
By: **Senator Kasemeyer**

Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

A BILL ENTITLED

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; providing the
 6 criteria for hiring certain retirees of the Employees' Retirement System,
 7 Employees' Pension System, the Teachers' Retirement System, or the Teachers'
 8 Pension System; providing that certain retirees of the Employees' Retirement
 9 System, Employees' Pension System, the Teachers' Retirement System, or the
 10 Teachers' Pension System may only be reemployed for a certain period of time;
 11 requiring certain local school superintendents to approve certain hirings,
 12 determine certain placements, and certify certain information; requiring certain
 13 local school superintendents to make certain reimbursements under certain
 14 circumstances by a certain date; requiring the county boards of education to
 15 provide the State Board of Education with certain information by a certain date;
 16 requiring the county boards of education to provide the State Retirement Agency
 17 with certain information; requiring the State Board of Education to provide the
 18 county boards of education with certain information by a certain date; requiring
 19 the State Board of Education to adopt certain regulations; requiring the
 20 Department of Health and Mental Hygiene to provide the State Retirement
 21 Agency with certain information; requiring the State Superintendent of Schools
 22 and Department of Health and Mental Hygiene to submit certain reports by a
 23 certain date to certain committees; defining a certain term; and generally
 24 relating to the reemployment of retirees.

25 BY repealing and reenacting, without amendments,
 26 Article - Education
 27 Section 18-703(g)(1)
 28 Annotated Code of Maryland
 29 (2004 Replacement Volume and 2004 Supplement)

30 BY repealing and reenacting, with amendments,
 31 Article - State Personnel and Pensions
 32 Section 22-406 and 23-407

1 Annotated Code of Maryland
2 (2004 Replacement Volume)

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

5 **Article - Education**

6 18-703.

7 (g) (1) The State Superintendent of Schools shall project annually the
8 number of vacancies for employment expected in each of the subsequent 5 years in
9 areas of critical or geographic shortage and the number of students expected to
10 graduate from programs qualifying them to teach in these fields during the same
11 period. The State Superintendent of Schools shall certify annually to the Office those
12 programs that continue to be areas of critical or geographic shortage as evidenced by
13 projected employment vacancies substantially exceeding projected qualified
14 graduates.

15 **Article - State Personnel and Pensions**

16 22-406.

17 (a) IN THIS SECTION, "AREA OF CRITICAL SHORTAGE" MEANS AN ACADEMIC
18 FIELD IDENTIFIED BY THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH THE
19 PROVISIONS OF § 18-703(G)(1) OF THE EDUCATION ARTICLE AS HAVING PROJECTED
20 EMPLOYMENT VACANCIES THAT SUBSTANTIALLY EXCEED PROJECTED QUALIFIED
21 GRADUATES.

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

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

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

28 [(b)] (C) (1) The Board of Trustees shall reduce the allowance of an
29 individual who accepts employment as provided under [subsection (a)] SUBSECTION
30 (B) of this section if:

31 (i) the individual's current employer is a participating employer
32 other than the State and is the same participating employer that employed the
33 individual at the time of the individual's last separation from employment with a
34 participating employer before the individual commenced receiving a service
35 retirement allowance or vested allowance;

36 (ii) the individual's current employer is any unit of State
37 government and the individual's employer at the time of the individual's last

1 separation from employment with the State before the individual commenced
2 receiving a service retirement allowance or vested allowance was also a unit of State
3 government; or

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

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

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

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

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

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

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

23 (ii) an individual whose average final compensation was less than
24 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

31 2. whose employment compensation does not derive, in whole
32 or in part, from State funds; [or]

33 (V) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

34 1. IS OR HAS BEEN CERTIFIED TO TEACH IN THE STATE;

35 2. HAS VERIFICATION OF SATISFACTORY OR BETTER
36 PERFORMANCE IN THE LAST ASSIGNMENT PRIOR TO RETIREMENT;

1 3. BASED ON THE RETIRED TEACHER'S QUALIFICATIONS,
2 HAS BEEN APPOINTED IN ACCORDANCE WITH § 4-103 OF THE EDUCATION ARTICLE;
3 AND

4 4. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
5 PERFORMANCE EACH YEAR THE TEACHER IS EMPLOYED UNDER PARAGRAPH (5) OF
6 THIS SUBSECTION;

7 (VI) A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO:

