



SPONSOR: Rep. Michael Smith & Rep. Dukes & Rep. D. Short &  
Rep. K. Williams & Sen. S. McBride  
Reps. Baumbach, Hensley, Matthews, Osienski, Smyk;  
Sens. Hocker, Lawson, Pettyjohn, Wilson

HOUSE OF REPRESENTATIVES  
151st GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1  
FOR  
HOUSE BILL NO. 478

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO EMPLOYMENT OF PENSIONERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1           Section 1. Amend § 5502, Title 29 of the Delaware Code by making deletions as shown by strike through and  
2           insertions as shown by underline as follows:

3           § 5502. Employment of pensioners.

4           (a) An individual shall not receive a service or disability pension under this chapter for any month during which  
5           the individual is an employee unless the individual is:

6                   (1) An official elected by popular vote at a regular state election;

7                   (2) An official appointed by the Governor;

8                   (3) A temporary, casual, seasonal or substitute employee as defined by the Board of Pension Trustees;

9                   (4) A substitute teacher employed by a school district in the State;

10                  (5) A temporary justice of the peace appointed pursuant to § 9211 of Title 10; or

11                  (6) A per diem employee of the General Assembly.

12           (b) Nothing in this section shall prevent the State from employing an individual receiving a pension under this  
13           chapter as a registration or election official or as a juror. An individual so employed may receive the compensation  
14           provided by law without deduction from the individual's pension.

15           (c) Nothing in this section shall prevent an employee 55 years of age or older from receiving an elected official  
16           service or disability pension.

17           (d) Any employment under paragraph (a)(2), (a)(3) or (a)(4) of this section requires the individual to have a 6-  
18           month separation of service from his or her effective date of retirement if the individual is under age 65. Earnings from  
19           employment under paragraph (a)(3) or (a)(4) of this section will be subject to an annual earnings limit of ~~\$30,000~~ \$40,000,  
20           beginning in calendar year 2021. If an individual does exceed the allowable earned income the individual's state pension

21 benefit from this chapter shall be reduced, with a \$1.00 deduction for every \$2.00 earned over ~~\$30,000~~ the annual earnings  
22 limit. The deduction will begin in July of the year following the calendar year for which the earnings are reported, in a  
23 manner as determined by the Board.

24 (e) Any individual who contracts with an employer participating in the plan or represents any private enterprise  
25 that has a contract with an employer participating in the plan must have a 6-month separation of service from his or her  
26 effective date of retirement if the individual is under age 65. The employer shall report to the Board, in a form prescribed  
27 by the Board, a certification of the worker's status for the individual. The certification will be used for a determination of  
28 the individual meeting the definition of employee under this chapter.

#### SYNOPSIS

This bill increases the annual earnings limit for pensioners in the State Employees' Pension Plan who return to work in a non-pension creditable position to \$40,000 for earnings received beginning in calendar year 2021.