
By: **Delegate Rudolph**

Introduced and read first time: January 28, 2002

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of exempting from a certain offset of a retirement allowance retirees
5 of the Employees' Retirement System or the Employees' Pension System who are
6 employed as teachers under certain circumstances; requiring the county boards
7 of education to provide certain information to the State Retirement Agency;
8 requiring certain retirees to meet certain performance requirements for each
9 year of their reemployment as teachers; providing for the termination of this
10 Act; and generally relating to the reemployment of retirees of the Employees'
11 Retirement System or the Employees' Pension System who serve as teachers.

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 2001 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) An individual who is receiving a service retirement allowance or vested
22 allowance may accept employment with a participating employer on a permanent,
23 temporary, or contractual basis, 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) The Board of Trustees shall reduce the allowance of an individual
28 who accepts employment as provided under subsection (a) of this section if:

1 (i) the individual's current employer is a participating employer
2 other than the State and is the same participating employer that employed the
3 individual at the time of the individual's last separation from employment with a
4 participating employer before the individual commenced receiving a service
5 retirement allowance or vested allowance;

6 (ii) the individual's current employer is any unit of State
7 government and the individual's employer at the time of the individual's last
8 separation from employment with the State before the individual commenced
9 receiving a service retirement allowance or vested allowance was also a unit of State
10 government; or

11 (iii) the individual becomes reemployed within 12 months of
12 receiving an early service retirement allowance under § 22-402 of this subtitle.

13 (2) The reduction required under paragraph (1) of this subsection shall
14 equal:

15 (i) the amount by which the sum of the individual's initial annual
16 basic allowance and the individual's annual compensation exceeds the average final
17 compensation used to compute the basic allowance; or

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

23 (3) A reduction of an early service retirement allowance under paragraph
24 (1)(iii) of this subsection shall be applied only until the individual has received an
25 allowance for 12 months.

26 (4) Except for an individual whose allowance is subject to a reduction as
27 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an
28 allowance under this subsection does not apply to:

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

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

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

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

1 C. A CLASSROOM TEACHER OR TEACHER MENTOR IN A
2 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
4 BOARD OF EDUCATION FINDS THE SHORTAGE NO LONGER EXISTS IN THAT COUNTY
5 OR SUBJECT AREA ON A STATEWIDE BASIS; OR

6 D. A SUBSTITUTE CLASSROOM TEACHER OR SUBSTITUTE
7 TEACHER MENTOR IN A COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS IN
8 WHICH THE STATE BOARD OF EDUCATION FINDS THAT THERE IS A SHORTAGE OF
9 TEACHERS, UNTIL THE STATE BOARD OF EDUCATION FINDS THE SHORTAGE NO
10 LONGER EXISTS IN THAT COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS; AND

11 2. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
12 PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED UNDER ITEM 1 OF THIS
13 ITEM.

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

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

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

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

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

30 (g) The county boards of education shall notify the State Retirement Agency of
31 any retired teachers who qualify under subsection (b)(4)(v) of this section or any
32 personnel who qualify under subsection (b)(4)(vi) AND (IX) of this section.

33 (h) The State Board of Education shall notify the county boards of education
34 of:

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

37 (2) any public school that is no longer recommended for reconstitution or
38 is otherwise found to meet the standards for school performance set by the State
39 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)(4)(vi) of this section.

9 (j) If the retiree's last assignment prior to retirement was in a position
10 directly supervising principals as provided under subsection (b)(4)(vi) of this section,
11 the county boards of education shall verify for the State Retirement Agency the
12 retiree's employment as a supervisor and a principal.

13 (k) At the request of the State Retirement Agency:

14 (1) a participating employer shall certify to the State Retirement Agency
15 that it is not the same participating employer that employed an individual at the time
16 of the individual's last separation from employment before the individual commenced
17 receiving a service retirement allowance or a vested allowance; or

18 (2) a unit of State government shall certify to the State Retirement
19 Agency that the individual was not employed by any unit of State government at the
20 time of the individual's last separation from employment before the individual
21 commenced receiving a service retirement allowance or a vested allowance.

22 (l) The Department of Health and Mental Hygiene shall notify the State
23 Retirement Agency of any retirees who qualify under subsection (b)(4)(viii) of this
24 section.

25 23-407.

26 (a) An individual who is receiving a service retirement allowance or a vested
27 allowance may accept employment with a participating employer on a permanent,
28 temporary, or contractual basis, if:

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

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

32 (b) (1) The Board of Trustees shall reduce the allowance of an individual
33 who accepts employment as provided under subsection (a) of this section if:

34 (i) the individual's current employer is a participating employer
35 other than the State and is the same participating employer that employed the
36 individual at the time of the individual's last separation from employment with a

1 participating employer before the individual commenced receiving a service
2 retirement allowance or vested allowance;

3 (ii) the individual's current employer is any unit of State
4 government and the individual's employer at the time of the individual's last
5 separation from employment with the State before the individual commenced
6 receiving a service retirement allowance or vested allowance was also a unit of State
7 government; or

8 (iii) the individual becomes reemployed within 12 months of
9 receiving an early service retirement allowance or an early vested allowance
10 computed under § 23-402 of this subtitle.

