

# SENATE BILL 672

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By: **Senators Colburn, McFadden, Munson, and Robey**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Retirement and Pensions – Reemployment of Retired Judges**

3 FOR the purpose of exempting from a certain offset of a retirement allowance retired  
4 judges who are members of the Employees' Retirement System or the  
5 Employees' Pension System who are temporarily assigned to sit in certain  
6 courts in the State; and generally relating to the reemployment of retired  
7 judges.

8 BY repealing and reenacting, without amendments,  
9 Article – State Personnel and Pensions  
10 Section 22–406(b) and (c)(1), (2), and (3) and 23–407(b) and (c)(1), (2), and (3)  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2007 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Personnel and Pensions  
15 Section 22–406(c)(4)(vii) and (viii) and 23–407(c)(4)(v) and (vi)  
16 Annotated Code of Maryland  
17 (2004 Replacement Volume and 2007 Supplement)

18 BY adding to  
19 Article – State Personnel and Pensions  
20 Section 22–406(c)(4)(ix) and 23–407(c)(4)(vii)  
21 Annotated Code of Maryland  
22 (2004 Replacement Volume and 2007 Supplement)

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

25 **Article – State Personnel and Pensions**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 22-406.

2 (b) Except as provided in subsection (m) of this section, an individual who is  
3 receiving a service retirement allowance or vested allowance may accept employment  
4 with a participating employer on a permanent, 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 (c) (1) The Board of Trustees shall reduce the allowance of an individual  
9 who accepts employment as provided under subsection (b) 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 retirement  
14 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 under § 22-402 of this subtitle.

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

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

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

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

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

4                   (vii) a former employee of the Domestic Relations Division of  
5 Anne Arundel County Circuit Court who transfers into the State Employees'  
6 Personnel System under § 2–510 of the Courts Article; [or]

7                   (viii) a retiree of the Employees' Retirement System who is  
8 reemployed on a contractual basis for not more than 4 years by the Department of  
9 Health and Mental Hygiene as a health care practitioner, as defined in § 1–301 of the  
10 Health Occupations Article, in:

11                           1. a State residential center as defined in § 7–101 of the  
12 Health – General Article;

13                           2. a chronic disease center subject to Title 19, Subtitle 5  
14 of the Health – General Article;

15                           3. a State facility as defined in § 10–101 of the Health –  
16 General Article; or

17                           4. a local health department subject to Title 3, Subtitle 2  
18 of the Health – General Article[.]; **OR**

19                           **(IX) A RETIREE OF THE EMPLOYEES' RETIREMENT SYSTEM**  
20 **AND THE JUDGES' RETIREMENT SYSTEM WHO IS TEMPORARILY ASSIGNED TO**  
21 **SIT IN A COURT OF THIS STATE UNDER THE AUTHORITY OF ARTICLE IV, § 3A OF**  
22 **THE MARYLAND CONSTITUTION.**

23 23–407.

24           (b) Except as provided in subsection (m) of this section, an individual who is  
25 receiving a service retirement allowance or a vested allowance may accept  
26 employment with a participating employer on a permanent, temporary, or contractual  
27 basis, if:

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

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

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

33                   (i) the individual's current employer is a participating employer  
34 other than the State and is the same participating employer that employed the

1 individual at the time of the individual's last separation from employment with a  
2 participating employer before the individual commenced receiving a service retirement  
3 allowance or vested allowance;

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

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

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

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

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

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

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

28 (v) a retiree of the Teachers' Pension System who:

29 1. A. was employed as a principal within 5 years of  
30 retirement; or

31 B. was employed as a principal not more than 10 years  
32 before retirement and was employed in a position supervising principals in the  
33 retiree's last assignment prior to retirement;

34 2. has verification of satisfactory performance for each  
35 year as a principal and, if applicable, in a position supervising principals prior to  
36 retirement;

1 3. based on the retiree’s qualifications, has been hired as  
2 a principal; and

3 4. receives verification of satisfactory performance each  
4 year the retiree is employed as a principal under paragraph (6) of this subsection; [or]

5 (vi) a retiree of the Employees’ Pension System who is  
6 reemployed on a contractual basis for not more than 4 years by the Department of  
7 Health and Mental Hygiene as a health care practitioner, as defined in § 1–301 of the  
8 Health Occupations Article in:

9 1. a State residential center as defined in § 7–101 of the  
10 Health – General Article;

11 2. a chronic disease center subject to Title 19, Subtitle 5  
12 of the Health – General Article;

13 3. a State facility as defined in § 10–101 of the Health –  
14 General Article; or

15 4. a local health department subject to Title 3, Subtitle 2  
16 of the Health – General Article[.]; **OR**

17 **(VII) A RETIREE OF THE EMPLOYEES’ PENSION SYSTEM AND**  
18 **THE JUDGES’ RETIREMENT SYSTEM WHO IS TEMPORARILY ASSIGNED TO SIT IN**  
19 **A COURT OF THIS STATE UNDER THE AUTHORITY OF ARTICLE IV, § 3A OF THE**  
20 **MARYLAND CONSTITUTION.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2008.