

HOUSE BILL 720

K4

8lr2373
CF 8lr2374

By: **Delegate Griffith (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 4, 2008

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Reemployment of Retirees**

3 FOR the purpose of requiring certain local school superintendents to make certain
4 reimbursements under certain circumstances by a certain date; providing that
5 certain members of the Judges' Retirement System may earn service credit
6 under certain circumstances; providing for certain individuals who are retirees
7 of the Employees' Retirement System or Employees' Pension System to elect to
8 suspend temporarily their service retirement allowances under certain
9 circumstances; requiring the Board of Trustees to suspend temporarily certain
10 service retirement allowances under certain circumstances as of a certain date;
11 exempting certain individuals who are retirees of the Employees' Retirement
12 System or Employees' Pension System from a certain earnings offset under
13 certain circumstances; providing for the resumption of a service retirement
14 allowance with certain adjustments to the allowance after receipt by the Board
15 of Trustees for the State Retirement and Pension System of certain
16 documentation; providing for certain survivorship benefits for surviving spouses
17 of certain individuals who are retirees of the Employees' Retirement System or
18 Employees' Pension System; requiring the Joint Committee on Pensions to
19 submit certain information to the Senate Budget and Taxation Committee and
20 the House Appropriations Committee by a certain date; requiring certain State
21 agencies to submit certain data to the Joint Committee on Pensions; providing
22 for the termination of certain provisions of this Act; and generally relating to
23 reemployment of retirees of the State Retirement and Pension System.

24 BY repealing and reenacting, with amendments,
25 Article – State Personnel and Pensions
26 Section 22–406(c)(1) and (9) and 23–407(c)(1) and (9)
27 Annotated Code of Maryland
28 (2004 Replacement Volume and 2007 Supplement)

29 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Personnel and Pensions
2 Section 22–407 and 23–408
3 Annotated Code of Maryland
4 (2004 Replacement Volume and 2007 Supplement)

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

7 **Article – State Personnel and Pensions**

8 22–406.

9 (c) (1) [The] **EXCEPT AS PROVIDED IN § 22–407 OF THIS SUBTITLE,**
10 **THE** Board of Trustees shall reduce the allowance of an individual who accepts
11 employment as provided under subsection (b) of this section if:

12 (i) the individual’s current employer is a participating employer
13 other than the State and is the same participating employer that employed the
14 individual at the time of the individual’s last separation from employment with a
15 participating employer before the individual commenced receiving a service retirement
16 allowance or vested allowance;

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

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

24 (9) (i) The superintendent of the local school system rehiring an
25 individual under paragraph (4)(v) or (vi) of this subsection shall:

26 1. approve the rehiring of that individual; and
27 2. determine the school where the individual is to be
28 reemployed.

29 (ii) Within 30 days after rehiring an individual, the
30 superintendent of a local school system shall complete and file with the Board of
31 Trustees and the State Department of Education a form provided by the Board of
32 Trustees that certifies that the individual rehired by the local school system under
33 paragraph (4)(v) or (vi) of this subsection:

34 1. satisfied the criteria provided in paragraph (4)(v) or
35 (vi) of this subsection;

1 **FAILURE TO SUBMIT CERTIFICATION UNDER SUBPARAGRAPH (II) OF THIS**
2 **PARAGRAPH.**

3 (V) The local school system shall make the reimbursement on or
4 before December 31 of the year the local school system receives notice from the Board
5 of Trustees under subparagraph (iii)2A of this paragraph.

6 **22-407.**

7 (A) **THIS SECTION APPLIES TO AN INDIVIDUAL WHO:**

8 (1) **IS APPOINTED AS A JUDGE OF THE COURT OF APPEALS, THE**
9 **COURT OF SPECIAL APPEALS, A CIRCUIT COURT OF A COUNTY IN THE STATE,**
10 **OR THE DISTRICT COURT OF MARYLAND; AND**

11 (2) (I) **IS RECEIVING A SERVICE RETIREMENT ALLOWANCE**
12 **FROM THE EMPLOYEES' RETIREMENT SYSTEM AT THE TIME OF APPOINTMENT**
13 **IN ITEM (1) OF THIS SUBSECTION; OR**

14 (II) 1. **HAS EARNED A VESTED ALLOWANCE FROM THE**
15 **EMPLOYEES' RETIREMENT SYSTEM; AND**

16 2. **BEGINS RECEIVING THE VESTED ALLOWANCE**
17 **WHILE SERVING AS A JUDGE DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

