
By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**
Introduced and read first time: January 24, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Employees' and Teachers' Pensions and Retirement Systems -**
3 **Reemployment of Retirees**

4 FOR the purpose of exempting from a certain offset of a retirement allowance certain
5 retirees of the employees' and teachers' retirement systems or the employees'
6 and teachers' pension systems who are reemployed by certain employers;
7 exempting from a certain offset of a retirement allowance certain retirees of the
8 employees' and teachers' pension systems who have been retired for a certain
9 period of time; requiring certain employers to provide certain information to the
10 State Retirement Agency; and generally relating to the reemployment of retirees
11 of the employees' and teachers' retirement systems and the employees' and
12 teachers' pension systems.

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

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

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

1 (b) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS
2 SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHOSE CURRENT EMPLOYER IS:

3 (I) A PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS
4 THE SAME PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE
5 TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A
6 PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A
7 SERVICE RETIREMENT ALLOWANCE OR VESTED ALLOWANCE; OR

8 (II) A UNIT OF STATE GOVERNMENT THAT IS THE SAME UNIT OF
9 STATE GOVERNMENT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE
10 INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE
11 INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR
12 VESTED ALLOWANCE.

13 [(1)] (2) This subsection does not apply to:

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

15 (ii) an individual whose average final compensation was less than
16 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

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

33 B. retired with an early service retirement allowance under §
34 22-402 of this article and has been retired for at least 12 months;

35 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;

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

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

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

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

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

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

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

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

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

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)] (B)(2)(VI) of this section.

12 (J) AT THE REQUEST OF THE STATE RETIREMENT AGENCY, A PARTICIPATING
13 EMPLOYER OR PRINCIPAL UNIT OF STATE GOVERNMENT SHALL CERTIFY TO THE
14 STATE RETIREMENT AGENCY THAT IT IS NOT THE SAME PARTICIPATING EMPLOYER
15 OR PRINCIPAL UNIT OF STATE GOVERNMENT THAT EMPLOYED AN INDIVIDUAL AT
16 THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT BEFORE
17 THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR
18 VESTED ALLOWANCE.

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) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS
28 SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHOSE CURRENT EMPLOYER IS:

29 (I) A PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS
30 THE SAME PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE
31 TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A
32 PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A
33 SERVICE RETIREMENT ALLOWANCE OR VESTED ALLOWANCE; OR

34 (II) A UNIT OF STATE GOVERNMENT THAT IS THE SAME UNIT OF
35 STATE GOVERNMENT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE
36 INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE
37 INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR
38 VESTED ALLOWANCE.

- 1 [(1)] (2) This subsection does not apply to:
- 2 (i) an individual whose average final compensation was less than
3 \$10,000 and who is reemployed on a temporary or contractual basis;
- 4 (ii) 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 (iii) a retiree of the Teachers' Pension System who:
- 8 1. is or has been certified to teach in the State;
- 9 2. has verification of satisfactory or better performance in
10 the last assignment prior to retirement;
- 11 3. based on the retired teacher's qualifications, has been
12 appointed in accordance with § 4-103 of the Education Article;
- 13 4. A. retired with a normal service retirement allowance
14 under § 23-401 of this article; or
- 15 B. retired with an early service retirement allowance under §
16 23-402 of this article and has been retired for at least 12 months;
- 17 5. subject to item 6 of this item is employed as:
- 18 A. a substitute classroom teacher or substitute teacher
19 mentor in a public school that has been recommended for reconstitution, or has been
20 reconstituted, by the State Board of Education, until the public school meets the
21 standards for school performance set by the State Board of Education;
- 22 B. a classroom teacher or teacher mentor in a public school
23 that has been recommended for reconstitution, or has been reconstituted, by the State
24 Board of Education, until the public school meets the standards for school
25 performance set by the State Board of Education;
- 26 C. a classroom teacher or teacher mentor in a county or
27 subject area on a statewide basis in which the State Board of Education finds that
28 there is a shortage of teachers, until the State Board of Education finds the shortage
29 no longer exists in that county or subject area on a statewide basis; or
- 30 D. a substitute classroom teacher or substitute teacher
31 mentor in a county or subject area on a statewide basis in which the State Board of
32 Education finds that there is a shortage of teachers, until the State Board of
33 Education finds the shortage no longer exists in that county or subject area on a
34 statewide basis; and
- 35 6. receives verification of satisfactory or better performance
36 each year the teacher is employed under item 5 of this item; [or]

