

SENATE BILL 346

P6

2lr2075
CF HB 1422

By: **Senator Jackson**

Introduced and read first time: January 21, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2022

CHAPTER _____

1 AN ACT concerning

2 **State Police Retirement System and Law Enforcement Officers' Pension System**
3 **– Deferred Retirement Option Program – Alterations**

4 FOR the purpose of increasing the maximum number of years of eligibility service that
5 certain members of the State Police Retirement System or Law Enforcement Officers'
6 Pension System may have to participate in the Deferred Retirement Option Program
7 (DROP); increasing the number of years that certain members of the State Police
8 Retirement System or Law Enforcement Officers' Pension System may participate
9 in the DROP; authorizing certain individuals, subject to certain limitations and
10 requirements, to elect to extend their participation in the DROP; and generally
11 relating to certain members of the State Police Retirement System or Law
12 Enforcement Officers' Pension System and the Deferred Retirement Option
13 Program.

14 BY repealing and reenacting, without amendments,
15 Article – State Personnel and Pensions
16 Section 24–401.1(a), (b), and (e) and 26–401.1(a), (b), and (e)
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2021 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – State Personnel and Pensions
21 Section 24–401.1(c) and (d) and 26–401.1(c) and (d)
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2021 Supplement)

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

3 **Article – State Personnel and Pensions**

4 24–401.1.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) “DROP” means the Deferred Retirement Option Program established
7 under this section.

8 (3) “DROP member” means a member of the State Police Retirement
9 System who:

10 (i) is eligible to participate in the DROP as provided in subsection
11 (c) of this section; and

12 (ii) elects to participate in the DROP as provided in subsection (e) of
13 this section.

14 (b) There is a DROP for eligible members of the State Police Retirement System.

15 (c) (1) (i) This paragraph applies to an individual who is a member of the
16 State Police Retirement System on or before June 30, 2011.

17 (ii) Except for the Secretary of State Police, a member of the State
18 Police Retirement System is eligible to participate in the DROP if the member:

19 1. has at least 22 and less than ~~[30]~~ **32** years of eligibility
20 service; and

21 2. is less than 60 years old.

22 (iii) The Secretary of State Police is eligible to participate in the
23 DROP if the Secretary has at least 22 years of eligibility service.

24 (2) (i) This paragraph applies to an individual who becomes a member
25 of the State Police Retirement System on or after July 1, 2011.

26 (ii) Except for the Secretary of State Police, a member of the State
27 Police Retirement System is eligible to participate in the DROP if the member:

28 1. has at least 25 years and less than ~~[30]~~ **32** years of
29 eligibility service; and

1 2. is less than 60 years old.

2 (iii) The Secretary of State Police is eligible to participate in the
3 DROP if the Secretary has at least 25 years of eligibility service.

4 (d) An eligible member may elect to participate in the DROP for a period not to
5 exceed the lesser of:

6 (1) [5] 7 years;

7 (2) the difference between [30] 32 years and the member's eligibility
8 service as of the date of the member's election to participate in the DROP and retire from
9 the State Police Retirement System;

10 (3) the difference between age 60 and the member's age as of the date of
11 the member's election to participate in the DROP and retire from the State Police
12 Retirement System; or

13 (4) a term selected by the member.

14 (e) (1) An eligible member who elects to participate in the DROP shall:

15 (i) complete and submit a written election form to the Board of
16 Trustees, on the form that the Board of Trustees provides, stating:

17 1. the member's intention to participate in the DROP;

18 2. the date when the member desires to retire;

19 3. the period that the member desires to participate in the
20 DROP, as provided in subsection (d) of this section;

21 4. the date when the member intends to terminate
22 employment with the Maryland State Police in the form of a binding letter of resignation
23 accepted by the Secretary of State Police or the Secretary's designee; and

24 5. any other information required by the Board of Trustees
25 to implement the DROP; and

26 (ii) complete and submit a written retirement application form to the
27 Board of Trustees, on the form that the Board of Trustees provides.