18 (B) **AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION**
19 **MAY ELECT TO RECEIVE SERVICE CREDIT IN THE JUDGES' RETIREMENT**
20 **SYSTEM.**

21 (C) (1) **AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS**
22 **SECTION WHO ELECTS TO RECEIVE SERVICE CREDIT IN THE JUDGES'**
23 **RETIREMENT SYSTEM UNDER SUBSECTION (B) OF THIS SECTION SHALL**
24 **COMPLETE AND FILE A FORM PROVIDED BY THE BOARD OF TRUSTEES**
25 **DIRECTING THE BOARD OF TRUSTEES TO SUSPEND THE INDIVIDUAL'S**
26 **ALLOWANCE WHILE THE INDIVIDUAL IS RECEIVING SERVICE CREDIT IN THE**
27 **JUDGES' RETIREMENT SYSTEM.**

28 (2) (I) **AN INDIVIDUAL SHALL FILE A FORM DESCRIBED IN**
29 **PARAGRAPH (1) OF THIS SUBSECTION WITH THE BOARD OF TRUSTEES:**

30 1. **IF THE INDIVIDUAL IS RECEIVING A SERVICE**
31 **RETIREMENT ALLOWANCE FROM THE EMPLOYEES' RETIREMENT SYSTEM**
32 **PRIOR TO SERVING AS A JUDGE, AT THE TIME THE INDIVIDUAL BECOMES A**
33 **MEMBER OF THE JUDGES' RETIREMENT SYSTEM; OR**

1 **2. IF THE INDIVIDUAL HAS EARNED A VESTED**
2 **ALLOWANCE FROM THE EMPLOYEES' RETIREMENT SYSTEM AND BECOMES**
3 **ELIGIBLE TO RECEIVE THAT ALLOWANCE AFTER THE INDIVIDUAL BECOMES A**
4 **MEMBER OF THE JUDGES' RETIREMENT SYSTEM, AT THE TIME THE INDIVIDUAL**
5 **APPLIES TO RECEIVE THE VESTED ALLOWANCE.**

6 **(II) A TEMPORARY SUSPENSION UNDER THIS SUBSECTION**
7 **SHALL BEGIN ON THE FIRST DAY OF THE MONTH FOLLOWING THE MONTH IN**
8 **WHICH THE BOARD OF TRUSTEES RECEIVED THE INDIVIDUAL'S REQUEST TO**
9 **TEMPORARILY SUSPEND THE ALLOWANCE.**

10 **(D) AN INDIVIDUAL WHOSE ALLOWANCE IS TEMPORARILY SUSPENDED**
11 **UNDER SUBSECTION (C) OF THIS SECTION IS NOT SUBJECT TO A REDUCTION AS**
12 **PROVIDED IN § 22-406 OF THIS SUBTITLE DURING THE PERIOD THE INDIVIDUAL**
13 **IS SERVING AS A JUDGE.**

14 **(E) (1) ON RECEIVING SATISFACTORY DOCUMENTATION THAT THE**
15 **INDIVIDUAL IS NO LONGER SERVING AS A JUDGE, THE BOARD OF TRUSTEES**
16 **SHALL REINSTATE THE INDIVIDUAL'S ALLOWANCE WITH ACCUMULATED**
17 **COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE WAS**
18 **TEMPORARILY SUSPENDED.**

19 **(2) THE INDIVIDUAL'S ALLOWANCE WILL BE REINSTATED ON THE**
20 **FIRST DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE INDIVIDUAL**
21 **CEASED SERVING AS A JUDGE.**

22 **(F) IF AN INDIVIDUAL WHOSE ALLOWANCE IS TEMPORARILY**
23 **SUSPENDED DIES WHILE SERVING AS A JUDGE, THE SURVIVING SPOUSE OF THE**
24 **INDIVIDUAL SHALL RECEIVE:**

25 **(1) SURVIVORSHIP BENEFITS AS PROVIDED IN § 27-403 OF THIS**
26 **ARTICLE; AND**

27 **(2) IF THE SURVIVING SPOUSE IS THE INDIVIDUAL'S DESIGNATED**
28 **BENEFICIARY, THE SURVIVORSHIP BENEFITS SELECTED BY THE INDIVIDUAL AT**
29 **THE TIME OF RETIREMENT FROM THE EMPLOYEES' RETIREMENT SYSTEM.**

30 23-407.

