

Contractual Agreements

SCOPE

Retired City employees may be engaged to render services to the City on a contractual basis when the requesting agency is able to establish a need for the retiree's services and the retiree possesses the qualifications necessary to satisfy the requirements of the services to be rendered.

This policy applies to retired City employees who were members of one of the City's retirement systems and who are receiving periodically paid benefits at the time they enter into the contractual agreement. They must have been retired for at least 90 calendar days before beginning such services.

OVERVIEW

A retired City employee providing services must enter into a contractual agreement with the Mayor and the City Council of Baltimore. Contracts require a stipulated time period not to exceed one (1) year subject to a ceiling of 1200 paid work hours per contract year. Contractual agreements are contingent on funds being available and require the approval of the Board of Estimates. All contracts must be submitted to and approved by the Board of Estimates prior to the individual starting to perform any work under that contract. **A contract start date prior to the Board of Estimates approval date is unacceptable and will not be allowed.**

STEPS FOR NECESSARY APPROVALS

The following steps must be taken to have a contractual agreement approved for the services of a retired City employee.

1. **Law Department** - The head of the requesting agency must contact the appropriate solicitor in the Law Department for assistance with the preparation of the contractual agreement. The Law Department must approve the contractual agreement for form and legal sufficiency before it is submitted to the Department of Finance, Bureau of the Budget and Management Research, which is the second step.
2. **Bureau of the Budget and Management Research (BBMR)** - The agency's budget analyst must review the contract for funding availability before the contract is submitted to the Department of Personnel, which is the third step.
3. **Department of Personnel** - All contracts must be reviewed by the Classification and Compensation Division for appropriate compensation and conformance with applicable *Administrative Manual* policies, prior to submission to the Expenditure Control Committee (ECC) and the Board of Estimates. The Department of Personnel forwards their recommendations to BBMR for the budget analyst recommendation to the ECC.

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- 4. **Expenditure Control Committee (ECC)** - Based on the recommendation, the ECC will approve or disapprove the contractual agreement. Documents for approved contractual agreements will be returned to BBMR for submission to the Board of Estimates. If the contractual agreement is not approved, all documents will be returned to the agency.
- 5. **Board of Estimates (B/E)** - Approved contracts by ECC will be submitted to the Board of Estimates by BBMR. (For specific dates, refer to the Department of Personnel memo on ECC and B/E Deadlines for the current year).

CONTRACT START DATE

All contracts must be submitted to and approved by the Board of Estimates before a retired City employee can start to perform any work under that contract. A contract start date prior to the Board of Estimates approval date is unacceptable and will not be allowed.

WORK HOURS

The retiree must work during the normal office hours of the agency to which he/she is assigned unless otherwise specified in the contractual agreement. A retired City employee who is under contract with the City may not work more than 1200 paid work hours per contract year.

RATE DETERMINATION

A retired City employee on contract shall be paid an appropriate rate on an hourly basis. The rate received can be no more than the difference between the maximum salary which the retiree would have received based upon his/her qualifications if he/she were employed full-time by the City in the classification at the time of the contract and the retiree's maximum City Retirement Systems benefit. To determine the maximum hourly rate, the dollar value of the difference is to be divided by the 1200 work hours allowed per contract year. Based upon review of the information submitted by the agency head, the appropriate solicitor in the Law Department must verify the hourly rate of pay stipulated in the contract as part of the review for legal sufficiency.

DISALLOWED BENEFITS

Contractual employees do not receive health benefits, paid holidays, vacation leave, personal leave, sick leave benefits, compensatory time, death benefits, or new or additional retirement benefits. Lunch hours are not included as paid hours of work. City retirees under contract with the City are not represented by any employee union or professional association. However, a retiree under contract is covered by the provisions of the Maryland Workers' Compensation Act.

REPORTING OF TAXABLE INCOME

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The retiree will receive a W-2 form from the City of Baltimore at the end of the calendar year in accordance with the guidelines of the Internal Revenue Service (IRS).

APPOINTMENT PROCESS

Retired City employees engaged on a contractual basis shall be entered on an ENTRY TICKET (28-1618-5142) as Grade 999 (\$5.15- \$90.00 Hourly), Class #00106, Contract Services Specialist I, Work Code 9, Appt. Code "X", with the appropriate hourly rate as stipulated in the approved contract.

Since a retiree on contract cannot work beyond one (1) year on an approved contract, a CUT-OFF NOTICE (28-1608-5144), used for the purpose of removal from the payroll, should be processed with the ENTRY TICKET.

CONTRACT REQUIREMENT

Contracts for retired City employees may not be amended to extend the originally approved ending date. The Board of Estimates must specifically approve a new contract for the additional time that the services of the City retiree are needed. The steps for approval must be repeated for each new contract to be submitted to the Board of Estimates.

RELATED DOCUMENTS

For additional information, see:

[AM-204-1](#) ANNUAL HOLIDAYS PART I

AM-205-4-2 PREPARING AN ENTRY TICKET

AM-205-7-1 CUT-OFF NOTICE

AM-207-1 WORK HOURS