8 1. A. WAS EMPLOYED AS A PRINCIPAL WITHIN 5 YEARS OF
9 RETIREMENT; OR

10 B. WAS EMPLOYED AS A PRINCIPAL NOT MORE THAN 10
11 YEARS BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING
12 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

13 2. HAS VERIFICATION OF BETTER THAN SATISFACTORY
14 PERFORMANCE FOR EACH YEAR AS A PRINCIPAL AND, IF APPLICABLE, IN A POSITION
15 SUPERVISING PRINCIPALS PRIOR TO RETIREMENT;

16 3. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
17 HIRED AS A PRINCIPAL; AND

18 4. RECEIVES VERIFICATION OF BETTER THAN
19 SATISFACTORY PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A
20 PRINCIPAL UNDER PARAGRAPH (6) OF THIS SUBSECTION;

21 [(v)] (VII) a former employee of the Domestic Relations Division of
22 Anne Arundel County Circuit Court who transfers into the State Employees'
23 Personnel 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 FOR NOT MORE THAN 4 YEARS BY THE
26 DEPARTMENT OF HEALTH AND MENTAL HYGIENE AS A HEALTH CARE
27 PRACTITIONER, AS DEFINED IN § 1-301 OF THE HEALTH OCCUPATIONS ARTICLE, IN:

28 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF
29 THE HEALTH - GENERAL ARTICLE;

30 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,
31 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

32 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE
33 HEALTH - GENERAL ARTICLE; OR

34 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,
35 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

1 (5) (I) AN INDIVIDUAL WHO IS REHIRED UNDER PARAGRAPH (4)(V) OF
2 THIS SUBSECTION SHALL BE EMPLOYED AS A CLASSROOM TEACHER, SUBSTITUTE
3 CLASSROOM TEACHER, TEACHER MENTOR, OR SUBSTITUTE TEACHER MENTOR IN A
4 PUBLIC SCHOOL THAT:

5 1. IS NOT MAKING ADEQUATE YEARLY PROGRESS OR IS A
6 SCHOOL "IN SCHOOL IMPROVEMENT" AS DEFINED UNDER THE FEDERAL NO CHILD
7 LEFT BEHIND ACT OF 2001 AND AS IMPLEMENTED BY THE STATE DEPARTMENT OF
8 EDUCATION;

9 2. IS RECEIVING FUNDS UNDER TITLE 1 OF THE FEDERAL NO
10 CHILD LEFT BEHIND ACT OF 2001; OR

11 3. PROVIDES AN ALTERNATIVE EDUCATION PROGRAM FOR
12 STUDENTS WHO HAVE BEEN EXPELLED, SUSPENDED, OR IDENTIFIED FOR
13 SUSPENSION OR EXPULSION FROM A PUBLIC SCHOOL.

14 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
15 PARAGRAPH, AN INDIVIDUAL REHIRED AT A SCHOOL DESCRIBED UNDER
16 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL TEACH:

17 1. IN AN AREA OF CRITICAL SHORTAGE;

18 2. TECHNOLOGY EDUCATION;

19 3. A SPECIAL EDUCATION CLASS FOR STUDENTS WITH
20 SPECIAL NEEDS; OR

21 4. A CLASS FOR STUDENTS WITH LIMITED ENGLISH
22 PROFICIENCY.

23 (III) AN INDIVIDUAL REHIRED AT A SCHOOL DESCRIBED UNDER
24 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT TEACH IN THE ARTS OR PHYSICAL
25 EDUCATION, AS DEFINED BY THE STATE DEPARTMENT OF EDUCATION BY
26 REGULATION.

27 (6) AN INDIVIDUAL WHO IS REHIRED UNDER PARAGRAPH (4)(VI) OF THIS
28 SUBSECTION SHALL BE EMPLOYED AS A PRINCIPAL AT A PUBLIC SCHOOL THAT:

29 (I) IS NOT MAKING ADEQUATE YEARLY PROGRESS OR IS A SCHOOL
30 "IN SCHOOL IMPROVEMENT" AS DEFINED UNDER THE FEDERAL NO CHILD LEFT
31 BEHIND ACT OF 2001 AND AS IMPLEMENTED BY THE STATE DEPARTMENT OF
32 EDUCATION;

33 (II) IS RECEIVING FUNDS UNDER TITLE 1 OF THE FEDERAL NO
34 CHILD LEFT BEHIND ACT OF 2001; OR

35 (III) PROVIDES AN ALTERNATIVE EDUCATION PROGRAM FOR
36 STUDENTS WHO HAVE BEEN EXPELLED, SUSPENDED, OR IDENTIFIED FOR
37 SUSPENSION OR EXPULSION FROM A PUBLIC SCHOOL.