31 **(c) (1) [The] EXCEPT AS PROVIDED IN § 23-408 OF THIS SUBTITLE,**
32 **THE Board of Trustees shall reduce the allowance of an individual who accepts**
33 **employment as provided under subsection (b) of this section if:**

1 (i) the individual's current employer is a participating employer
2 other than the State and is the same participating employer that employed the
3 individual at the time of the individual's last separation from employment with a
4 participating employer before the individual commenced receiving a service retirement
5 allowance or vested allowance;

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

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

14 (9) (i) The superintendent of the local school system rehiring an
15 individual under paragraph (4)(iv) or (v) of this subsection shall:

- 16 1. approve the rehiring of that individual; and
- 17 2. determine the school where the individual is to be
18 reemployed.

19 (ii) Within 30 days after rehiring an individual, the
20 superintendent of a local school system shall complete and file with the Board of
21 Trustees and the State Department of Education a form provided by the Board of
22 Trustees that certifies that the individual rehired by the local school system under
23 paragraph [(4)(v) or (vi)] **(4)(IV) OR (V)** of this subsection:

24 1. satisfied the criteria provided in paragraph (4)(iv) or
25 (v) of this subsection;

26 2. was reemployed at a school described under
27 paragraph (5)(i) or (6) of this subsection; and

28 3. if rehired under paragraph (4)(iv) of this subsection,
29 was:

30 A. teaching in an area specified in paragraph (5)(ii) of
31 this subsection; or

32 B. teaching in any class or subject or providing
33 educational services as provided under paragraph (8) of this subsection.

34 (iii) 1. On or before April 1 of each year, the Board of
35 Trustees and the State Department of Education shall jointly review any forms filed

1 by a superintendent of a local school system under subparagraph (ii) of this
2 paragraph.

3 2. If the Board of Trustees and the State Department of
4 Education agree that a superintendent of a local school system has rehired an
5 individual that does not satisfy the criteria provided in paragraph (4)(iv) or (v) and (5),
6 (6), or (8) of this subsection:

7 A. on or before July 1 of the year of the finding, the
8 Board of Trustees shall notify the superintendent of the local school system of this
9 individual; and

10 B. the local school system shall reimburse the Board of
11 Trustees the amount equal to the reduction to the individual's retirement allowance
12 that would have been made in paragraph (2) of this subsection.

13 (iv) **IF A SUPERINTENDENT OF A LOCAL SCHOOL SYSTEM**
14 **REHIRS AN INDIVIDUAL THAT SATISFIES THE CRITERIA PROVIDED IN**
15 **PARAGRAPHS (4)(IV) OR (V) AND (5), (6), OR (8) OF THIS SUBSECTION AND THE**
16 **BOARD OF TRUSTEES AND THE STATE DEPARTMENT OF EDUCATION DO NOT**
17 **RECEIVE CERTIFICATION FROM THE SUPERINTENDENT IN THE TIME REQUIRED**
18 **UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH:**

19 1. **ON OR BEFORE JULY 1 OF THE YEAR OF THE**
20 **FINDING, THE BOARD OF TRUSTEES SHALL NOTIFY THE SUPERINTENDENT OF**
21 **THE LOCAL SCHOOL SYSTEM OF THIS INDIVIDUAL; AND**

22 2. **THE LOCAL SCHOOL SYSTEM SHALL REIMBURSE**
23 **THE BOARD OF TRUSTEES THE AMOUNT EQUAL TO ANY REDUCTION TO THE**
24 **INDIVIDUAL'S RETIREMENT ALLOWANCE THAT WOULD HAVE BEEN MADE IN**
25 **PARAGRAPH (2) OF THIS SUBSECTION AS A RESULT OF THE SUPERINTENDENT'S**
26 **FAILURE TO SUBMIT CERTIFICATION UNDER SUBPARAGRAPH (II) OF THIS**
27 **PARAGRAPH.**

28 (v) The local school system shall make the reimbursement on or
29 before December 31 of the year the local school system receives notice from the Board
30 of Trustees under subparagraph (iii)2A of this paragraph.

