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1998 Regular Session 8lr1048

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

Introduced and read first time: January 29, 1998

Assigned to: Appropriations

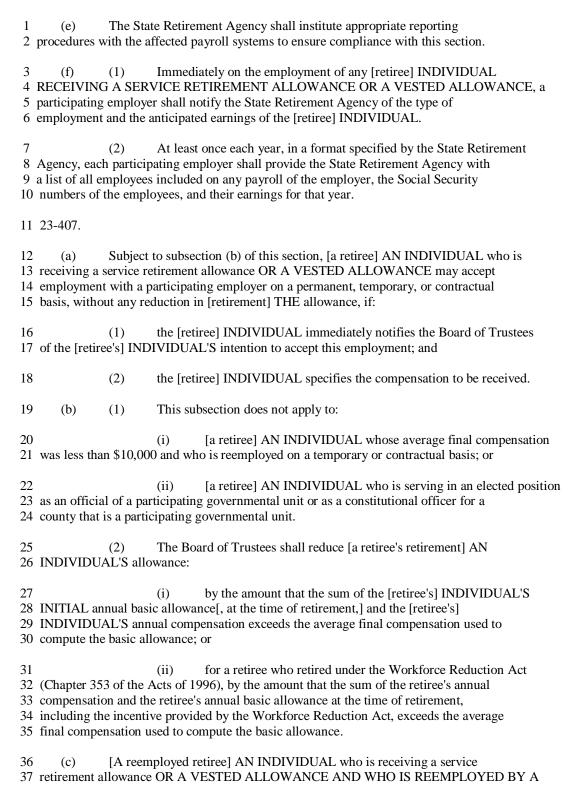
A BILL ENTITLED

4	4 % T	1 000	
1	AN	ACT	concerning

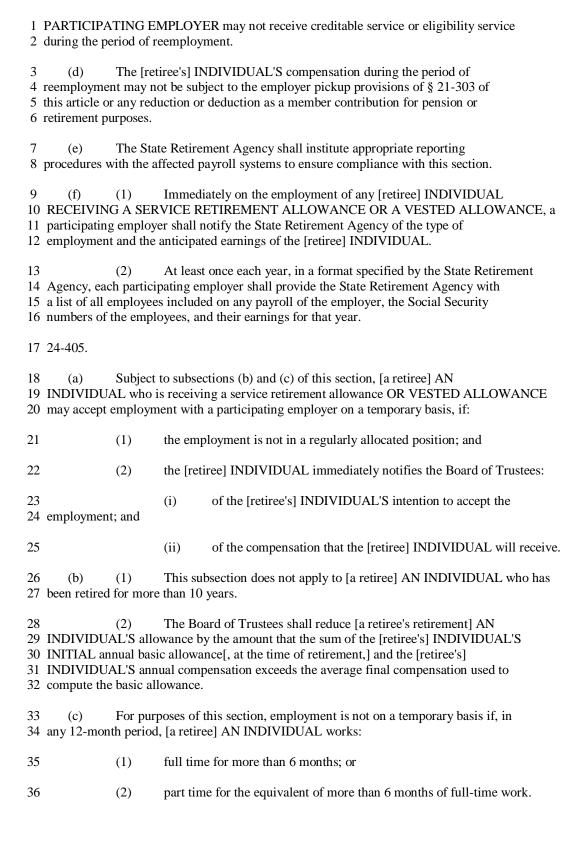
- 2 Retirement and Pensions - Reemployment of Individuals Receiving Vested 3 Allowances
- 4 FOR the purpose of clarifying that an individual who is receiving a vested allowance
- 5 from certain State retirement and pension systems, and who accepts
- 6 employment with certain employers who participate in the systems, may be
- 7 subject to an earnings limitation under certain circumstances; clarifying that
- 8 individuals receiving a vested allowance who are reemployed by a participating
- 9 employer may not receive creditable service or eligibility service during the
- 10 period of reemployment and whose compensation may not be subject to
- employer pickup provisions or member contributions; requiring certain 11
- participating employers to notify the State Retirement Agency of certain 12
- 13 information on employment of an individual receiving a vested allowance; and
- generally relating to individuals receiving a vested allowance who are 14
- 15 reemployed by certain employers who participate in the State retirement and
- 16 pension systems.
- 17 BY repealing and reenacting, with amendments,
- 18 Article - State Personnel and Pensions
- 19 Section 22-406, 23-407, 24-405, 25-403, and 28-402
- Annotated Code of Maryland 20
- 21 (1997 Replacement Volume)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 22
- 23 MARYLAND, That the Laws of Maryland read as follows:
- 24 **Article - State Personnel and Pensions**
- 25 22-406.
- (a) 26 Subject to subsection (b) of this section, [a retiree] AN INDIVIDUAL who is
- 27 receiving a service retirement allowance OR VESTED ALLOWANCE may accept
- 28 employment with a participating employer on a permanent, temporary, or contractual
- 29 basis, without any reduction in [retirement] THE allowance, if the [retiree]
- 30 INDIVIDUAL immediately notifies the Board of Trustees:

