

HOUSE BILL 1194

P6

6lr3169
CF SB 710

By: **Delegate D. Jones**

Introduced and read first time: February 11, 2026

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2026

CHAPTER _____

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~~ certain participating
6 ~~employer~~ employers; and generally relating to the reemployment of retirees of the
7 Correctional 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~~f~~:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 **(VI) A RETIREE OF THE CORRECTIONAL OFFICERS'**
14 **RETIREMENT SYSTEM WHO IS EMPLOYED AS A BAILIFF IN A STATE COURT.**‡

15 ~~**(b) AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**~~
16 ~~**ALLOWANCE OR A VESTED ALLOWANCE AND WHO ACCEPTS EMPLOYMENT WITH A**~~
17 ~~**PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL**~~
18 ~~**BASIS IS NOT SUBJECT TO A REDUCTION TO THE INDIVIDUAL'S ALLOWANCE.**~~

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

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

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

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

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

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

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

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

10 (2) a withdrawn participating governmental unit, if the retiree was an
11 employee of the withdrawn participating governmental unit while the withdrawn
12 governmental unit was a participating employer.

13 ~~¶~~(i) The Division of Corrections, the Division of Pretrial Detention and Services,
14 or the Patuxent Institution in the Department of Public Safety and Correctional Services
15 shall notify the State Retirement Agency of any retirees who qualify under subsection
16 (b)(3)(iv) of this section.

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

22 (1) the number of rehired retirees under subsection (b)(3)(iv) AND (VI) of
23 this section;

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

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

27 (4) the annual salary of each correctional officer who is hired.¶

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2026.