

SENATE BILL 88

Unofficial Copy
K4

2001 Regular Session
11r0405

By: **Senator Green**

Introduced and read first time: January 12, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

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;
7 requiring the county boards of education to provide certain information to the
8 State Retirement Agency; requiring the State Board of Education to adopt
9 certain regulations; providing for the termination of this Act; and generally
10 relating to the reemployment of retirees of the Teachers' Retirement System or
11 the Teachers' Pension System who serve 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
24 reduction in the allowance, if the individual immediately notifies the Board of
25 Trustees:

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

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

28 (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 TEACHERS' RETIREMENT SYSTEM WHO:

29 1. HAS VERIFICATION OF SATISFACTORY OR BETTER
30 PERFORMANCE IN THE LAST ASSIGNMENT PRIOR TO RETIREMENT;

31 2. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
32 HIRED:

33 A. IN A SPECIALIZED PERSONNEL POSITION FOR WHICH THE
34 COUNTY BOARD CONSIDERS THERE IS A SHORTAGE;

1 B. AS STAFF WHO WORKS DIRECTLY WITH STUDENTS; OR

2 C. AS A STATE MONITOR;

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

5 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
6 ALLOWANCE UNDER § 22-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT
7 LEAST 12 MONTHS; AND

8 4. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
9 PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED IN A POSITION DESCRIBED
10 IN ITEM 2 OF THIS ITEM.

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

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

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

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

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

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

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

32 (2) At least once each year, in a format specified by the State Retirement
33 Agency, each participating employer shall provide the State Retirement Agency with
34 a list of all employees included on any payroll of the employer, the Social Security
35 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) OR (VIII) 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) OR (VIII) of this section.

19 23-407.

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

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

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

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

28 (i) an individual whose average final compensation was less than
29 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

7 B. retired with an early service retirement allowance under §
8 23-402 of this article and has been retired for at least 12 months;

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

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

14 B. a classroom teacher or teacher mentor in a public school
15 that has been recommended for reconstitution, or has been reconstituted, by the State
16 Board of Education, until the public school meets the standards for school
17 performance set by the State Board of Education;

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

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

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

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

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

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

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

35 4. A. retired with a normal service retirement allowance
36 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; OR

8 (V) A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO:

9 1. HAS VERIFICATION OF SATISFACTORY OR BETTER
10 PERFORMANCE IN THE LAST ASSIGNMENT PRIOR TO RETIREMENT;

11 2. BASED ON THE SPECIALIZED PERSONNEL'S
12 QUALIFICATIONS, HAS BEEN HIRED:

13 A. IN A SPECIALIZED PERSONNEL POSITION FOR WHICH THE
14 COUNTY BOARD CONSIDERS THERE IS A SHORTAGE;

15 B. AS STAFF WHO WORKS DIRECTLY WITH STUDENTS; OR

16 C. AS A STATE MONITOR;

17 3. A. RETIRED WITH A NORMAL SERVICE RETIREMENT
18 ALLOWANCE UNDER § 23-401 OF THIS SUBTITLE; OR

19 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
20 ALLOWANCE UNDER § 23-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT
21 LEAST 12 MONTHS; AND

22 4. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
23 PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED IN A POSITION DESCRIBED
24 IN ITEM 2 OF THIS ITEM.

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

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

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

34 (c) An individual who is receiving a service retirement allowance or a vested
35 allowance and who is reemployed by a participating employer may not receive
36 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 (g) The county boards of education shall notify the State Retirement Agency of
15 any retired teachers who qualify under subsection (b)(1)(iii) of this section or any
16 personnel who qualify under subsection (b)(1)(iv) OR (V) of this section.

17 (h) The State Board of Education shall notify the county boards of education
18 of:

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

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

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

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

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

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