

SENATE BILL 320

P6

4lr2083
CF HB 415

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

Introduced and read first time: January 12, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2024

CHAPTER _____

1 AN ACT concerning

2 ~~State Police Retirement System and Law Enforcement Officers' Pension System~~
3 ~~– Deferred Retirement Option Program – State Retirement and Pension System~~
4 ~~– Administration – Clarification and Technical Correction~~

5 FOR the purpose of clarifying that the Board of Trustees for the State Retirement and
6 Pension System may pay certain incentive compensation to the Chief Investment
7 Officer for the State Retirement and Pension System if the Chief Investment Officer
8 retires from the Investment Division of the State Retirement Agency in a certain
9 manner; correcting a certain incorrect reference of an age restriction applying to
10 certain members of the Law Enforcement Officers' Pension System that participate
11 in the Deferred Retirement Option Program (DROP); and generally relating to
12 ~~certain members of the State Police Retirement System or Law Enforcement Officers'~~
13 ~~Pension System and the Deferred Retirement Option Program~~ the administration of
14 the State Retirement and Pension System.

15 BY repealing and reenacting, with amendments,
16 Article – State Personnel and Pensions
17 Section 21–118.1(c)(3)
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2023 Supplement)

20 BY repealing and reenacting, with amendments,
21 Chapter 400 of the Acts of the General Assembly of 2023
22 Section 2

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.



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

Article – State Personnel and Pensions

21–118.1.

(c) (3) (I) [If] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF the Chief Investment Officer separates from employment, the Board of Trustees may not pay out any remaining financial incentives due to be paid after the date of separation from employment.

(II) THE BOARD OF TRUSTEES MAY PAY ANY REMAINING EARNED FINANCIAL INCENTIVES AFTER THE DATE OF SEPARATION FROM EMPLOYMENT IF THE CHIEF INVESTMENT OFFICER RETIRES DIRECTLY FROM THE INVESTMENT DIVISION ON OR WITHIN 30 DAYS AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.

Chapter 400 of the Acts of 2023

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act applies to any individual who began participation in the Deferred Retirement Option Program (DROP) under §§ 24–401.1 or 26–401.1 of the State Personnel and Pensions Article before July 1, 2023, and continues to participate in the DROP on or after July 1, 2023.

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

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

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

(2) [An] **FOR A MEMBER OF THE STATE POLICE RETIREMENT SYSTEM, THE** individual may not elect to extend participation in the DROP by a number of years that will result in the individual terminating the DROP at an age older than age 60.

(c) (1) An individual who elects to extend participation in the DROP shall do so on or before December 31, 2023, by completing a form provided by the Board of Trustees for the State Retirement and Pension System.

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.