- 1 (iv) a retiree of the Teachers' Pension System who:
- 2 1. was employed as a principal within 5 years of retirement;
- 3 2. has verification of better than satisfactory performance in
4 the last assignment as a principal prior to retirement;
- 5 3. based on the retiree's qualifications, has been hired as a
6 principal;
- 7 4. A. retired with a normal service retirement allowance
8 under § 23-401 of this subtitle; or
- 9 B. retired with an early service retirement allowance under §
10 23-402 of this subtitle and has been retired for at least 12 months;
- 11 5. receives verification of better than satisfactory
12 performance each year the retiree is employed as a principal under item 3 of this
13 item; and
- 14 6. is not employed as a principal under item 3 of this item for
15 more than 4 years; OR
- 16 (V) AN INDIVIDUAL WHO HAS BEEN RETIRED FOR MORE THAN 10
17 YEARS.
- 18 [(2)] (3) The Board of Trustees shall reduce an individual's allowance:
- 19 (i) by the amount that the sum of the individual's initial annual
20 basic allowance and the individual's annual compensation exceeds the average final
21 compensation used to compute the basic allowance; or
- 22 (ii) for a retiree who retired under the Workforce Reduction Act
23 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual
24 compensation and the retiree's annual basic allowance at the time of retirement,
25 including the incentive provided by the Workforce Reduction Act, exceeds the average
26 final compensation used to compute the basic allowance.
- 27 (c) An individual who is receiving a service retirement allowance or a vested
28 allowance and who is reemployed by a participating employer may not receive
29 creditable service or eligibility service during the period of reemployment.
- 30 (d) The individual's compensation during the period of reemployment may not
31 be subject to the employer pickup provisions of § 21-303 of this article or any
32 reduction or deduction as a member contribution for pension or retirement purposes.
- 33 (e) The State Retirement Agency shall institute appropriate reporting
34 procedures with the affected payroll systems to ensure compliance with this section.
- 35 (f) (1) Immediately on the employment of any individual receiving a service
36 retirement allowance or a vested allowance, a participating employer shall notify the

1 State Retirement Agency of the type of employment and the anticipated earnings of
2 the individual.

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

7 (g) The county boards of education shall notify the State Retirement Agency of
8 any retired teachers who qualify under subsection [(b)(1)(iii)] (B)(2)(III) of this section
9 or any personnel who qualify under subsection [(b)(1)(iv)] (B)(2)(IV) of this section.

10 (h) The State Board of Education shall notify the county boards of education
11 of:

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

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

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

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

21 (i) In addition to any regulations adopted in accordance with § 6-202 of the
22 Education Article, the State Board of Education shall adopt regulations concerning
23 the employment terms of retired teachers and personnel described in subsection
24 [(b)(1)(iv)] (B)(2)(IV) of this section.

25 (J) AT THE REQUEST OF THE STATE RETIREMENT AGENCY, A PARTICIPATING
26 EMPLOYER OR PRINCIPAL UNIT OF STATE GOVERNMENT SHALL CERTIFY TO THE
27 STATE RETIREMENT AGENCY THAT IT IS NOT THE SAME PARTICIPATING EMPLOYER
28 OR PRINCIPAL UNIT OF STATE GOVERNMENT THAT EMPLOYED AN INDIVIDUAL AT
29 THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT BEFORE
30 THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR
31 VESTED ALLOWANCE.

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