

Chapter 726

(Senate Bill 895)

AN ACT concerning

**State Police Retirement System – Deferred Retirement Option Program –
Alterations**

FOR the purpose of increasing the maximum number of years of eligibility service that certain members of the State Police Retirement System may have to participate in the Deferred Retirement Option Program (DROP); increasing the number of years that certain members of the State Police Retirement System may participate in the DROP; authorizing certain individuals, subject to certain limitations and requirements, to elect to extend their participation in the DROP; prohibiting certain individuals from electing to extend their participation in the DROP; ~~requiring the State Retirement Agency to request certain documentation from the Internal Revenue Service; making this Act subject to a certain contingency;~~ providing for the application of this Act; and generally relating to certain members of the State Police Retirement System and the Deferred Retirement Option Program.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 24–401.1(a), (b), and (e)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 24–401.1(c) and (d)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

24–401.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “DROP” means the Deferred Retirement Option Program established under this section.

(3) “DROP member” means a member of the State Police Retirement System who:

(i) is eligible to participate in the DROP as provided in subsection (c) of this section; and

(ii) elects to participate in the DROP as provided in subsection (e) of this section.

(b) There is a DROP for eligible members of the State Police Retirement System.

(c) (1) (i) This paragraph applies to an individual who is a member of the State Police Retirement System on or before June 30, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 22 and less than ~~[28]~~ **30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 22 years of eligibility service.

(2) (i) This paragraph applies to an individual who becomes a member of the State Police Retirement System on or after July 1, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 25 years and less than ~~[29]~~ **30** years of eligibility service; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 25 years of eligibility service.

(d) An eligible member may elect to participate in the DROP for a period not to exceed the lesser of:

(1) ~~[4]~~ **5** years;

(2) ~~[(i)]~~ the difference between ~~[28]~~ **30** years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System~~],~~ if the member is a member of the State Police Retirement System on or before June 30, 2011; or

(ii) the difference between 29 years and the member's eligibility service as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System, if the member becomes a member of the State Police Retirement System on or after July 1, 2011];

(3) the difference between age 60 and the member's age as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System; or

(4) a term selected by the member.

(e) (1) An eligible member who elects to participate in the DROP shall:

(i) complete and submit a written election form to the Board of Trustees, on the form that the Board of Trustees provides, stating:

1. the member's intention to participate in the DROP;

2. the date when the member desires to retire;

3. the period that the member desires to participate in the DROP, as provided in subsection (d) of this section;

4. the date when the member intends to terminate employment with the Maryland State Police in the form of a binding letter of resignation accepted by the Secretary of State Police or the Secretary's designee; and

5. any other information required by the Board of Trustees to implement the DROP; and

(ii) complete and submit a written retirement application form to the Board of Trustees, on the form that the Board of Trustees provides.

(2) An eligible member's election to participate in the DROP is irrevocable.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act applies to any individual who began participation in the DROP under § 24-401.1 of the State Personnel and Pensions Article before July 1, 2018, and continues to participate in the DROP on or after July 1, 2018.

(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 5 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 30 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 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, 2018, 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 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 DROP will be extended by the time period specified on that form.

~~SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2018, the State Retirement Agency shall request a determination letter from the Internal Revenue Service that confirms the continued qualification under § 401 of the Internal Revenue Code of the State Police Retirement System, as amended under Section 1 of this Act.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That:~~

~~(a) Section 1 of this Act shall take effect contingent on receipt of a determination letter from the Internal Revenue Service that confirms that the State Police Retirement System, as amended under Section 1 of this Act, is a qualified plan under § 401 of the Internal Revenue Code.~~

~~(b) If a favorable determination letter is received, Section 1 of this Act shall take effect the first day of the month after the State Retirement Agency receives the determination letter.~~

~~(c) If the State Retirement Agency does not receive a favorable determination letter, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void and of no further force and effect.~~

~~(d) The State Retirement Agency, within 5 days after receiving the determination letter from the Internal Revenue Service, shall forward a copy of the ruling to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

SECTION ~~5~~ 3. AND BE IT FURTHER ENACTED, That, ~~subject to Section 4 of this Act,~~ this Act shall take effect July 1, 2018.

Approved by the Governor, May 15, 2018.