

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

Article - State Personnel and Pensions

28-402.

(a) [Subject to subsection (b) of this section, an] 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:

(1) the individual immediately notifies the Board of Trustees of the individual's intention to accept the employment; and

(2) the individual specifies the compensation to be received.

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

(i) an individual whose average final compensation was less than \$10,000 and who is reemployed on a temporary or contractual basis; or

(ii) 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] THE BOARD OF TRUSTEES SHALL REDUCE THE ALLOWANCE OF AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION IF THE INDIVIDUAL'S CURRENT EMPLOYER IS A PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS THE SAME PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED ALLOWANCE.

(2) [The Board of Trustees shall reduce an individual's allowance by] THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL 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.

(3) EXCEPT FOR AN INDIVIDUAL WHOSE ALLOWANCE IS SUBJECT TO A REDUCTION AS PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE REDUCTION OF AN ALLOWANCE UNDER THIS SUBSECTION DOES NOT APPLY TO:

(I) AN INDIVIDUAL WHOSE AVERAGE FINAL COMPENSATION WAS LESS THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL BASIS; OR

(II) 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.