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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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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 20, 2001

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CHAPTER \_\_\_\_\_

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; providing for the  
9 termination of this Act; and generally relating to the reemployment of retirees of  
10 the Employees' Retirement System or the Employees' Pension System who serve  
11 in certain personnel positions.

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

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

19 **Article - State Personnel and Pensions**

20 22-406.

21 (a) Subject to subsection (b) of this section, an individual who is receiving a  
22 service retirement allowance or vested allowance may accept employment with a  
23 participating employer on a permanent, temporary, or contractual basis, without any

1 reduction in the allowance, if the individual immediately notifies the Board of  
2 Trustees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 B. a classroom teacher or teacher mentor in a public school  
33 that has been recommended for reconstitution, or has been reconstituted, by the State

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

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

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

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

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

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

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

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

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

22 B. retired with an early service retirement allowance under §  
23 22-402 of this subtitle and has been retired for at least 12 months;

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

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

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

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

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

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

1                                   1.       WHO PRIOR TO RETIREMENT WAS EMPLOYED BY THE  
2 STATE OR A PARTICIPATING GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS  
3 DRIVER; ~~AND~~

4                                   2.       WHO RECEIVED SATISFACTORY OR BETTER EMPLOYEE  
5 EVALUATIONS FOR EACH YEAR WHILE EMPLOYED AS A PUBLIC SCHOOL BUS DRIVER;

6                                   ~~2.~~   3.       WHO IS REEMPLOYED BY THE STATE OR A  
7 PARTICIPATING GOVERNMENTAL UNIT AS A PUBLIC SCHOOL BUS DRIVER UNDER  
8 THE SAME EMPLOYMENT CRITERIA AS NEWLY HIRED PUBLIC SCHOOL BUS DRIVERS;  
9 AND

10                                  4.       WHO RECEIVES VERIFICATION OF SATISFACTORY OR  
11 BETTER PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A PUBLIC  
12 SCHOOL BUS DRIVER UNDER ITEM 3 OF THIS ITEM.

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) of this section or any  
3 personnel who qualify under subsection (b)(1)(vi) 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 subsection  
18 (b)(1)(vi) of this section.

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

22 23-407.

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

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

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

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

31 (i) an individual whose average final compensation was less than  
32 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

1. is or has been certified to teach in the State;
2. has verification of satisfactory or better performance in  
3 the last assignment prior to retirement;
3. based on the retired teacher's qualifications, has been  
5 appointed in accordance with § 4-103 of the Education Article;
4. A. retired with a normal service retirement allowance  
7 under § 23-401 of this article; or
- B. retired with an early service retirement allowance under §  
9 23-402 of this article and has been retired for at least 12 months;
5. subject to item 6 of this item is employed as:
  - A. a substitute classroom teacher or substitute teacher  
12 mentor in a public school that has been recommended for reconstitution, or has been  
13 reconstituted, by the State Board of Education, until the public school meets the  
14 standards for school performance set by the State Board of Education;
  - B. a classroom teacher or teacher mentor in a public school  
16 that has been recommended for reconstitution, or has been reconstituted, by the State  
17 Board of Education, until the public school meets the standards for school  
18 performance set by the State Board of Education;
  - C. a classroom teacher or teacher mentor in a county or  
20 subject area on a statewide basis in which the State Board of Education finds that  
21 there is a shortage of teachers, until the State Board of Education finds the shortage  
22 no longer exists in that county or subject area on a statewide basis; or
  - D. a substitute classroom teacher or substitute teacher  
24 mentor in a county or subject area on a statewide basis in which the State Board of  
25 Education finds that there is a shortage of teachers, until the State Board of  
26 Education finds the shortage no longer exists in that county or subject area on a  
27 statewide basis; and
6. receives verification of satisfactory or better performance  
29 each year the teacher is employed under item 5 of this item; [or]
  - (iv) a retiree of the Teachers' Pension System who:
    1. was employed as a principal within 5 years of retirement;
    2. has verification of better than satisfactory performance in  
33 the last assignment as a principal prior to retirement;
    3. based on the retiree's qualifications, has been hired as a  
35 principal;



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

14 (h) The State Board of Education shall notify the county boards of education  
15 of:

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

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

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

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

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

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2001. It shall remain in effect for a period of 3 years and, at the end of June 30,  
34 2004, with no further action required by the General Assembly, this Act shall be  
35 abrogated and of no further force and effect.

