

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

**Article - State Personnel and Pensions**

25-403.

(a) Subject to subsection (b) of this section, an individual who is receiving a service retirement allowance or vested allowance may accept employment with a participating employer on a permanent, temporary, or contractual basis, without any reduction in the allowance, if the individual immediately notifies the Board of Trustees:

- (1) of the individual's intention to accept the employment; and
- (2) of the compensation that the individual will receive.

(b) (1) This subsection does not apply to:

- (i) an individual who has been retired for more than 10 years;
- (ii) an individual whose average final compensation was less than \$10,000 and who is reemployed on a temporary or contractual basis; [or]
- (iii) an individual who is serving in an elected position as an official of a participating governmental unit or as a constitutional officer for a county that is a participating governmental unit; OR

(IV) AN INDIVIDUAL WHO HAS RETIRED:

1. WHO IS REEMPLOYED BY A PARTICIPATING EMPLOYER ON OR BEFORE DECEMBER 31, 2000; AND
2. WHOSE EMPLOYMENT COMPENSATION IS NOT DERIVED, IN WHOLE OR PART, FROM STATE FUNDS.

(2) The Board of Trustees shall reduce an individual's allowance by the amount that the sum of the individual's initial annual basic allowance and the individual's annual compensation exceeds the average final compensation used to compute the basic allowance.

(c) An individual who is receiving a service retirement allowance or a vested allowance and who is reemployed by a participating employer may not receive creditable service or eligibility service during the period of reemployment.

(d) The individual's compensation during the period of reemployment may not be subject to the employer pickup provisions of § 21-303 of this article or any reduction or deduction as a member contribution for pension or retirement purposes.

(e) The State Retirement Agency shall institute appropriate reporting procedures with the affected payroll systems to ensure compliance with this section.