

SENATE BILL 221

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K4

2001 Regular Session
11r1050

By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 24, 2001

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2001

CHAPTER _____

1 AN ACT concerning

2 ~~Employees' and Teachers' Pensions and Retirement Systems State~~
3 Retirement and Pension System - Reemployment of Retirees

4 FOR the purpose of exempting from a certain offset of a ~~retirement~~ an allowance
5 certain retirees of, and individuals receiving a vested allowance from, the
6 ~~employees' and teachers' retirement systems or the employees' and teachers'~~
7 ~~pension systems~~ Employees' Retirement System, Teachers' Retirement System,
8 Employees' Pension System, Teachers' Pension System, or Correctional Officers'
9 Retirement System who are reemployed by certain employers; altering certain
10 requirements for the reemployment of certain retirees of certain retirement and
11 pension systems in the State Retirement and Pension System; exempting from a
12 certain offset of a retirement allowance certain retirees of the employees' and
13 teachers' pension systems who have been retired for a certain period of time;
14 requiring certain employers to provide certain information to the State
15 Retirement Agency; providing for the termination of certain provisions of this
16 Act; and generally relating to the reemployment of retirees of ~~the employees' and~~
17 ~~teachers' retirement systems and the employees' and teachers' pension systems,~~
18 and individuals receiving a vested allowance from, certain retirement and
19 pension systems in the State Retirement and Pension System.

20 BY repealing and reenacting, without amendments,
21 Article - State Personnel and Pensions
22 Section 21-304
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 2000 Supplement)

25 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions
2 Section 22-406 ~~and~~ 23-407, and 25-403
3 Annotated Code of Maryland
4 (1997 Replacement Volume and 2000 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article - State Personnel and Pensions
7 Section 22-406(b)(2)(vi)5. and (vii)2. and 23-407(b)(2)(iv)5. and (v)
8 Annotated Code of Maryland
9 (1997 Replacement Volume and 2000 Supplement)
10 (As enacted by Section 1 of this Act)

11 BY adding to
12 Article - State Personnel and Pensions
13 Section 22-406(b)(2)(viii) and (k) and 23-407(b)(2)(vi) and (k)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2000 Supplement)
16 (As enacted by Section 1 of this Act)

17 BY repealing and reenacting, with amendments,
18 Chapter 353 of the Acts of the General Assembly of 1996
19 Section 3

20 BY repealing and reenacting, with amendments,
21 Chapter 736 of the Acts of the General Assembly of 1997
22 Section 3

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

25 **Article - State Personnel and Pensions**

26 21-304.

27 (a) In this section, "State member" does not include a member on whose behalf
28 a participating governmental unit is required to make an employer contribution
29 under § 21-305 or § 21-306 of this subtitle.

30 (b) (1) Each fiscal year, on behalf of the State members of each State system,
31 the State shall pay to the appropriate accumulation fund an amount equal to or
32 greater than the product of multiplying:

33 (i) the aggregate annual earnable compensation of the State
34 members of that State system; and

1 (ii) the sum of the normal contribution rate and the accrued
2 liability contribution rate, as determined under this section.

3 (2) The amount determined under paragraph (1) of this subsection for
4 each State system shall be based on an actuarial determination of the amounts that
5 are required to preserve the integrity of the funds of the several systems using:

6 (i) the entry-age actuarial cost method; and

7 (ii) actuarial assumptions adopted by the Board of Trustees.

8 (3) For the purpose of making the determinations required under this
9 section:

10 (i) the Employees' Retirement System and the Employees' Pension
11 System shall be considered together as one State system; and

12 (ii) the Teachers' Retirement System and the Teachers' Pension
13 System shall be considered together as one State system.

14 (c) (1) As part of each actuarial valuation, the actuary shall determine the
15 normal contributions, net of member contributions, on account of the State members
16 of each State system.

17 (2) For each State system, the normal contribution rate equals the
18 fraction that has:

19 (i) as its numerator, the sum of the normal contributions
20 determined under this subsection; and

21 (ii) as its denominator, the aggregate annual earnable
22 compensation of the State members of the State system.

