

HOUSE BILL 62

K4
HB 38/16 – APP

(PRE-FILED)

7lr0924

By: **Delegate McConkey**

Requested: October 19, 2016

Introduced and read first time: January 11, 2017

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 14, 2017

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Disability Retirement – ~~Alterations~~**
3 **Reemployment Earnings Limitation**

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

15 ~~BY adding to~~
16 ~~Article – State Personnel and Pensions~~
17 ~~Section 29–115.1~~
18 ~~Annotated Code of Maryland~~
19 ~~(2015 Replacement Volume and 2016 Supplement)~~

20 BY repealing and reenacting, with amendments,
21 Article – State Personnel and Pensions
22 Section 29–116

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2015 Replacement Volume and 2016 Supplement)

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

5 **Article – State Personnel and Pensions**

6 ~~29-115.1.~~

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

10 ~~(B) THE BOARD OF TRUSTEES MAY REQUIRE A DISABILITY RETIREE TO~~
11 ~~UNDERGO A MEDICAL EXAMINATION IF:~~

12 ~~(1) THE DISABILITY RETIREE IS UNDER NORMAL RETIREMENT AGE;~~
13 ~~AND~~

14 ~~(2) GOOD CAUSE EXISTS FOR THE MEDICAL EXAMINATION.~~

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

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

25 29-116.

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

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

28 1. the State Police Retirement System;

29 2. the Law Enforcement Officers' Pension System;

30 3. the Local Fire and Police System; or

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

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

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

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

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

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

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

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

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

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

18 2. **\$5,000, WHICH SHALL BE ADJUSTED ANNUALLY BY**
19 **THE PERCENTAGE GROWTH IN THE CONSUMER PRICE INDEX, AS DEFINED IN §**
20 **29–401 OF THIS TITLE, IN THE CALENDAR YEAR PRECEDING THE FISCAL YEAR, AND**
21 **EACH SUBSEQUENT ADJUSTMENT SHALL BE MADE ON THE AMOUNT CALCULATED IN**
22 **THE PRIOR FISCAL YEAR;**

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

24 (4) the retiree's allowance has not been temporarily suspended as provided
25 in § 29–115 ~~OR § 29–115.1~~ of this subtitle.

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

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

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

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

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.