1 (7) AN INDIVIDUAL WHO IS REEMPLOYED UNDER PARAGRAPH (4)(V) OR
2 (VI) OF THIS SUBSECTION AT A SCHOOL DESCRIBED UNDER PARAGRAPH (5) OR (6) OF
3 THIS SUBSECTION MAY NOT CONTINUE THAT REEMPLOYMENT AFTER THE SCHOOL
4 MAKES ADEQUATE YEARLY PROGRESS FOR 4 CONSECUTIVE YEARS.

5 (8) (I) THE SUPERINTENDENT OF THE LOCAL SCHOOL SYSTEM
6 REHIRING AN INDIVIDUAL UNDER PARAGRAPH (4)(V) OR (VI) OF THIS SUBSECTION
7 SHALL:

8 1. APPROVE THE REHIRING OF THAT INDIVIDUAL;

9 2. DETERMINE THE SCHOOL WHERE THE INDIVIDUAL IS TO
10 BE REEMPLOYED; AND

11 3. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR THE
12 INDIVIDUAL IS REHIRED, COMPLETE A FORM PROVIDED BY THE BOARD OF TRUSTEES
13 AND FILED WITH THE BOARD OF TRUSTEES AND THE STATE BOARD OF EDUCATION
14 THAT CERTIFIES THAT THE INDIVIDUAL SATISFIES THE CRITERIA PROVIDED IN
15 PARAGRAPH (4)(V) OR (VI) OF THIS SUBSECTION AND IS REEMPLOYED AT A SCHOOL
16 DESCRIBED UNDER PARAGRAPH (5) OR (6) OF THIS SUBSECTION.

17 (II) 1. IF A SUPERINTENDENT OF A LOCAL SCHOOL SYSTEM
18 COMPLETES THE CERTIFICATION REQUIRED BY SUBPARAGRAPH (I)3 OF THIS
19 PARAGRAPH FOR AN INDIVIDUAL REHIRED UNDER PARAGRAPH (4)(V) OR (VI) OF THIS
20 SUBSECTION, AND THE INDIVIDUAL REHIRED DOES NOT SATISFY THE CRITERIA
21 PROVIDED IN PARAGRAPH (4)(V) OR (VI) OF THIS SUBSECTION OR IS NOT
22 REEMPLOYED AT A SCHOOL DESCRIBED UNDER PARAGRAPH (5) OR (6) OF THIS
23 SUBSECTION, THE LOCAL SCHOOL SYSTEM SHALL REIMBURSE THE BOARD OF
24 TRUSTEES THE AMOUNT EQUAL TO THE REDUCTION TO THE INDIVIDUAL'S
25 RETIREMENT ALLOWANCE THAT WOULD HAVE BEEN MADE IN PARAGRAPH (2) OF
26 THIS SUBSECTION.

27 2. THE LOCAL SCHOOL SYSTEM SHALL MAKE THE
28 REIMBURSEMENT ON OR BEFORE JUNE 30 OF THE YEAR FOLLOWING EACH YEAR
29 THAT THE REDUCTION WOULD HAVE BEEN TAKEN.

30 (III) ON OR BEFORE AUGUST 1 OF EACH YEAR, THE LOCAL
31 SUPERINTENDENT SHALL REPORT TO THE STATE BOARD OF EDUCATION ON:

32 1. THE NUMBER OF INDIVIDUALS REHIRED UNDER
33 PARAGRAPH (4)(V) OR (VI) OF THIS SUBSECTION;

34 2. THE LOCATION OF THE SCHOOL WHERE EACH
35 INDIVIDUAL IS EMPLOYED;

36 3. THE SUBJECT MATTER TAUGHT BY EACH INDIVIDUAL;
37 AND

38 4. THE ANNUAL SALARY OF EACH INDIVIDUAL.

1 (D) AN INDIVIDUAL WHO IS REHIRED UNDER THIS SECTION MAY NOT BE
2 REHIRED WITHIN 45 DAYS OF THE DATE THE INDIVIDUAL RETIRED.