HOUSE BILL 336

1 2	and	(1)	of the [retiree's] INDIVIDUAL'S intention to accept the employment;
3		(2)	of the compensation that the [retiree] INDIVIDUAL will receive.
4	(b)	(1)	This subsection does not apply to:
5 6	10 years;		(i) [a retiree] AN INDIVIDUAL who has been retired for more than
7 8	was less than	n \$10,000	(ii) [a retiree] AN INDIVIDUAL whose average final compensation and who is reemployed on a temporary or contractual basis;
			(iii) [a retiree] AN INDIVIDUAL who is serving in an elected position icipating governmental unit or as a constitutional officer for a ipating governmental unit; or
12			(iv) a retiree of the Teachers' Retirement System:
13 14	employer ot	ther than	1. who retired and was reemployed by a participating he State on or before September 30, 1994; and
15 16	or in part, fr	om State	2. whose employment compensation does not derive, in whole funds.
17 18	INDIVIDU	(2) AL'S allo	The Board of Trustees shall reduce [a retiree's retirement] AN wance:
21	INITIAL an	AL'S ann	(i) by the amount that the sum of the [retiree's] INDIVIDUAL'S callowance[, at the time of retirement,] and the [retiree's] and compensation exceeds the average final compensation used to owance; or
25 26	compensation including the	on and the	(ii) for a retiree who retired under the Workforce Reduction Act acts of 1996), by the amount that the sum of the retiree's annual retiree's annual basic allowance at the time of retirement, the provided by the Workforce Reduction Act, exceeds the average and to compute the basic allowance.
30	retirement a	llowance ATING E	ployed retiree] AN INDIVIDUAL who is receiving a service OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY A MPLOYER may not receive creditable service or eligibility service eemployment.
34	reemployme	ent may n or any red	ree's] INDIVIDUAL'S compensation during the period of ot be subject to the employer pickup provisions of § 21-303 of action or deduction as a member contribution for pension or

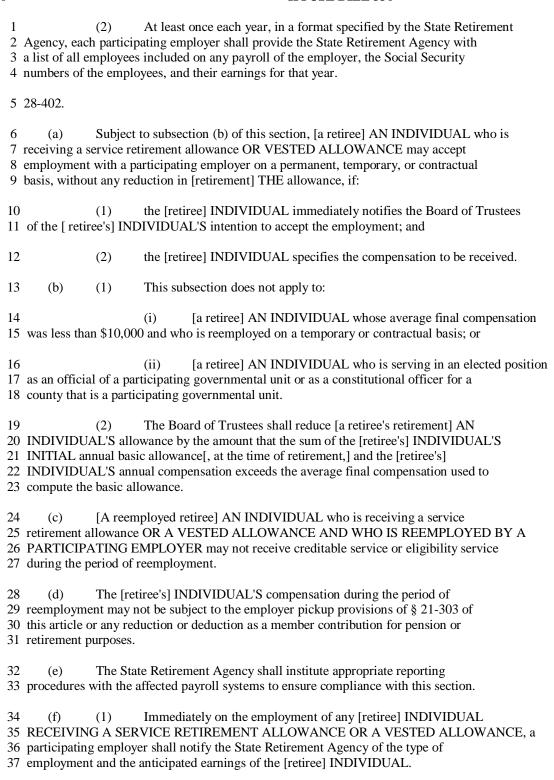


HOUSE BILL 336



- 1 25-403.
- 2 (a) Subject to subsection (b) of this section, [a retiree] AN INDIVIDUAL who is
- 3 receiving a service retirement allowance OR VESTED ALLOWANCE may accept
- 4 employment with a participating employer on a permanent, temporary, or contractual
- 5 basis, without any reduction in [retirement] THE allowance, if the [retiree]
- 6 INDIVIDUAL immediately notifies the Board of Trustees:
- 7 (1) of the [retiree's] INDIVIDUAL'S intention to accept the employment;
- 8 and
- 9 (2) of the compensation that the [retiree] INDIVIDUAL will receive.
- 10 (b) (1) This subsection does not apply to:
- 11 (i) [a retiree] AN INDIVIDUAL who has been retired for more than
- 12 10 years;
- 13 (ii) [a retiree] AN INDIVIDUAL whose average final compensation
- 14 was less than \$10,000 and who is reemployed on a temporary or contractual basis; or
- 15 (iii) [a retiree] AN INDIVIDUAL who is serving in an elected position
- 16 as an official of a participating governmental unit or as a constitutional officer for a
- 17 county that is a participating governmental unit.
- 18 (2) The Board of Trustees shall reduce [a retiree's retirement] AN
- 19 INDIVIDUAL'S allowance by the amount that the sum of the [retiree's] INDIVIDUAL'S
- 20 INITIAL annual basic allowance[, at the time of retirement,] and the [retiree's]
- 21 INDIVIDUAL'S annual compensation exceeds the average final compensation used to
- 22 compute the basic allowance.
- 23 (c) [A reemployed retiree] AN INDIVIDUAL who is receiving a service
- 24 retirement allowance OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY A
- 25 PARTICIPATING EMPLOYER may not receive creditable service or eligibility service
- 26 during the period of reemployment.
- 27 (d) The [retiree's] INDIVIDUAL'S compensation during the period of
- 28 reemployment may not be subject to the employer pickup provisions of § 21-303 of
- 29 this article or any reduction or deduction as a member contribution for pension or
- 30 retirement purposes.
- 31 (e) The State Retirement Agency shall institute appropriate reporting
- 32 procedures with the affected payroll systems to ensure compliance with this section.
- 33 (f) (1) Immediately on the employment of any [retiree] INDIVIDUAL
- 34 RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE, a
- 35 participating employer shall notify the State Retirement Agency of the type of
- 36 employment and the anticipated earnings of the [retiree] INDIVIDUAL.

HOUSE BILL 336



- 1 (2) At least once each year, in a format specified by the State Retirement 2 Agency, each participating employer shall provide the State Retirement Agency with 3 a list of all employees included on any payroll of the employer, the Social Security 4 numbers of the employees, and their earnings for that year.

- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 5
- 6 July 1, 1998.