23 (d) (1) For each State system, the accrued liability contribution rate shall be
24 computed as the percent of the aggregate annual earnable compensation of the State
25 members of that State system that is sufficient to liquidate over 40 years beginning
26 July 1, 1980, the amount, as of June 30, 1980, by which the total liabilities of that
27 State system on account of State members exceeded the sum of:

28 (i) the assets of the accumulation fund and the annuity savings
29 fund of that State system, other than assets to the credit of the participating
30 governmental units; and

31 (ii) the present value of future normal contributions and future
32 member contributions to that State system on behalf of or by State members.

33 (2) On the recommendation of the actuary, the Board of Trustees may
34 adjust the accrued liability contribution rates to reflect, over the greater of 15 years or
35 the time remaining to amortize the accrued liability:

36 (i) experience gains and losses; and

1 (ii) the effect of changes in actuarial assumptions.

2 (3) Except as provided in paragraphs (4) and (5) of this subsection, if the
 3 accrued liability is increased by legislation enacted after July 1, 1980, the additional
 4 liability shall be funded over 30 years beginning on July 1 coincident with or next
 5 following the effective date of the increase.

6 (4) If the accrued liability is increased by legislation that provides for
 7 early retirement of State employees, the additional liability shall be funded over a
 8 period of 5 years beginning on:

9 (i) July 1, 1997 for legislation effective June 1, 1996; and

10 (ii) July 1, 1998 for legislation effective June 1, 1997.

11 (5) If the accrued liability is increased by legislation effective July 1,
 12 1998, that provides for changes in the method of computing the retirement allowance
 13 of members of the Employees' Pension System or the Teachers' Pension System, the
 14 additional liability shall be funded over a period of 20 years beginning on July 1,
 15 1999.

16 (6) If the accrued liability is increased by legislation effective June 1,
 17 1998, that provides for the early retirement of employees of the University System of
 18 Maryland who are members of the Employees' Pension System or the Employees'
 19 Retirement System, the additional liability shall be determined by the actuary and
 20 funded over a period of 5 years beginning on July 1, 1999 by payment of an annual
 21 accrued liability contribution by the University System of Maryland and the Medical
 22 System as provided in § 21-307(i) and (j) of this subtitle.

23 22-406.

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

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

30 (2) ~~of the compensation that the individual will receive~~

31 (1) THE INDIVIDUAL IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES
 32 OF THE INDIVIDUAL'S INTENTION TO ACCEPT THIS EMPLOYMENT;

33 (2) THE INDIVIDUAL SPECIFIES THE COMPENSATION TO BE RECEIVED;
 34 AND

35 (3) THE INDIVIDUAL:

1 (I) IS RECEIVING A NORMAL SERVICE RETIREMENT ALLOWANCE
 2 UNDER § 22-401 OF THIS SUBTITLE;

3 (II) IS RECEIVING AN EARLY SERVICE RETIREMENT ALLOWANCE
 4 UNDER § 22-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT LEAST 12
 5 MONTHS PRIOR TO BECOMING REEMPLOYED; OR

6 (III) IS RECEIVING A VESTED ALLOWANCE UNDER § 29-302 OF THIS
 7 ARTICLE.

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

10 (I) WHOSE CURRENT EMPLOYER IS A PARTICIPATING EMPLOYER
 11 OTHER THAN THE STATE AND IS THE SAME PARTICIPATING EMPLOYER THAT
 12 EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION
 13 FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL
 14 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
 15 ALLOWANCE; OR

16 (II) A WHOSE CURRENT EMPLOYER IS ANY UNIT OF STATE
 17 GOVERNMENT ~~THAT IS THE SAME UNIT OF STATE GOVERNMENT THAT EMPLOYED~~
 18 ~~THE INDIVIDUAL~~ AND WHOSE EMPLOYER AT THE TIME OF THE INDIVIDUAL'S LAST
 19 SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE INDIVIDUAL
 20 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
 21 ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.

22 [(1)] (2) This subsection does not apply to:

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

24 (ii) an individual whose average final compensation was less than
 25 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

1 ~~B.~~ ~~retired with an early service retirement allowance under §~~
2 ~~22-402 of this subtitle and has been retired for at least 12 months;~~

3 ~~5.~~ 4. 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.~~ 5. is not employed as a principal under item 3 of this
7 item for more than 4 years; or

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

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

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

13 [(2)] (3) 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)] (B)(2)(V) of this section or
3 any personnel who qualify under subsection [(b)(1)(vi)] (B)(2)(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)] (B)(2)(VI) of this section.

