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# By: Senator Dorman

Introduced and read first time: January 16, 2002 Assigned to: Budget and Taxation

# A BILL ENTITLED

1 AN ACT concerning

2 3	Teachers' Retirement and Pension Systems - Reemployment of Retired Personnel
4 F	OR the purpose of exempting from a certain offset of a retirement allowance retirees
5	of the Teachers' Retirement System or the Teachers' Pension System who are
6	employed in certain personnel positions under certain circumstances; requiring
7	the county boards of education to provide certain information to the State
8	Retirement Agency; requiring certain retirees to meet certain performance
9	requirements for each year of their employment prior to retirement; requiring
10	the State Board of Education to adopt certain regulations; providing for the
11	termination of this Act; and generally relating to the reemployment of retirees of
12	the Teachers' Retirement System or the Teachers' Pension System who serve in
13	certain personnel positions.
14 E	3Y repealing and reenacting, with amendments,
15	Article - State Personnel and Pensions

16 Section 22-406 and 23-407

17 Annotated Code of Maryland

18 (1997 Replacement Volume and 2001 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

21 Article - State Personnel and Pensions

22 22-406.

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

26 (1) the individual immediately notifies the Board of Trustees of the 27 individual's intention to accept this employment; and

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

1 (b) The Board of Trustees shall reduce the allowance of an individual (1)2 who accepts employment as provided under subsection (a) of this section if: 3 (i) the individual's current employer is a participating employer 4 other than the State and is the same participating employer that employed the 5 individual at the time of the individual's last separation from employment with a 6 participating employer before the individual commenced receiving a service 7 retirement allowance or vested allowance; 8 (ii) the individual's current employer is any unit of State 9 government and the individual's employer at the time of the individual's last 10 separation from employment with the State before the individual commenced 11 receiving a service retirement allowance or vested allowance was also a unit of State 12 government; or 13 (iii) the individual becomes reemployed within 12 months of 14 receiving an early service retirement allowance under § 22-402 of this subtitle. 15 The reduction required under paragraph (1) of this subsection shall (2)16 equal: 17 the amount by which the sum of the individual's initial annual (i) 18 basic allowance and the individual's annual compensation exceeds the average final compensation used to compute the basic allowance; or 19 20 for a retiree who retired under the Workforce Reduction Act (ii) 21 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual 22 compensation and the retiree's annual basic allowance at the time of retirement, 23 including the incentive provided by the Workforce Reduction Act, exceeds the average 24 final compensation used to compute the basic allowance. 25 A reduction of an early service retirement allowance under paragraph (3) 26 (1)(iii) of this subsection shall be applied only until the individual has received an 27 allowance for 12 months. 28 (4)Except for an individual whose allowance is subject to a reduction as 29 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an 30 allowance under this subsection does not apply to: 31 (i) an individual who has been retired for more than 10 years; 32 an individual whose average final compensation was less than (ii) 33 \$10,000 and who is reemployed on a temporary or contractual basis; 34 (iii) an individual who is serving in an elected position as an official 35 of a participating governmental unit or as a constitutional officer for a county that is 36 a participating governmental unit;

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

1 2	employer other than the State	1. on or bef	who retired and was reemployed by a participating fore September 30, 1994; and			
3 4	or in part, from State funds;	2.	whose employment compensation does not derive, in whole			
5	(v)	a retiree	e of the Teachers' Retirement System who:			
6		1.	is or has been certified to teach in the State;			
7 8	the last assignment prior to ret	2. irement;	has verification of satisfactory or better performance in			
9 10	appointed in accordance with	3. § 4-103	based on the retired teacher's qualifications, has been of the Education Article;			
11		4.	subject to item 5 of this item is employed as:			
14	A. a substitute classroom teacher or substitute teacher mentor in a public school that has been recommended for reconstitution, or has been reconstituted, by the State Board of Education, until the public school meets the standards for school performance set by the State Board of Education;					
18	that has been recommended f	public sc	a classroom teacher or teacher mentor in a public school titution, or has been reconstituted, by the State shool meets the standards for school Education;			
22	subject area on a statewide ba there is a shortage of teachers	, until the	a classroom teacher or teacher mentor in a county or ich the State Board of Education finds that e State Board of Education finds the shortage ect area on a statewide basis; or			
26 27	Education finds that there is a	shortage	a substitute classroom teacher or substitute teacher a statewide basis in which the State Board of e of teachers, until the State Board of e exists in that county or subject area on a			
29 30	each year the teacher is emplo	5. byed unde	receives verification of satisfactory or better performance er item 4 of this item;			
31	(vi)	a retiree	e of the Teachers' Retirement System who:			
32 33	PRINCIPAL within 5 years o	1. f retirem	A. was employed as a principal OR ASSISTANT ent; or			
34		B.	was employed as a principal not more than 10 years before			

