

Chapter 150

(Senate Bill 103)

AN ACT concerning

Judges' Retirement System – Membership, ~~Accrual of Interest~~ Benefits, and Reemployment

FOR the purpose of clarifying that regular interest may not be paid on member contributions of certain members of the Judges' Retirement System under certain circumstances; providing that membership in the Judges' Retirement System ~~for certain members~~ ends under certain circumstances; clarifying the eligibility for a retirement allowance for certain members of the Judges' Retirement System who are retired by order of the Court of Appeals; establishing the eligibility for a retirement allowance for certain members of the Judges' Retirement System who are retired by order of the Court of Appeals; providing for the method of calculating a retirement allowance for certain members of the Judges' Retirement System who are retired by order of the Court of Appeals and have less than a certain amount of service credit; repealing a limitation on when a member may withdraw accumulated contributions from the Judges' Retirement System; repealing a duplicative provision pertaining to the withdrawal of accumulated contributions from the Judges' Retirement System; clarifying that certain retirees of the Judges' Retirement System are required to have a certain break in service before obtaining certain employment; repealing obsolete language pertaining to the reemployment of retired former members of the Judges' Retirement System; making certain provisions of law relating to the return of accumulated contributions applicable to the Judges' Retirement System; providing that an individual who was a member of the Judges' Retirement System on or before a certain date, is separated from employment for a certain period of time, and returns to employment in a position that requires membership in the Judges' Retirement System, is subject to certain requirements; altering a certain definition; making conforming changes; and generally relating to membership, ~~accrual of interest~~ benefits, and reemployment in the Judges' Retirement System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 27-101, 27-203, 27-204, 27-401, 27-402(c)(2), 27-405, ~~and~~ 27-406, and 29-502

Annotated Code of Maryland

(2009 Replacement Volume and 2014 Supplement)

BY repealing and reenacting, without amendments,Article – State Personnel and PensionsSection 27-402(a)Annotated Code of Maryland(2009 Replacement Volume and 2014 Supplement)

BY repealingArticle – State Personnel and PensionsSection 29–501Annotated Code of Maryland(2009 Replacement Volume and 2014 Supplement)

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

Article – State Personnel and Pensions27–101.

(a) *In this subtitle the following words have the meanings indicated.*

(b) *“Termination of service” includes:*

(1) *retirement at the age [of 70 years as] required by Article IV, § 3 of the Maryland Constitution;*

(2) *voluntary retirement;*

(3) *resignation because of disability;*

(4) *retirement by order of the Court of Appeals;*

(5) *resignation;*

(6) *nonelection or nonconfirmation when election or confirmation is required;*

(7) *expiration of term without reappointment; or*

(8) *abolition of the member’s office.*

27–203.

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

(B) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE JUDGES’ RETIREMENT SYSTEM ON OR AFTER JULY 1, 2012.

~~(B)~~ (2) NO FURTHER INTEREST SHALL BE PAID ON MEMBER CONTRIBUTIONS AFTER MEMBERSHIP ENDS IF THE FORMER MEMBER:

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

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

27-204.

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

~~(2)~~ (A) MEMBERSHIP ENDS IF THE MEMBER:

~~(i)~~ (1) IS SEPARATED FROM EMPLOYMENT FOR MORE THAN 4 YEARS;

~~(ii)~~ (2) WITHDRAWS THE MEMBER'S ACCUMULATED CONTRIBUTIONS;

~~(iii)~~ (3) BECOMES A RETIREE; OR

~~(iv)~~ (4) DIES.

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

27-401.

(a) (1) This subsection applies only to an individual who is a member of the Judges' Retirement System on or before June 30, 2012.

(2) A member or former member is entitled to a retirement allowance:

(i) on termination of service, if the member is at least 60 years old;

(ii) on the recommendation of the medical board, if the member or former member resigns because of disability;

(iii) when retired by order of the Court of Appeals; or

(iv) at the age of 60 years, if the former member's termination of service occurred earlier.

