

ENROLLED BILL

-- Budget and Taxation/Appropriations --

Introduced by **Chairman, Budget and Taxation Committee (By Request -
Departmental - Health and Mental Hygiene)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

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

President.

CHAPTER _____

1 AN ACT concerning

2 **Employees' Retirement and Pension Systems - Reemployment of Retirees**

3 FOR the purpose of exempting from a certain offset of a retirement allowance for
4 certain retirees of, and individuals receiving a vested allowance from, the
5 Employees' Retirement System or the Employees' Pension System who are
6 reemployed ~~on a contractual basis by the Department of Health and Mental~~
7 ~~Hygiene~~ *as health care practitioners* under certain circumstances; *providing that*
8 *certain retirees of the Employees' Retirement System or the Employees' Pension*
9 *System may only be reemployed for a certain period of time; requiring the*
10 *Department of Health and Mental Hygiene to provide the State Retirement*
11 *Agency with certain information; requiring the Department of Health and Mental*
12 *Hygiene to submit certain reports by a certain date to certain committees; making*
13 *certain clarifying changes;* and generally relating to the reemployment of
14 retirees of the Employees' Retirement System and the Employees' Pension
15 System.

16 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions
2 Section 22-406 and 23-407
3 Annotated Code of Maryland
4 (2004 Replacement Volume)

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

7 **Article - State Personnel and Pensions**

8 22-406.

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

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

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

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

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

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

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

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

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

34 (ii) for a retiree who retired under the Workforce Reduction Act
35 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual
36 compensation and the retiree's annual basic allowance at the time of retirement,

1 including the incentive provided by the Workforce Reduction Act, exceeds the average
2 final compensation used to compute the basic allowance.

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

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

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

10 (ii) an individual whose average final compensation was less than
11 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

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

33 4. A ~~COUNTY~~ LOCAL HEALTH DEPARTMENT ~~UNDER THE~~
34 ~~DIRECTION OF A HEALTH OFFICER~~ SUBJECT TO TITLE 3, SUBTITLE 2 OF THE HEALTH
35 - GENERAL ARTICLE.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (4) THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO
2 IS HIRED.

3 23-407.

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

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

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

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

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

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

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

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

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

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

35 (3) A reduction of an early service retirement allowance or an early
36 vested allowance under paragraph (1)(iii) of this subsection shall be applied only until
37 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 whose average final compensation was less than
 5 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

20 4. A ~~COUNTY~~ LOCAL HEALTH DEPARTMENT ~~UNDER THE~~
 21 ~~DIRECTION OF A HEALTH OFFICER~~ SUBJECT TO TITLE 3, SUBTITLE 2 OF THE HEALTH
 22 - GENERAL ARTICLE.

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

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

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

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

35 (2) At least once each year, in a format specified by the State Retirement
 36 Agency, each participating employer shall provide the State Retirement Agency with

1 a list of all employees included on any payroll of the employer, the Social Security
2 numbers of the employees, and their earnings for that year.

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

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

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

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

15 (I) 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.