

SENATE BILL 15

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1999 Regular Session
9lr0363

(PRE-FILED)

By: **Senator Green**

Requested: October 5, 1998

Introduced and read first time: January 13, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Reemployment of Retired**
3 **Teachers**

4 FOR the purpose of exempting from a certain offset of a retirement allowance certain
5 retirees of the Teachers' Retirement System or the Teachers' Pension System
6 who are employed by certain public schools; requiring the State Board of
7 Education to provide certain information to the State Retirement Agency; and
8 generally relating to the reemployment of retired teachers.

9 BY repealing and reenacting, with amendments,
10 Article - State Personnel and Pensions
11 Section 22-406 and 23-407
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 1998 Supplement)

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

16 **Article - State Personnel and Pensions**

17 22-406.

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

23 (1) of the individual's intention to accept the employment; and

24 (2) of the compensation that the individual will receive.

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

26 (i) an individual who has been retired for more than 10 years;

1 (ii) an individual whose average final compensation was less than
2 \$10,000 and who is reemployed on a temporary or contractual basis;

3 (iii) an individual who is serving in an elected position as an official
4 of a participating governmental unit or as a constitutional officer for a county that is
5 a participating governmental unit; [or]

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

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

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

11 (V) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO IS OR
12 HAS BEEN CERTIFIED TO TEACH IN THE STATE AND WHO:

13 1. IS EMPLOYED AS A SUBSTITUTE TEACHER IN A PUBLIC
14 SCHOOL THAT HAS BEEN RECOMMENDED FOR RECONSTITUTION, OR HAS BEEN
15 RECONSTITUTED, BY THE STATE BOARD OF EDUCATION, UNTIL THE PUBLIC SCHOOL
16 MEETS THE STANDARDS FOR SCHOOL PERFORMANCE SET BY THE STATE BOARD OF
17 EDUCATION;

18 2. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS
19 EMPLOYED AS A TEACHER IN A PUBLIC SCHOOL THAT HAS BEEN RECOMMENDED
20 FOR RECONSTITUTION, OR HAS BEEN RECONSTITUTED, BY THE STATE BOARD OF
21 EDUCATION, UNTIL THE PUBLIC SCHOOL MEETS THE STANDARDS FOR SCHOOL
22 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION; OR

23 3. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS
24 EMPLOYED AS A TEACHER IN A COUNTY AND SUBJECT AREA IN WHICH THE STATE
25 BOARD OF EDUCATION FINDS THAT THERE IS A SHORTAGE OF TEACHERS, UNTIL
26 THE STATE BOARD OF EDUCATION FINDS THE SHORTAGE NO LONGER EXISTS IN
27 THAT COUNTY AND SUBJECT AREA.

28 (2) The Board of Trustees shall reduce an individual's allowance:

29 (i) by the amount that the sum of the individual's initial annual
30 basic allowance and the individual's annual compensation exceeds the average final
31 compensation used to compute the basic allowance; or

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

1 (c) An individual who is receiving a service retirement allowance or a vested
2 allowance and who is reemployed by a participating employer may not receive
3 creditable service or eligibility service during the period of reemployment.

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

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

9 (f) (1) Immediately on the employment of any individual receiving a service
10 retirement allowance or a vested allowance, a participating employer shall notify the
11 State Retirement Agency of the type of employment and the anticipated earnings of
12 the individual.

13 (2) 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 (G) TO ASSIST THE STATE RETIREMENT AGENCY IN DETERMINING WHICH
18 RETIREES QUALIFY UNDER SUBSECTION (B)(1)(V) OF THIS SECTION, THE STATE
19 BOARD OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY OF:

20 (1) ANY PUBLIC SCHOOL THAT IS RECOMMENDED FOR
21 RECONSTITUTION OR HAS BEEN RECONSTITUTED;

22 (2) ANY PUBLIC SCHOOL THAT IS NO LONGER RECOMMENDED FOR
23 RECONSTITUTION OR IS OTHERWISE FOUND TO MEET THE STANDARDS FOR SCHOOL
24 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION AFTER RECONSTITUTION
25 OR A RECOMMENDATION FOR RECONSTITUTION;

26 (3) ANY COUNTY AND SUBJECT AREA IN WHICH THE STATE BOARD OF
27 EDUCATION FINDS THERE IS A SHORTAGE OF TEACHERS; AND

28 (4) A FINDING THAT THERE IS NO LONGER A SHORTAGE OF TEACHERS
29 IN A COUNTY AND SUBJECT AREA.

