
By: Delegate Proctor (Chairman, Joint Committee on Pensions)

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 1996

CHAPTER ____

1 AN ACT concerning

2 Retirement and Pension Systems - Reemployment of Disability Retirees

3 FOR the purpose of repealing certain provisions of law that apply to retirees of certain
4 State retirement and pension systems receiving a disability retirement allowance
5 who are reemployed by certain employers; providing that disability retirees, on
6 reemployment by certain employers, may not receive eligibility service or creditable
7 service or have their compensation subject to certain employer pickup provisions or
8 other reductions or deductions as member contributions; requiring the State
9 Retirement Agency to institute certain reporting procedures; requiring certain
10 employers to provide the State Retirement Agency with certain information; and
11 generally relating to the reemployment of disability retirees by certain employers.

12 BY repealing and reenacting, without amendments,
13 Article - State Personnel and Pensions
14 Section 29-116
15 Annotated Code of Maryland
16 (1994 Volume and 1995 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - State Personnel and Pensions
19 Section 29-117
20 Annotated Code of Maryland
21 (1994 Volume and 1995 Supplement)

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

2

1 **Article - State Personnel and Pensions**

2 29-116.

3 (a) The Board of Trustees shall reduce the pension of a retiree on ordinary
4 disability if:

5 (1) the retiree is under normal retirement age;

6 (2) the medical board certifies in a report to the Board of Trustees that the
7 retiree is engaged in a gainful occupation paying more than the difference between:

8 (i) the retiree's retirement allowance at retirement; and

9 (ii) the retiree's average final compensation plus \$5,000;and

10 (3) the Board of Trustees agrees with the medical board's report.

11 (b) The Board of Trustees shall reduce the pension of a retiree who has been
12 receiving an ordinary disability retirement allowance for:

13 (1) less than 10 years, by \$1 for every \$2 that the retiree's current
14 compensation exceeds the limit under subsection (a) of this section; or

15 (2) at least 10 years, by \$1 for every \$5 that the retiree's current
16 compensation exceeds the limit under subsection (a) of this section.

17 29-117.

18 (a) A disability retiree who is rehired by a participating employer [at a salary less
19 than the retiree's average final compensation at retirement:

20 (1) is entitled to continue to receive an allowance; but

21 (2) may not become a member again of the retiree's former Statesystem
22 until the retiree's salary at least equals that average final compensation.

23 (b) (1) If a retiree with a disability retirement allowance who is under normal
24 retirement age is restored to employment with a participating employer with an annual
25 compensation that, before the retiree reaches normal retirement age, is at least equal to
26 the retiree's average final compensation at retirement:

27 (i) the retiree's allowance ends;

28 (ii) the retiree again becomes a member of the appropriateState
29 system;

30 (iii) previous creditable service or eligibility service is restored; and

31 (iv) on subsequent retirement, the retiree will receive all the service
32 credit as a member creditable to the member at retirement.

33 (2) Subject to paragraph (1) of this subsection, a retiree of the Employees'
34 Retirement System, Teachers' Retirement System, State Police RetirementSystem, or
35 the Correctional Officers' Retirement System shall make member contributions at the
36 same rate the retiree paid before disability.

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1 (c) (1) This subsection applies only to a retiree of:

2 (i) the Correctional Officers' Retirement System;

3 (ii) the Employees' Pension System;

4 (iii) the Employees' Retirement System;

5 (iv) the Local Fire and Police System;

6 (v) the Natural Resources Pension System; and

7 (vi) the Teachers' Pension System.

8 (2) The pension of a retiree who is restored to membership after age 50 may
9 not exceed the sum of:

10 (i) the pension received immediately before the retiree's last
11 restoration to membership; and

12 (ii) the pension that accrued after the retiree's last restoration to
13 membership] MAY NOT RECEIVE CREDITABLE SERVICE OR ELIGIBILITY SERVICE
14 DURING THE PERIOD OF REEMPLOYMENT.

15 (B) THE DISABILITY RETIREE'S COMPENSATION DURING THE PERIOD OF
16 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §
17 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER
18 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

19 (C) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE
20 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE
21 COMPLIANCE WITH THIS SECTION.

22 (D) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A
23 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF
24 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

25 (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE
26 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE
27 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY
28 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,
29 AND THEIR EARNINGS FOR THAT YEAR.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 1996.

