

**ENROLLED BILL**

-- Appropriations/Budget and Taxation --

Introduced by **Delegates Eckardt, Aumann, Bartlett, Boutin, Bozman, Cluster, Conway, DeBoy, Donoghue, Edwards, Elliott, Gaines, Goldwater, Haddaway, James, Jones, Kach, Leopold, Madaleno, McComas, McConkey, McKee, Myers, Nathan-Pulliam, Proctor, Shank, Smigiel, Sossi, Stocksdale, Stull, F. Turner, Walkup, and Weldon**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Retirement and Pensions - Reemployment of Retired Health Care**  
3 **Practitioners**

4 FOR the purpose of exempting from a certain offset of a retirement allowance certain  
5 retirees of the Employees' Retirement System or the Employees' Pension System  
6 who are reemployed as health care practitioners; providing the criteria for  
7 hiring certain retirees of the Employees' Retirement System or the Employees'  
8 Pension System; requiring the Department of Health and Mental Hygiene to  
9 provide the State Retirement Agency with certain information; ~~providing for the~~  
10 ~~termination of this Act; providing that certain retirees of the Employees'~~  
11 Retirement System or the Employees' Pension System may only be reemployed  
12 for a certain period of time; requiring the Department of Health and Mental  
13 Hygiene to submit certain reports by a certain date to certain committees;

1 making certain clarifying changes; and generally relating to the reemployment  
2 of retirees who are reemployed as health care practitioners.

3 BY repealing and reenacting, with amendments,  
4 Article - State Personnel and Pensions  
5 Section 22-406 and 23-407  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume)

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

10 **Article - State Personnel and Pensions**

11 22-406.

12 (a) An individual who is receiving a service retirement allowance or vested  
13 allowance may accept employment with a participating employer on a permanent,  
14 temporary, or contractual basis, if:

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

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

18 (b) (1) The Board of Trustees shall reduce the allowance of an individual  
19 who accepts employment as provided under subsection (a) of this section if:

20 (i) the individual's current employer is a participating employer  
21 other than the State and is the same participating employer that employed the  
22 individual at the time of the individual's last separation from employment with a  
23 participating employer before the individual commenced receiving a service  
24 retirement allowance or vested allowance;

25 (ii) the individual's current employer is any unit of State  
26 government and the individual's employer at the time of the individual's last  
27 separation from employment with the State before the individual commenced  
28 receiving a service retirement allowance or vested allowance was also a unit of State  
29 government; or

30 (iii) the individual becomes reemployed within 12 months of  
31 receiving an early service retirement allowance under § 22-402 of this subtitle.

32 (2) The reduction required under paragraph (1) of this subsection shall  
33 equal:

34 (i) the amount by which the sum of the individual's initial annual  
35 basic allowance and the individual's annual compensation exceeds the average final  
36 compensation used to compute the basic allowance; or

1 (ii) for a retiree who retired under the Workforce Reduction Act  
2 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual  
3 compensation and the retiree's annual basic allowance at the time of retirement,  
4 including the incentive provided by the Workforce Reduction Act, exceeds the average  
5 final compensation used to compute the basic allowance.

6 (3) A reduction of an early service retirement allowance under paragraph  
7 (1)(iii) of this subsection shall be applied only until the individual has received an  
8 allowance for 12 months.

9 (4) Except for an individual whose allowance is subject to a reduction as  
10 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an  
11 allowance under this subsection does not apply to:

12 (i) an individual who has been retired for more than 10 years;

13 (ii) an individual whose average final compensation was less than  
14 \$10,000 and who is reemployed on a temporary or contractual basis;

15 (iii) an individual who is serving in an elected position as an official  
16 of a participating governmental unit or as a constitutional officer for a county that is  
17 a participating governmental unit;

18 (iv) a retiree of the Teachers' Retirement System:

19 1. who retired and was reemployed by a participating  
20 employer other than the State on or before September 30, 1994; and

21 2. whose employment compensation does not derive, in whole  
22 or in part, from State funds; [or]

23 (v) a former employee of the Domestic Relations Division of Anne  
24 Arundel County Circuit Court who transfers into the State Employees' Personnel  
25 System under § 2-510 of the Courts Article; OR

26 (VI) A RETIREE OF THE EMPLOYEES' RETIREMENT SYSTEM WHO IS  
27 REEMPLOYED ON A CONTRACTUAL BASIS FOR NOT MORE THAN 4 YEARS BY THE  
28 DEPARTMENT OF HEALTH AND MENTAL HYGIENE AS A HEALTH CARE  
29 PRACTITIONER, AS DEFINED IN § 1-301 OF THE HEALTH OCCUPATIONS ARTICLE, IN:

30 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF  
31 THE HEALTH - GENERAL ARTICLE;

32 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,  
33 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

34 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE  
35 HEALTH - GENERAL ARTICLE; OR



1           (1)     THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (B)(4)(VI)  
2 OF THIS SECTION;

3           (2)     THE ANNUAL SALARY OF EACH REHIRED RETIREE AT THE TIME OF  
4 RETIREMENT AND THE CURRENT ANNUAL SALARY OF EACH REHIRED RETIREE;

5           (3)     THE NUMBER OF HEALTH CARE PRACTITIONERS HIRED WHO ARE  
6 NOT RETIREES; AND

7           (4)     THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO  
8 IS HIRED.