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

1 has verification of better than satisfactory performance for 2. 2 each year as a principal OR ASSISTANT PRINCIPAL and, if applicable, in a position 3 supervising principals prior to retirement; 4 WAS EMPLOYED AS A PRINCIPAL OR IN A POSITION 3. A. 5 SUPERVISING PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT, AND based on the 6 retiree's qualifications, has been hired as a principal; OR 7 WAS EMPLOYED AS AN ASSISTANT PRINCIPAL IN THE B. 8 RETIREE'S LAST ASSIGNMENT, AND BASED ON THE RETIREE'S QUALIFICATIONS, HAS 9 BEEN HIRED AS AN ASSISTANT PRINCIPAL; 10 4. receives verification of better than satisfactory 11 performance each year the retiree is employed as a principal OR ASSISTANT 12 PRINCIPAL under item 3 of this item; and 13 5. is not employed as a principal OR ASSISTANT PRINCIPAL 14 under item 3 of this item for more than 4 years; 15 a former employee of the Domestic Relations Division of Anne (vii) 16 Arundel County Circuit Court who transfers into the State Employees' Personnel 17 System under § 2-510 of the Courts Article; [or] 18 a retiree of the Employees' Retirement System who is (viii) 19 reemployed on a contractual basis by the Department of Health and Mental Hygiene 20 as a health care practitioner, as defined in § 1-301 of the Health Occupations Article, 21 in: 22 a State residential center as defined in § 7-101 of the 1. 23 Health - General Article; 24 2. a chronic disease center subject to Title 19, Subtitle 5 of 25 the Health - General Article: a State facility as defined in § 10-101 of the Health -26 3. 27 General Article; or a county board of health subject to Title 3, Subtitle 2 of the 28 4. 29 Health - General Article; OR 30 A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO: (IX) HAS VERIFICATION OF SATISFACTORY OR BETTER 31 1. 32 PERFORMANCE IN THE LAST ASSIGNMENT PRIOR TO RETIREMENT: 33 BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN 2. 34 HIRED AS A GUIDANCE COUNSELOR; OR

# 13.RECEIVES VERIFICATION OF SATISFACTORY OR BETTER2PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED IN A POSITION DESCRIBED3IN ITEM 2 OF THIS ITEM.

4 (c) An individual who is receiving a service retirement allowance or a vested 5 allowance and who is reemployed by a participating employer may not receive 6 creditable service or eligibility service during the period of reemployment.

7 (d) The individual's compensation during the period of reemployment may not 8 be subject to the employer pickup provisions of § 21-303 of this article or any 9 reduction or deduction as a member contribution for pension or retirement purposes.

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

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

16 (2) At least once each year, in a format specified by the State Retirement 17 Agency, each participating employer shall provide the State Retirement Agency with 18 a list of all employees included on any payroll of the employer, the Social Security 19 numbers of the employees, and their earnings for that year.

20 (g) The county boards of education shall notify the State Retirement Agency of 21 any retired teachers who qualify under subsection (b)(4)(v) of this section or any 22 personnel who qualify under subsection (b)(4)(v) OR (IX) of this section.

23 (h) The State Board of Education shall notify the county boards of education24 of:

25 (1) any public school that is recommended for reconstitution or has been 26 reconstituted;

27 (2) any public school that is no longer recommended for reconstitution or 28 is otherwise found to meet the standards for school performance set by the State

29 Board of Education after reconstitution or a recommendation for reconstitution;

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

32 (4) a finding that there is no longer a shortage of teachers in a county or 33 subject area on a statewide basis.

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

1 (j) If the retiree's last assignment prior to retirement was in a position 2 directly supervising principals as provided under subsection (b)(4)(vi) of this section, 3 the county boards of education shall verify for the State Retirement Agency the

4 retiree's employment as a supervisor and a principal.