19 (J) ~~AT THE REQUEST OF THE STATE RETIREMENT AGENCY; A PARTICIPATING~~
20 ~~EMPLOYER OR PRINCIPAL UNIT OF STATE GOVERNMENT SHALL CERTIFY TO THE~~
21 ~~STATE RETIREMENT AGENCY THAT IT IS NOT THE SAME PARTICIPATING EMPLOYER~~
22 ~~OR PRINCIPAL UNIT OF STATE GOVERNMENT THAT EMPLOYED AN INDIVIDUAL AT~~
23 ~~THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT BEFORE~~
24 ~~THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR~~
25 ~~VESTED ALLOWANCE.~~

26 (1) A PARTICIPATING EMPLOYER SHALL CERTIFY TO THE STATE
27 RETIREMENT AGENCY THAT IT IS NOT THE SAME PARTICIPATING EMPLOYER THAT
28 EMPLOYED AN INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION
29 FROM EMPLOYMENT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE
30 RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE; OR

31 (2) A UNIT OF STATE GOVERNMENT SHALL CERTIFY TO THE STATE
32 RETIREMENT AGENCY THAT THE INDIVIDUAL WAS NOT EMPLOYED BY ANY UNIT OF
33 STATE GOVERNMENT AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM
34 EMPLOYMENT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE
35 RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE.

36 23-407.

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

3 (1) the individual immediately notifies the Board of Trustees of the
4 individual's intention to accept this employment; ~~and~~

5 (2) the individual specifies the compensation to be received; AND

6 (3) THE INDIVIDUAL:

7 (I) IS RECEIVING A NORMAL SERVICE RETIREMENT ALLOWANCE
8 UNDER § 23-401 OF THIS SUBTITLE;

9 (II) IS RECEIVING AN EARLY SERVICE RETIREMENT ALLOWANCE
10 OR AN EARLY VESTED ALLOWANCE COMPUTED UNDER § 23-402 OF THIS SUBTITLE
11 AND HAS BEEN RECEIVING THE ALLOWANCE FOR AT LEAST 12 MONTHS PRIOR TO
12 BECOMING REEMPLOYED; OR

13 (III) IS RECEIVING A VESTED ALLOWANCE UNDER § 29-303 OF THIS
14 ARTICLE THAT BEGINS AT NORMAL RETIREMENT AGE.

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

17 (I) WHOSE CURRENT EMPLOYER IS A PARTICIPATING EMPLOYER
18 OTHER THAN THE STATE AND IS THE SAME PARTICIPATING EMPLOYER THAT
19 EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION
20 FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE INDIVIDUAL
21 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
22 ALLOWANCE; OR

23 (II) A WHOSE CURRENT EMPLOYER IS ANY UNIT OF STATE
24 GOVERNMENT THAT IS THE SAME UNIT OF STATE GOVERNMENT THAT EMPLOYED
25 THE INDIVIDUAL AND WHOSE EMPLOYER AT THE TIME OF THE INDIVIDUAL'S LAST
26 SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE INDIVIDUAL
27 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
28 ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.

29 [(1)] (2) This subsection does not apply to:

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

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

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

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

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. 4.~~ 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. 5.~~ is not employed as a principal under item 3 of this
7 item for more than 4 years; OR

8 (V) AN INDIVIDUAL WHO HAS BEEN RETIRED FOR MORE THAN 10
9 YEARS.

10 [(2)] (3) The Board of Trustees shall reduce an individual's allowance:

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

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

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

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

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

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

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

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

1 (h) The State Board of Education shall notify the county boards of education
2 of:

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

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

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

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

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

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

23 (1) A PARTICIPATING EMPLOYER SHALL CERTIFY TO THE STATE
24 RETIREMENT AGENCY THAT IT IS NOT THE SAME PARTICIPATING EMPLOYER THAT
25 EMPLOYED AN INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION
26 FROM EMPLOYMENT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE
27 RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE; OR

28 (2) A UNIT OF STATE GOVERNMENT SHALL CERTIFY TO THE STATE
29 RETIREMENT AGENCY THAT THE INDIVIDUAL WAS NOT EMPLOYED BY ANY UNIT OF
30 STATE GOVERNMENT AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM
31 EMPLOYMENT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE
32 RETIREMENT ALLOWANCE OR A VESTED ALLOWANCE.

33 25-403.