28 (2) An eligible member's election to participate in the DROP is irrevocable.

29 26-401.1.

30 (a) (1) In this section the following words have the meanings indicated.

1 (2) “DROP” means the Deferred Retirement Option Program established
2 under this section.

3 (3) “DROP member” means a member of the Law Enforcement Officers’
4 Pension System who:

5 (i) is eligible to participate in the DROP as provided in subsection
6 (c) of this section; and

7 (ii) elects to participate in the DROP as provided in subsection (e) of
8 this section.

9 (b) There is a DROP for eligible members of the Law Enforcement Officers’
10 Pension System.

11 (c) (1) In this subsection, “creditable service” does not include credit for
12 unused sick leave as provided in § 20–206 of this article.

13 (2) A member of the Law Enforcement Officers’ Pension System is eligible
14 to participate in the DROP if the member has at least 25 and less than [30] 32 years of
15 creditable service.

16 (d) (1) In this subsection, “creditable service” does not include credit for
17 unused sick leave as provided in § 20–206 of this article.

18 (2) An eligible member may elect to participate in the DROP for a period
19 not to exceed the lesser of:

20 (i) [5] 7 years;

21 (ii) the difference between [30] 32 years and the member’s
22 creditable service as of the date of the member’s election to participate in the DROP and
23 retire from the Law Enforcement Officers’ Pension System; or

24 (iii) a term selected by the member.

25 (e) (1) An eligible member who elects to participate in the DROP shall:

26 (i) complete and submit a written election form to the Board of
27 Trustees, on the form that the Board of Trustees provides, stating:

28 1. the member’s intention to participate in the DROP;

29 2. the date when the member desires to retire;

1 3. the period that the member desires to participate in the
2 DROP, as provided in subsection (d) of this section;

3 4. the date when the member intends to terminate
4 employment with the State in the form of a binding letter of resignation accepted by the
5 Secretary or the Secretary's designee of the Department for which the member is employed;
6 and

7 5. any other information required by the Board of Trustees
8 to implement the DROP; and

9 (ii) complete and submit a written retirement application form to the
10 Board of Trustees, on the form that the Board of Trustees provides.

11 (2) An eligible member's election to participate in the DROP is irrevocable.

12 SECTION 2. AND BE IT FURTHER ENACTED, That:

13 (a) Section 1 of this Act applies to any individual who began participation in the
14 Deferred Retirement Option Program (DROP) under ~~§ 24-401.1~~ §§ 24-401.1 and 26-401.1
15 of the State Personnel and Pensions Article before July 1, 2022, and continues to participate
16 in the DROP on or after July 1, 2022.

17 (b) (1) Except as provided in paragraph (2) of this subsection, an individual
18 described in subsection (a) of this section may elect to extend participation in the DROP by
19 the lesser of:

20 (i) the difference between 7 years and the number of years the
21 individual elected to participate in the DROP at the time the individual joined the DROP;
22 or

23 (ii) the difference between 32 years of eligibility service and the total
24 amount of eligibility service the individual had accrued at the time the individual joined
25 the DROP.

26 (2) An individual may not elect to extend participation in the DROP by a
27 number of years that will result in the individual terminating the DROP at an age older
28 than age 60.

29 (c) (1) An individual who elects to extend participation in the DROP shall do
30 so on or before December 31, 2022, by completing a form provided by the Board of Trustees
31 for the State Retirement and Pension System.

32 (2) The form submitted by the individual in paragraph (1) of this
33 subsection shall include a signed acknowledgment by:

1 (i) for a member of the State Police Retirement System, the
2 individual's Director of Human Resources within the Department of State Police that the
3 individual's employment with the Department of State Police and participation in the
4 DROP will be extended by the time period specified on that form; or

5 (ii) for a member of the Law Enforcement Officers' Pension System,
6 the individual's Director of Human Resources or a comparable individual authorized to
7 confirm the individual's employment with a unit listed in § 26-201(a) of the State Personnel
8 and Pensions Article and participation in the DROP will be extended by the time period
9 specified on that form.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.