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

6 (1) a participating employer shall certify to the State Retirement Agency 7 that it is not the same participating employer that employed an individual at the time 8 of the individual's last separation from employment before the individual commenced 9 receiving a service retirement allowance or a vested allowance; or

10 (2) a unit of State government shall certify to the State Retirement

11 Agency that the individual was not employed by any unit of State government at the

12 time of the individual's last separation from employment before the individual 13 commenced receiving a service retirement allowance or a vested allowance.

14 (1) The Department of Health and Mental Hygiene shall notify the State 15 Retirement Agency of any retirees who qualify under subsection (b)(4)(viii) of this 16 section.

17 23-407.

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

21 (1) the individual immediately notifies the Board of Trustees of the 22 individual's intention to accept this employment; and

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

24 (b) (1) The Board of Trustees shall reduce the allowance of an individual 25 who accepts employment as provided under subsection (a) of this section if:

26 (i) the individual's current employer is a participating employer

27 other than the State and is the same participating employer that employed the

28 individual at the time of the individual's last separation from employment with a

29 participating employer before the individual commenced receiving a service

30 retirement allowance or vested allowance;

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

35 government; or

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

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

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

for a retiree who retired under the Workforce Reduction Act 6 (ii) 7 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual 8 compensation and the retiree's annual basic allowance at the time of retirement, 9 including the incentive provided by the Workforce Reduction Act, exceeds the average 10 final compensation used to compute the basic allowance. 11 (3)A reduction of an early service retirement allowance or an early 12 vested allowance under paragraph (1)(iii) of this subsection shall be applied only until 13 the individual has received an allowance for 12 months. 14 (4)Except for an individual whose allowance is subject to a reduction as 15 provided under paragraphs (1)(iii) and (3) of this subsection, the reduction of an 16 allowance under this subsection does not apply to: an individual whose average final compensation was less than 17 (i) 18 \$10,000 and who is reemployed on a temporary or contractual basis; 19 (ii) an individual who is serving in an elected position as an official 20 of a participating governmental unit or as a constitutional officer for a county that is 21 a participating governmental unit; 22 a retiree of the Teachers' Pension System who: (iii) 23 1. is or has been certified to teach in the State; 24 2. has verification of satisfactory or better performance in 25 the last assignment prior to retirement; based on the retired teacher's qualifications, has been 26 3. appointed in accordance with § 4-103 of the Education Article; 27

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

A. a substitute classroom teacher or substitute teacher

30 mentor in a public school that has been recommended for reconstitution, or has been

31 reconstituted, by the State Board of Education, until the public school meets the

32 standards for school performance set by the State Board of Education;

B. a classroom teacher or teacher mentor in a public school
that has been recommended for reconstitution, or has been reconstituted, by the State
Board of Education, until the public school meets the standards for school

36 performance set by the State Board of Education;

1 C. a classroom teacher or teacher mentor in a county or 2 subject area on a statewide basis in which the State Board of Education finds that 3 there is a shortage of teachers, until the State Board of Education finds the shortage 4 no longer exists in that county or subject area on a statewide basis; or 5 D. a substitute classroom teacher or substitute teacher 6 mentor in a county or subject area on a statewide basis in which the State Board of 7 Education finds that there is a shortage of teachers, until the State Board of 8 Education finds the shortage no longer exists in that county or subject area on a 9 statewide basis; and 10 receives verification of satisfactory or better performance 5. 11 each year the teacher is employed under item 4 of this item; 12 (iv) a retiree of the Teachers' Pension System who: 13 1. A. was employed as a principal OR ASSISTANT 14 PRINCIPAL within 5 years of retirement; or 15 was employed as a principal not more than 10 years before B. 16 retirement and was employed in a position supervising principals in the retiree's last assignment prior to retirement; 17 18 has verification of better than satisfactory performance for 2. 19 each year as a principal OR ASSISTANT PRINCIPAL and, if applicable, in a position 20 supervising principals prior to retirement; 21 WAS EMPLOYED AS A PRINCIPAL OR IN A POSITION 3. A. 22 SUPERVISING PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT, AND based on the 23 retiree's qualifications, has been hired as a principal; OR 24 WAS EMPLOYED AS AN ASSISTANT PRINCIPAL IN THE Β. 25 RETIREE'S LAST ASSIGNMENT, AND BASED ON THE RETIREE'S QUALIFICATIONS, HAS 26 BEEN HIRED AS AN ASSISTANT PRINCIPAL; 27 4. receives verification of better than satisfactory 28 performance each year the retiree is employed as a principal OR ASSISTANT 29 PRINCIPAL under item 3 of this item; and 30 5. is not employed as a principal OR ASSISTANT PRINCIPAL 31 under item 3 of this item for more than 4 years; 32 (v) an individual who has been retired for more than 10 years; [or] 33 (vi) a retiree of the Employees' Pension System who is reemployed 34 on a contractual basis by the Department of Health and Mental Hygiene as a health 35 care practitioner, as defined in § 1-301 of the Health Occupations Article in: a State residential center as defined in § 7-101 of the 36 1. 37 Health - General Article:

