

SENATE BILL 15

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1999 Regular Session
9lr0363

(PRE-FILED)

By: ~~Senator Green~~ Senators Green, Currie, DeGrange, Hoffman, Hogan,
Kasemeyer, Lawlah, McFadden, Middleton, Munson, Ruben, and Van
Hollen

Requested: October 5, 1998
Introduced and read first time: January 13, 1999
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 2, 1999

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of exempting from a certain offset of a retirement allowance certain
5 retirees of the Teachers' Retirement System or the Teachers' Pension System
6 who are employed by certain public schools; requiring the ~~State Board of~~
7 ~~Education~~ county boards of education to provide certain information to the State
8 Retirement Agency; requiring the State Board of Education to provide certain
9 information to the county boards of education; requiring the State Board of
10 Education to submit a certain report to the Governor and the General Assembly
11 in a certain manner on or before a certain date; providing for the termination of
12 this Act; and generally relating to the reemployment of retired teachers.

13 BY repealing and reenacting, with amendments,
14 Article - State Personnel and Pensions
15 Section 22-406 and 23-407
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1998 Supplement)

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

1 **Article - State Personnel and Pensions**

2 22-406.

3 (a) Subject to subsection (b) of this section, an individual who is receiving a
4 service retirement allowance or vested allowance may accept employment with a
5 participating employer on a permanent, temporary, or contractual basis, without any
6 reduction in the allowance, if the individual immediately notifies the Board of
7 Trustees:

8 (1) of the individual's intention to accept the employment; and

9 (2) of the compensation that the individual will receive.

10 (b) (1) This subsection does not apply to:

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

12 (ii) an individual whose average final compensation was less than
13 \$10,000 and who is reemployed on a temporary or contractual basis;

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

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

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

20 2. whose employment compensation does not derive, in whole
21 or in part, from State funds; OR

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

23 1. IS OR HAS BEEN CERTIFIED TO TEACH IN THE STATE AND
24 ~~WHO;~~

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

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

29 4. A. RETIRED WITH A NORMAL SERVICE RETIREMENT
30 ALLOWANCE UNDER § 22-401 OF THIS ARTICLE; OR

31 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
32 ALLOWANCE UNDER § 22-402 OF THIS ARTICLE AND HAS BEEN RETIRED FOR AT
33 LEAST 12 MONTHS; AND

1 State Retirement Agency of the type of employment and the anticipated earnings of
2 the individual.

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

7 (G) ~~TO ASSIST THE STATE RETIREMENT AGENCY IN DETERMINING WHICH~~
8 ~~RETIRES QUALIFY UNDER SUBSECTION (B)(1)(V) OF THIS SECTION, THE STATE~~
9 ~~BOARD OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY OF THE~~
10 ~~COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY~~
11 ~~OF ANY RETIRED TEACHERS WHO QUALIFY UNDER SUBSECTION (B)(1)(V) OF THIS~~
12 ~~SECTION.~~

13 (H) THE STATE BOARD OF EDUCATION SHALL NOTIFY THE COUNTY BOARDS
14 OF EDUCATION OF:

15 (1) ANY PUBLIC SCHOOL THAT IS RECOMMENDED FOR
16 RECONSTITUTION OR HAS BEEN RECONSTITUTED;

17 (2) ANY PUBLIC SCHOOL THAT IS NO LONGER RECOMMENDED FOR
18 RECONSTITUTION OR IS OTHERWISE FOUND TO MEET THE STANDARDS FOR SCHOOL
19 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION AFTER RECONSTITUTION
20 OR A RECOMMENDATION FOR RECONSTITUTION;

21 (3) ANY COUNTY ~~AND~~ OR SUBJECT AREA IN WHICH THE STATE BOARD
22 OF EDUCATION FINDS THERE IS A SHORTAGE OF TEACHERS; AND

23 (4) A FINDING THAT THERE IS NO LONGER A SHORTAGE OF TEACHERS
24 IN A COUNTY ~~AND~~ OR SUBJECT AREA.

25 23-407.

26 (a) Subject to subsection (b) of this section, an individual who is receiving a
27 service retirement allowance or a vested allowance may accept employment with a
28 participating employer on a permanent, temporary, or contractual basis, without any
29 reduction in the allowance, if:

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

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

33 (b) (1) This subsection does not apply to:

34 (i) an individual whose average final compensation was less than
35 \$10,000 and who is reemployed on a temporary or contractual basis; [or]

1 (ii) an individual who is serving in an elected position as an official
 2 of a participating governmental unit or as a constitutional officer for a county that is
 3 a participating governmental unit; OR

4 (III) A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO:

