

3. based on the retiree's qualifications, has been hired as a principal;

4. ~~A. retired with a normal service retirement allowance under § 22-401 of this subtitle; or~~

~~B. retired with an early service retirement allowance under § 22-402 of this subtitle and has been retired for at least 12 months;~~

5. 4. receives verification of better than satisfactory performance each year the retiree is employed as a principal under item 3 of this item; and

6. 5. is not employed as a principal under item 3 of this item for more than 4 years; or

(vii) a retiree of the Teachers' Retirement System:

1. who retired from a board of education or local school system; and

2. who is reemployed in a part-time position with the University System of Maryland.

~~[(2)] (2) The Board of Trustees shall reduce an individual's allowance:~~

~~(i) by the amount that 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) for a retiree who retired under the Workforce Reduction Act (Chapter 353 of the Acts of 1996), by the amount that 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.~~

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

(d) The individual'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 individual receiving a service retirement allowance or a vested allowance, a participating employer shall notify the State Retirement Agency of the type of employment and the anticipated earnings of the individual.