34 (a) Subject to subsection (b) of this section, an individual who is receiving a
35 service retirement allowance or vested allowance may accept employment with a
36 participating employer on a permanent, temporary, or contractual basis, without any
37 reduction in the allowance, if the individual immediately notifies the Board of
38 Trustees:

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

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

2 (b) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS
3 SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHOSE CURRENT EMPLOYER IS ANY
4 UNIT OF STATE GOVERNMENT AND WHOSE EMPLOYER AT THE TIME OF THE
5 INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH THE STATE BEFORE THE
6 INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR
7 VESTED ALLOWANCE WAS ALSO A UNIT OF STATE GOVERNMENT.

8 (2) This subsection does not apply to:

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

10 (ii) an individual whose average final compensation was less than
11 \$10,000 and who is reemployed on a temporary or contractual basis; or

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

15 (2) (3) The Board of Trustees shall reduce an individual's allowance by
16 the amount that the sum of the individual's initial annual basic allowance and the
17 individual's annual compensation exceeds the average final compensation used to
18 compute the basic allowance.

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

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

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

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

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

35 (G) AT THE REQUEST OF THE STATE RETIREMENT AGENCY, A UNIT OF STATE
36 GOVERNMENT SHALL CERTIFY TO THE STATE RETIREMENT AGENCY THAT THE
37 INDIVIDUAL WAS NOT EMPLOYED BY ANY UNIT OF STATE GOVERNMENT AT THE
38 TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT BEFORE THE

1 INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A
 2 VESTED ALLOWANCE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 4 read as follows:

5 **Article - State Personnel and Pensions**

6 22-406.

7 (b) (2) This subsection does not apply to:

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

9 5. is not employed as a principal under item 3 of this item for
 10 more than 4 years;[or]

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

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

14 (VIII) A RETIREE OF THE EMPLOYEES' RETIREMENT SYSTEM WHO IS
 15 REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND
 16 MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE
 17 HEALTH OCCUPATIONS ARTICLE, IN:

18 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF
 19 THE HEALTH - GENERAL ARTICLE;

20 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,
 21 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

22 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE
 23 HEALTH - GENERAL ARTICLE; OR

24 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,
 25 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

26 (K) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE
 27 STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION
 28 (B)(2)(VIII) OF THIS SECTION.

29 23-407.

30 (b) (2) This subsection does not apply to:

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

32 5. is not employed as a principal under item 3 of this item for
 33 more than 4 years; [or]

1 (v) an individual who has been retired for more than 10 years; OR

2 (VI) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM WHO IS
 3 REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND
 4 MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE
 5 HEALTH OCCUPATIONS ARTICLE IN:

6 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF
 7 THE HEALTH - GENERAL ARTICLE;

8 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,
 9 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

10 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE
 11 HEALTH - GENERAL ARTICLE; OR

12 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,
 13 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

14 (K) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE
 15 STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION
 16 (B)(2)(VI) OF THIS SECTION.

17 **Chapter 353 of the Acts of 1996**

18 SECTION 3. AND BE IT FURTHER ENACTED, That:

19 (1) THIS SECTION OF THIS ACT DOES NOT APPLY TO A RETIREE OF THE
 20 EMPLOYEES' RETIREMENT SYSTEM OR THE EMPLOYEES' PENSION SYSTEM WHO IS
 21 REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND
 22 MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE
 23 HEALTH OCCUPATIONS ARTICLE IN:

24 (I) A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF THE
 25 HEALTH - GENERAL ARTICLE;

26 (II) A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19, SUBTITLE 5
 27 OF THE HEALTH - GENERAL ARTICLE;

28 (III) A STATE FACILITY AS DEFINED IN § 10-101 OF THE HEALTH -
 29 GENERAL ARTICLE; OR

30 (IV) A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3, SUBTITLE 2
 31 OF THE HEALTH - GENERAL ARTICLE.

