

SENATE BILL 477

K4

(3lr1324)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senator Jones–Rodwell (Chair, Joint Committee on Pensions)**

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 **State Retirement and Pension System – Employment of Retirees – Required**
3 **Break in Service**

4 FOR the purpose of prohibiting certain retired members of the State Retirement and
5 Pension System from being employed on a certain basis by certain employers
6 within a certain period of time; deleting certain obsolete provisions; making
7 certain clarifying changes; providing for the effective date of certain provisions
8 of this Act; providing for the termination of certain provisions of this Act; and
9 generally relating to the requirement of a break in service prior to the
10 employment of certain retirees of the State Retirement and Pension System.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 22–406(b), (d), (n), (o), and (p), 23–407(b), (d), (n), (o), and (p), 24–405.1,
14 25–403(h), 26–403(f), ~~27–406(b)~~ 27–406(a) and (b), and 28–402(g)

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.

Italics indicate opposite chamber/conference committee amendments.



1 Annotated Code of Maryland
2 (2009 Replacement Volume and 2012 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – State Personnel and Pensions
5 Section 25–403(a), 26–403(a), ~~27–406(a)~~, and 28–402(a)
6 Annotated Code of Maryland
7 (2009 Replacement Volume and 2012 Supplement)

8 BY repealing
9 Article – State Personnel and Pensions
10 Section 22–406(m) and 23–407(m)
11 Annotated Code of Maryland
12 (2009 Replacement Volume and 2012 Supplement)

13 BY adding to
14 Article – State Personnel and Pensions
15 Section 29–117(e)
16 Annotated Code of Maryland
17 (2009 Replacement Volume and 2012 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – State Personnel and Pensions
20 Section 27–406(a) ~~and (b)~~
21 Annotated Code of Maryland
22 (2009 Replacement Volume and 2012 Supplement)
23 (As enacted by Chapter 688 of the Acts of the General Assembly of 2010)

24 BY repealing and reenacting, with amendments,
25 Article – State Personnel and Pensions
26 Section 27–406(b)
27 Annotated Code of Maryland
28 (2009 Replacement Volume and 2012 Supplement)
29 (As enacted by Chapter 688 of the Acts of the General Assembly of 2010)

30 BY adding to
31 Article – State Personnel and Pensions
32 Section 27–406(e)
33 Annotated Code of Maryland
34 (2009 Replacement Volume and 2012 Supplement)
35 (As enacted by Chapter 688 of the Acts of the General Assembly of 2010)

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

38 **Article – State Personnel and Pensions**

1 22-406.

2 (b) Except as provided in subsection [(m)] (D) of this section, an individual
3 who is receiving a service retirement allowance or vested allowance may accept
4 employment with a participating employer on a permanent, temporary, or contractual
5 basis, if:

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

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

9 (d) An individual who is [rehired under this section] **RECEIVING A SERVICE**
10 **RETIREMENT ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE~~**
11 **~~STATE OR OTHER PARTICIPATING EMPLOYER~~** may not be [rehired] **EMPLOYED**
12 **within 45 days of the date the individual retired, ON A PERMANENT, TEMPORARY,**
13 **OR CONTRACTUAL BASIS, BY:**

14 **(1) THE STATE OR OTHER PARTICIPATING EMPLOYER; OR**

15 **(2) A WITHDRAWN PARTICIPATING GOVERNMENTAL UNIT, IF THE**
16 **RETIREE WAS AN EMPLOYEE OF THE WITHDRAWN PARTICIPATING**
17 **GOVERNMENTAL UNIT WHILE THE WITHDRAWN GOVERNMENTAL UNIT WAS A**
18 **PARTICIPATING EMPLOYER [if:**

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

23 (2) (i) at the time of retirement, the individual was a member of
24 the Employees' Retirement System as an employee of a withdrawn governmental unit;
25 and

26 (ii) the individual's current employer is the same withdrawn
27 governmental unit that employed the individual at the time of the individual's last
28 separation from employment with a withdrawn governmental unit before the
29 individual commenced receiving a service retirement allowance; or

30 (3) the individual's current employer is any unit of State government
31 and the individual's employer at the time of the individual's last separation from
32 employment with the State before the individual commenced receiving a service
33 retirement allowance was also a unit of State government].

