
By: **Delegates Hutchins, V. Mitchell, and Linton**
Introduced and read first time: February 18, 1998
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Systems - Employment of Retirees**

3 FOR the purpose of providing for an exception from a certain requirement to offset a
4 retirement allowance for certain retirees of the Teachers' Retirement System or
5 the Teachers' Pension System who become employed in certain positions after a
6 certain period of time after retirement.

7 BY repealing and reenacting, with amendments,
8 Article - State Personnel and Pensions
9 Section 22-406 and 23-407
10 Annotated Code of Maryland
11 (1997 Replacement Volume)

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

14 **Article - State Personnel and Pensions**

15 22-406.

16 (a) Subject to subsection (b) of this section, a retiree who is receiving a service
17 retirement allowance may accept employment with a participating employer on a
18 permanent, temporary, or contractual basis, without any reduction in retirement
19 allowance, if the retiree immediately notifies the Board of Trustees:

20 (1) of the retiree's intention to accept the employment; and

21 (2) of the compensation that the retiree will receive.

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

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

24 (ii) a retiree whose average final compensation was less than
25 \$10,000 and who is reemployed on a temporary or contractual basis;

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; [or]

4 (iv) a retiree of the Teachers' Retirement System:

5 1. who retired and was reemployed by a participating
6 employer other than the State on or before September 30, 1994; and

7 2. whose employment compensation does not derive, in whole
8 or in part, from State funds; OR

9 (V) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

10 1. HAS BEEN RETIRED FOR MORE THAN 1 YEAR; AND

11 2. IS EMPLOYED IN A POSITION THAT IS NOT THE SAME
12 POSITION HELD AT THE TIME OF RETIREMENT.

13 (2) The Board of Trustees shall reduce a retiree's retirement allowance:

14 (i) by the amount that the sum of the retiree's annual basic
15 allowance, at the time of retirement, and the retiree's annual compensation exceeds
16 the average final compensation used to compute the basic allowance; or

17 (ii) for a retiree who retired under the Workforce Reduction Act
18 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual
19 compensation and the retiree's annual basic allowance at the time of retirement,
20 including the incentive provided by the Workforce Reduction Act, exceeds the average
21 final compensation used to compute the basic allowance.

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

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

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

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

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

1 23-407.

2 (a) Subject to subsection (b) of this section, a retiree who is receiving a service
3 retirement allowance may accept employment with a participating employer on a
4 permanent, temporary, or contractual basis, without any reduction in retirement
5 allowance, if:

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

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

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

10 (i) a retiree whose average final compensation was less than
11 \$10,000 and who is reemployed on a temporary or contractual basis; [or]

12 (ii) a retiree who is serving in an elected position as an official of a
13 participating governmental unit or as a constitutional officer for a county that is a
14 participating governmental unit; OR

15 (III) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

16 1. HAS BEEN RETIRED FOR MORE THAN 1 YEAR; AND

17 2. IS EMPLOYED IN A POSITION THAT IS NOT THE SAME
18 POSITION HELD AT THE TIME OF RETIREMENT.

19 (2) The Board of Trustees shall reduce a retiree's retirement allowance:

20 (i) by the amount that the sum of the retiree's annual basic
21 allowance, at the time of retirement, and the retiree's annual compensation exceeds
22 the average final compensation used to compute the basic allowance; or

23 (ii) for a retiree who retired under the Workforce Reduction Act
24 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual
25 compensation and the retiree's annual basic allowance at the time of retirement,
26 including the incentive provided by the Workforce Reduction Act, exceeds the average
27 final compensation used to compute the basic allowance.

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

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

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

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 1998.