
By: **Delegates Kach, Edwards, Haynes, James, and Kirk**

Introduced and read first time: January 31, 2005

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement System and Teachers' Pension System -**
3 **Reemployment of Retirees**

4 FOR the purpose of exempting certain retirees of the Teachers' Retirement System
5 and Teachers' Pension System from a certain earnings limitation; requiring that
6 certain retirees of the Teachers' Retirement System and Teachers' Pension
7 System become members of either the Teachers' Retirement System or Teachers'
8 Pension System under certain circumstances; requiring the Board of Trustees of
9 the State Retirement and Pension System to cancel the retirement allowances of
10 certain retirees of the Teachers' Retirement System and Teachers' Pension
11 System; requiring the Board of Trustees of the State Retirement and Pension
12 System to reinstate and adjust the retirement allowances of certain retirees of
13 the Teachers' Retirement System and Teachers' Pension System; restricting the
14 adjustments the Board of Trustees of the State Retirement and Pension System
15 may make to the retirement allowances of certain retirees of the Teachers'
16 Retirement System and Teachers' Pension System; requiring the county boards
17 of education to report certain information to the State Retirement Agency; and
18 generally relating to the reemployment of retirees of the Teachers' Retirement
19 System or the Teachers' Pension System.

20 BY repealing and reenacting, without amendments,
21 Article - State Personnel and Pensions
22 Section 22-406(a) and 23-407(a)
23 Annotated Code of Maryland
24 (2004 Replacement Volume)

25 BY repealing and reenacting, with amendments,
26 Article - State Personnel and Pensions
27 Section 22-406(b) and 23-407(b)
28 Annotated Code of Maryland
29 (2004 Replacement Volume)

30 BY adding to
31 Article - State Personnel and Pensions

1 Section 22-406.2 and 23-407.1
2 Annotated Code of Maryland
3 (2004 Replacement Volume)

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

6 **Article - State Personnel and Pensions**

7 22-406.

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

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

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

14 (b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
15 SUBSECTION AND § 22-406.2 OF THIS SUBTITLE, THE Board of Trustees shall reduce
16 the allowance of an individual who accepts employment as provided under subsection
17 (a) of this section if:

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

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

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

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

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

35 (ii) for a retiree who retired under the Workforce Reduction Act
36 (Chapter 353 of the Acts of 1996), the amount by which the sum of the retiree's annual
37 compensation and the retiree's annual basic allowance at the time of retirement,

1 including the incentive provided by the Workforce Reduction Act, exceeds the average
2 final compensation used to compute the basic allowance.

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

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

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

10 (ii) an individual whose average final compensation was less than
11 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

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

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

23 22-406.2.

24 (A) THIS SECTION ONLY APPLIES TO A RETIREE OF THE TEACHERS'
25 RETIREMENT SYSTEM WHO:

26 (1) (I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A
27 VESTED ALLOWANCE; OR

28 (II) IF RECEIVING AN EARLY SERVICE RETIREMENT ALLOWANCE
29 UNDER § 22-402 OF THIS SUBTITLE, HAS BEEN RETIRED FOR AT LEAST 12 MONTHS;

30 (2) ACCEPTS EMPLOYMENT WITH A PARTICIPATING EMPLOYER ON A
31 PERMANENT BASIS; AND

32 (3) ACCEPTS EMPLOYMENT WITH THE SAME PARTICIPATING EMPLOYER
33 THAT EMPLOYED THE RETIREE AT THE TIME OF THE RETIREE'S LAST SEPARATION
34 FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE RETIREE
35 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
36 ALLOWANCE.

1 (B) (1) ON ACCEPTING REEMPLOYMENT, A RETIREE DESCRIBED IN
2 SUBSECTION (A) OF THIS SECTION SHALL AGAIN BECOME A MEMBER OF THE
3 TEACHERS' RETIREMENT SYSTEM.

4 (2) AFTER THE RETIREE RETURNS TO SERVICE IN THE TEACHERS'
5 RETIREMENT SYSTEM, THE BOARD OF TRUSTEES SHALL CANCEL THE RETIREE'S
6 RETIREMENT ALLOWANCE.

7 (3) THE RETIREMENT ALLOWANCE PAYMENTS THAT ARE CANCELED
8 UNDER THIS SUBSECTION SHALL TERMINATE AFTER THE LAST DAY OF THE MONTH
9 PRECEDING THE DATE OF THE RETIREE'S RETURN TO SERVICE IN THE TEACHERS'
10 RETIREMENT SYSTEM.

11 (4) ALL PREVIOUS CREDITABLE SERVICE SHALL BE RESTORED TO THE
12 ACCOUNT OF THE RETIREE IN THE TEACHERS' RETIREMENT SYSTEM.

