
By: Senator Colburn

Requested: November 15, 1995

Introduced and read first time: January 10, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Retirement and Pension Systems - Reemployment of Retirees - Repeal of Offset**

3 FOR the purpose of repealing certain provisions of law relating to an offset applied to
4 retirement allowances of retirees of certain State retirement and pension systems
5 who are reemployed by certain employers; providing for the effectivedate of this
6 Act; and generally relating to reemployment of retirees of certain State retirement
7 and pension systems.

8 BY repealing and reenacting, with amendments,
9 Article - State Personnel and Pensions
10 Section 22-406 and 23-407
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] A retiree who is receiving a
18 service 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

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1 (iii) a retiree who is serving in an elected position as an official of a
2 participating governmental unit or as a constitutional officer for a county that is a
3 participating governmental unit.

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

13 [(e)] (D) The State Retirement Agency shall institute appropriate reporting
14 procedures 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 23-407.

23 (a) [Subject to subsection (b) of this section, a] A retiree who is receiving a
24 service retirement allowance may accept employment with a participating employer on a
25 permanent, temporary, or contractual basis, without any reduction in retirement
26 allowance, if:

27 (1) the retiree immediately notifies the Board of Trustees of the retiree's
28 intention to accept this employment; and

29 (2) the retiree specifies the compensation to be received.

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

31 (i) a retiree whose average final compensation was less than \$10,000
32 and who is reemployed on a temporary or contractual basis; or

33 (ii) a retiree who is serving in an elected position as an official of a
34 participating governmental unit or as a constitutional officer for a county that is a
35 participating governmental unit.

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

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2 receive creditable service or eligibility service during the period of reemployment.

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5 or deduction as a member contribution for pension or retirement purposes.

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10 earnings of the retiree.

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13 of all employees included on any payroll of the employer, the social security numbers of
14 the employees, and their earnings for that year.]

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