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By: Do	By: Delegate Proctor (Chairman, Joint Committee on Pensions)			
Introdu	uced and read first time: January 29, 1998			
Assign	Assigned to: Appropriations			
	ittee Report: Favorable			
	action: Adopted			
Read s	second time: March 10, 1998			
	CHAPTER			
1 A	N ACT concerning			
2	Retirement and Pensions - Reemployment of Individuals Receiving Vested			
3	Allowances			
3	Anovances			
4 F0	OR 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			
11	employer pickup provisions or member contributions; requiring certain			
12	participating employers to notify the State Retirement Agency of certain			
13	information on employment of an individual receiving a vested allowance; and			
14	generally relating to individuals receiving a vested allowance who are			
15	reemployed by certain employers who participate in the State retirement and			
16	pension systems.			
17 B	Y repealing and reenacting, with amendments,			
18	Article - State Personnel and Pensions			
19	Section 22-406, 23-407, 24-405, 25-403, and 28-402			
20	Annotated Code of Maryland			
21	(1997 Replacement Volume)			
22	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF			
23 N	ARYLAND, That the Laws of Maryland read as follows:			

1 **Article - State Personnel and Pensions** 2 22-406. 3 (a) Subject to subsection (b) of this section, [a retiree] AN INDIVIDUAL who is 4 receiving a service retirement allowance OR VESTED ALLOWANCE may accept 5 employment with a participating employer on a permanent, temporary, or contractual 6 basis, without any reduction in [retirement] THE allowance, if the [retiree] 7 INDIVIDUAL immediately notifies the Board of Trustees: 8 (1) of the [retiree's] INDIVIDUAL'S intention to accept the employment; 9 and 10 (2) of the compensation that the [retiree] INDIVIDUAL will receive. 11 (b) (1) This subsection does not apply to: 12 [a retiree] AN INDIVIDUAL who has been retired for more than (i) 13 10 years; 14 [a retiree] AN INDIVIDUAL whose average final compensation (ii) 15 was less than \$10,000 and who is reemployed on a temporary or contractual basis; [a retiree] AN INDIVIDUAL who is serving in an elected position 16 (iii) 17 as an official of a participating governmental unit or as a constitutional officer for a 18 county that is a participating governmental unit; or 19 (iv) a retiree of the Teachers' Retirement System: 20 1. who retired and was reemployed by a participating 21 employer other than the State on or before September 30, 1994; and 22 2. whose employment compensation does not derive, in whole 23 or in part, from State funds. The Board of Trustees shall reduce [a retiree's retirement] AN 24 (2) 25 INDIVIDUAL'S allowance: by the amount that the sum of the [retiree's] INDIVIDUAL'S 26 (i) 27 INITIAL annual basic allowance[, at the time of retirement,] and the [retiree's] 28 INDIVIDUAL'S annual compensation exceeds the average final compensation used to 29 compute the basic allowance; or 30 for a retiree who retired under the Workforce Reduction Act 31 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual 32 compensation and the retiree's annual basic allowance at the time of retirement, including the incentive provided by the Workforce Reduction Act, exceeds the average final compensation used to compute the basic allowance. 35 [A reemployed retiree] AN INDIVIDUAL who is receiving a service (c)

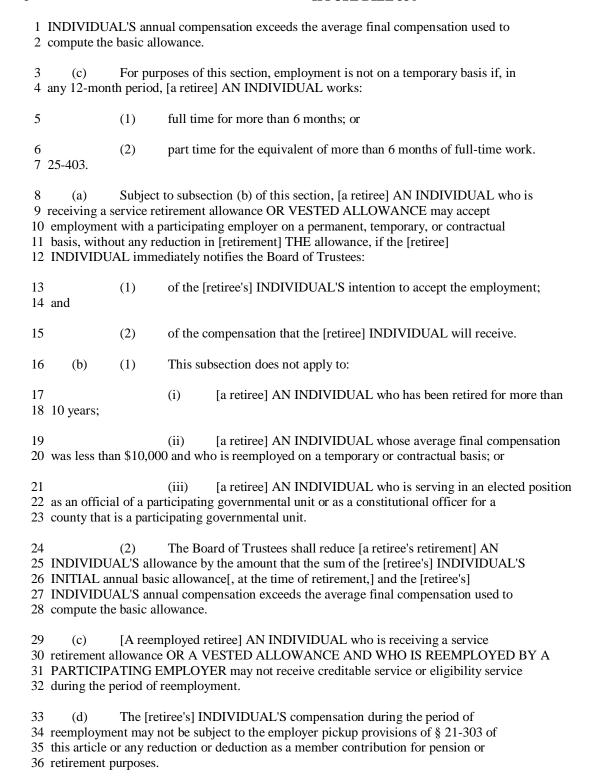
36 retirement allowance OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY A