3 [(c)] (E) An individual who is receiving a service retirement allowance or a
4 vested 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)] (F) The individual's compensation during the period of reemployment
7 may not 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)] (G) The State Retirement Agency shall institute appropriate reporting
10 procedures with the affected payroll systems to ensure compliance with this section.

11 [(f)] (H) (1) Immediately on the employment of any individual receiving a
12 service retirement allowance or a vested allowance, a participating employer shall
13 notify the State Retirement Agency of the type of employment and the anticipated
14 earnings of 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 (I) THE COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE
20 RETIREMENT AGENCY OF ANY RETIRED TEACHERS WHO QUALIFY UNDER
21 SUBSECTION (C)(4)(V) OF THIS SECTION OR ANY PERSONNEL WHO QUALIFY UNDER
22 SUBSECTION (C)(4)(VI) OF THIS SECTION.

23 (J) THE STATE BOARD OF EDUCATION SHALL NOTIFY THE COUNTY BOARDS
24 OF EDUCATION OF A FINDING THAT THERE IS NO LONGER A SHORTAGE OF
25 TEACHERS IN A COUNTY OR SUBJECT AREA ON A STATEWIDE BASIS.

26 (K) IN ADDITION TO ANY REGULATIONS ADOPTED IN ACCORDANCE WITH §
27 6-202 OF THE EDUCATION ARTICLE, THE STATE BOARD OF EDUCATION SHALL ADOPT
28 REGULATIONS CONCERNING THE EMPLOYMENT TERMS OF RETIRED TEACHERS OR
29 PERSONNEL DESCRIBED IN SUBSECTION (C)(4)(V) OR (VI) OF THIS SECTION.

30 (L) IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A
31 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION
32 (C)(4)(VI) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR
33 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR
34 AND A PRINCIPAL.

35 [(g)] (M) At the request of the State Retirement Agency:

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

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

5 (N) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE
6 STATE RETIREMENT AGENCY OF ANY RETIREES WHO QUALIFY UNDER SUBSECTION
7 (C)(4)(VIII) OF THIS SECTION.

8 (O) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE STATE
9 SUPERINTENDENT OF SCHOOLS SHALL SUBMIT A REPORT TO THE EDUCATION AND
10 ECONOMIC DEVELOPMENT SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE,
11 THE EDUCATION, BUSINESS, AND ADMINISTRATION SUBCOMMITTEE OF THE
12 BUDGET AND TAXATION COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN
13 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THAT PROVIDES:

14 (1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (C)(4)(V)
15 AND (VI) OF THIS SECTION;

16 (2) THE SCHOOL AND SCHOOL SYSTEM WHERE EACH RETIREE HAS
17 BEEN REHIRED;

18 (3) A COPY OF ANY REPORT GENERATED BY THE STATE
19 SUPERINTENDENT OF SCHOOLS UNDER § 18-703(G)(1) OF THE EDUCATION ARTICLE
20 AND SUBMITTED TO THE OFFICE OF STUDENT FINANCIAL ASSISTANCE THAT
21 CERTIFIES ANY AREA OF CRITICAL SHORTAGE AS EVIDENCED BY PROJECTED
22 EMPLOYMENT VACANCIES SUBSTANTIALLY EXCEEDING PROJECTED QUALIFIED
23 GRADUATES;

24 (4) THE SUBJECT MATTER THAT EACH REHIRED RETIREE IS TEACHING;
25 AND

26 (5) THE SALARY OF EACH REHIRED RETIREE.

27 (P) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY OF HEALTH
28 AND MENTAL HYGIENE SHALL SUBMIT A REPORT IN ACCORDANCE WITH § 2-1246 OF
29 THE STATE GOVERNMENT ARTICLE TO THE HOUSE APPROPRIATIONS COMMITTEE
30 AND THE SENATE BUDGET AND TAXATION COMMITTEE THAT PROVIDES:

31 (1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (B)(4)(VIII)
32 OF THIS SECTION;

33 (2) THE ANNUAL SALARY OF EACH REHIRED RETIREE AT THE TIME OF
34 RETIREMENT AND THE CURRENT ANNUAL SALARY OF EACH REHIRED RETIREE;

35 (3) THE NUMBER OF HEALTH CARE PRACTITIONERS HIRED WHO ARE
36 NOT RETIREES; AND

37 (4) THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO
38 IS HIRED.

1 23-407.

