

# HOUSE BILL 1194

P6

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CF SB 710

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By: **Delegate D. Jones**

Introduced and read first time: February 11, 2026

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Correctional Officers' Retirement System – Reemployment After Retirement –**  
3 **Exemption From Earnings Offset**

4 FOR the purpose of exempting a retiree of the Correctional Officers' Retirement System  
5 from a certain earnings offset if the retiree is reemployed with a participating  
6 employer; and generally relating to the reemployment of retirees of the Correctional  
7 Officers' Retirement System.

8 BY repealing and reenacting, with amendments,  
9 Article – State Personnel and Pensions  
10 Section 25–403  
11 Annotated Code of Maryland  
12 (2024 Replacement Volume and 2025 Supplement)

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

15 **Article – State Personnel and Pensions**

16 25–403.

17 (a) Except as provided in subsection (h) of this section, an individual who is  
18 receiving a service retirement allowance or vested allowance may accept employment with  
19 a participating employer on a permanent, temporary, or contractual basis, if the individual  
20 immediately notifies the Board of Trustees[:

21 (1)] of the individual's intention to accept the employment[; and

22 (2) of the compensation that the individual will receive].

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

12           (2) (i) Subject to subparagraphs (ii) and (iii) of this paragraph, the  
13 reduction under paragraph (1) of this subsection shall equal the amount by which the sum  
14 of the individual's initial annual basic allowance and the individual's annual compensation  
15 exceeds the average final compensation used to compute the basic allowance.

16                   (ii) Any reduction taken under this subsection may not reduce the  
17 retiree's allowance to an amount less than the required deduction for:

18                           1. if the retiree retired from any unit of State government,  
19 the retiree's monthly State-approved medical insurance premiums; or

20                           2. if the retiree retired from a participating employer other  
21 than the State, the approved monthly medical insurance premiums required by the  
22 participating employer that employed the retiree at the time of the retiree's retirement.

23                   (iii) The Board of Trustees shall recover from the retiree any  
24 difference between the reduction required under subparagraph (i) of this paragraph and  
25 the reduction taken under subparagraph (ii) of this paragraph.

26           (3) The reduction under this subsection does not apply to:

27                   (i) an individual who has been retired for 5 years, beginning on  
28 January 1, after the date the individual retires;

29                   (ii) an individual whose average final compensation was less than  
30 the minimum annual salary on the standard State pay scale as of January 1 of the  
31 preceding calendar year and who is reemployed on a permanent, temporary, or contractual  
32 basis;

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

1 (iv) a retiree of the Correctional Officers' Retirement System who is  
2 reemployed on a contractual basis for not more than 4 years by the Division of Corrections,  
3 the Division of Pretrial Detention and Services, or the Patuxent Institution in the  
4 Department of Public Safety and Correctional Services as a correctional officer in a  
5 correctional facility defined in § 1-101 of the Correctional Services Article; or

6 (v) a retiree of the Correctional Officers' Retirement System who is  
7 reemployed on a contractual basis for not more than 4 years as a parole and probation  
8 employee in a position authorized under Title 6, Subtitle 1 of the Correctional Services  
9 Article.]

10 **(B) AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**  
11 **ALLOWANCE OR A VESTED ALLOWANCE AND WHO ACCEPTS EMPLOYMENT WITH A**  
12 **PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL**  
13 **BASIS IS NOT SUBJECT TO A REDUCTION TO THE INDIVIDUAL'S ALLOWANCE.**

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

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

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

22 (f) [(1) Immediately on the employment of any individual receiving a service  
23 retirement allowance or a vested allowance, a participating employer shall notify the State  
24 Retirement Agency of the type of employment and the anticipated earnings of the  
25 individual.

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

30 (g) At the request of the State Retirement Agency, a unit of State government  
31 shall certify to the State Retirement Agency that the individual was not employed by any  
32 unit of State government at the time of the individual's last separation from employment  
33 before the individual commenced receiving a service retirement allowance or a vested  
34 allowance.

35 (h) An individual who is receiving a service retirement allowance under this title  
36 may not be employed within 45 days of the date the individual retired, on a permanent,  
37 temporary, or contractual basis, by:

1 (1) the State or other participating employer; or

2 (2) a withdrawn participating governmental unit, if the retiree was an  
3 employee of the withdrawn participating governmental unit while the withdrawn  
4 governmental unit was a participating employer.

5 [(i) The Division of Corrections, the Division of Pretrial Detention and Services,  
6 or the Patuxent Institution in the Department of Public Safety and Correctional Services  
7 shall notify the State Retirement Agency of any retirees who qualify under subsection  
8 (b)(3)(iv) of this section.

9 (j) On or before September 1 of each year, the Commissioner of Corrections, the  
10 Commissioner of Pretrial Detention and Services, and the Director of the Patuxent  
11 Institution in the Department of Public Safety and Correctional Services shall jointly  
12 submit a report in accordance with § 2-1257 of the State Government Article to the Joint  
13 Committee on Pensions that provides:

14 (1) the number of rehired retirees under subsection (b)(3)(iv) of this section;

15 (2) the annual salary of each rehired retiree at the time of retirement and  
16 the current annual salary of each rehired retiree;

17 (3) the number of correctional officers hired who are not retirees; and

18 (4) the annual salary of each correctional officer who is hired.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
20 1, 2026.