34 [(m) An individual who is rehired under this section may not be rehired within
35 45 days of the date the individual retired if:

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

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

9 **[(n)] (M)** On or before October 1 of each year, the State Superintendent of
10 Schools shall submit a report for the previous school year, to the Joint Committee on
11 Pensions, in accordance with § 2-1246 of the State Government Article, that provides:

12 (1) the number of rehired retirees under subsection (c)(4)(v) and (vi)
13 and (8) of this section;

14 (2) (i) the school and school system where each retiree was rehired;
15 and

16 (ii) whether the school:

17 1. was not making adequate yearly progress or was a
18 school in need of improvement as defined under the federal No Child Left Behind Act
19 of 2001 and as implemented by the State Department of Education;

20 2. was receiving funds under Title 1 of the federal No
21 Child Left Behind Act of 2001;

22 3. has more than 50% of the students attending that
23 school who are eligible for free and reduced-price meals established by the United
24 States Department of Agriculture; or

25 4. provided an alternative education program for
26 adjudicated youths or students who have been expelled, suspended, or identified for
27 suspension or expulsion from a public school;

28 (3) a copy of the annual staffing report generated by the State
29 Superintendent of Schools in accordance with § 18-703(g)(1) of the Education Article
30 certifying areas of critical shortage for the previous school year as evidenced by
31 projected employment vacancies substantially exceeding projected qualified graduates;

32 (4) the subject matter that each rehired retiree was teaching;

33 (5) the salary of each rehired retiree;

1 (6) the total number of years each retiree has been reemployed at the
2 school where the retiree was rehired for the previous school year; and

3 (7) the percentage of student population composed of children in
4 poverty that is required to be present in a school in that school system in order for that
5 school to qualify as a Title 1 school.

6 **[(o)] (N)** On or before October 1 of each year, the Board of Trustees shall
7 submit a report for the previous calendar year to the Joint Committee on Pensions, in
8 accordance with § 2–1246 of the State Government Article, that provides:

9 (1) the number of individuals in each local school system that the
10 Board of Trustees and the State Department of Education agree were rehired and did
11 not satisfy the criteria provided in subsection (c)(4)(v) or (vi) and (5), (6), or (8) of this
12 section; and

13 (2) any reimbursements a local school system made under subsection
14 (c)(9)(iii) of this section.

15 **[(p)] (O)** On or before September 1 of each year, the Secretary of Public
16 Safety and Correctional Services shall submit a report in accordance with § 2–1246 of
17 the State Government Article to the Joint Committee on Pensions that provides:

18 (1) the number of rehired retirees under subsection (c)(4)(x) of this
19 section;

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

22 (3) the number of parole and probation employees hired who are not
23 retirees; and

24 (4) the annual salary of each parole and probation employee who is
25 hired.

26 23–407.

27 (b) Except as provided in subsection **[(m)] (D)** of this section, an individual
28 who is receiving a service retirement allowance or a vested allowance may accept
29 employment with a participating employer on a permanent, temporary, or contractual
30 basis, if:

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

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

1 (d) An individual who is [rehired under this section] **RECEIVING A SERVICE**
 2 **RETIREMENT ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE~~**
 3 **~~STATE OR OTHER PARTICIPATING EMPLOYER~~** may not be [rehired] **EMPLOYED**
 4 within 45 days of the date the individual retired, **ON A PERMANENT, TEMPORARY,**
 5 **OR CONTRACTUAL BASIS, BY:**

6 (1) **THE STATE OR OTHER PARTICIPATING EMPLOYER; OR**

7 (2) **A WITHDRAWN PARTICIPATING GOVERNMENTAL UNIT, IF THE**
 8 **RETIREE WAS AN EMPLOYEE OF THE WITHDRAWN PARTICIPATING**
 9 **GOVERNMENTAL UNIT WHILE THE WITHDRAWN GOVERNMENTAL UNIT WAS A**
 10 **PARTICIPATING EMPLOYER** [if:

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

15 (2) (i) at the time of retirement, the individual was a member of
 16 the Employees' Pension System as an employee of a withdrawn governmental unit;
 17 and

18 (ii) the individual's current employer is the same withdrawn
 19 governmental unit that employed the individual at the time of the individual's last
 20 separation from employment with a withdrawn governmental unit before the
 21 individual commenced receiving a service retirement allowance; or

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

26 [(m) An individual who is rehired under this section may not be rehired within
 27 45 days of the date the individual retired if:

28 (1) the individual's current employer is a participating employer other
 29 than the State and is the same participating employer that employed the individual at
 30 the time of the individual's last separation from employment with a participating
 31 employer before the individual commenced receiving a service retirement allowance; or

32 (2) the individual's current employer is any unit of State government
 33 and the individual's employer at the time of the individual's last separation from
 34 employment with the State before the individual commenced receiving a service
 35 retirement allowance was also a unit of State government.]

