

SENATE BILL 105

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1999 Regular Session
9lr0656

By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 22, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Reemployment of Retirees as**
3 **Classroom Teachers**

4 FOR the purpose of exempting, from a certain offset from a retirement allowance,
5 certain retirees of the Teachers' Retirement System and Teachers' Pension
6 System who are certified by the State Superintendent of Schools and are
7 employed in positions as classroom teachers for a board of education other than
8 the board of education that employed the retirees at retirement or on separation
9 from employment; and generally relating to the reemployment of certain
10 members of the Teachers' Retirement System and the Teachers' Pension System.

11 BY repealing and reenacting, with amendments,
12 Article - State Personnel and Pensions
13 Section 22-406 and 23-407
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1998 Supplement)

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

18 **Article - State Personnel and Pensions**

19 22-406.

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

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

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

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

- 1 (i) an individual who has been retired for more than 10 years;
- 2 (ii) an individual whose average final compensation was less than
3 \$10,000 and who is reemployed on a temporary or contractual basis;
- 4 (iii) 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 (iv) a retiree of the Teachers' Retirement System:

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

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

12 (V) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO IS
13 CERTIFIED BY THE STATE SUPERINTENDENT OF SCHOOLS AND ACCEPTS
14 EMPLOYMENT AS A CLASSROOM TEACHER WITH A BOARD OF EDUCATION OTHER
15 THAN THE BOARD OF EDUCATION WHO EMPLOYED THE RETIREE AT RETIREMENT OR
16 SEPARATION FROM EMPLOYMENT.

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

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

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

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

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

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

34 (f) (1) Immediately on the employment of any individual receiving a service
35 retirement allowance or a vested allowance, a participating employer shall notify the
36 State Retirement Agency of the type of employment and the anticipated earnings of
37 the individual.

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.

5 23-407.

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

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

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

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

14 (i) an individual whose average final compensation was less than
15 \$10,000 and who is reemployed on a temporary or contractual basis; [or]

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

19 (III) A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO IS
20 CERTIFIED BY THE STATE SUPERINTENDENT OF SCHOOLS AND ACCEPTS
21 EMPLOYMENT AS A CLASSROOM TEACHER WITH A BOARD OF EDUCATION OTHER
22 THAN THE BOARD OF EDUCATION WHO EMPLOYED THE RETIREE AT RETIREMENT OR
23 SEPARATION FROM EMPLOYMENT.

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.

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

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

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

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 1999.