11 (2) The reduction required under paragraph (1) of this subsection shall
12 equal:

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

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

21 (3) A reduction of an early service retirement allowance or an early
22 vested allowance under paragraph (1)(iii) of this subsection shall be applied only until
23 the individual has received an allowance for 12 months.

24 (4) Except for an individual whose allowance is subject to a reduction as
25 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an
26 allowance under this subsection does not apply to:

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

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

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

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

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

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

1 (vi) a retiree of the Employees' Pension System who is reemployed
 2 on a contractual basis by the Department of Health and Mental Hygiene as a health
 3 care practitioner, as defined in § 1-301 of the Health Occupations Article in:

- 4 1. a State residential center as defined in § 7-101 of the
 5 Health - General Article;
- 6 2. a chronic disease center subject to Title 19, Subtitle 5 of
 7 the Health - General Article;
- 8 3. a State facility as defined in § 10-101 of the Health -
 9 General Article; or
- 10 4. a county board of health subject to Title 3, Subtitle 2 of the
 11 Health - General Article; OR

12 (VII) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM WHO:

13 1. SUBJECT TO ITEM 2 OF THIS ITEM IS EMPLOYED AS:

14 A. A SUBSTITUTE CLASSROOM TEACHER OR SUBSTITUTE
 15 TEACHER MENTOR IN A PUBLIC SCHOOL THAT HAS BEEN RECOMMENDED FOR
 16 RECONSTITUTION, OR HAS BEEN RECONSTITUTED, BY THE STATE BOARD OF
 17 EDUCATION, UNTIL THE PUBLIC SCHOOL MEETS THE STANDARDS FOR SCHOOL
 18 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION;

19 B. A CLASSROOM TEACHER OR TEACHER MENTOR IN A
 20 PUBLIC SCHOOL THAT HAS BEEN RECOMMENDED FOR RECONSTITUTION, OR HAS
 21 BEEN RECONSTITUTED, BY THE STATE BOARD OF EDUCATION, UNTIL THE PUBLIC
 22 SCHOOL MEETS THE STANDARDS FOR SCHOOL PERFORMANCE SET BY THE STATE
 23 BOARD OF EDUCATION;

24 C. A CLASSROOM TEACHER OR TEACHER MENTOR IN A
 25 COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS IN WHICH THE STATE BOARD OF
 26 EDUCATION FINDS THAT THERE IS A SHORTAGE OF TEACHERS, UNTIL THE STATE
 27 BOARD OF EDUCATION FINDS THE SHORTAGE NO LONGER EXISTS IN THAT COUNTY
 28 OR SUBJECT AREA ON A STATEWIDE BASIS; OR

29 D. A SUBSTITUTE CLASSROOM TEACHER OR SUBSTITUTE
 30 TEACHER MENTOR IN A COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS IN
 31 WHICH THE STATE BOARD OF EDUCATION FINDS THAT THERE IS A SHORTAGE OF
 32 TEACHERS, UNTIL THE STATE BOARD OF EDUCATION FINDS THE SHORTAGE NO
 33 LONGER EXISTS IN THAT COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS; AND

34 2. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
 35 PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED UNDER ITEM 1 OF THIS
 36 ITEM.

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

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

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

9 (f) (1) Immediately on the employment of any individual receiving a service
10 retirement allowance or a vested allowance, a participating employer shall notify the
11 State Retirement Agency of the type of employment and the anticipated earnings of
12 the individual.

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

17 (g) The county boards of education shall notify the State Retirement Agency of
18 any retired teachers who qualify under subsection (b)(4)(iii) of this section or any
19 personnel who qualify under subsection (b)(4)(iv) AND (VII) of this section.

20 (h) The State Board of Education shall notify the county boards of education
21 of:

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

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

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

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

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

35 (j) If the retiree's last assignment prior to retirement was in a position
36 directly supervising principals as provided under subsection (b)(4)(iv) of this section,
37 the county boards of education shall verify for the State Retirement Agency the
38 retiree's employment as a supervisor and a principal.

1 (k) At the request of the State Retirement Agency:

2 (1) a participating employer shall certify to the State Retirement Agency
3 that it is not the same participating employer that employed an individual at the time
4 of the individual's last separation from employment before the individual commenced
5 receiving a service retirement allowance or a vested allowance; or

6 (2) a unit of State government shall certify to the State Retirement
7 Agency that the individual was not employed by any unit of State government at the
8 time of the individual's last separation from employment before the individual
9 commenced receiving a service retirement allowance or a vested allowance.

10 (l) The Department of Health and Mental Hygiene shall notify the State
11 Retirement Agency of any retirees who qualify under subsection (b)(4)(vi) of this
12 section.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2002. It shall remain effective for a period of 2 years and, at the end of June
15 30, 2004, with no further action required by the General Assembly, this Act shall be
16 abrogated and of no further force and effect.