1 **[(n)] (M)** On or before October 1 of each year, the State Superintendent of
2 Schools shall submit a report for the previous school year, to the Joint Committee on
3 Pensions, in accordance with § 2–1246 of the State Government Article, that provides:

4 (1) the number of rehired retirees under subsection (c)(4)(iv) and (v)
5 and (8) of this section;

6 (2) (i) the school and school system where each retiree was rehired;
7 and

8 (ii) whether the school:

9 1. was not making adequate yearly progress or was a
10 school in need of improvement as defined under the federal No Child Left Behind Act
11 of 2001 and as implemented by the State Department of Education;

12 2. was receiving funds under Title 1 of the federal No
13 Child Left Behind Act of 2001;

14 3. has more than 50% of the students attending that
15 school who are eligible for free and reduced–price meals established by the United
16 States Department of Agriculture; or

17 4. provided an alternative education program for
18 adjudicated youths or students who have been expelled, suspended, or identified for
19 suspension or expulsion from a public school;

20 (3) a copy of the annual staffing report generated by the State
21 Superintendent of Schools in accordance with § 18–703(g)(1) of the Education Article
22 certifying areas of critical shortage for the previous school year as evidenced by
23 projected employment vacancies substantially exceeding projected qualified graduates;

24 (4) the subject matter that each rehired retiree was teaching;

25 (5) the salary of each rehired retiree;

26 (6) the total number of years each retiree has been reemployed at the
27 school where the retiree was rehired for the previous school year; and

28 (7) the percentage of student population composed of children in
29 poverty that is required to be present in a school in that school system in order for that
30 school to qualify as a Title 1 school.

31 **[(o)] (N)** On or before October 1 of each year, the Board of Trustees shall
32 submit a report for the previous calendar year to the Joint Committee on Pensions, in
33 accordance with § 2–1246 of the State Government Article, that provides:

1 (1) the number of individuals in each local school system that the
 2 Board of Trustees and the State Department of Education agree were rehired and did
 3 not satisfy the criteria provided in subsection (c)(4)(iv) or (v) and (5), (6), or (8) of this
 4 section; and

5 (2) any reimbursements a local school system made under subsection
 6 (c)(9)(ii) of this section.

7 **[(p) (O)]** On or before September 1 of each year, the Secretary of Public
 8 Safety and Correctional Services shall submit a report in accordance with § 2–1246 of
 9 the State Government Article to the Joint Committee on Pensions that provides:

10 (1) the number of rehired retirees under subsection (c)(4)(viii) of this
 11 section;

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

14 (3) the number of parole and probation employees hired who are not
 15 retirees; and

16 (4) the annual salary of each parole and probation employee who is
 17 hired.

18 24–405.1.

19 ~~A retiree of the State Police Retirement System who is [rehired] EMPLOYED BY~~
 20 ~~THE STATE OR OTHER PARTICIPATING EMPLOYER on a permanent, temporary, or~~
 21 ~~contractual basis~~ **AN INDIVIDUAL WHO IS RECEIVING A SERVICE RETIREMENT**
 22 **ALLOWANCE UNDER THIS TITLE** may not be [rehired] **EMPLOYED BY THE STATE**
 23 **OR OTHER PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR**
 24 **CONTRACTUAL BASIS** within 45 days of the date the individual retired [if the
 25 individual's current employer is any unit of State government and the individual's
 26 employer at the time of the individual's last separation from employment with the
 27 State before the individual commenced receiving a service retirement allowance was
 28 also a unit of State government].

29 25–403.

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

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

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

2 (h) An individual who is [rehired under this section] RECEIVING A SERVICE
 3 RETIREMENT ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE~~
 4 ~~STATE OR OTHER PARTICIPATING EMPLOYER~~ may not be [rehired] EMPLOYED
 5 within 45 days of the date the individual retired, ON A PERMANENT, TEMPORARY,
 6 OR CONTRACTUAL BASIS, BY:

7 (1) THE STATE OR OTHER PARTICIPATING EMPLOYER; OR

8 (2) A WITHDRAWN PARTICIPATING GOVERNMENTAL UNIT, IF THE
 9 RETIREE WAS AN EMPLOYEE OF THE WITHDRAWN PARTICIPATING
 10 GOVERNMENTAL UNIT WHILE THE WITHDRAWN GOVERNMENTAL UNIT WAS A
 11 PARTICIPATING EMPLOYER [if:

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

16 (2) (i) at the time of retirement, the individual was a member of
 17 the Correctional Officers' Retirement System as an employee of a withdrawn
 18 governmental unit; and

19 (ii) the individual's current employer is the same withdrawn
 20 governmental unit that employed the individual at the time of the individual's last
 21 separation from employment with a withdrawn governmental unit before the
 22 individual commenced receiving a service retirement allowance; or

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

27 26-403.

28 (a) Except as provided in subsection (f) of this section, a retiree who is
 29 receiving a service retirement allowance may accept employment with a participating
 30 employer on a permanent, temporary, or contractual basis, without any reduction in
 31 retirement allowance.