32 [(1)] (2) A retiree who retires under this Act may not become reemployed
 33 in a temporary or contractual position with the State, unless the reemployment is
 34 approved by:

1 (i) The Board of Public Works, for a position not in the Legislative
2 Branch of State government; or

3 (ii) The President of the Senate and Speaker of the House of
4 Delegates, for a position in the Legislative Branch of State government;

5 [(2)] (3) If a retiree who retires under this Act is reemployed in a
6 permanent, temporary, or contractual position with a participating employer, in
7 addition to any other reduction in the retiree's retirement allowance required under
8 State law, the retiree's retirement allowance shall be reduced by the amount it
9 exceeds the retirement allowance the retiree would otherwise have received;

10 [(3)] (4) No more than 2% of the total number of employees retiring
11 under this Act may be reemployed in a contractual or temporary position in any
12 branch of State government;

13 [(4)] (5) The Board of Public Works may not approve the reemployment
14 in a temporary or contractual position in the Executive Branch of State government of
15 an employee who retires under this Act, if that reemployment would result in more
16 than 2% of the retirees who retired under this Act being reemployed in a temporary or
17 contractual position with the State;

18 [(5)] (6) The President of the Senate and the Speaker of the House of
19 Delegates may not approve the reemployment in a temporary or contractual position
20 in the Legislative Branch of State government of an employee who retires under this
21 Act, if that reemployment would result in more than 2% of the retirees who retired
22 under this Act being reemployed in a temporary or contractual position with the
23 State;

24 [(6)] (7) The Department of Budget and Fiscal Planning shall review the
25 applications for reemployment as contractual or temporary employees under this Act
26 and shall advise the Board of Public Works if the reemployment of an individual will
27 cause the 2% limit under paragraph [(3)] (4) of this section of this Act to be exceeded;
28 and

29 [(7)] (8) The Department of Fiscal Services shall review the applications
30 for reemployment as contractual or temporary employees under this Act and shall
31 advise the President of the Senate and the Speaker of the House of Delegates if the
32 reemployment of an individual will cause the 2% limit under paragraph [(3)] (4) of
33 this section of this Act to be exceeded.

34 **Chapter 736 of the Acts of 1997**

35 **SECTION 3. AND BE IT FURTHER ENACTED, That:**

36 (1) **THIS SECTION OF THIS ACT DOES NOT APPLY TO A RETIREE OF THE**
37 **EMPLOYEES' RETIREMENT SYSTEM OR THE EMPLOYEES' PENSION SYSTEM WHO IS**
38 **REEMPLOYED ON A CONTRACTUAL BASIS BY THE DEPARTMENT OF HEALTH AND**
39 **MENTAL HYGIENE AS A HEALTH CARE PRACTITIONER, AS DEFINED IN § 1-301 OF THE**
40 **HEALTH OCCUPATIONS ARTICLE IN:**

1 (I) A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF THE
2 HEALTH - GENERAL ARTICLE;

3 (II) A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19, SUBTITLE 5
4 OF THE HEALTH - GENERAL ARTICLE;

5 (III) A STATE FACILITY AS DEFINED IN § 10-101 OF THE HEALTH -
6 GENERAL ARTICLE; OR

7 (IV) A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3, SUBTITLE 2
8 OF THE HEALTH - GENERAL ARTICLE.

9 [(1)] (2) A retiree who retires under this Act may not become reemployed
10 in a temporary or contractual position with the State, unless the reemployment is
11 approved by the Board of Public Works;

12 [(2)] (3) If a retiree who retires under this Act is reemployed in a
13 permanent, temporary, or contractual position with a participating employer, the
14 retiree's retirement allowance shall be reduced by the amount that the sum of the
15 retiree's annual compensation and the retiree's annual basic allowance at the time of
16 retirement, including the incentive provided by this Act, exceeds the average final
17 compensation used to compute the basic allowance;

18 [(3)] (4) No more than 2% of the total number of employees retiring
19 under this Act may be reemployed in a contractual or temporary position in any
20 branch of State government;

21 [(4)] (5) The Board of Public Works may not approve the reemployment
22 in a temporary or contractual position of an employee who retires under this Act, if
23 that reemployment would result in more than 2% of the retirees who retired under
24 this Act being reemployed in a temporary or contractual position with the State; and

25 [(5)] (6) The Department of Budget and Management shall review the
26 applications for reemployment as contractual or temporary employees under this Act
27 and shall advise the Board of Public Works if the reemployment of an individual will
28 cause the 2% limit under paragraph [(3)](4) of this section of this Act to be exceeded.

29 SECTION ~~2~~. 3. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2001. Section 2 of this Act shall remain effective for a period of 5 years
31 and, at the end of June 30, 2006, with no further action required by the General
32 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

