STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202-6700

MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

410-625-5555 • 1-800-492-5909
TTY Users: call via Maryland Relay
sra.maryland.gov

Testimony in Support of Senate Bill 236
Teachers' Retirement and Pension Systems - Obsolete Reemployment Provisions
Senate Budget and Taxation Committee
February 6, 2020
9:00 A.M.

Anne Gawthrop
Director of Legislative Affairs
State Retirement Agency

The Board of Trustees for the State Retirement and Pension System wishes to express its support for Senate Bill 236, Teachers' Retirement and Pension Systems - Obsolete Reemployment Provisions. Senate Bill 236 is legislation sponsored by the Joint Committee on Pensions at the request of the Board.

The reemployment provisions for the Teachers' Pension System (TPS) and Teachers' Retirement System (TRS) included in the State Personnel and Pensions Article, provide that retired teachers or principals are exempt from the reemployment earnings limitation if they return to work at a public school that is not making adequate yearly progress or is a school in need of improvement under the federal No Child Left Behind Act of 2001 (NCLB). This Act was repealed in 2015. Accordingly, Senate Bill 236 repeals the references to this Act included in the reemployment provisions of the State Personnel and Pensions Article.

Senate Bill 236 also continues to limit the period of time to four years that a reemployed TPS or TRS retiree may be reemployed without being subject to an earning limitation. This time limit was first included in Chapter 499 of 2005, providing that a reemployed TPS or TRS retiree would only be exempt from the reemployment earnings limitation for four years after the school where the retiree was reemployed had made adequate yearly progress. Since 2015 when NCLB was repealed, the four-year time period was no longer applied because without NCLB, schools were no longer evaluated based on making adequate yearly progress. As a result, reemployed TPS and TRS retirees remained exempt from the reemployment earnings limit for five years, which is the statutory time period the earnings limit is in effect for all retirees. Given that the local school boards have been accustomed to this five-year limit coupled with the fact that this time period corresponds to the time period that all reemployment earnings limitations are in effect, we would request an amendment to increase the four-year period for applying the exemption to the reemployment limitation included in Senate Bill 236 to five years.

We appreciate being given the opportunity to raise this issue with the Committee and would request a favorable report on Senate Bill 236.