31 **23-408.**

32 (A) **THIS SECTION APPLIES TO AN INDIVIDUAL WHO:**

33 (1) **IS APPOINTED AS A JUDGE OF THE COURT OF APPEALS, THE**
34 **COURT OF SPECIAL APPEALS, A CIRCUIT COURT OF A COUNTY IN THE STATE,**
35 **OR THE DISTRICT COURT OF MARYLAND; AND**

1 **(2) (I) IS RECEIVING A SERVICE RETIREMENT ALLOWANCE**
2 **FROM THE EMPLOYEES' PENSION SYSTEM AT THE TIME OF APPOINTMENT IN**
3 **ITEM (1) OF THIS SUBSECTION; OR**

4 **(II) 1. HAS EARNED A VESTED ALLOWANCE FROM THE**
5 **EMPLOYEES' PENSION SYSTEM; AND**

6 **2. BEGINS RECEIVING THE VESTED ALLOWANCE**
7 **WHILE SERVING AS A JUDGE DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

8 **(B) AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION**
9 **MAY ELECT TO RECEIVE SERVICE CREDIT IN THE JUDGES' RETIREMENT**
10 **SYSTEM.**

11 **(C) (1) AN INDIVIDUAL DESCRIBED IN SUBSECTION (A) OF THIS**
12 **SECTION WHO ELECTS TO RECEIVE SERVICE CREDIT IN THE JUDGES'**
13 **RETIREMENT SYSTEM UNDER SUBSECTION (B) OF THIS SECTION SHALL**
14 **COMPLETE AND FILE A FORM PROVIDED BY THE BOARD OF TRUSTEES**
15 **DIRECTING THE BOARD OF TRUSTEES TO SUSPEND THE INDIVIDUAL'S**
16 **ALLOWANCE WHILE THE INDIVIDUAL IS RECEIVING SERVICE CREDIT IN THE**
17 **JUDGES' RETIREMENT SYSTEM.**

18 **(2) (I) AN INDIVIDUAL SHALL FILE A FORM DESCRIBED IN**
19 **PARAGRAPH (1) OF THIS SUBSECTION WITH THE BOARD OF TRUSTEES:**

20 **1. IF THE INDIVIDUAL IS RECEIVING A SERVICE**
21 **RETIREMENT ALLOWANCE FROM THE EMPLOYEES' PENSION SYSTEM PRIOR TO**
22 **SERVING AS A JUDGE, AT THE TIME THE INDIVIDUAL BECOMES A MEMBER OF**
23 **THE JUDGES' RETIREMENT SYSTEM; OR**

24 **2. IF THE INDIVIDUAL HAS EARNED A VESTED**
25 **ALLOWANCE FROM THE EMPLOYEES' PENSION SYSTEM AND BECOMES**
26 **ELIGIBLE TO RECEIVE THAT ALLOWANCE AFTER THE INDIVIDUAL BECOMES A**
27 **MEMBER OF THE JUDGES' RETIREMENT SYSTEM, AT THE TIME THE INDIVIDUAL**
28 **APPLIES TO RECEIVE THE VESTED ALLOWANCE.**

29 **(II) A TEMPORARY SUSPENSION UNDER THIS SUBSECTION**
30 **SHALL BEGIN ON THE FIRST DAY OF THE MONTH FOLLOWING THE MONTH IN**
31 **WHICH THE BOARD OF TRUSTEES RECEIVED THE INDIVIDUAL'S REQUEST TO**
32 **TEMPORARILY SUSPEND THE ALLOWANCE.**

33 **(D) AN INDIVIDUAL WHOSE ALLOWANCE IS TEMPORARILY SUSPENDED**
34 **UNDER SUBSECTION (C) OF THIS SECTION IS NOT SUBJECT TO A REDUCTION AS**

1 PROVIDED IN § 23-407 OF THIS SUBTITLE DURING THE PERIOD THE INDIVIDUAL
2 IS SERVING AS A JUDGE.

3 (E) (1) ON RECEIVING SATISFACTORY DOCUMENTATION THAT THE
4 INDIVIDUAL IS NO LONGER SERVING AS A JUDGE, THE BOARD OF TRUSTEES
5 SHALL REINSTATE THE INDIVIDUAL'S ALLOWANCE WITH ACCUMULATED
6 COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE WAS
7 TEMPORARILY SUSPENDED.

8 (2) THE INDIVIDUAL'S ALLOWANCE WILL BE REINSTATED ON THE
9 FIRST DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE INDIVIDUAL
10 CEASED SERVING AS A JUDGE.

11 (F) IF AN INDIVIDUAL WHOSE ALLOWANCE IS TEMPORARILY
12 SUSPENDED DIES WHILE SERVING AS A JUDGE, THE SURVIVING SPOUSE OF THE
13 INDIVIDUAL SHALL RECEIVE:

14 (1) SURVIVORSHIP BENEFITS AS PROVIDED IN § 27-403 OF THIS
15 ARTICLE; AND

16 (2) IF THE SURVIVING SPOUSE IS THE INDIVIDUAL'S DESIGNATED
17 BENEFICIARY, THE SURVIVORSHIP BENEFITS SELECTED BY THE INDIVIDUAL AT
18 THE TIME OF RETIREMENT FROM THE EMPLOYEES' PENSION SYSTEM.

