

SENATE BILL 220

Unofficial Copy
K4

2000 Regular Session
0lr0609

By: **Senators Green, Currie, Hollinger, Jimeno, Mitchell, Lawlah,
Middleton, Munson, McFadden, Van Hollen, Collins, and DeGrange**

Introduced and read first time: January 25, 2000

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2000

CHAPTER _____

1 AN ACT concerning

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

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~~ in certain personnel positions under
7 certain circumstances; requiring the county boards of education to provide
8 certain information to the State Retirement Agency; requiring the State Board
9 of Education to adopt certain regulations; making a technical correction;
10 requiring the State Board of Education to submit certain reports to the
11 Governor and the General Assembly in a certain manner on or before certain
12 dates; providing for the termination of this Act; and generally relating to the
13 reemployment of retirees of the Teachers' Retirement System or the Teachers'
14 Pension System who serve in certain personnel positions.

15 BY repealing and reenacting, with amendments,
16 Article - State Personnel and Pensions
17 Section 22-406 and 23-407
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 1999 Supplement)

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

Article - State Personnel and Pensions

22-406.

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

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

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

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

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

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

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

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

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

2. whose employment compensation does not derive, in whole or in part, from State funds; [or]

(v) a retiree of the Teachers' Retirement System who:

1. is or has been certified to teach in the State;

2. has verification of satisfactory or better performance in the last assignment prior to retirement;

3. based on the retired teacher's qualifications, has been appointed in accordance with § 4-103 of the Education Article;

4. A. retired with a normal service retirement allowance under § 22-401 of this article; or

B. retired with an early service retirement allowance under § 22-402 of this article and has been retired for at least 12 months;

5. subject to item 6 of this item is employed as:

1 A. a substitute classroom teacher or substitute teacher
2 mentor in a public school that has been recommended for reconstitution, or has been
3 reconstituted, by the State Board of Education, until the public school meets the
4 standards for school performance set by the State Board of Education;

5 B. a classroom teacher or teacher mentor in a public school
6 that has been recommended for reconstitution, or has been reconstituted, by the State
7 Board of Education, until the public school meets the standards for school
8 performance set by the State Board of Education;

9 C. a classroom teacher or teacher mentor in a county or
10 subject area on a statewide basis in which the State Board of Education finds that
11 there is a shortage of teachers, until the State Board of Education finds the shortage
12 no longer exists in that county or subject area on a statewide basis; or

13 D. a substitute classroom teacher or substitute teacher
14 mentor in a county or subject area on a statewide basis in which the State Board of
15 Education finds that there is a shortage of teachers, until the State Board of
16 Education finds the shortage no longer exists in that county or subject area on a
17 statewide basis; and

18 6. receives verification of satisfactory or better performance
19 each year the teacher is employed under item 5 of this item; OR

20 (VI) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

21 1. WAS EMPLOYED AS A PRINCIPAL AT THE TIME OF
22 RETIREMENT;

23 ~~4. 2.~~ HAS VERIFICATION OF BETTER THAN SATISFACTORY OR
24 ~~BETTER~~ PERFORMANCE IN THE LAST ASSIGNMENT AS A PRINCIPAL PRIOR TO
25 RETIREMENT;

26 ~~2. 3.~~ BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
27 HIRED;

28 ~~A. IN A SPECIALIZED PERSONNEL POSITION FOR WHICH THE~~
29 ~~COUNTY BOARD CONSIDERS THERE IS A SHORTAGE;~~

30 ~~B. AS A PRINCIPAL;~~

31 ~~C. AS STAFF WHO WORK DIRECTLY WITH STUDENTS; OR~~

32 ~~D. AS A STATE MONITOR;~~

33 ~~3. 4.~~ A. RETIRED WITH A NORMAL SERVICE RETIREMENT
34 ALLOWANCE UNDER § 22-401 OF THIS SUBTITLE; OR

1 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
2 ALLOWANCE UNDER § 22-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT
3 LEAST 12 MONTHS; ~~AND~~

4 ~~4. 5. RECEIVES VERIFICATION OF BETTER THAN~~
5 ~~SATISFACTORY OR BETTER PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED~~
6 ~~IN A POSITION DESCRIBED IN ITEM 2 OF UNDER THIS ITEM AS A PRINCIPAL UNDER~~
7 ~~ITEM 3 OF THIS ITEM; AND~~

8 ~~6. IS NOT EMPLOYED AS A PRINCIPAL UNDER ITEM 3 OF THIS~~
9 ~~ITEM FOR MORE THAN 4 YEARS.~~

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

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

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

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

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

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

27 (f) (1) Immediately on the employment of any individual receiving a service
28 retirement allowance or a vested allowance, a participating employer shall notify the
29 State Retirement Agency of the type of employment and the anticipated earnings of
30 the individual.