13 (5) (I) ON RECEIVING SATISFACTORY DOCUMENTATION THAT THE
14 RETIREE IS NO LONGER EMPLOYED BY A PARTICIPATING EMPLOYER, THE BOARD OF
15 TRUSTEES SHALL REINSTATE THE RETIREE'S ALLOWANCE.

16 (II) PRIOR TO REINSTATING THE RETIREE'S ALLOWANCE, THE
17 BOARD OF TRUSTEES SHALL ADJUST THE RETIREE'S ALLOWANCE TO INCLUDE ANY
18 ADDITIONAL CREDITABLE SERVICE ACCRUED UNDER THIS SUBSECTION.

19 (III) THE RETIREE'S ADJUSTED ALLOWANCE DOES NOT INCLUDE
20 ACCUMULATED COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE
21 WAS CANCELED.

22 (C) THE COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE
23 RETIREMENT AGENCY OF ANY RETIRED TEACHER WHO IS REEMPLOYED AND
24 RETURNS TO SERVICE IN THE TEACHERS' RETIREMENT SYSTEM.

25 23-407.

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

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

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

32 (b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
33 SUBSECTION AND § 23-407.1 OF THIS SUBTITLE, THE Board of Trustees shall reduce
34 the allowance of an individual who accepts employment as provided under subsection
35 (a) of this section if:

36 (i) the individual's current employer is a participating employer
37 other than the State and is the same participating employer that employed the

1 individual at the time of the individual's last separation from employment with a
2 participating employer before the individual commenced receiving a service
3 retirement allowance or vested allowance;

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

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

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

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

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

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

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

28 (i) an individual whose average final compensation was less than
29 \$10,000 and who is reemployed on a temporary or contractual basis;

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

33 (iii) an individual who has been retired for more than 10 years.

34 23-407.1.

35 (A) THIS SECTION ONLY APPLIES TO A RETIREE OF THE TEACHERS' PENSION
36 SYSTEM WHO:

1 (1) (I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE OR A
2 VESTED ALLOWANCE; OR

3 (II) IF RECEIVING AN EARLY SERVICE RETIREMENT ALLOWANCE
4 UNDER § 23-402 OF THIS SUBTITLE, HAS BEEN RETIRED FOR AT LEAST 12 MONTHS;

5 (2) ACCEPTS EMPLOYMENT WITH A PARTICIPATING EMPLOYER ON A
6 PERMANENT BASIS; AND

7 (3) ACCEPTS EMPLOYMENT WITH THE SAME PARTICIPATING EMPLOYER
8 THAT EMPLOYED THE RETIREE AT THE TIME OF THE RETIREE'S LAST SEPARATION
9 FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER BEFORE THE RETIREE
10 COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE OR VESTED
11 ALLOWANCE.

12 (B) (1) ON ACCEPTING REEMPLOYMENT, A RETIREE DESCRIBED IN
13 SUBSECTION (A) OF THIS SECTION SHALL AGAIN BECOME A MEMBER OF THE
14 TEACHERS' PENSION SYSTEM.

15 (2) AFTER THE RETIREE RETURNS TO SERVICE IN THE TEACHERS'
16 PENSION SYSTEM, THE BOARD OF TRUSTEES SHALL CANCEL THE RETIREE'S
17 RETIREMENT ALLOWANCE.

18 (3) THE RETIREMENT ALLOWANCE PAYMENTS THAT ARE CANCELED
19 UNDER THIS SUBSECTION SHALL TERMINATE AFTER THE LAST DAY OF THE MONTH
20 PRECEDING THE DATE OF THE RETIREE'S RETURN TO SERVICE IN THE TEACHERS'
21 PENSION SYSTEM.

22 (4) ALL PREVIOUS CREDITABLE SERVICE SHALL BE RESTORED TO THE
23 ACCOUNT OF THE RETIREE IN THE TEACHERS' PENSION SYSTEM.

24 (5) (I) ON RECEIVING SATISFACTORY DOCUMENTATION THAT THE
25 RETIREE IS NO LONGER EMPLOYED BY A PARTICIPATING EMPLOYER, THE BOARD OF
26 TRUSTEES SHALL REINSTATE THE RETIREE'S ALLOWANCE.

27 (II) PRIOR TO REINSTATING THE RETIREE'S ALLOWANCE, THE
28 BOARD OF TRUSTEES SHALL ADJUST THE RETIREE'S ALLOWANCE TO INCLUDE ANY
29 ADDITIONAL CREDITABLE SERVICE ACCRUED UNDER THIS SUBSECTION.

30 (III) THE RETIREE'S ADJUSTED ALLOWANCE DOES NOT INCLUDE
31 ACCUMULATED COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE
32 WAS CANCELED.

33 (C) THE COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE
34 RETIREMENT AGENCY OF ANY RETIRED TEACHER WHO IS REEMPLOYED AND
35 RETURNS TO SERVICE IN THE TEACHERS' PENSION SYSTEM.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 July 1, 2005.