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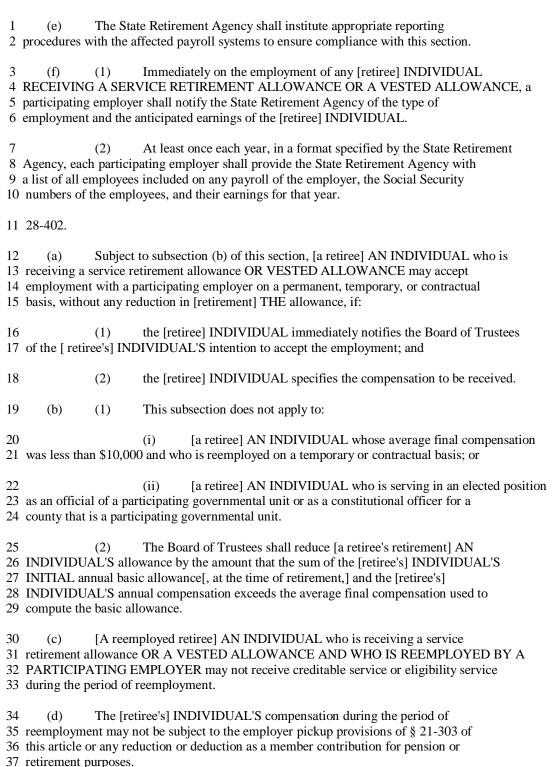
1 PARTICIPATING EMPLOYER may not receive creditable service or eligibility service 2 during the period of reemployment. The [retiree's] INDIVIDUAL'S compensation during the period of 3 4 reemployment may not be subject to the employer pickup provisions of § 21-303 of 5 this article or any reduction or deduction as a member contribution for pension or 6 retirement purposes. 7 The State Retirement Agency shall institute appropriate reporting (e) 8 procedures with the affected payroll systems to ensure compliance with this section. 9 (f) (1) Immediately on the employment of any [retiree] INDIVIDUAL 10 RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE, a 11 participating employer shall notify the State Retirement Agency of the type of 12 employment and the anticipated earnings of the [retiree] INDIVIDUAL. 13 At least once each year, in a format specified by the State Retirement 14 Agency, each participating employer shall provide the State Retirement Agency with 15 a list of all employees included on any payroll of the employer, the Social Security 16 numbers of the employees, and their earnings for that year. 17 23-407. 18 Subject to subsection (b) of this section, [a retiree] AN INDIVIDUAL who is 19 receiving a service retirement allowance OR A VESTED ALLOWANCE may accept 20 employment with a participating employer on a permanent, temporary, or contractual 21 basis, without any reduction in [retirement] THE allowance, if: the [retiree] INDIVIDUAL immediately notifies the Board of Trustees 22 23 of the [retiree's] INDIVIDUAL'S intention to accept this employment; and 24 (2) the [retiree] INDIVIDUAL specifies the compensation to be received. 25 This subsection does not apply to: (b) (1) [a retiree] AN INDIVIDUAL whose average final compensation 26 (i) 27 was less than \$10,000 and who is reemployed on a temporary or contractual basis; or 28 [a retiree] AN INDIVIDUAL who is serving in an elected position (ii) 29 as an official of a participating governmental unit or as a constitutional officer for a 30 county that is a participating governmental unit. 31 The Board of Trustees shall reduce [a retiree's retirement] AN 32 INDIVIDUAL'S allowance: 33 by the amount that the sum of the [retiree's] INDIVIDUAL'S 34 INITIAL annual basic allowance[, at the time of retirement,] and the [retiree's] 35 INDIVIDUAL'S annual compensation exceeds the average final compensation used to 36 compute the basic allowance; or

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3 4	(ii) for a retiree who retired under the Workforce Reduction Act (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual compensation and the retiree's annual basic allowance at the time of retirement, including the incentive provided by the Workforce Reduction Act, exceeds the average final compensation used to compute the basic allowance.	
8	(c) [A reemployed retiree] AN INDIVIDUAL who is receiving a service retirement allowance OR A VESTED ALLOWANCE AND WHO IS REEMPLOYED BY A PARTICIPATING EMPLOYER may not receive creditable service or eligibility service during the period of reemployment.	L
12	(d) The [retiree's] INDIVIDUAL'S compensation during the period of reemployment may not be subject to the employer pickup provisions of § 21-303 of this article or any reduction or deduction as a member contribution for pension or retirement purposes.	
14 15	(e) The State Retirement Agency shall institute appropriate reporting procedures with the affected payroll systems to ensure compliance with this section.	
18	(f) (1) Immediately on the employment of any [retiree] INDIVIDUAL RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE participating employer shall notify the State Retirement Agency of the type of employment and the anticipated earnings of the [retiree] INDIVIDUAL.	E, a
22	(2) At least once each year, in a format specified by the State Retirement Agency, each participating employer shall provide the State Retirement Agency with a list of all employees included on any payroll of the employer, the Social Security numbers of the employees, and their earnings for that year.	
24	24-405.	
	(a) Subject to subsections (b) and (c) of this section, [a retiree] AN INDIVIDUAL who is receiving a service retirement allowance OR VESTED ALLOWANCE may accept employment with a participating employer on a temporary basis, if:	E
28	(1) the employment is not in a regularly allocated position; and	
29	(2) the [retiree] INDIVIDUAL immediately notifies the Board of Trustees	:
30 31	(i) of the [retiree's] INDIVIDUAL'S intention to accept the employment; and	
32	(ii) of the compensation that the [retiree] INDIVIDUAL will rece	ive.
33 34	(b) (1) This subsection does not apply to [a retiree] AN INDIVIDUAL who have been retired for more than 10 years.	as
	(2) The Board of Trustees shall reduce [a retiree's retirement] AN INDIVIDUAL'S allowance by the amount that the sum of the [retiree's] INDIVIDUAL'S INITIAL annual basic allowance[, at the time of retirement,] and the [retiree's]	



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- 1 (e) The State Retirement Agency shall institute appropriate reporting 2 procedures with the affected payroll systems to ensure compliance with this section.
- 3 (f) (1) Immediately on the employment of any [retiree] INDIVIDUAL
- 4 RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE, a
- 5 participating employer shall notify the State Retirement Agency of the type of
- 6 employment and the anticipated earnings of the [retiree] INDIVIDUAL.
- 7 (2) At least once each year, in a format specified by the State Retirement
- 8 Agency, each participating employer shall provide the State Retirement Agency with
- 9 a list of all employees included on any payroll of the employer, the Social Security
- 10 numbers of the employees, and their earnings for that year.
- 11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 12 July 1, 1998.