

# SENATE BILL 827

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CF HB 862

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

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2019

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

1 AN ACT concerning

2 **State Police Retirement System – Employment of Retirees – Clarifications**

3 FOR the purpose of clarifying certain provisions of law related to the employment of certain  
4 ~~retirees~~ individuals who are receiving certain ~~retirement~~ allowances from the State  
5 Police Retirement System; making conforming changes; and generally relating to the  
6 employment of certain retirees of the State Police Retirement System.

7 BY repealing

8 Article – State Personnel and Pensions

9 Section 24–405 and 24–405.1

10 Annotated Code of Maryland

11 (2015 Replacement Volume and 2018 Supplement)

12 BY adding to

13 Article – State Personnel and Pensions

14 Section 24–405

15 Annotated Code of Maryland

16 (2015 Replacement Volume and 2018 Supplement)

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

19 **Article – State Personnel and Pensions**

20 [24–405.

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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.



1 (a) Except as provided in § 24–405.1 of this subtitle and subject to subsections (b)  
2 and (c) of this section, an individual who is receiving a service retirement allowance or  
3 vested allowance may accept employment with a participating employer on a temporary  
4 basis, if:

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

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

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

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

9 (b) (1) This subsection does not apply to:

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

12 (ii) an individual who participates in the Deferred Retirement  
13 Option Program established under § 24–401.1 of this subtitle.

14 (2) (i) Subject to subparagraph (ii) of this paragraph, the Board of  
15 Trustees shall reduce an individual’s allowance by the amount that the sum of the  
16 individual’s initial annual basic allowance and the individual’s annual compensation  
17 exceeds the average final compensation used to compute the basic allowance.

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

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

27 (c) For purposes of this section, employment is not on a temporary basis if, in any  
28 12–month period, an individual works:

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

30 (2) part time for the equivalent of more than 6 months of full–time work.]

31 **24–405.**

1 (A) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AND EXCEPT AS  
2 PROVIDED IN SUBSECTION (D) OF THIS SECTION, ~~A RETIREE~~ AN INDIVIDUAL WHO IS  
3 RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ~~RETIREMENT~~  
4 ALLOWANCE MAY ACCEPT EMPLOYMENT WITH A PARTICIPATING EMPLOYER ON A  
5 PERMANENT, CONTRACTUAL, OR TEMPORARY BASIS IF THE ~~RETIREE~~ INDIVIDUAL  
6 IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES:

7 (1) OF THE ~~RETIREE'S~~ INDIVIDUAL'S INTENTION TO ACCEPT THE  
8 EMPLOYMENT; AND

9 (2) OF THE COMPENSATION THAT THE ~~RETIREE~~ INDIVIDUAL WILL  
10 RECEIVE.

11 (B) ~~A RETIREE~~ AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT ON A  
12 PERMANENT OR CONTRACTUAL BASIS IS NOT SUBJECT TO A REDUCTION TO THE  
13 ~~RETIREE'S~~ INDIVIDUAL'S ~~RETIREMENT~~ ALLOWANCE.

14 (C) (1) (I) FOR PURPOSES OF THIS SECTION, EMPLOYMENT IS NOT ON  
15 A TEMPORARY BASIS IF, IN ANY 12-MONTH PERIOD, ~~A RETIREE~~ AN INDIVIDUAL  
16 WORKS:

17 1. FULL TIME FOR MORE THAN 6 MONTHS; OR

18 2. PART TIME FOR THE EQUIVALENT OF MORE THAN 6  
19 MONTHS OF FULL-TIME WORK.

20 (II) ~~A RETIREE~~ AN INDIVIDUAL MAY ACCEPT EMPLOYMENT  
21 UNDER THIS SECTION ON A TEMPORARY BASIS ONLY IF THE EMPLOYMENT IS NOT IN  
22 A REGULARLY ALLOCATED POSITION.

23 (2) THE ~~RETIREMENT~~ ALLOWANCE OF ~~A RETIREE~~ AN INDIVIDUAL  
24 WHO ACCEPTS EMPLOYMENT ON A TEMPORARY BASIS IS SUBJECT TO A REDUCTION  
25 AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.

26 (3) THE BOARD OF TRUSTEES SHALL REDUCE THE ALLOWANCE OF ~~A~~  
27 AN ~~RETIREE~~ INDIVIDUAL WHO ACCEPTS EMPLOYMENT ON A TEMPORARY BASIS BY  
28 THE AMOUNT BY WHICH THE SUM OF THE ~~RETIREE'S~~ INDIVIDUAL'S INITIAL ANNUAL  
29 BASIC ALLOWANCE AND THE ~~RETIREE'S~~ INDIVIDUAL'S ANNUAL COMPENSATION  
30 EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO COMPUTE THE BASIC  
31 ALLOWANCE.

32 (4) (I) ANY REDUCTION TAKEN TO ~~A RETIREE'S~~ AN ALLOWANCE  
33 UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY NOT REDUCE THE ~~RETIREE'S~~

1 ALLOWANCE TO LESS THAN THE AMOUNT REQUIRED TO BE DEDUCTED FOR THE  
 2 ~~RETIREE'S~~ INDIVIDUAL'S MONTHLY STATE-APPROVED MEDICAL INSURANCE  
 3 PREMIUMS.

4 (II) IF A REDUCTION FOR A CALENDAR YEAR TAKEN UNDER  
 5 SUBPARAGRAPH (I) OF THIS PARAGRAPH IS LESS THAN THE REDUCTION REQUIRED  
 6 UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD OF TRUSTEES SHALL  
 7 RECOVER FROM THE ~~RETIREE~~ INDIVIDUAL AN AMOUNT EQUAL TO THE REDUCTION  
 8 REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION LESS THE REDUCTION  
 9 TAKEN UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

10 (5) PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO:

11 (I) ~~A RETIREE~~ AN INDIVIDUAL WHO HAS BEEN RETIRED FOR 5  
 12 YEARS, BEGINNING ON JANUARY 1, AFTER THE DATE THE INDIVIDUAL RETIRES; OR

13 (II) ~~A RETIREE~~ AN INDIVIDUAL WHO PARTICIPATES IN THE  
 14 DEFERRED RETIREMENT OPTION PROGRAM ESTABLISHED UNDER § 24-401.1 OF  
 15 THIS SUBTITLE.

16 (D) A RETIREE WHO IS RECEIVING A SERVICE RETIREMENT ALLOWANCE  
 17 UNDER THIS TITLE MAY NOT BE EMPLOYED BY THE STATE OR OTHER  
 18 PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL  
 19 BASIS WITHIN 45 DAYS OF THE DATE THE RETIREE RETIRED.

20 [24-405.1.

21 An individual who is receiving a service retirement allowance under this title may  
 22 not be employed by the State or other participating employer on a permanent, temporary,  
 23 or contractual basis within 45 days of the date the individual retired.]

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 25 1, 2019.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.