32 (f) An individual who is [rehired under this section] RECEIVING A SERVICE
 33 RETIREMENT ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE~~
 34 ~~STATE OR OTHER PARTICIPATING EMPLOYER~~ may not be [rehired] EMPLOYED

1 within 45 days of the date the individual retired, ON A PERMANENT, TEMPORARY,
 2 OR CONTRACTUAL BASIS, BY:

3 **(1) THE STATE OR OTHER PARTICIPATING EMPLOYER; OR**

4 **(2) A WITHDRAWN PARTICIPATING GOVERNMENTAL UNIT, IF THE**
 5 **RETIREE WAS AN EMPLOYEE OF THE WITHDRAWN PARTICIPATING**
 6 **GOVERNMENTAL UNIT WHILE THE WITHDRAWN GOVERNMENTAL UNIT WAS A**
 7 **PARTICIPATING EMPLOYER** [if:

8 (1) the individual's current employer is a participating employer other
 9 than the State and is the same participating employer that employed the individual at
 10 the time of the individual's last separation from employment with a participating
 11 employer before the individual commenced receiving a service retirement allowance;

12 (2) (i) at the time of retirement, the individual was a member of
 13 the Law Enforcement Officers' Pension System as an employee of a withdrawn
 14 governmental unit; and

15 (ii) the individual's current employer is the same withdrawn
 16 governmental unit that employed the individual at the time of the individual's last
 17 separation from employment with a withdrawn governmental unit before the
 18 individual commenced receiving a service retirement allowance; or

19 (3) the individual's current employer is any unit of State government
 20 and the individual's employer at the time of the individual's last separation from
 21 employment with the State before the individual commenced receiving a service
 22 retirement allowance was also a unit of State government].

23 27-406.

24 (a) **A SUBJECT TO SUBSECTION (B) OF THIS SECTION, A** retiree may
 25 accept employment in which all or part of the compensation for the employment comes
 26 from municipal, county, or State funds, if the retiree immediately notifies the Board of
 27 Trustees of:

28 (1) the retiree's intention to accept the employment; and

29 (2) the compensation that the retiree will receive.

30 (b) (1) This subsection does not apply to a retiree who is temporarily
 31 assigned to sit in a court of this State under the authority of Article IV, § 3A of the
 32 Maryland Constitution.

33 (2) A retiree may not be [rehired] **EMPLOYED BY THE STATE OR**
 34 **OTHER PARTICIPATING EMPLOYER, ON A PERMANENT, TEMPORARY, OR**

1 CONTRACTUAL BASIS within 45 days of the date the individual retired [if the
2 individual's current employer is any unit of State government and the individual's
3 employer at the time of the individual's last separation from employment with the
4 State before the individual commenced receiving a service retirement allowance was
5 also a unit of State government].

6 28-402.

7 (a) Except as provided in subsection (g) of this section, an individual who is
8 receiving a service retirement allowance or vested allowance may accept employment
9 with a participating employer on a permanent, temporary, or contractual basis,
10 without any reduction in the allowance, if:

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

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

14 (g) An individual who is [rehired under this section] **RECEIVING A SERVICE**
15 **RETIREMENT ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE~~**
16 **~~STATE OR OTHER PARTICIPATING EMPLOYER~~** may not be [rehired] **EMPLOYED BY**
17 **THE STATE OR OTHER PARTICIPATING EMPLOYER ON A PERMANENT,**
18 **TEMPORARY, OR CONTRACTUAL BASIS** within 45 days of the date the individual
19 retired [if the individual's current employer is a participating employer other than the
20 State and is the same participating employer that employed the individual at the time
21 of the individual's last separation from employment with a participating employer
22 before the individual commenced receiving a service retirement allowance].

23 29-117.

24 (E) **AN INDIVIDUAL WHO IS RECEIVING A DISABILITY RETIREMENT**
25 **ALLOWANCE UNDER THIS TITLE ~~AND WHO IS EMPLOYED BY THE STATE OR~~**
26 **~~OTHER PARTICIPATING EMPLOYER~~ MAY NOT BE EMPLOYED WITHIN 45 DAYS OF**
27 **THE DATE THE INDIVIDUAL RETIRED, ON A PERMANENT, TEMPORARY, OR**
28 **CONTRACTUAL BASIS, BY:**

29 (1) **THE STATE OR OTHER PARTICIPATING EMPLOYER; OR**

30 (2) **A WITHDRAWN PARTICIPATING GOVERNMENTAL UNIT, IF THE**
31 **RETIREE WAS AN EMPLOYEE OF THE WITHDRAWN PARTICIPATING**
32 **GOVERNMENTAL UNIT WHILE THE WITHDRAWN GOVERNMENTAL UNIT WAS A**
33 **PARTICIPATING EMPLOYER.**

34 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
35 read as follows:

