

SENATE BILL 346

P6

2lr2075

By: **Senator Jackson**

Introduced and read first time: January 21, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System – Deferred Retirement Option Program –**
3 **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 may have to participate in
6 the Deferred Retirement Option Program (DROP); increasing the number of years
7 that certain members of the State Police Retirement System may participate in the
8 DROP; authorizing certain individuals, subject to certain limitations and
9 requirements, to elect to extend their participation in the DROP; and generally
10 relating to certain members of the State Police Retirement System and the Deferred
11 Retirement Option Program.

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

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

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

24 **Article – State Personnel and Pensions**

25 24–401.1.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (2) "DROP" means the Deferred Retirement Option Program established
3 under this section.

4 (3) "DROP member" means a member of the State Police Retirement
5 System who:

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

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

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

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

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

15 1. has at least 22 and less than [30] **32** years of eligibility
16 service; and

17 2. is less than 60 years old.

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

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

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

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

26 2. is less than 60 years old.

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

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

1 (1) [5] 7 years;

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

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

8 (4) a term selected by the member.

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

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

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

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

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

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

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

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

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

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

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

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

1 (i) the difference between 7 years and the number of years the
2 individual elected to participate in the DROP at the time the individual joined the DROP;
3 or

4 (ii) the difference between 32 years of eligibility service and the total
5 amount of eligibility service the individual had accrued at the time the individual joined
6 the DROP.

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

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

13 (2) The form submitted by the individual in paragraph (1) of this
14 subsection shall include a signed acknowledgment by the individual's Director of Human
15 Resources within the Department of State Police that the individual's employment with the
16 Department of State Police and participation in the DROP will be extended by the time
17 period specified on that form.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2022.