

Chapter 618

(Senate Bill 829)

AN ACT concerning

Teachers' Retirement and Pension Systems – Reemployment of Retirees – Retired Higher Education Faculty

FOR the purpose of requiring that certain retirees of the Teachers' Retirement System or Teachers' Pension System ~~who, prior to retirement received their salary in a certain manner,~~ are subject to a certain earnings limitation calculated in a certain manner if they are reemployed by a certain employer; and generally relating to the reemployment of retired higher education faculty.

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 22–406(c)(1) and 23–407(c)(1)
Annotated Code of Maryland
(2009 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 22–406(c)(2) and 23–407(c)(2)
Annotated Code of Maryland
(2009 Replacement Volume and 2009 Supplement)

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

Article – State Personnel and Pensions

22–406.

(c) (1) Except as provided in § 22–407 of this subtitle, the Board of Trustees shall reduce the allowance of an individual who accepts employment as provided under subsection (b) 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) (I) **[The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE** reduction required under paragraph (1) of this subsection shall equal:

[(i)] 1. 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)] 2. 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.

(II) 1. THIS SUBPARAGRAPH APPLIES TO A RETIREE OF THE TEACHERS' RETIREMENT SYSTEM WHO AS FACULTY RECEIVED A 10-MONTH SALARY AND RETIRED DIRECTLY FROM:

A. THE UNIVERSITY SYSTEM OF MARYLAND;

B. MORGAN STATE UNIVERSITY;

C. ST. MARY'S COLLEGE; OR

D. A COMMUNITY COLLEGE ESTABLISHED OR OPERATING UNDER TITLE 16 OF THE EDUCATION ARTICLE.

2. THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT BY WHICH THE SUM OF THE RETIREE'S INITIAL ANNUAL BASIC ALLOWANCE AND THE RETIREE'S ANNUAL COMPENSATION, AS CALCULATED IN SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH, EXCEEDS THE AVERAGE ANNUAL EARNABLE FINAL COMPENSATION OF THE RETIREE DURING THE 3 CONSECUTIVE YEARS THAT PROVIDES THE HIGHEST AVERAGE EARNABLE COMPENSATION USED TO COMPUTE THE BASIC ALLOWANCE.

3. THE CALCULATION OF THE RETIREE'S ANNUAL EARNABLE COMPENSATION FOR EACH OF THE 3 CONSECUTIVE YEARS IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, SHALL BE BASED ON ANY EARNINGS THE RETIREE RECEIVED DURING THE ENTIRE CALENDAR YEAR FROM THE EMPLOYER FROM WHICH THE RETIREE RETIRED. COMPENSATION IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH DOES NOT INCLUDE ANY OF THE FOLLOWING EARNINGS THE RETIREE RECEIVED DURING THE PREVIOUS CALENDAR YEAR FROM THE EMPLOYER WITH WHOM THE RETIREE IS REEMPLOYED:

- A. BONUSES;**
- B. OVERTIME;**
- C. SUMMER SCHOOL SALARIES;**
- D. ADULT EDUCATION SALARY;**
- E. ADDITIONAL TEMPORARY PAYMENTS FROM SPECIAL RESEARCH PROJECTS;**
- F. HONORARIUMS; AND**
- G. VEHICLE STIPENDS.**

23-407.

(c) (1) Except as provided in § 23-408 of this subtitle, the Board of Trustees shall reduce the allowance of an individual who accepts employment as provided under subsection (b) 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 or an early vested allowance computed under § 23-402 of this subtitle.

(2) (I) [The] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE** reduction required under paragraph (1) of this subsection shall equal:

[(i)] 1. 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)] 2. 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.

(II) 1. **THIS SUBPARAGRAPH APPLIES TO A RETIREE OF THE TEACHERS' PENSION SYSTEM WHO AS FACULTY RECEIVING A 10-MONTH SALARY, RETIRED DIRECTLY FROM:**

A. **THE UNIVERSITY SYSTEM OF MARYLAND;**

B. **MORGAN STATE UNIVERSITY;**

C. **ST. MARY'S COLLEGE; OR**

D. **A COMMUNITY COLLEGE ESTABLISHED OR OPERATING UNDER TITLE 16 OF THE EDUCATION ARTICLE.**

2. **THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT BY WHICH THE SUM OF THE RETIREE'S INITIAL ANNUAL BASIC ALLOWANCE AND THE RETIREE'S ANNUAL COMPENSATION, AS CALCULATED IN SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH, EXCEEDS THE AVERAGE ANNUAL EARNABLE FINAL COMPENSATION OF THE RETIREE DURING THE 3 CONSECUTIVE YEARS THAT PROVIDES THE HIGHEST AVERAGE EARNABLE COMPENSATION USED TO COMPUTE THE BASIC ALLOWANCE.**

3. **THE CALCULATION OF THE RETIREE'S ANNUAL EARNABLE COMPENSATION FOR EACH OF THE 3 CONSECUTIVE YEARS IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, SHALL BE BASED ON ANY EARNINGS THE RETIREE RECEIVED DURING THE ENTIRE CALENDAR YEAR FROM**

THE EMPLOYER FROM WHICH THE RETIREE RETIRED COMPENSATION IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH DOES NOT INCLUDE ANY OF THE FOLLOWING EARNINGS THE RETIREE RECEIVED DURING THE PREVIOUS CALENDAR YEAR FROM THE EMPLOYER WITH WHOM THE RETIREE IS REEMPLOYED:

- A. BONUSES;
- B. OVERTIME;
- C. SUMMER SCHOOL SALARIES;
- D. ADULT EDUCATION SALARY;
- E. ADDITIONAL TEMPORARY PAYMENTS FROM SPECIAL RESEARCH PROJECTS;
- F. HONORARIUMS; AND
- G. VEHICLE STIPENDS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010.

Approved by the Governor, May 20, 2010.