

(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] 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 [retiree] INDIVIDUAL.

(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) Subject to subsection (b) of this section, [a retiree] AN INDIVIDUAL who is receiving a service retirement allowance OR A VESTED ALLOWANCE may accept employment with a participating employer on a permanent, temporary, or contractual basis, without any reduction in [retirement] THE allowance, if:

(1) the [retiree] INDIVIDUAL immediately notifies the Board of Trustees of the [retiree's] INDIVIDUALS intention to accept this employment; and

(2) the [retiree] INDIVIDUAL specifies the compensation to be received.

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

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

(ii) [a retiree] AN INDIVIDUAL who is serving in an elected position as an official of a participating governmental unit or as a constitutional officer for a county that is a participating governmental unit.

(2) The Board of Trustees shall reduce [a retiree's retirement] AN INDIVIDUALS allowance:

(i) by the amount that the sum of the [retiree's] INDIVIDUALS INITIAL annual basic allowance[, at the time of retirement,] and the [retiree's] INDIVIDUALS 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) [A reemployed retiree] 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.