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By: **Delegates Malone and Moe**  
Introduced and read first time: February 1, 2001  
Assigned to: Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 21, 2001

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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 in certain personnel positions under certain circumstances;  
7 requiring the county boards of education to provide certain information to the  
8 State Retirement Agency; clarifying that certain retirees must meet certain  
9 performance requirements for each year of their employment prior to  
10 retirement; and generally relating to the reemployment of retirees of the  
11 Teachers' Retirement System or the Teachers' Pension System who serve in  
12 certain personnel positions.

13 BY repealing and reenacting, with amendments,  
14 Article - State Personnel and Pensions  
15 Section 22-406 and 23-407  
16 Annotated Code of Maryland  
17 (1997 Replacement Volume and 2000 Supplement)

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

20 **Article - State Personnel and Pensions**

21 22-406.

22 (a) Subject to subsection (b) of this section, an individual who is receiving a  
23 service retirement allowance or vested allowance may accept employment with a

1 participating employer on a permanent, temporary, or contractual basis, without any  
2 reduction in the allowance, if the individual immediately notifies the Board of  
3 Trustees:

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

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

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

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

8 (ii) an individual whose average final compensation was less than  
9 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

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

26 B. retired with an early service retirement allowance under §  
27 22-402 of this article and has been retired for at least 12 months;

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

29 A. a substitute classroom teacher or substitute teacher  
30 mentor in a public school that has been recommended for reconstitution, or has been  
31 reconstituted, by the State Board of Education, until the public school meets the  
32 standards for school performance set by the State Board of Education;

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

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

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

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

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

17 1. A. was employed as a principal within 5 years of  
 18 retirement; OR

19 B. WAS EMPLOYED AS A PRINCIPAL NOT MORE THAN 5 10  
 20 YEARS BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING  
 21 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

22 2. has verification of better than satisfactory performance ~~in~~  
 23 ~~the last assignment~~ FOR EACH YEAR as a principal AND, IF APPLICABLE, IN A  
 24 POSITION SUPERVISING PRINCIPALS prior to retirement;

25 3. based on the retiree's qualifications, has been hired as a  
 26 principal;

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

29 B. retired with an early service retirement allowance under §  
 30 22-402 of this subtitle and has been retired for at least 12 months;

31 5. receives verification of better than satisfactory  
 32 performance each year the retiree is employed as a principal under item 3 of this  
 33 item; and

34 6. is not employed as a principal under item 3 of this item for  
 35 more than 4 years; or

36 (vii) a retiree of the Teachers' Retirement System:

1   1.           who retired from a board of education or local school  
2 system; and

3   2.           who is reemployed in a part-time position with the  
4 University System of Maryland.

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

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

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

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

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

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

22         (f)         (1)         Immediately on the employment of any individual receiving a service  
23 retirement allowance or a vested allowance, a participating employer shall notify the  
24 State Retirement Agency of the type of employment and the anticipated earnings of  
25 the individual.

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

30         (g)         The county boards of education shall notify the State Retirement Agency of  
31 any retired teachers who qualify under subsection (b)(1)(v) of this section or any  
32 personnel who qualify under subsection (b)(1)(vi) of this section.

33         (h)         The State Board of Education shall notify the county boards of education  
34 of:

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

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

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

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

8 (i) In addition to any regulations adopted in accordance with § 6-202 of the  
9 Education Article, the State Board of Education shall adopt regulations concerning  
10 the employment terms of retired teachers and personnel described in subsection  
11 (b)(1)(vi) of this section.

12 (J) IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A  
13 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION  
14 (B)(1)(VI) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR  
15 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR  
16 AND A PRINCIPAL.

17 23-407.

18 (a) Subject to subsection (b) of this section, an individual who is receiving a  
19 service retirement allowance or a 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:

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

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

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

26 (i) an individual whose average final compensation was less than  
27 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

1 4. A. retired with a normal service retirement allowance  
 2 under § 23-401 of this article; or

3 B. retired with an early service retirement allowance under §  
 4 23-402 of this article and has been retired for at least 12 months;

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

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

10 B. a classroom teacher or teacher mentor in a public school  
 11 that has been recommended for reconstitution, or has been reconstituted, by the State  
 12 Board of Education, until the public school meets the standards for school  
 13 performance set by the State Board of Education;

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

18 D. a substitute classroom teacher or substitute teacher  
 19 mentor in a county or subject area on a statewide basis in which the State Board of  
 20 Education finds that there is a shortage of teachers, until the State Board of  
 21 Education finds the shortage no longer exists in that county or subject area on a  
 22 statewide basis; and

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

25 (iv) a retiree of the Teachers' Pension System who:

26 1. A. was employed as a principal within 5 years of  
 27 retirement; OR

28 B. WAS EMPLOYED AS A PRINCIPAL NOT MORE THAN 5 10  
 29 YEARS BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING  
 30 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

31 2. has verification of better than satisfactory performance ~~in~~  
 32 ~~the last assignment~~ FOR EACH YEAR as a principal AND, IF APPLICABLE, IN A  
 33 POSITION SUPERVISING PRINCIPALS prior to retirement;

34 3. based on the retiree's qualifications, has been hired as a  
 35 principal;

36 4. A. retired with a normal service retirement allowance  
 37 under § 23-401 of this subtitle; or

1 B. retired with an early service retirement allowance under §  
2 23-402 of this subtitle and has been retired for at least 12 months;

3 5. receives verification of better than satisfactory  
4 performance each year the retiree is employed as a principal under item 3 of this  
5 item; and

6 6. is not employed as a principal under item 3 of this item for  
7 more than 4 years.

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

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

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

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

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

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

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

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

33 (g) The county boards of education shall notify the State Retirement Agency of  
34 any retired teachers who qualify under subsection (b)(1)(iii) of this section or any  
35 personnel who qualify under subsection (b)(1)(iv) of this section.

36 (h) The State Board of Education shall notify the county boards of education  
37 of:

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

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

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

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

10       (i)     In addition to any regulations adopted in accordance with § 6-202 of the  
11 Education Article, the State Board of Education shall adopt regulations concerning  
12 the employment terms of retired teachers and personnel described in subsection  
13 (b)(1)(iv) of this section.

14       (J)     IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A  
15 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION  
16 (B)(1)(VI) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR  
17 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR  
18 AND A PRINCIPAL.

19       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 2001.