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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

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A BILL ENTITLED

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; and generally relating to the reemployment of retirees  
11 who are reemployed as health care practitioners.

12 BY repealing and reenacting, with amendments,  
13 Article - State Personnel and Pensions  
14 Section 22-406 and 23-407  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume)

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

19 **Article - State Personnel and Pensions**

20 22-406.

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

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

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

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

4 (i) the individual's current employer is a participating employer  
5 other than the State and is the same participating employer that employed the  
6 individual at the time of the individual's last separation from employment with a  
7 participating employer before the individual commenced receiving a service  
8 retirement allowance or vested allowance;

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

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

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

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

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

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

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

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

33 (ii) an individual whose average final compensation was less than  
34 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

9 (VI) A RETIREE OF THE EMPLOYEES' RETIREMENT SYSTEM WHO IS  
10 REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND  
11 MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE  
12 HEALTH OCCUPATIONS ARTICLE, IN:

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

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

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

19 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,  
20 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

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

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

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

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

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

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

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

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

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

13 23-407.

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

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

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

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

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

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

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

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

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

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

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

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

15 (i) an individual whose average final compensation was less than  
16 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

21 (IV) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM WHO IS  
22 REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND  
23 MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE  
24 HEALTH OCCUPATIONS ARTICLE IN:

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

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

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

31 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,  
32 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

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

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

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

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

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

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

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

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

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