9 23-407.

10       (a)     An individual who is receiving a service retirement allowance or a vested  
11 allowance may accept employment with a participating employer on a permanent,  
12 temporary, or contractual basis, if:

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

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

16       (b)     (1)     The Board of Trustees shall reduce the allowance of an individual  
17 who accepts employment as provided under subsection (a) of this section if:

18           (i)     the individual's current employer is a participating employer  
19 other than the State and is the same participating employer that employed the  
20 individual at the time of the individual's last separation from employment with a  
21 participating employer before the individual commenced receiving a service  
22 retirement allowance or vested allowance;

23           (ii)    the individual's current employer is any unit of State  
24 government and the individual's employer at the time of the individual's last  
25 separation from employment with the State before the individual commenced  
26 receiving a service retirement allowance or vested allowance was also a unit of State  
27 government; or

28           (iii)   the individual becomes reemployed within 12 months of  
29 receiving an early service retirement allowance or an early vested allowance  
30 computed under § 23-402 of this subtitle.

31       (2)     The reduction required under paragraph (1) of this subsection shall  
32 equal:

33           (i)     the amount by which the sum of the individual's initial annual  
34 basic allowance and the individual's annual compensation exceeds the average final  
35 compensation used to compute the basic allowance; or

1 (ii) for a retiree who retired under the Workforce Reduction Act  
2 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual  
3 compensation and the retiree's annual basic allowance at the time of retirement,  
4 including the incentive provided by the Workforce Reduction Act, exceeds the average  
5 final compensation used to compute the basic allowance.

6 (3) A reduction of an early service retirement allowance or an early  
7 vested allowance under paragraph (1)(iii) of this subsection shall be applied only until  
8 the individual has received an allowance for 12 months.

9 (4) Except for an individual whose allowance is subject to a reduction as  
10 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an  
11 allowance under this subsection does not apply to:

12 (i) an individual whose average final compensation was less than  
13 \$10,000 and who is reemployed on a temporary or contractual basis;

14 (ii) an individual who is serving in an elected position as an official  
15 of a participating governmental unit or as a constitutional officer for a county that is  
16 a participating governmental unit; [or]

17 (iii) an individual who has been retired for more than 10 years; OR

18 (IV) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM WHO IS  
19 REEMPLOYED ON A CONTRACTUAL BASIS FOR NOT MORE THAN 4 YEARS BY THE  
20 DEPARTMENT OF HEALTH AND MENTAL HYGIENE AS A HEALTH CARE  
21 PRACTITIONER, AS DEFINED IN § 1-301 OF THE HEALTH OCCUPATIONS ARTICLE IN:

22 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF  
23 THE HEALTH - GENERAL ARTICLE;

24 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,  
25 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

26 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE  
27 HEALTH - GENERAL ARTICLE; OR

28 4. A ~~COUNTY BOARD OF HEALTH~~ LOCAL HEALTH  
29 DEPARTMENT SUBJECT TO TITLE 3, SUBTITLE 2 OF THE HEALTH - GENERAL  
30 ARTICLE.

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

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

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

3 (f) (1) Immediately on the employment of any individual receiving a service  
4 retirement allowance or a vested allowance, a participating employer shall notify the  
5 State Retirement Agency of the type of employment and the anticipated earnings of  
6 the individual.

7 (2) At least once each year, in a format specified by the State Retirement  
8 Agency, each participating employer shall provide the State Retirement Agency with  
9 a list of all employees included on any payroll of the employer, the Social Security  
10 numbers of the employees, and their earnings for that year.

11 (g) At the request of the State Retirement Agency:

12 (1) a participating employer shall certify to the State Retirement Agency  
13 that it is not the same participating employer that employed an individual at the time  
14 of the individual's last separation from employment before the individual commenced  
15 receiving a service retirement allowance or a vested allowance; or

16 (2) a unit of State government shall certify to the State Retirement  
17 Agency that the individual was not employed by any unit of State government at the  
18 time of the individual's last separation from employment before the individual  
19 commenced receiving a service retirement allowance or a vested allowance.

20 (H) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE  
21 STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION  
22 (B)(4)(IV) OF THIS SECTION.

23 ~~(I) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE~~  
24 ~~STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION~~  
25 ~~(B)(4)(IV) OF THIS SECTION.~~

26 ~~(I)~~ (I) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY OF  
27 HEALTH AND MENTAL HYGIENE SHALL SUBMIT A REPORT IN ACCORDANCE WITH §  
28 2-1246 OF THE STATE GOVERNMENT ARTICLE TO THE JOINT COMMITTEE ON  
29 PENSIONS THAT PROVIDES:

30 (1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (B)(4)(IV)  
31 OF THIS SECTION;

32 (2) THE ANNUAL SALARY OF EACH REHIRED RETIREE AT THE TIME OF  
33 RETIREMENT AND THE CURRENT ANNUAL SALARY OF EACH REHIRED RETIREE;

34 (3) THE NUMBER OF HEALTH CARE PRACTITIONERS HIRED WHO ARE  
35 NOT RETIREES; AND

36 (4) THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO  
37 IS HIRED.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect July 1, 2005. ~~It shall remain effective for a period of 4 years and, at the end of~~  
3 ~~June 30, 2009, with no further action required by the General Assembly, this Act shall~~  
4 ~~be abrogated and of no further force and effect.~~