

SENATE BILL 477

K4

6lr1623
CF HB 581

By: **Senator Peters (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 3, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Reemployment of Ordinary Disability**
3 **Retirees – Earnings Limitation**

4 FOR the purpose of exempting from a certain reemployment earnings limitation certain
5 retirees whose average final compensation was less than a certain amount and who
6 are reemployed while receiving an ordinary disability retirement allowance from the
7 State Retirement and Pension System; making stylistic changes; and generally
8 relating to the reemployment earnings limitation for ordinary disability retirees in
9 the State Retirement and Pension System.

10 BY repealing and reenacting, with amendments,
11 Article – State Personnel and Pensions
12 Section 29–116
13 Annotated Code of Maryland
14 (2015 Replacement Volume)

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

17 **Article – State Personnel and Pensions**

18 29–116.

19 (a) This section does not apply to a **DISABILITY** retiree [who is]:

20 (1) **WHO IS** a retiree of:

21 (i) the State Police Retirement System;

22 (ii) the Law Enforcement Officers' Pension System;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) the Local Fire and Police System; or

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

5 (2) **WHO IS** reemployed by a participating employer in any position other
6 than a probationary status law enforcement officer, a law enforcement officer, or chief, as
7 defined in § 3–101 of the Public Safety Article; **OR**

8 **(3) WHOSE AVERAGE FINAL COMPENSATION WAS LESS THAN \$25,000**
9 **AND WHO IS REEMPLOYED BY A PARTICIPATING EMPLOYER.**

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

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

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

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

17 (ii) the retiree's average final compensation plus \$5,000;

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

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

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

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

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

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2016.