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By: **Delegates Proctor, Howard, Vallario, and Pitkin**

Introduced and read first time: February 9, 2001

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Employees' 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 Employees' Retirement System or the Employees' Pension System  
6 who are employed by the State or certain participating governmental units in  
7 certain personnel positions; requiring the county boards of education to provide  
8 certain information to the State Retirement Agency; and generally relating to  
9 the reemployment of retirees of the Employees' Retirement System or the  
10 Employees' Pension System who serve in certain personnel positions.

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 2000 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;
- 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;
- 12 (v) a retiree of the Teachers' Retirement System who:
- 13 1. is or has been certified to teach in the State;
- 14 2. has verification of satisfactory or better performance in  
15 the last assignment prior to retirement;
- 16 3. based on the retired teacher's qualifications, has been  
17 appointed in accordance with § 4-103 of the Education Article;
- 18 4. A. retired with a normal service retirement allowance  
19 under § 22-401 of this article; or
- 20 B. retired with an early service retirement allowance under §  
21 22-402 of this article and has been retired for at least 12 months;
- 22 5. subject to item 6 of this item is employed as:
- 23 A. a substitute classroom teacher or substitute teacher  
24 mentor in a public school that has been recommended for reconstitution, or has been  
25 reconstituted, by the State Board of Education, until the public school meets the  
26 standards for school performance set by the State Board of Education;
- 27 B. a classroom teacher or teacher mentor in a public school  
28 that has been recommended for reconstitution, or has been reconstituted, by the State  
29 Board of Education, until the public school meets the standards for school  
30 performance set by the State Board of Education;
- 31 C. a classroom teacher or teacher mentor in a county or  
32 subject area on a statewide basis in which the State Board of Education finds that  
33 there is a shortage of teachers, until the State Board of Education finds the shortage  
34 no longer exists in that county or subject area on a statewide basis; or

1 D. a substitute classroom teacher or substitute teacher  
 2 mentor in a county or subject area on a statewide basis in which the State Board of  
 3 Education finds that there is a shortage of teachers, until the State Board of  
 4 Education finds the shortage no longer exists in that county or subject area on a  
 5 statewide basis; and

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

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

9 1. was employed as a principal within 5 years of retirement;

10 2. has verification of better than satisfactory performance in  
 11 the last assignment as a principal prior to retirement;

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

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

16 B. retired with an early service retirement allowance under §  
 17 22-402 of this subtitle and has been retired for at least 12 months;

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

21 6. is not employed as a principal under item 3 of this item for  
 22 more than 4 years; [or]

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

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

26 2. who is reemployed in a part-time position with the  
 27 University System of Maryland; OR

28 (VIII) A RETIREE OF THE EMPLOYEES' RETIREMENT SYSTEM:

29 1. WHO PRIOR TO RETIREMENT WAS EMPLOYED BY THE  
 30 STATE OR A PARTICIPATING GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS  
 31 DRIVER; AND

32 2. WHO IS REEMPLOYED BY THE STATE OR A PARTICIPATING  
 33 GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS DRIVER.

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

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

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

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

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

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

17 (f) (1) Immediately on the employment of any individual receiving a service  
18 retirement allowance or a vested allowance, a participating employer shall notify the  
19 State Retirement Agency of the type of employment and the anticipated earnings of  
20 the individual.

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

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

28 (h) The State Board of Education shall notify the county boards of education  
29 of:

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

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

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

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

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

5 (J) THE COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE  
6 RETIREMENT AGENCY OF ANY RETIRED BUS DRIVERS WHO QUALIFY UNDER  
7 SUBSECTION (B)(1)(VIII) OF THIS SECTION.

8 23-407.

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

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

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

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

17 (i) an individual whose average final compensation was less than  
18 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

30 B. retired with an early service retirement allowance under §  
31 23-402 of this article and has been retired for at least 12 months;

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

33 A. a substitute classroom teacher or substitute teacher  
34 mentor in a public school that has been recommended for reconstitution, or has been

1 reconstituted, by the State Board of Education, until the public school meets the  
2 standards for school performance set by the State Board of Education;

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

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

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

16                                  6.       receives verification of satisfactory or better performance  
17 each year the teacher is employed under item 5 of this item; [or]

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

19                                       1.       was employed as a principal within 5 years of retirement;

20                                       2.       has verification of better than satisfactory performance in  
21 the last assignment as a principal prior to retirement;

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

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

26                                       B.       retired with an early service retirement allowance under §  
27 23-402 of this subtitle and has been retired for at least 12 months;

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

31                                       6.       is not employed as a principal under item 3 of this item for  
32 more than 4 years; OR

33                                  (V)     A RETIREE OF THE EMPLOYEES' PENSION SYSTEM:

34                                       1.       WHO PRIOR TO RETIREMENT WAS EMPLOYED BY THE  
35 STATE OR A PARTICIPATING GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS  
36 DRIVER; AND

1    2.        WHO IS REEMPLOYED BY THE STATE OR A PARTICIPATING  
2 GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS DRIVER.

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

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

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

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

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

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

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

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

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

31        (h)        The State Board of Education shall notify the county boards of education  
32 of:

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

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

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

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

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

9       (J)       THE COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE  
10 RETIREMENT AGENCY OF ANY RETIRED BUS DRIVERS WHO QUALIFY UNDER  
11 SUBSECTION (B)(1)(V) OF THIS SECTION.

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