
By: **Delegates Zirkin, Malone, and Morhaim**
Introduced and read first time: February 4, 2002
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Reemployment of Retired**
3 **Personnel - Reading Specialists**

4 FOR the purpose of exempting from a certain retirement allowance offset retirees of
5 the Teachers' Retirement System or the Teachers' Pension System who are
6 reemployed as reading specialists and meet certain requirements; requiring the
7 county boards of education to provide certain information to the State
8 Retirement Agency; requiring the State Board of Education to adopt certain
9 regulations; providing for the termination of this Act; and generally relating to
10 the reemployment of retirees of the Teachers' Retirement System or the
11 Teachers' Pension System who are reemployed as reading specialists.

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

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1 2. has verification of better than satisfactory performance for
2 each year as a principal and, if applicable, in a position supervising principals prior to
3 retirement;

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

6 4. receives verification of better than satisfactory
7 performance each year the retiree is employed as a principal under item 3 of this
8 item; and

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

11 (VII) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

12 1. WAS EMPLOYED AS A READING SPECIALIST WITHIN 5
13 YEARS OF RETIREMENT;

14 2. HAS VERIFICATION OF BETTER THAN SATISFACTORY
15 PERFORMANCE FOR EACH YEAR AS A READING SPECIALIST;

16 3. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
17 HIRED AS A READING SPECIALIST;

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

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

23 5. RECEIVES VERIFICATION OF BETTER THAN
24 SATISFACTORY PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A
25 PRINCIPAL UNDER ITEM 3 OF THIS ITEM; AND

26 6. IS NOT EMPLOYED AS A READING SPECIALIST UNDER
27 ITEM 3 OF THIS ITEM FOR MORE THAN 4 YEARS;

28 [(vii)] (VIII) a former employee of the Domestic Relations Division of
29 Anne Arundel County Circuit Court who transfers into the State Employees'
30 Personnel System under § 2-510 of the Courts Article; or

31 [(viii)] (IX) a retiree of the Employees' Retirement System who is
32 reemployed on a contractual basis by the Department of Health and Mental Hygiene
33 as a health care practitioner, as defined in § 1-301 of the Health Occupations Article,
34 in:

35 1. a State residential center as defined in § 7-101 of the
36 Health - General Article;

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

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

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

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

15 (f) (1) Immediately on the employment of any individual receiving a service
16 retirement allowance or a vested allowance, a participating employer shall notify the
17 State Retirement Agency of the type of employment and the anticipated earnings of
18 the individual.

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

23 (g) The county boards of education shall notify the State Retirement Agency of
24 any retired teachers who qualify under subsection (b)(4)(v) of this section or any
25 personnel who qualify under subsection (b)(4)(vi) AND (VII) of this section.

26 (h) The State Board of Education shall notify the county boards of education
27 of:

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

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

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

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

1 (i) In addition to any regulations adopted in accordance with § 6-202 of the
2 Education Article, the State Board of Education shall adopt regulations concerning
3 the employment terms of retired teachers and personnel described in subsection
4 (b)(4)(vi) AND (VII) of this section.

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

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

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

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

18 (l) The Department of Health and Mental Hygiene shall notify the State
19 Retirement Agency of any retirees who qualify under subsection [(b)(4)(viii)] (B)(4)(IX)
20 of this section.

21 23-407.

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

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

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

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

30 (i) the individual's current employer is a participating employer
31 other than the State and is the same participating employer that employed the
32 individual at the time of the individual's last separation from employment with a
33 participating employer before the individual commenced receiving a service
34 retirement allowance or vested allowance;

35 (ii) the individual's current employer is any unit of State
36 government and the individual's employer at the time of the individual's last
37 separation from employment with the State before the individual commenced

1 receiving a service retirement allowance or vested allowance was also a unit of State
2 government; or

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

6 (2) The reduction required under paragraph (1) of this subsection shall
7 equal:

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

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

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

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

22 (i) an individual whose average final compensation was less than
23 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

33 4. subject to item 5 of this item is employed as:

34 A. a substitute classroom teacher or substitute teacher
35 mentor in a public school that has been recommended for reconstitution, or has been

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

3 B. a classroom teacher or teacher mentor in a public school
4 that has been recommended for reconstitution, or has been reconstituted, by the State
5 Board of Education, until the public school meets the standards for school
6 performance set by the State Board of Education;

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

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

16 5. receives verification of satisfactory or better performance
17 each year the teacher is employed under item 4 of this item;

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

19 1. A. was employed as a principal within 5 years of
20 retirement; or

21 B. was employed as a principal not more than 10 years before
22 retirement and was employed in a position supervising principals in the retiree's last
23 assignment prior to retirement;

24 2. has verification of better than satisfactory performance for
25 each year as a principal and, if applicable, in a position supervising principals prior to
26 retirement;

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

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

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

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

35 1. WAS EMPLOYED AS A READING SPECIALIST WITHIN 5
36 YEARS OF RETIREMENT;

1 2. HAS VERIFICATION OF BETTER THAN SATISFACTORY
2 PERFORMANCE FOR EACH YEAR AS A READING SPECIALIST;

3 3. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
4 HIRED AS A READING SPECIALIST;

5 4. RECEIVES VERIFICATION OF BETTER THAN
6 SATISFACTORY PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A
7 PRINCIPAL UNDER ITEM 3 OF THIS ITEM; AND

8 5. IS NOT EMPLOYED AS A READING SPECIALIST UNDER
9 ITEM 3 OF THIS ITEM FOR MORE THAN 4 YEARS;

10 [(v)] (VI) an individual who has been retired for more than 10 years;
11 or

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

16 1. a State residential center as defined in § 7-101 of the
17 Health - General Article;

18 2. a chronic disease center subject to Title 19, Subtitle 5 of
19 the Health - General Article;

20 3. a State facility as defined in § 10-101 of the Health -
21 General Article; or

22 4. a county board of health subject to Title 3, Subtitle 2 of the
23 Health - General Article.

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

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

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

32 (f) (1) Immediately on the employment of any individual receiving a service
33 retirement allowance or a vested allowance, a participating employer shall notify the
34 State Retirement Agency of the type of employment and the anticipated earnings of
35 the individual.

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

5 (g) The county boards of education shall notify the State Retirement Agency of
6 any retired teachers who qualify under subsection (b)(4)(iii) of this section or any
7 personnel who qualify under subsection (b)(4)(iv) OR (V) of this section.

8 (h) The State Board of Education shall notify the county boards of education
9 of:

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

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

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

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

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

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

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

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

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

36 (l) The Department of Health and Mental Hygiene shall notify the State
37 Retirement Agency of any retirees who qualify under subsection [(b)(4)(vi)] (B)(4)(VII)
38 of this section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2002. It shall remain effective for a period of 2 years and, at the end of June
3 30, 2004, with no further action required by the General Assembly, this Act shall be
4 abrogated and of no further force and effect.