
By: Delegates Brinkley, Hecht, Snodgrass, Stup, Elliott, and Stull

Introduced and read first time: January 26, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement System - Reemployment of Retirees**

3 FOR the purpose of clarifying that the retirement allowance of a retiree of the Teachers'
4 Retirement System who is reemployed by certain employers is not subject to a
5 certain offset; providing for the application of this Act; and generally relating to the
6 computation of the retirement allowance of certain reemployed retirees of the
7 Teachers' Retirement System.

8 BY repealing and reenacting, with amendments,
9 Article - State Personnel and Pensions
10 Section 22-406
11 Annotated Code of Maryland
12 (1994 Volume and 1995 Supplement)

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

15 **Article - State Personnel and Pensions**

16 22-406.

17 (a) Subject to subsection (b) of this section, a retiree who is receiving a service
18 retirement allowance may accept employment with a participating employer on a
19 permanent, temporary, or contractual basis, without any reduction in retirement
20 allowance, if the retiree immediately notifies the Board of Trustees:

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

22 (2) of the compensation that the retiree will receive.

23 (b) (1) This subsection does not apply to:

24 (i) a retiree who has been retired for more than 10 years;

25 (ii) a retiree whose average final compensation was less than \$10,000
26 and who is reemployed on a temporary or contractual basis; [or]

27 (iii) a retiree who is serving in an elected position as an official of a
28 participating governmental unit or as a constitutional officer for a county that is a
29 participating governmental unit; OR

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1 (IV) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHOSE
2 EMPLOYMENT COMPENSATION DOES NOT DERIVE, IN WHOLE OR IN PART, FROM
3 STATE FUNDS.

4 (2) The Board of Trustees shall reduce a retiree's retirement allowance by
5 the amount that the sum of the retiree's annual basic allowance, at the time of retirement,
6 and the retiree's annual compensation exceeds the average final compensation used to
7 compute the basic allowance.

8 (c) A reemployed retiree who is receiving a service retirement allowance may not
9 receive creditable service or eligibility service during the period of reemployment.

10 (d) The retiree's compensation during the period of reemployment may not be
11 subject to the employer pickup provisions of § 21-303 of this article or any reduction or
12 deduction as a member contribution for pension or retirement purposes.

13 (e) The State Retirement Agency shall institute appropriate reporting procedures
14 with the affected payroll systems to ensure compliance with this section.

15 (f) (1) Immediately on the employment of any retiree, a participating employer
16 shall notify the State Retirement Agency of the type of employment and the anticipated
17 earnings of the retiree.

18 (2) At least once each year, in a format specified by the State Retirement
19 Agency, each participating employer shall provide the State Retirement Agency with a list
20 of all employees included on any payroll of the employer, the social security numbers of
21 the employees, and their earnings for that year.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed
23 retroactively and shall be applied to and interpreted to affect the computation, on or after
24 October 1, 1994, of a retirement allowance of any retiree of the Teachers' Retirement
25 System.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 1996.