2 (a) IN THIS SECTION, "AREA OF CRITICAL SHORTAGE" MEANS AN ACADEMIC
3 FIELD IDENTIFIED BY THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH THE
4 PROVISIONS OF § 18-703(G)(1) OF THE EDUCATION ARTICLE AS HAVING PROJECTED
5 EMPLOYMENT VACANCIES THAT SUBSTANTIALLY EXCEED PROJECTED QUALIFIED
6 GRADUATES.

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

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

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

13 [(b)] (C) (1) The Board of Trustees shall reduce the allowance of an
14 individual who accepts employment as provided under [subsection (a)] SUBSECTION
15 (B) of this section if:

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

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

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

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

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

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

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

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

7 (i) an individual whose average final compensation was less than
8 \$10,000 and who is reemployed on a temporary or contractual basis;

9 (ii) an individual who is serving in an elected position as an official
10 of a participating governmental unit or as a constitutional officer for a county that is
11 a participating governmental unit; [or]

12 (iii) an individual who has been retired for more than 10 years;

13 (IV) A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO:

14 1. IS OR HAS BEEN CERTIFIED TO TEACH IN THE STATE;

15 2. HAS VERIFICATION OF SATISFACTORY OR BETTER
16 PERFORMANCE IN THE LAST ASSIGNMENT PRIOR TO RETIREMENT;

17 3. BASED ON THE RETIRED TEACHER'S QUALIFICATIONS,
18 HAS BEEN APPOINTED IN ACCORDANCE WITH § 4-103 OF THE EDUCATION ARTICLE;
19 AND

20 4. RECEIVES VERIFICATION OF SATISFACTORY OR BETTER
21 PERFORMANCE EACH YEAR THE TEACHER IS EMPLOYED UNDER PARAGRAPH (5) OF
22 THIS SUBSECTION;

23 (V) 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
27 YEARS BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING
28 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

29 2. HAS VERIFICATION OF BETTER THAN SATISFACTORY
30 PERFORMANCE FOR EACH YEAR AS A PRINCIPAL AND, IF APPLICABLE, IN A POSITION
31 SUPERVISING PRINCIPALS PRIOR TO RETIREMENT;

32 3. BASED ON THE RETIREE'S QUALIFICATIONS, HAS BEEN
33 HIRED AS A PRINCIPAL; AND

34 4. RECEIVES VERIFICATION OF BETTER THAN
35 SATISFACTORY PERFORMANCE EACH YEAR THE RETIREE IS EMPLOYED AS A
36 PRINCIPAL UNDER PARAGRAPH (6) OF THIS SUBSECTION; OR

1 (VI) A RETIREE OF THE EMPLOYEES' PENSION SYSTEM WHO IS
2 REEMPLOYED ON A CONTRACTUAL BASIS FOR NOT MORE THAN 4 YEARS BY THE
3 DEPARTMENT OF HEALTH AND MENTAL HYGIENE AS A HEALTH CARE
4 PRACTITIONER, AS DEFINED IN § 1-301 OF THE HEALTH OCCUPATIONS ARTICLE IN:

5 1. A STATE RESIDENTIAL CENTER AS DEFINED IN § 7-101 OF
6 THE HEALTH - GENERAL ARTICLE;

7 2. A CHRONIC DISEASE CENTER SUBJECT TO TITLE 19,
8 SUBTITLE 5 OF THE HEALTH - GENERAL ARTICLE;

9 3. A STATE FACILITY AS DEFINED IN § 10-101 OF THE
10 HEALTH - GENERAL ARTICLE; OR

11 4. A COUNTY BOARD OF HEALTH SUBJECT TO TITLE 3,
12 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

13 (5) (I) AN INDIVIDUAL WHO IS REHIRED UNDER PARAGRAPH (4)(IV) OF
14 THIS SUBSECTION SHALL BE EMPLOYED AS A CLASSROOM TEACHER, SUBSTITUTE
15 CLASSROOM TEACHER, TEACHER MENTOR, OR SUBSTITUTE TEACHER MENTOR IN A
16 PUBLIC SCHOOL THAT:

17 1. IS NOT MAKING ADEQUATE YEARLY PROGRESS OR IS A
18 SCHOOL "IN SCHOOL IMPROVEMENT" AS DEFINED UNDER THE FEDERAL NO CHILD
19 LEFT BEHIND ACT OF 2001 AND AS IMPLEMENTED BY THE STATE DEPARTMENT OF
20 EDUCATION;

21 2. IS RECEIVING FUNDS UNDER TITLE 1 OF THE FEDERAL NO
22 CHILD LEFT BEHIND ACT OF 2001; OR

23 3. PROVIDES AN ALTERNATIVE EDUCATION PROGRAM FOR
24 STUDENTS WHO HAVE BEEN EXPELLED, SUSPENDED, OR IDENTIFIED FOR
25 SUSPENSION OR EXPULSION FROM A PUBLIC SCHOOL.