30 23-407.

31 (a) Subject to subsection (b) of this section, an individual who is receiving a
32 service retirement allowance or a vested allowance may accept employment with a
33 participating employer on a permanent, temporary, or contractual basis, without any
34 reduction in the allowance, if:

35 (1) the individual immediately notifies the Board of Trustees of the
36 individual's intention to accept this employment; and

37 (2) the individual specifies the compensation to be received.

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

2 (i) an individual whose average final compensation was less than
3 \$10,000 and who is reemployed on a temporary or contractual basis; [or]

4 (ii) an individual who is serving in an elected position as an official
5 of a participating governmental unit or as a constitutional officer for a county that is
6 a participating governmental unit; OR

7 (III) A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO IS OR
8 HAS BEEN CERTIFIED TO TEACH IN THE STATE AND WHO:

9 1. IS EMPLOYED AS A SUBSTITUTE TEACHER IN A PUBLIC
10 SCHOOL THAT HAS BEEN RECOMMENDED FOR RECONSTITUTION, OR HAS BEEN
11 RECONSTITUTED, BY THE STATE BOARD OF EDUCATION, UNTIL THE PUBLIC SCHOOL
12 MEETS THE STANDARDS FOR SCHOOL PERFORMANCE SET BY THE STATE BOARD OF
13 EDUCATION;

14 2. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS
15 EMPLOYED AS A TEACHER IN A PUBLIC SCHOOL THAT HAS BEEN RECOMMENDED
16 FOR RECONSTITUTION, OR HAS BEEN RECONSTITUTED, BY THE STATE BOARD OF
17 EDUCATION, UNTIL THE PUBLIC SCHOOL MEETS THE STANDARDS FOR SCHOOL
18 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION; OR

19 3. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS
20 EMPLOYED AS A TEACHER IN A COUNTY AND SUBJECT AREA IN WHICH THE STATE
21 BOARD OF EDUCATION FINDS THAT THERE IS A SHORTAGE OF TEACHERS, UNTIL
22 THE STATE BOARD OF EDUCATION FINDS THE SHORTAGE NO LONGER EXISTS IN
23 THAT COUNTY AND SUBJECT AREA.

24 (2) The Board of Trustees shall reduce an individual's allowance:

25 (i) by the amount that the sum of the individual's initial annual
26 basic allowance and the individual's annual compensation exceeds the average final
27 compensation used to compute the basic allowance; or

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

33 (c) An individual who is receiving a service retirement allowance or a vested
34 allowance and who is reemployed by a participating employer may not receive
35 creditable service or eligibility service during the period of reemployment.

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

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 individual receiving a service
4 retirement allowance or a vested allowance, a participating employer shall notify the
5 State Retirement Agency of the type of employment and the anticipated earnings of
6 the 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 (G) TO ASSIST THE STATE RETIREMENT AGENCY IN DETERMINING WHICH
12 RETIREES QUALIFY UNDER SUBSECTION (B)(1)(III) OF THIS SECTION, THE STATE
13 BOARD OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY OF:

14 (1) ANY PUBLIC SCHOOL THAT IS RECOMMENDED FOR
15 RECONSTITUTION OR HAS BEEN RECONSTITUTED;

16 (2) ANY PUBLIC SCHOOL THAT IS NO LONGER RECOMMENDED FOR
17 RECONSTITUTION OR IS OTHERWISE FOUND TO MEET THE STANDARDS FOR SCHOOL
18 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION AFTER RECONSTITUTION
19 OR A RECOMMENDATION FOR RECONSTITUTION;

20 (3) ANY COUNTY AND SUBJECT AREA IN WHICH THE STATE BOARD OF
21 EDUCATION FINDS THERE IS A SHORTAGE OF TEACHERS; AND

22 (4) A FINDING THAT THERE IS NO LONGER A SHORTAGE OF TEACHERS
23 IN A COUNTY AND SUBJECT AREA.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 1999.