1 2	the Health - General Article;	2.	a chronic disease center subject to Title 19, Subtitle 5 of			
3 4	General Article; or	3.	a State facility as defined in § 10-101 of the Health -			
5 6	Health - General Article; OR	4.	a county board of health subject to Title 3, Subtitle 2 of the			
7	(VII)	A RETI	REE OF THE TEACHERS' PENSION SYSTEM WHO:			
8 9	PERFORMANCE IN THE LA	1. AST ASS	HAS VERIFICATION OF SATISFACTORY OR BETTER IGNMENT PRIOR TO RETIREMENT;			
10 11	HIRED AS A GUIDANCE C	2. OUNSEI	BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN LOR; OR			
		3. AR THE	RECEIVES VERIFICATION OF SATISFACTORY OR BETTER RETIREE IS EMPLOYED IN A POSITION DESCRIBED			
	allowance and who is reemplo	oyed by a	iving a service retirement allowance or a vested participating employer may not receive during the period of reemployment.			
	be subject to the employer pic	kup prov	ation during the period of reemployment may not isions of § 21-303 of this article or any ntribution for pension or retirement purposes.			
21 22			ncy shall institute appropriate reporting stems to ensure compliance with this section.			
25	3 (f) (1) Immediately on the employment of any individual receiving a service 4 retirement allowance or a vested allowance, a participating employer shall notify the 5 State Retirement Agency of the type of employment and the anticipated earnings of 6 the individual.					
29	Agency, each participating en	nployer sl d on any	h year, in a format specified by the State Retirement hall provide the State Retirement Agency with payroll of the employer, the Social Security rnings for that year.			
	any retired teachers who quali	ify under	cation shall notify the State Retirement Agency of subsection (b)(4)(iii) of this section or any n (b)(4)(iv) OR (VII) of this section.			
34 35	(h) The State Board of:	of Educa	tion shall notify the county boards of education			

1 (1)any public school that is recommended for reconstitution or has been 2 reconstituted:

3 (2)any public school that is no longer recommended for reconstitution or 4 is otherwise found to meet the standards for school performance set by the State

5 Board of Education after reconstitution or a recommendation for reconstitution;

any county or subject area on a statewide basis in which the State 6 (3)7 Board of Education finds there is a shortage of teachers; and

8 a finding that there is no longer a shortage of teachers in a county or (4)subject area on a statewide basis. 9

10 (i) In addition to any regulations adopted in accordance with § 6-202 of the 11 Education Article, the State Board of Education shall adopt regulations concerning 12 the employment terms of retired teachers and personnel described in subsection 13 (b)(4)(iv) AND (VII) of this section.

14 If the retiree's last assignment prior to retirement was in a position (j) 15 directly supervising principals as provided under subsection (b)(4)(iv) of this section, 16 the county boards of education shall verify for the State Retirement Agency the 17 retiree's employment as a supervisor and a principal.

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

19 a participating employer shall certify to the State Retirement Agency (1)20 that it is not the same participating employer that employed an individual at the time 21 of the individual's last separation from employment before the individual commenced

22 receiving a service retirement allowance or a vested allowance; or

23 a unit of State government shall certify to the State Retirement (2)24 Agency that the individual was not employed by any unit of State government at the 25 time of the individual's last separation from employment before the individual 26 commenced receiving a service retirement allowance or a vested allowance.

27 (1)The Department of Health and Mental Hygiene shall notify the State 28 Retirement Agency of any retirees who qualify under subsection (b)(4)(vi) of this 29 section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 30

31 effect July 1, 2002. It shall remain effective for a period of 2 years and, at the end of 32 June 30, 2004, with no further action required by the General Assembly, this Act shall

33 be abrogated and of no further force and effect.