19 SECTION 2. AND BE IT FURTHER ENACTED, That:

20 (a) (1) This subsection applies to an individual who on June 30, 2008:

21 (i) is serving as a judge of the Court of Appeals, the Court of
22 Special Appeals, a circuit court of a county in the State, or the District Court of
23 Maryland;

24 (ii) is eligible to receive a service retirement allowance or vested
25 allowance from the Employees' Retirement System or Employees' Pension System; and

26 (iii) is receiving service credit in the Judges' Retirement System.

27 (2) (i) An individual described in paragraph (1) of this subsection
28 may elect to apply for a service retirement allowance from the State employees' system
29 from which the individual is eligible to receive an allowance.

30 (ii) An individual who elects to apply for a service retirement
31 allowance under subparagraph (i) of this paragraph shall complete and file a form
32 provided by the Board of Trustees for the State Retirement and Pension System on or
33 before December 31, 2008, directing the Board of Trustees to suspend the individual's
34 service retirement allowance from the Employees' Retirement System or Employees'

1 Pension System while the individual is receiving service credit in the Judges'
2 Retirement System.

3 (b) (1) This subsection applies to an individual who on June 30, 2008:

4 (i) is serving as a judge of the Court of Appeals, the Court of
5 Special Appeals, a circuit court of a county in the State, or the District Court of
6 Maryland;

7 (ii) is receiving a service retirement allowance from the
8 Employees' Retirement System or the Employees' Pension System; and

9 (iii) is receiving a reduction to that allowance under § 22-406 or
10 § 23-407 of the State Personnel and Pensions Article.

11 (2) (i) An individual described in paragraph (1) of this subsection
12 may elect to receive service credit in the Judges' Retirement System.

13 (ii) An individual who elects to receive service credit in the
14 Judges' Retirement System under subparagraph (i) of this paragraph shall complete
15 and file a form provided by the Board of Trustees for the State Retirement and
16 Pension System on or before December 31, 2008, directing the Board of Trustees to
17 suspend the individual's service retirement allowance from the Employees' Retirement
18 System or Employees' Pension System while the individual is receiving service credit
19 in the Judges' Retirement System.

20 (c) A service retirement allowance from the Employees' Retirement System
21 or Employees' Pension System that is temporarily suspended under this section shall
22 be suspended on the first day of the month following the month in which the Board of
23 Trustees receives the individual's completed form under subsection (a)(2) or (b)(2) of
24 this section.

25 (d) An individual whose allowance is temporarily suspended under
26 subsection (a)(2) or (b)(2) of this section is not subject to a reduction as provided in §
27 22-406 or § 23-407 of the State Personnel and Pensions Article during the period the
28 individual is serving as a judge.

29 (e) (1) On receiving satisfactory documentation that the individual is no
30 longer serving as a judge, the Board of Trustees shall reinstate the individual's
31 allowance from the applicable State employees' system with accumulated
32 cost-of-living adjustments from the date the allowance was temporarily suspended.

33 (2) The individual's allowance will be reinstated on the first day of the
34 month following the month in which the individual ceased serving as a judge.

35 (f) If an individual whose allowance from the Employees' Retirement System
36 or Employees' Pension System is temporarily suspended dies while serving as a judge,
37 the surviving spouse of the individual shall receive:

1 (1) survivorship benefits as provided in § 27-403 of the State
2 Personnel and Pensions Article; and

3 (2) if the surviving spouse is the individual's designated beneficiary,
4 the survivorship benefits selected by the individual at the time of retirement from the
5 Employees' Retirement System or Employees' Pension System.

6 SECTION 3. AND BE IT FURTHER ENACTED, That:

7 (a) (1) The Joint Committee on Pensions shall study reemployment of
8 retirees in the State Retirement and Pension System.

9 (2) The Joint Committee on Pensions shall receive data based on
10 criteria established by the Joint Committee on Pensions from:

11 (i) the State Retirement and Pension System;

12 (ii) the Department of Budget and Management; and

13 (iii) the State Department of Education.

14 (b) The Joint Committee on Pensions shall report its findings to the Senate
15 Budget and Taxation Committee and the House Appropriations Committee on or
16 before December 31, 2008, in accordance with § 2-1246 of the State Government
17 Article.

18 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 2008. Section 2 of this Act shall remain effective for a period of 6 months and,
20 at the end of December 31, 2008, with no further action required by the General
21 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.