

(3) the temporary employment or contract is not in a regularly allocated position].

(b) (1) THIS SUBSECTION DOES NOT APPLY TO A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL BASIS.

(2) The Board of Trustees shall reduce a retiree's retirement allowance by the amount that the sum of the retiree's annual basic allowance, at the time of retirement, and the retiree's annual compensation exceeds the average final compensation used to compute the basic allowance.

(C) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.

(D) THE RETIREE'S COMPENSATION DURING THE PERIOD OF REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF § 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

(E) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE COMPLIANCE WITH THIS SECTION.

(F) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

(2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES, AND THEIR EARNINGS FOR THAT YEAR.

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(a) If a retiree who is receiving a service retirement allowance is reemployed in a permanent position with a participating employer, the retiree's retirement ends and the individual shall be restored to membership in the State pension system appropriate for the position.

(b) The Board of Trustees shall:

(1) stop retirement allowance payments after the last day of the month before the retiree returns to active employment;

(2) restore previous creditable service and eligibility service to the account of the member; and

(3) credit the member with creditable service and eligibility service beginning with the date of reemployment.