

# Legislative Analysis

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## DOC: EMPLOYING RETIRED HEALTH CARE WORKERS

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House Bill 4248

Sponsor: Rep. Alma Wheeler Smith

Committee: Judiciary

Complete to 3-3-09

### A SUMMARY OF HOUSE BILL 4248 AS INTRODUCED 2-11-09

In general, a retired state worker who receives a pension under the State Employees' Retirement Act cannot continue to receive the retirement allowance if, after October 1, 2007, he or she resumes working for the state government. The retirement allowance is suspended for the period of new state employment and then is reinstated when state employment ends, without recalculation of the recent term of employment.

House Bill 4248 would amend the State Employees' Retirement Act *to exempt a retired state worker hired to provide health care services to prisoners* from the prohibition cited above. Specifically, under the following circumstances, a person could receive pay for current state employment and and a pension for previous state employment:

- The retirant is hired to provide health care services to individuals under the jurisdiction of the Department of Corrections.
- The new term of employment is limited in term, no benefits are paid, and pay is on a per diem basis.
- The DOC provides written notice to the State Budget Office and the Department of Management and Budget that the position is vacant despite attempts to fill the post through postings and recruitment.
- The DOC reports the employment of a retirant under the bill within 30 days of employment. The report would have to include the retirant's name, the capacity in which he or she was employed, and the total compensation.

### FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on state government. The proposed provision would allow certain state retirees, hired by the Department of Corrections to provide health care services under limited conditions and with no benefits, to continue to receive their pension allowances. For employees who had already retired, this provision would not create additional costs to the State Employees Retirement System. However, the bill could increase costs to the retirement system to the extent that it would encourage current state employees, who otherwise would have continued employment, to retire

knowing they could return to employment and receive both current compensation as well as their pension allowances.

The Department of Corrections could experience modest cost savings under the bill, because regular full-time nurses could be hired at an hourly rate lower than that currently paid to noncareer or contractual nurses, and because the department could experience a reduction in position vacancies, which could reduce overtime costs.

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