(b) (1) This subsection applies only to an individual who becomes a member of the Judges' Retirement System on or after July 1, 2012.

(2) A member or former member is entitled to a retirement allowance:

(i) on termination of service, if the member is at least 60 years old and has at least 5 years of eligibility service;

(ii) on the recommendation of the medical board, if the member or former member resigns because of disability;

(iii) when retired by order of the Court of Appeals, **IF THE MEMBER HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE;**

(IV) WHEN RETIRED BY ORDER OF THE COURT OF APPEALS WITH LESS THAN 5 YEARS OF ELIGIBILITY SERVICE, IF THE MEMBER HAS ELIGIBILITY SERVICE EQUAL TO ~~70 YEARS~~ THE MANDATORY RETIREMENT AGE REQUIRED BY ARTICLE IV, § 3 OF THE MARYLAND CONSTITUTION MINUS THE MEMBER'S AGE WHEN THE MEMBER FIRST BECOMES A MEMBER; or

~~[(iv)] (v) at the age of 60 years, if the former member's termination of service occurred earlier and the former member had at least 5 years of eligibility service when the former member terminated service.~~

27-402.

(a) Except as provided in subsection (b) of this section and subject to subsections (c) and (d) of this section, on retirement under this subtitle, a retiree is entitled to receive a retirement allowance that equals two-thirds of the salary payable in that fiscal year to a member holding the same level judicial position as that held by the retiree on termination of service.

(c) (2) (i) This paragraph applies only to an individual who becomes a member of the Judges' Retirement System on or after July 1, 2012.

(ii) On retirement under this subtitle by a retiree who has at least 5 years but less than 16 years of service credit as a member, the retiree is entitled to a reduced retirement allowance that equals the retirement allowance computed under subsection (a) or (b) of this section multiplied by a fraction that has:

1. for its numerator, the number of years of service credit as a member; and

2. for its denominator, 16.

(III) ON RETIREMENT UNDER THIS SUBTITLE BY A RETIREE WHO IS ELIGIBLE TO RETIRE UNDER § 27-401(B)(2)(IV) OF THIS SUBTITLE, THE RETIREE IS ENTITLED TO A REDUCED RETIREMENT ALLOWANCE THAT EQUALS THE RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION (A) OR (B) OF THIS SECTION MULTIPLIED BY A FRACTION THAT HAS:

1. FOR ITS NUMERATOR, THE NUMBER OF YEARS OF SERVICE CREDIT AS A MEMBER; AND

2. FOR ITS DENOMINATOR, 16.

27-405.

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

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

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

27-406.

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

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

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

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

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

(2) the compensation that the retiree will receive.

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

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

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

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

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

(d) (1) [Subject to paragraph (2) of this subsection, if a retiree accepts employment as allowed by subsection (a) of this section and is subsequently awarded retirement benefits because of that employment, the Board of Trustees shall reduce the retiree's benefits under this subtitle by the amount of the retirement benefits resulting from the subsequent employment if the retiree's current employer is any unit of State government and the retiree's employer at the time of the retiree's last separation from employment with the State before the retiree commenced receiving a service retirement allowance was also a unit of State government.

(2) (i) Any reduction taken to a retiree's allowance under [this subsection] **SUBSECTION (C) OF THIS SECTION** 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.

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

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

[29-501.

This subtitle does not apply to the Judges' Retirement System.]

[29-502.] 29-501.

The Board of Trustees shall pay a member or former member the amount of the member's or former member's accumulated contributions if:

(1) the member or former member separated from employment for a reason other than death or retirement; and

(2) the member or former member requests the payment.

SECTION 2. AND BE IT FURTHER ENACTED, That an individual who was a member of the Judges' Retirement System on or before June 30, 2012, is separated from employment for more than 4 years, and returns to employment in a position that requires membership in the Judges' Retirement System, is subject to the same requirements to which an individual is subject who was a member of the Judges' Retirement System on or before June 30, 2012.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2015.

Approved by the Governor, May 12, 2015.