

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 1194  
Appropriations

(Delegate D. Jones)

Budget and Taxation

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Correctional Officers' Retirement System - Reemployment After Retirement -  
Exemption From Earnings Offset

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This bill allows a retiree of the Correctional Officers' Retirement System (CORS) to be employed as a bailiff in a State court without being subject to a reduction to the retiree's allowance. **The bill takes effect July 1, 2026.**

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**Fiscal Summary**

**State Effect:** Since the bill is expected to apply in a limited number of cases, it likely has no discernible effect on State pension liabilities or contribution rates, as discussed below. No effect on revenues.

**Local Effect:** Since the bill is expected to apply in a limited number of cases, there is likely no discernible effect on pension liabilities or contribution rates for participating governmental units that participate in CORS. No effect on revenues.

**Small Business Effect:** None.

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**Analysis**

**Current Law:**

*Normal Service Retirement*

A CORS member may retire with a normal service retirement allowance if the member (1) has 20 years of service or (2) is at least 55 years old with at least 5 years of eligibility service credit if the member was a member on June 30, 2011, or at least 10 years of eligibility service credit for an individual who became a member on or after July 1, 2011.

### *Offset of Benefits for Reemployment*

In general, a retiree who receives a retirement benefit from the State Retirement and Pension System (SRPS) may be reemployed, except that the retiree may not be reemployed by the State or any participating SRPS employer within 45 days of retiring. In most cases, a retiree who is rehired by the same employer for whom the retiree worked at the time of retirement is subject to an earnings cap. The purpose of the cap, which is the member's average final compensation at the time of retirement, is to ensure that a retiree does not earn more in retirement than the retiree earned as an active member with the same employer. If the sum of a retiree's earnings with the same employer and initial retirement allowance exceeds the earnings cap, the retiree is subject to a dollar-for-dollar offset of the retirement benefit for any amount that exceeds the cap. For a member who retires directly from State service, the State is regarded as a single employer, so reemployment with any State agency activates the benefit reduction.

For CORS retirees, the benefit reduction does not apply to:

- an individual who has been retired for five years, beginning on January 1, after the date the individual retires;
- an individual whose average final compensation was less than the minimum annual salary on the standard State pay scale as of January 1 of the preceding year;
- an individual serving in an elected position as an official of a participating governmental unit (PGU) or as a constitutional officer for a county that is a PGU;
- a retiree of CORS who is reemployed on a contractual basis for no more than four years by the Division of Corrections, Division of Pretrial Detention and Services, or the Patuxent Institution in the Department of Public Safety and Correctional Services (DPSCS) as a correctional officer in a correctional facility; or
- a retiree of CORS who is reemployed on a contractual basis for no more than four years as a parole and probation employee.

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

Immediately upon the employment of an individual receiving an allowance, participating employers must notify the State Retirement Agency (SRA) of the type of employment and the anticipated earnings of the individual. At least once per year, each participating employer must provide SRA with a list of all employees included on any payroll of the employer, the Social Security numbers of the employees, and their earnings for that year.

The Division of Corrections, Division of Pretrial Detention and Services, and Patuxent Institution in DPSCS must notify SRA of retirees who are eligible for an exemption to the benefit reduction as a correctional officer in a correctional facility. These entities must also annually report to the Joint Committee on Pensions on (1) the number of rehired retirees eligible for specified exemptions; (2) the annual salary of each retiree at the time of retirement and the current annual salary of each rehired retiree; (3) the number of correctional officers hired who are not retirees; and (4) the annual salary of each correctional officer who is hired.

**State Expenditures:** SRA advises that it is aware of six CORS retirees who are employed by the Judiciary, but it is not known in what capacity they are employed (*i.e.*, whether they are bailiffs or in some other position). To the extent that any of these individuals is employed in a State Court (the District Court) as a bailiff, they are eligible to claim the exemption from offsets to their benefits. SRA's consulting actuary does not account for foregone offsets in calculating the system's liabilities. Due to the limited number of positions affected and the lack of accounting for foregone offsets, the bill likely has no material effect on State pension liabilities or contribution rates.

To the extent that more CORS retirees are able to claim the exemption in the future, the effect on liabilities and contribution rates may be greater. However, the limited number of bailiff positions in the District Court is expected to constrain the number of individuals who may qualify under the bill in the future.

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### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 710 (Senator Corderman, *et al.*) - Budget and Taxation.

**Information Source(s):** Bolton; Maryland Department of Health; Department of Juvenile Services; Department of Public Safety and Correctional Services; State Retirement Agency; Department of Legislative Services

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