

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 827

(Senator Griffith)(Chair, Joint Committee on Pensions)

Budget and Taxation

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

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This bill makes clarifying, nonsubstantive changes to provisions related to the reemployment of retirees of the State Police Retirement System (SPRS). The bill takes effect July 1, 2019.

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**Fiscal Summary**

**State Effect:** The bill is clarifying in nature and has no effect on State operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary/Current Law:** In general, an SPRS retiree who is receiving a normal service or vested allowance may accept employment with a participating employer of the State Retirement and Pension System (SRPS) on a permanent, contractual, or temporary basis if the retiree has been separated from service for more than 45 days and notifies the board of trustees:

- of the retiree’s intention to accept the employment; and
- of the compensation that will be paid to the retiree.

If the employment is on a permanent or contractual basis, the retiree’s allowance is not subject to a reduction. Unless a retiree has been retired for at least five years or participates

in the Deferred Retirement Option Program, a retiree employed on a temporary basis, as defined, is subject to a reduction in the allowance. The reduction is equal to the amount by which sum of the initial annual allowance and the annual compensation exceeds the average final compensation at the time of retirement, and it is subject to specified limits.

**Background:** The SRPS board of trustees advised the Joint Committee on Pensions (JCP) that current statutory language regarding the reemployment of SPRS retirees is not clear. The board asked JCP to sponsor legislation to make clarifying, nonsubstantive changes to the statute, and JCP agreed to sponsor the legislation.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 862 (Delegate B. Barnes)(Chair, Joint Committee on Pensions) - Appropriations.

**Information Source(s):** State Retirement Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2019  
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