5 1. IS OR HAS BEEN CERTIFIED TO TEACH IN THE STATE AND
 6 ~~WHO;~~

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

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

11 4. A. RETIRED WITH A NORMAL SERVICE RETIREMENT
 12 ALLOWANCE UNDER § 23-401 OF THIS ARTICLE; OR

13 B. RETIRED WITH AN EARLY SERVICE RETIREMENT
 14 ALLOWANCE UNDER § 23-402 OF THIS ARTICLE AND HAS BEEN RETIRED FOR AT
 15 LEAST 12 MONTHS; AND

16 ~~4.~~ 5. IS EMPLOYED AS:

17 A. A SUBSTITUTE CLASSROOM TEACHER IN A PUBLIC
 18 SCHOOL THAT HAS BEEN RECOMMENDED FOR RECONSTITUTION, OR HAS BEEN
 19 RECONSTITUTED, BY THE STATE BOARD OF EDUCATION, UNTIL THE PUBLIC SCHOOL
 20 MEETS THE STANDARDS FOR SCHOOL PERFORMANCE SET BY THE STATE BOARD OF
 21 EDUCATION;

22 ~~2. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS~~
 23 ~~EMPLOYED AS~~

24 B. A CLASSROOM TEACHER IN A PUBLIC SCHOOL THAT HAS
 25 BEEN RECOMMENDED FOR RECONSTITUTION, OR HAS BEEN RECONSTITUTED, BY
 26 THE STATE BOARD OF EDUCATION, UNTIL THE PUBLIC SCHOOL MEETS THE
 27 STANDARDS FOR SCHOOL PERFORMANCE SET BY THE STATE BOARD OF EDUCATION;
 28 OR

29 ~~3. HAS BEEN RETIRED FOR AT LEAST 12 MONTHS AND IS~~
 30 ~~EMPLOYED AS~~

31 C. A CLASSROOM TEACHER IN A COUNTY ~~AND~~ OR SUBJECT
 32 AREA IN WHICH THE STATE BOARD OF EDUCATION FINDS THAT THERE IS A
 33 SHORTAGE OF TEACHERS, UNTIL THE STATE BOARD OF EDUCATION FINDS THE
 34 SHORTAGE NO LONGER EXISTS IN THAT COUNTY ~~AND~~ OR SUBJECT AREA.

35 (2) The Board of Trustees shall reduce an individual's allowance:

1 (i) by the amount that 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), by the amount that 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 (c) An individual who is receiving a service retirement allowance or a vested
10 allowance and who is reemployed by a participating employer may not receive
11 creditable service or eligibility service during the period of reemployment.

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

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

17 (f) (1) Immediately on the employment of any individual receiving a service
18 retirement allowance or a vested allowance, a participating employer shall notify the
19 State Retirement Agency of the type of employment and the anticipated earnings of
20 the individual.

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

25 (G) ~~TO ASSIST THE STATE RETIREMENT AGENCY IN DETERMINING WHICH~~
26 ~~RETIRES QUALIFY UNDER SUBSECTION (B)(1)(III) OF THIS SECTION, THE STATE~~
27 ~~BOARD OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY OF THE~~
28 ~~COUNTY BOARDS OF EDUCATION SHALL NOTIFY THE STATE RETIREMENT AGENCY~~
29 ~~OF ANY RETIRED TEACHERS WHO QUALIFY UNDER SUBSECTION (B)(1)(V) OF THIS~~
30 ~~SECTION.~~

31 (H) THE STATE BOARD OF EDUCATION SHALL NOTIFY THE COUNTY BOARDS
32 OF EDUCATION OF:

33 (1) ANY PUBLIC SCHOOL THAT IS RECOMMENDED FOR
34 RECONSTITUTION OR HAS BEEN RECONSTITUTED;

35 (2) ANY PUBLIC SCHOOL THAT IS NO LONGER RECOMMENDED FOR
36 RECONSTITUTION OR IS OTHERWISE FOUND TO MEET THE STANDARDS FOR SCHOOL
37 PERFORMANCE SET BY THE STATE BOARD OF EDUCATION AFTER RECONSTITUTION
38 OR A RECOMMENDATION FOR RECONSTITUTION;

1 (3) ANY COUNTY ~~AND~~ OR SUBJECT AREA IN WHICH THE STATE BOARD
2 OF EDUCATION FINDS THERE IS A SHORTAGE OF TEACHERS; AND

3 (4) A FINDING THAT THERE IS NO LONGER A SHORTAGE OF TEACHERS
4 IN A COUNTY ~~AND~~ OR SUBJECT AREA.

5 SECTION 2. AND BE IT FURTHER ENACTED, That on or before December
6 31, 2001, the State Board of Education shall submit a report to the Governor and, in
7 accordance with § 2-1246 of the State Government Article, the General Assembly, on
8 the impact of this Act on teacher recruitment and teacher shortages at Maryland's
9 public schools.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 ~~October 1, 1999~~ July 1, 1999. It shall remain in effect for a period of 3 years and, at
12 the end of June 30, 2002, with no further action required by the General Assembly,
13 this Act shall be terminated and of no further force and effect.