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

Introduced and read first time: January 26, 1996

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 1996

CHAPTER _____

1 AN ACT concerning

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

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

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

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

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

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

8 (IV) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM;

9 1. WHO RETIRED AND WAS REEMPLOYED BY A
10 PARTICIPATING EMPLOYER OTHER THAN THE STATE ON OR BEFORE SEPTEMBER 30,
11 1994; AND

12 2. WHOSE EMPLOYMENT COMPENSATION DOES NOT
13 DERIVE, IN WHOLE OR IN PART, FROM STATE FUNDS.

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

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

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

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

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

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

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

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

