
By: **Delegate W. Baker**
Introduced and read first time: March 1, 2002
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Committee Report: Favorable
House action: Adopted
Read second time: March 27, 2002

CHAPTER _____

1 AN ACT concerning

2 **Retirement and Pensions - Reemployment of Retirees**

3 FOR the purpose of exempting from a certain offset of a retirement allowance certain
4 retirees of the Employees' Retirement System, Employees' Pension System,
5 Teachers' Retirement System, or Teachers' Pension System who retired with a
6 certain number of years of service credit and are reemployed by a participating
7 employer of the State; and generally relating to the reemployment of retirees of
8 the Employees' Retirement System, Employees' Pension System, Teachers'
9 Retirement System, or Teachers' Pension System.

10 BY repealing and reenacting, with amendments,
11 Article - State Personnel and Pensions
12 Section 22-406 and 23-407
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2001 Supplement)

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

17 **Article - State Personnel and Pensions**

18 22-406.

19 (a) An individual who is receiving a service retirement allowance or vested
20 allowance may accept employment with a participating employer on a permanent,
21 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:

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

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

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

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

14 (g) The county boards of education shall notify the State Retirement Agency of
15 any retired teachers who qualify under subsection (b)(4)(v) of this section or any
16 personnel who qualify under subsection (b)(4)(vi) of this section.

17 (h) The State Board of Education shall notify the county boards of education
18 of:

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

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

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

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

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

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

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

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

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

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

12 23-407.

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

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

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

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

21 (i) the individual's current employer is a participating employer
22 other than the State and is the same participating employer that employed the
23 individual at the time of the individual's last separation from employment with a
24 participating employer before the individual commenced receiving a service
25 retirement allowance or vested allowance;

26 (ii) the individual's current employer is any unit of State
27 government and the individual's employer at the time of the individual's last
28 separation from employment with the State before the individual commenced
29 receiving a service retirement allowance or vested allowance was also a unit of State
30 government; or

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

34 (2) The reduction required under paragraph (1) of this subsection shall
35 equal:

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

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

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

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

12 (i) an individual whose average final compensation was less than
13 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

24 A. a substitute classroom teacher or substitute teacher
25 mentor in a public school that has been recommended for reconstitution, or has been
26 reconstituted, by the State Board of Education, until the public school meets the
27 standards for school performance set by the State Board of Education;

28 B. a classroom teacher or teacher mentor in a public school
29 that has been recommended for reconstitution, or has been reconstituted, by the State
30 Board of Education, until the public school meets the standards for school
31 performance set by the State Board of Education;

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

36 D. a substitute classroom teacher or substitute teacher
37 mentor in a county or subject area on a statewide basis in which the State Board of

1 Education finds that there is a shortage of teachers, until the State Board of
 2 Education finds the shortage no longer exists in that county or subject area on a
 3 statewide basis; and

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

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

7 1. A. was employed as a principal within 5 years of
 8 retirement; or

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

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

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

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

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

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

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

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

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

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

32 4. a county board of health subject to Title 3, Subtitle 2 of the
 33 Health - General Article; OR

34 (VII) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM OR THE
 35 TEACHERS' PENSION SYSTEM WHO RETIRED UNDER § 23-404 OF THIS SUBTITLE.

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) 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.