

# HOUSE BILL 62

K4  
HB 38/16 – APP

(PRE-FILED)

7lr0924

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By: **Delegate McConkey**

Requested: October 19, 2016

Introduced and read first time: January 11, 2017

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Disability Retirement – Alterations**

3 FOR the purpose of authorizing the Board of Trustees for the State Retirement and Pension  
4 System to require certain retirees receiving a disability retirement allowance to  
5 undergo a medical examination under certain circumstances; authorizing the Board  
6 of Trustees to suspend a disability retirement allowance under certain circumstances  
7 and until a certain condition is met; authorizing the Board of Trustees to adopt  
8 certain regulations that include certain conditions; altering the amount used in a  
9 calculation to determine whether retirees receiving an ordinary disability retirement  
10 allowance are subject to a certain reemployment earnings limitation; and generally  
11 relating to alterations to the disability retirement process in the State Retirement  
12 and Pension System.

13 BY adding to

14 Article – State Personnel and Pensions  
15 Section 29–115.1  
16 Annotated Code of Maryland  
17 (2015 Replacement Volume and 2016 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article – State Personnel and Pensions  
20 Section 29–116  
21 Annotated Code of Maryland  
22 (2015 Replacement Volume and 2016 Supplement)

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

25 **Article – State Personnel and Pensions**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **29-115.1.**

2 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO FILES AN  
3 APPLICATION FOR A DISABILITY RETIREMENT ON OR AFTER JULY 1, 2017, AND IS  
4 AWARDED A DISABILITY RETIREMENT ALLOWANCE.

5 (B) THE BOARD OF TRUSTEES MAY REQUIRE A DISABILITY RETIREE TO  
6 UNDERGO A MEDICAL EXAMINATION IF:

7 (1) THE DISABILITY RETIREE IS UNDER NORMAL RETIREMENT AGE;  
8 AND

9 (2) GOOD CAUSE EXISTS FOR THE MEDICAL EXAMINATION.

10 (C) IF THE MEDICAL BOARD FINDS AFTER A MEDICAL EXAMINATION THAT A  
11 DISABILITY RETIREE WHO IS UNDER NORMAL RETIREMENT AGE IS NO LONGER  
12 MENTALLY OR PHYSICALLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF  
13 THE NORMAL DUTIES OF THE POSITION OF THE RETIREE AT THE TIME OF  
14 RETIREMENT, THE BOARD OF TRUSTEES MAY, AFTER GIVING NOTICE AND AN  
15 OPPORTUNITY FOR A HEARING, SUSPEND THE RETIREE'S ALLOWANCE UNTIL THE  
16 INDIVIDUAL REACHES NORMAL RETIREMENT AGE.

17 (D) THE BOARD OF TRUSTEES MAY ADOPT REGULATIONS TO CARRY OUT  
18 THIS SECTION, INCLUDING THE CONDITIONS UNDER WHICH THE DISABILITY  
19 RETIREMENT ALLOWANCE MAY BE REINSTATED FOR A SUBSEQUENT DISABILITY.

20 **29-116.**

21 (a) This section does not apply to a disability retiree:

22 (1) (i) who is a retiree of:

23 1. the State Police Retirement System;

24 2. the Law Enforcement Officers' Pension System;

25 3. the Local Fire and Police System; or

26 4. the Employees' Retirement System or the Employees'  
27 Pension System, if at the time of retirement the retiree was a law enforcement officer for a  
28 participating employer under § 26-201(a) of this article; and

29 (ii) who is reemployed by a participating employer in any position  
30 other than a probationary status law enforcement officer, a law enforcement officer, or  
31 chief, as defined in § 3-101 of the Public Safety Article; or

1 (2) (i) whose average final compensation was less than \$25,000; and

2 (ii) who is reemployed by a participating employer.

3 (b) The Board of Trustees shall reduce the pension of a retiree on ordinary  
4 disability if:

5 (1) the retiree is under normal retirement age;

6 (2) the medical board certifies in a report to the Board of Trustees that the  
7 retiree is employed by a participating employer at an annual compensation that is greater  
8 than the difference between:

9 (i) the retiree's retirement allowance at retirement; and

10 (ii) **THE SUM OF:**

11 1. the retiree's average final compensation [plus]; AND

12 2. \$5,000, WHICH SHALL BE ADJUSTED ANNUALLY BY  
13 THE PERCENTAGE GROWTH IN THE CONSUMER PRICE INDEX, AS DEFINED IN §  
14 29-401 OF THIS TITLE, IN THE CALENDAR YEAR PRECEDING THE FISCAL YEAR, AND  
15 EACH SUBSEQUENT ADJUSTMENT SHALL BE MADE ON THE AMOUNT CALCULATED IN  
16 THE PRIOR FISCAL YEAR;

17 (3) the Board of Trustees agrees with the medical board's report; and

18 (4) the retiree's allowance has not been temporarily suspended as provided  
19 in § 29-115 OR § 29-115.1 of this subtitle.

20 (c) The Board of Trustees shall reduce the pension of a retiree who has been  
21 receiving an ordinary disability retirement allowance for:

22 (1) less than 10 years, by \$1 for every \$2 that the retiree's current  
23 compensation exceeds the limit under subsection (b) of this section; or

24 (2) at least 10 years, by \$1 for every \$5 that the retiree's current  
25 compensation exceeds the limit under subsection (b) of this section.

26 (d) The pension to be reduced under this section is the pension at retirement  
27 without any cost-of-living adjustment.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
29 1, 2017.