

SENATE BILL 8

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K4
HB 1087/03 - APP

2004 Regular Session
4r0640

(PRE-FILED)

By: **Senator Green**

Requested: September 25, 2003

Introduced and read first time: January 14, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Reemployment of Retired**
3 **Teachers - Sunset Extension**

4 FOR the purpose of altering the termination dates for certain provisions of law that
5 allow certain retirees of the Teachers' Retirement and Pension Systems to be
6 reemployed by certain employers without having an earnings limitation
7 imposed on their retirement benefit; and generally relating to an extension of
8 the termination dates for provisions of law that allow retirees of the Teachers'
9 Retirement and Pension Systems to be reemployed without an earnings
10 limitation imposed on their retirement benefit.

11 BY repealing and reenacting, without amendments,
12 Article - State Personnel and Pensions
13 Section 22-406 and 23-407
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, with amendments,
17 Chapter 518 of the Acts of the General Assembly of 1999
18 Section 3

19 BY repealing and reenacting, with amendments,
20 Chapter 245 of the Acts of the General Assembly of 2000
21 Section 3

22 BY repealing and reenacting, with amendments,
23 Chapter 732 of the Acts of the General Assembly of 2001
24 Section 2

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

Article - State Personnel and Pensions

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:

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

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

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

(i) the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service 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 government; or

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

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

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

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

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

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

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

5 (ii) an individual whose average final compensation was less than
6 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

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

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

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

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

34 D. a substitute classroom teacher or substitute teacher
35 mentor in a county or subject area on a statewide basis in which the State Board of
36 Education finds that there is a shortage of teachers, until the State Board of

1 Education finds the shortage no longer exists in that county or subject area on a
2 statewide basis; and

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

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

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

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

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

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

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

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

21 (vii) a former employee of the Domestic Relations Division of Anne
22 Arundel County Circuit Court who transfers into the State Employees' Personnel
23 System under § 2-510 of the Courts Article; or

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

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

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

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

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

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)(v) of this section or any
19 personnel who qualify under subsection (b)(4)(vi) 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)(vi) 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)(vi) 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)(viii) of this
12 section.

13 23-407.

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

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

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

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

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

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

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

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

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

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

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

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

15 (i) an individual whose average final compensation was less than
16 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

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

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

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

35 C. a classroom teacher or teacher mentor in a county or
36 subject area on a statewide basis in which the State Board of Education finds that

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

3 D. a substitute classroom teacher or substitute teacher
4 mentor in a county or subject area on a statewide basis in which the State Board of
5 Education finds that there is a shortage of teachers, until the State Board of
6 Education finds the shortage no longer exists in that county or subject area on a
7 statewide basis; and

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

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

11 1. A. was employed as a principal within 5 years of
12 retirement; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (i) In addition to any regulations adopted in accordance with § 6-202 of the
34 Education Article, the State Board of Education shall adopt regulations concerning
35 the employment terms of retired teachers and personnel described in subsection
36 (b)(4)(iv) 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)(iv) 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 (l) The Department of Health and Mental Hygiene shall notify the State
15 Retirement Agency of any retirees who qualify under subsection (b)(4)(vi) of this
16 section.

17

Chapter 518 of the Acts of 1999

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
19 effect July 1, 1999. It shall remain in effect for a period of [5] 9 years and, at the end
20 of June 30, [2004] 2008, with no further action required by the General Assembly, this
21 Act shall be terminated and of no further force and effect.

22

Chapter 245 of the Acts of 2000

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect July 1, 2000. It shall remain effective for a period of [4] 8 years and, at the end
25 of June 30, [2004] 2008, with no further action required by the General Assembly, this
26 Act shall be abrogated and of no further force and effect.

27

Chapter 732 of the Acts of 2001

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
29 effect July 1, 2001. It shall remain effective for a period of [3] 7 years and at the end
30 of June 30, [2004] 2008, with no further action required by the General Assembly, this
31 Act shall be abrogated and of no further force and effect.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
33 effect July 1, 2004.