
By: **Delegates Zirkin, Malone, and Morhaim**
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Assigned to: Appropriations

Committee Report: Favorable
House action: Adopted
Read second time: March 22, 2002

CHAPTER _____

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:

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

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

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

6 (i) the individual's current employer is a participating employer
7 other than the State and is the same participating employer that employed the
8 individual at the time of the individual's last separation from employment with a
9 participating employer before the individual commenced receiving a service
10 retirement allowance or vested allowance;

11 (ii) the individual's current employer is any unit of State
12 government and the individual's employer at the time of the individual's last
13 separation from employment with the State before the individual commenced
14 receiving a service retirement allowance or vested allowance was also a unit of State
15 government; or

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

18 (2) The reduction required under paragraph (1) of this subsection shall
19 equal:

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

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

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

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

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

35 (ii) an individual whose average final compensation was less than
36 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

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

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

20 B. a classroom teacher or teacher mentor in a public school
21 that has been recommended for reconstitution, or has been reconstituted, by the State
22 Board of Education, until the public school meets the standards for school
23 performance set by the State Board of Education;

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

28 D. a substitute classroom teacher or substitute teacher
29 mentor in a county or subject area on a statewide basis in which the State Board of
30 Education finds that there is a shortage of teachers, until the State Board of
31 Education finds the shortage no longer exists in that county or subject area on a
32 statewide basis; and

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

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

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1
2 retirement; or

3 1. A. was employed as a principal within 5 years of

4 B. was employed as a principal not more than 10 years before

5 retirement and was employed in a position supervising principals in the retiree's last

6 2. has verification of better than satisfactory performance for

7 each year as a principal and, if applicable, in a position supervising principals prior to

8 retirement;

9 3. based on the retiree's qualifications, has been hired as a

10 principal;

11 4. 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 5. is not employed as a principal under item 3 of this item for

15 more than 4 years;

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

17 1. WAS EMPLOYED AS A READING SPECIALIST WITHIN 5

18 YEARS OF RETIREMENT;

19 2. HAS VERIFICATION OF BETTER THAN SATISFACTORY

20 PERFORMANCE FOR EACH YEAR AS A READING SPECIALIST;

21 3. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN

22 HIRED AS A READING SPECIALIST;

23 4. A. RETIRED WITH A NORMAL SERVICE RETIREMENT

24 ALLOWANCE UNDER § 22-401 OF THIS SUBTITLE; OR

25 B. RETIRED WITH AN EARLY SERVICE RETIREMENT

26 ALLOWANCE UNDER § 22-402 OF THIS SUBTITLE AND HAS BEEN RETIRED FOR AT

27 LEAST 12 MONTHS;

28 5. RECEIVES VERIFICATION OF BETTER THAN

29 SATISFACTORY PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A

30 PRINCIPAL UNDER ITEM 3 OF THIS ITEM; AND

31 6. IS NOT EMPLOYED AS A READING SPECIALIST UNDER

32 ITEM 3 OF THIS ITEM FOR MORE THAN 4 YEARS;

33 [(vii)] (VIII) a former employee of the Domestic Relations Division of

34 Anne Arundel County Circuit Court who transfers into the State Employees'

35 Personnel System under § 2-510 of the Courts Article; or

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

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

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

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

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

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

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

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

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

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

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)(4)(vi) AND (VII) of this section.

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

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

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

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

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

28 23-407.

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

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

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

35 (b) (1) The Board of Trustees shall reduce the allowance of an individual
36 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 or an early vested allowance
13 computed under § 23-402 of this subtitle.

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

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

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

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

27 (4) Except for an individual whose allowance is subject to a reduction as
28 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an
29 allowance under 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;

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

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

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

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

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

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

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

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

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

24 1. A. was employed as a principal within 5 years of
25 retirement; or

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

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

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

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

1 is not employed as a principal under item 3 of this item for
2 more than 4 years;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (h) The State Board of Education shall notify the county boards of education
13 of:

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

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

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

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

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

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

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

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

36 (2) a unit of State government shall certify to the State Retirement
37 Agency that the individual was not employed by any unit of State government at the

1 time of the individual's last separation from employment before the individual
2 commenced receiving a service retirement allowance or a vested allowance.

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

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2002. It shall remain effective for a period of 2 years and, at the end of June
8 30, 2004, with no further action required by the General Assembly, this Act shall be
9 abrogated and of no further force and effect.