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

35 (g) The county boards of education shall notify the State Retirement Agency of
36 any retired teachers who qualify under subsection (b)(1)(v) of this section OR ANY
37 PERSONNEL WHO QUALIFY UNDER SUBSECTION (B)(1)(VI) OF THIS SECTION.

1 (h) The State Board of Education shall notify the county boards of education
2 of:

3 (1) any public school that is recommended for reconstitution or has been
4 reconstituted;

5 (2) any public school that is no longer recommended for reconstitution or
6 is otherwise found to meet the standards for school performance set by the State
7 Board of Education after reconstitution or a recommendation for reconstitution;

8 (3) any county or subject area on a statewide basis in which the State
9 Board of Education finds there is a shortage of teachers; and

10 (4) a finding that there is no longer a shortage of teachers in a county or
11 subject area on a statewide basis.

12 (i) In addition to any regulations adopted in accordance with § 6-202 of the
13 Education Article, the State Board of Education shall adopt regulations concerning
14 the employment terms of retired teachers AND PERSONNEL DESCRIBED IN
15 SUBSECTION (B)(1)(VI) OF THIS SECTION.

16 23-407.

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

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

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

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

25 (i) an individual whose average final compensation was less than
26 \$10,000 and who is reemployed on a temporary or contractual basis;

27 (ii) an individual who is serving in an elected position as an official
28 of a participating governmental unit or as a constitutional officer for a county that is
29 a participating governmental unit; [or]

30 (iii) a retiree of the Teachers' Pension System who:

31 1. is or has been certified to teach in the State;

32 2. has verification of satisfactory or better performance in
33 the last assignment prior to retirement;

34 3. based on the retired teacher's qualifications, has been
35 appointed in accordance with § 4-103 of the Education Article;

1 ~~D.~~ AS A STATE MONITOR;

2 ~~3-4.~~ A. RETIRED WITH A NORMAL SERVICE RETIREMENT
3 ALLOWANCE UNDER § 23-401 OF THIS SUBTITLE; OR

4 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
5 ALLOWANCE UNDER § 23-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT
6 LEAST 12 MONTHS; ~~AND~~

7 ~~4-5.~~ RECEIVES VERIFICATION OF BETTER THAN
8 SATISFACTORY ~~OR BETTER~~ PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED
9 ~~IN A POSITION DESCRIBED IN ITEM 2 OF THIS SUBPARAGRAPH~~ AS A PRINCIPAL
10 UNDER ITEM 3 OF THIS ITEM; AND

11 6. IS NOT EMPLOYED AS A PRINCIPAL UNDER ITEM 3 OF THIS
12 ITEM FOR MORE THAN 4 YEARS.

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

14 (i) by the amount that the sum of the individual's initial annual
15 basic allowance and the individual's annual compensation exceeds the average final
16 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) An individual who is receiving a service retirement allowance or a vested
23 allowance and who is reemployed by a participating employer may not receive
24 creditable service or eligibility service during the period of reemployment.

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

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

30 (f) (1) Immediately on the employment of any individual receiving a service
31 retirement allowance or a vested allowance, a participating employer shall notify the
32 State Retirement Agency of the type of employment and the anticipated earnings of
33 the individual.

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

1 (g) The county boards of education shall notify the State Retirement Agency of
2 any retired teachers who qualify under subsection [(b)(1)(v)] (B)(1)(III) of this section
3 OR ANY PERSONNEL WHO QUALIFY UNDER SUBSECTION (B)(1)(IV) OF THIS SECTION.

4 (h) The State Board of Education shall notify the county boards of education
5 of:

6 (1) any public school that is recommended for reconstitution or has been
7 reconstituted;

8 (2) any public school that is no longer recommended for reconstitution or
9 is otherwise found to meet the standards for school performance set by the State
10 Board of Education after reconstitution or a recommendation for reconstitution;

11 (3) any county or subject area on a statewide basis in which the State
12 Board of Education finds there is a shortage of teachers; and

13 (4) a finding that there is no longer a shortage of teachers in a county or
14 subject area on a statewide basis.

15 (i) In addition to any regulations adopted in accordance with § 6-202 of the
16 Education Article, the State Board of Education shall adopt regulations concerning
17 the employment terms of retired teachers AND PERSONNEL DESCRIBED IN
18 SUBSECTION (B)(1)(IV) OF THIS SECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December
20 31, 2001, and on or before December 31, 2003, the State Board of Education shall
21 submit a report to the Governor and, in accordance with § 2-1246 of the State
22 Government Article, to the General Assembly, on the impact of this Act on principal
23 recruitment and principal shortages at Maryland's public schools. The reports shall
24 also include information on efforts underway by the Board and local public school
25 systems to train and recruit principals.

26 ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
27 effect July 1, 2000. It shall remain effective for a period of 4 years and, at the end of
28 June 30, 2004, with no further action required by the General Assembly, this Act shall
29 be abrogated and of no further force and effect.