26 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
27 PARAGRAPH, AN INDIVIDUAL REHIRED AT A SCHOOL DESCRIBED UNDER
28 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL TEACH:

29 1. IN AN AREA OF CRITICAL SHORTAGE;

30 2. TECHNOLOGY EDUCATION;

31 3. A SPECIAL EDUCATION CLASS FOR STUDENTS WITH
32 SPECIAL NEEDS; OR

33 4. A CLASS FOR STUDENTS WITH LIMITED ENGLISH
34 PROFICIENCY.

35 (III) AN INDIVIDUAL REHIRED AT A SCHOOL DESCRIBED UNDER
36 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT TEACH IN THE ARTS OR PHYSICAL

1 EDUCATION, AS DEFINED BY THE STATE DEPARTMENT OF EDUCATION BY
2 REGULATION.

3 (6) AN INDIVIDUAL WHO IS REHIRED UNDER PARAGRAPH (4)(V) OF THIS
4 SUBSECTION SHALL BE EMPLOYED AS A PRINCIPAL AT A PUBLIC SCHOOL THAT:

5 (I) IS NOT MAKING ADEQUATE YEARLY PROGRESS OR IS A SCHOOL
6 "IN SCHOOL IMPROVEMENT" AS DEFINED UNDER THE FEDERAL NO CHILD LEFT
7 BEHIND ACT OF 2001 AND AS IMPLEMENTED BY THE STATE DEPARTMENT OF
8 EDUCATION;

9 (II) IS RECEIVING FUNDS UNDER TITLE 1 OF THE FEDERAL NO
10 CHILD LEFT BEHIND ACT OF 2001; OR

11 (III) PROVIDES AN ALTERNATIVE EDUCATION PROGRAM FOR
12 STUDENTS WHO HAVE BEEN EXPELLED, SUSPENDED, OR IDENTIFIED FOR
13 SUSPENSION OR EXPULSION FROM A PUBLIC SCHOOL.

14 (7) AN INDIVIDUAL WHO IS REEMPLOYED UNDER PARAGRAPH (4)(IV) OR
15 (V) OF THIS SUBSECTION AT A SCHOOL DESCRIBED UNDER PARAGRAPH (5) OR (6) OF
16 THIS SUBSECTION MAY NOT CONTINUE THAT REEMPLOYMENT AFTER THE SCHOOL
17 MAKES ADEQUATE YEARLY PROGRESS FOR 4 CONSECUTIVE YEARS.

18 (8) (I) THE SUPERINTENDENT OF THE LOCAL SCHOOL SYSTEM
19 REHIRING AN INDIVIDUAL UNDER PARAGRAPH (4)(IV) OR (V) OF THIS SUBSECTION
20 SHALL:

21 1. APPROVE THE REHIRING OF THAT INDIVIDUAL;

22 2. DETERMINE THE SCHOOL WHERE THE INDIVIDUAL IS TO
23 BE REEMPLOYED; AND

24 3. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR THE
25 INDIVIDUAL IS REHIRED, COMPLETE A FORM PROVIDED BY THE BOARD OF TRUSTEES
26 AND FILED WITH THE BOARD OF TRUSTEES AND THE STATE BOARD OF EDUCATION
27 THAT STATES THAT THE INDIVIDUAL SATISFIES THE CRITERIA PROVIDED IN
28 PARAGRAPH (4)(IV) OR (V) OF THIS SUBSECTION AND IS REEMPLOYED AT A SCHOOL
29 DESCRIBED UNDER PARAGRAPH (5) OR (6) OF THIS SUBSECTION.

