trustees shall recover from the retiree an amount equal to the
14 reduction required under [paragraph (1) of this subsection] **SUBSECTION (C) OF THIS**
15 **SECTION** less the reduction taken under [subparagraph (i) of this paragraph]
16 **PARAGRAPH (1) OF THIS SUBSECTION**.

17 (e) A retiree may not be employed by the State or other participating employer
18 on a permanent, temporary, or contractual basis within 45 days of the date the individual
19 retired.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2015.