
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**

Introduced and read first time: February 9, 2005
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 8, 2005

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

16 BY repealing and reenacting, with amendments,
17 Article - State Personnel and Pensions
18 Section 22-406 and 23-407
19 Annotated Code of Maryland
20 (2004 Replacement Volume)

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

Article - State Personnel and Pensions

22-406.

(a) 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, if:

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

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

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

(i) 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;

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

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

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

(i) the amount by which 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; or

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

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

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

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

5 (ii) an individual whose average final compensation was less than
 6 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

18 (VI) A RETIREE OF THE EMPLOYEES' RETIREMENT 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)(VI) 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)(VI) OF THIS SECTION.

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

30 (1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (B)(4)(VI)
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 23-407.

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

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

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

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

10 (i) the individual's current employer is a participating employer
11 other than the State and is the same participating employer that employed the
12 individual at the time of the individual's last separation from employment with a
13 participating employer before the individual commenced receiving a service
14 retirement allowance or vested allowance;

15 (ii) the individual's current employer is any unit of State
16 government and the individual's employer at the time of the individual's last
17 separation from employment with the State before the individual commenced
18 receiving a service retirement allowance or vested allowance was also a unit of State
19 government; or

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

23 (2) The reduction required under paragraph (1) of this subsection shall
24 equal:

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

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

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

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

1 (i) an individual whose average final compensation was less than
2 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

17 4. ~~A COUNTY BOARD OF HEALTH~~ LOCAL HEALTH
18 DEPARTMENT SUBJECT TO TITLE 3, SUBTITLE 2 OF THE HEALTH - GENERAL
19 ARTICLE.

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

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

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

28 (f) (1) Immediately on the employment of any individual receiving a service
29 retirement allowance or a vested allowance, a participating employer shall notify the
30 State Retirement Agency of the type of employment and the anticipated earnings of
31 the individual.

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

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

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

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

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

12 (I) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE
13 STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION
14 (B)(4)(IV) OF THIS SECTION.

15 (J) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY OF HEALTH
16 AND MENTAL HYGIENE SHALL SUBMIT A REPORT IN ACCORDANCE WITH § 2-1246 OF
17 THE STATE GOVERNMENT ARTICLE TO THE JOINT COMMITTEE ON PENSIONS THAT
18 PROVIDES:

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

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

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

25 (4) THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO
26 IS HIRED.

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