30 (II) 1. IF A SUPERINTENDENT OF A LOCAL SCHOOL SYSTEM
31 COMPLETES THE CERTIFICATION REQUIRED BY SUBPARAGRAPH (I)3 OF THIS
32 PARAGRAPH FOR AN INDIVIDUAL REHIRED UNDER PARAGRAPH (4)(IV) OR (V) OF THIS
33 SUBSECTION, AND THE INDIVIDUAL REHIRED DOES NOT SATISFY THE CRITERIA
34 PROVIDED IN PARAGRAPH (4)(IV) OR (V) OF THIS SUBSECTION OR IS NOT
35 REEMPLOYED AT A SCHOOL DESCRIBED UNDER PARAGRAPH (5) OR (6) OF THIS
36 SUBSECTION, THE LOCAL SCHOOL SYSTEM SHALL REIMBURSE THE BOARD OF
37 TRUSTEES THE AMOUNT EQUAL TO THE REDUCTION TO THE INDIVIDUAL'S
38 RETIREMENT ALLOWANCE THAT WOULD HAVE BEEN MADE IN PARAGRAPH (2) OF
39 THIS SUBSECTION.

1 (K) IN ADDITION TO ANY REGULATIONS ADOPTED IN ACCORDANCE WITH §
2 6-202 OF THE EDUCATION ARTICLE, THE STATE BOARD OF EDUCATION SHALL ADOPT
3 REGULATIONS CONCERNING THE EMPLOYMENT TERMS OF RETIRED TEACHERS AND
4 PERSONNEL DESCRIBED IN SUBSECTION (C)(4)(IV) OR (V) OF THIS SECTION.

5 (L) IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A
6 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION
7 (C)(4)(V) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR
8 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR
9 AND A PRINCIPAL.

10 [(g)] (M) At the request of the State Retirement Agency:

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

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

19 (N) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL NOTIFY THE
20 STATE RETIREMENT AGENCY OF ANY RETIREEES WHO QUALIFY UNDER SUBSECTION
21 (C)(4)(VI) OF THIS SECTION.

22 (O) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE STATE
23 SUPERINTENDENT OF SCHOOLS SHALL SUBMIT A REPORT TO THE EDUCATION AND
24 ECONOMIC DEVELOPMENT SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE,
25 THE EDUCATION, BUSINESS, AND ADMINISTRATION SUBCOMMITTEE OF THE
26 BUDGET AND TAXATION COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN
27 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THAT PROVIDES:

28 (1) THE NUMBER OF REHIRED RETIREEES UNDER SUBSECTION (C)(4)(IV)
29 AND (V) OF THIS SECTION;

30 (2) THE SCHOOL AND SCHOOL SYSTEM WHERE EACH RETIREE HAS
31 BEEN REHIRED;

32 (3) A COPY OF ANY REPORT GENERATED BY THE STATE
33 SUPERINTENDENT OF SCHOOLS UNDER § 18-703(G)(1) OF THE EDUCATION ARTICLE
34 AND SUBMITTED TO THE OFFICE OF STUDENT FINANCIAL ASSISTANCE THAT
35 CERTIFIES ANY AREA OF CRITICAL SHORTAGE AS EVIDENCED BY PROJECTED
36 EMPLOYMENT VACANCIES SUBSTANTIALLY EXCEEDING PROJECTED QUALIFIED
37 GRADUATES;

38 (4) THE SUBJECT MATTER THAT EACH REHIRED RETIREE IS TEACHING;
39 AND

1 (5) THE SALARY OF EACH REHIRED RETIREE.

2 (P) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE SECRETARY OF HEALTH
3 AND MENTAL HYGIENE SHALL SUBMIT A REPORT IN ACCORDANCE WITH § 2-1246 OF
4 THE STATE GOVERNMENT ARTICLE TO THE HOUSE APPROPRIATIONS COMMITTEE
5 AND THE SENATE BUDGET AND TAXATION COMMITTEE THAT PROVIDES:

6 (1) THE NUMBER OF REHIRED RETIREES UNDER SUBSECTION (B)(4)(VIII)
7 OF THIS SECTION;

8 (2) THE ANNUAL SALARY OF EACH REHIRED RETIREE AT THE TIME OF
9 RETIREMENT AND THE CURRENT ANNUAL SALARY OF EACH REHIRED RETIREE;

10 (3) THE NUMBER OF HEALTH CARE PRACTITIONERS HIRED WHO ARE
11 NOT RETIREES; AND

12 (4) THE ANNUAL SALARY OF EACH HEALTH CARE PRACTITIONER WHO
13 IS HIRED.

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