

(5) Upon later retirement or death in active service, the member's reserves shall be reduced by the total amount of payments made to the member during the member's earlier retirement, unless the system is reimbursed for such payments by the member; AND

(6) IF A MEMBER WHO HAS BEEN RESTORED TO MEMBERSHIP UNDER THIS SUBSECTION ELECTS TO TRANSFER TO THE PENSION SYSTEM FOR EMPLOYEES UNDER § 2-204 OF THIS TITLE, THE BOARD OF TRUSTEES SHALL REDUCE THE MEMBER'S TRANSFER REFUND BY THE AMOUNT OF THE REDUCTION IN RESERVES THAT WOULD HAVE BEEN MADE UNDER PARAGRAPH (5) OF THIS SUBSECTION.

3-408.

(b) If a retiree from this retirement system is reemployed in a permanent position with the State, local school system, library, community college or a participating municipal corporation:

(1) The retiree's retirement shall be canceled;

(2) The retirement allowance payments shall terminate after the last day of the month preceding the date of return to active service, and the individual shall become a member of the Employees' Retirement System of the State of Maryland or the Teachers' Retirement System of the State of Maryland as applicable to the position;

(3) All previous creditable service shall be restored to the account of the member;

(4) The member shall be credited with service performed from the date of reemployment to the date of the member's later retirement; [and]

(5) Upon later retirement or death in active service, the member's reserves shall be reduced by the total amount of payments made to the member during the member's earlier retirement, unless the system is reimbursed for such payments by the member; AND

(6) IF A MEMBER WHO HAS BEEN RESTORED TO MEMBERSHIP UNDER THIS SUBSECTION ELECTS TO TRANSFER TO THE PENSION SYSTEM FOR TEACHERS UNDER § 3-204 OF THIS TITLE, THE BOARD OF TRUSTEES SHALL REDUCE THE MEMBER'S TRANSFER REFUND BY THE AMOUNT OF THE REDUCTION IN RESERVES THAT WOULD HAVE BEEN MADE UNDER PARAGRAPH (5) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Personnel and Pensions

22-407.

(a) If a retiree who is receiving a service retirement allowance is reemployed in a permanent position with a participating employer, the retiree's retirement ends and the individual shall be restored to membership in the State retirement system appropriate for the position.