

# SENATE BILL 751

K4, K1

7lr1435  
CF HB 344

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By: **Senator Guzzone**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation and Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Disability Retirement and Workers’**  
3 **Compensation Benefits – Offsets**

4 FOR the purpose of exempting ordinary disability retirement benefits paid under the State  
5 Retirement and Pension System from the requirement to be offset by related  
6 workers’ compensation benefits; repealing the requirement for the Board of Trustees  
7 for the State Retirement and Pension System to reduce accidental or special  
8 disability retirement benefits by related workers’ compensation benefits; requiring  
9 the Workers’ Compensation Commission to reduce workers’ compensation benefits  
10 by related accidental or special disability retirement benefits under certain  
11 circumstances; defining a certain term; and generally relating to offsets of disability  
12 retirement benefits and workers’ compensation benefits.

13 BY repealing and reenacting, with amendments,  
14 Article – Labor and Employment  
15 Section 9–610  
16 Annotated Code of Maryland  
17 (2016 Replacement Volume)

18 BY repealing  
19 Article – State Personnel and Pensions  
20 Section 29–118  
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 – Labor and Employment**

26 9–610.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) Except for benefits [subject to an offset under § 29–118] **PAID FOR AN**  
2 **ORDINARY DISABILITY RETIREMENT IN ACCORDANCE WITH §§ 29–105 THROUGH**  
3 **29–108** of the State Personnel and Pensions Article, **AND SUBJECT TO SUBSECTION (D)**  
4 **OF THIS SECTION**, if a statute, charter, ordinance, resolution, regulation, or policy,  
5 regardless of whether part of a pension system, provides a benefit to a covered employee of  
6 a governmental unit or a quasi–public corporation that is subject to this title under §  
7 9–201(2) of this title or, in case of death, to the dependents of the covered employee,  
8 payment of the benefit by the employer satisfies, to the extent of the payment, the liability  
9 of the employer and the Subsequent Injury Fund for payment of similar benefits under this  
10 title.

11 (2) If a benefit paid under paragraph (1) of this subsection is less than the  
12 benefits provided under this title, the employer, the Subsequent Injury Fund, or both shall  
13 provide an additional benefit that equals the difference between the benefit paid under  
14 paragraph (1) of this subsection and the benefits provided under this title.

15 (3) The computation of an additional benefit payable under paragraph (2)  
16 of this section shall be done at the time of the initial award and may not include any cost  
17 of living adjustment after the initial award.

18 (b) (1) If federal law provides benefits for an individual who is a covered  
19 employee of the Military Department of the State under § 9–215 of this title that are equal  
20 to or greater than the benefits provided by this title, the covered employee is not entitled  
21 to benefits under this title.

22 (2) If federal law provides benefits for a covered employee of the Military  
23 Department of the State that are less than the benefits provided by this title, the State and  
24 its insurer shall provide an additional benefit that equals the difference between the benefit  
25 provided by federal law and the similar benefit provided by this title.

26 (c) (1) The Commission may:

27 (i) determine whether any benefit provided by the employer is equal  
28 to or greater than any benefit provided for in this title; and

29 (ii) make an award against the employer or the Subsequent Injury  
30 Fund or both to provide an additional benefit that equals the difference between the benefit  
31 provided by the employer and the benefits required by this title.

32 (2) A claim that comes under this section is subject to the continuing  
33 powers and jurisdiction of the Commission.

34 **(D) (1) (I) IN THIS SUBSECTION, “ACCIDENTAL OR SPECIAL**  
35 **DISABILITY RETIREMENT BENEFIT” MEANS A RETIREMENT BENEFIT PAID IN**

1 ACCORDANCE WITH §§ 29–109 THROUGH 29–111 OF THE STATE PERSONNEL AND  
2 PENSIONS ARTICLE, WHICH MAY INCLUDE RETROACTIVE BENEFIT PAYMENTS.

3 (II) “ACCIDENTAL OR SPECIAL DISABILITY RETIREMENT  
4 BENEFIT” DOES NOT INCLUDE ANY COST-OF-LIVING ADJUSTMENT UNDER TITLE 29,  
5 SUBTITLE 4 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

6 (2) THE COMMISSION SHALL REDUCE WORKERS’ COMPENSATION  
7 BENEFITS BY ANY RELATED ACCIDENTAL OR SPECIAL DISABILITY RETIREMENT  
8 BENEFIT IF THE WORKERS’ COMPENSATION BENEFITS:

9 (I) ARE PAID OR PAYABLE WHILE THE RETIREMENT BENEFIT IS  
10 PAID OR PAYABLE; AND

11 (II) ARE FOR AN ACCIDENTAL PERSONAL INJURY ARISING OUT  
12 OF AND IN THE COURSE OF THE RETIREE’S EMPLOYMENT BY A COVERED EMPLOYER.

### 13 Article – State Personnel and Pensions

14 [29–118.

15 (a) (1) Except as otherwise provided in this subsection, this section applies to  
16 a retiree and any designated beneficiary.

17 (2) (i) This section does not apply to:

18 1. a retiree of a participating governmental unit, or a  
19 designated beneficiary of that retiree; or

20 2. a retiree of the Employees’ Pension System or the  
21 Employees’ Retirement System who receives a disability retirement benefit as a former  
22 employee of a county board of education or the Board of School Commissioners of Baltimore  
23 City, or a designated beneficiary of that retiree.

24 (ii) A retiree described in subparagraph (i) of this paragraph, or a  
25 designated beneficiary of that retiree is subject to § 9–610 of the Labor and Employment  
26 Article.

27 (b) (1) The Board of Trustees shall reduce an accidental or special disability  
28 retirement benefit by any related workers’ compensation benefits paid or payable after the  
29 effective date of retirement if the workers’ compensation benefits:

30 (i) are paid or payable while a pension is paid or payable; and

1                               (ii)     are for an accidental personal injury arising out of and in the  
2 course of the retiree's employment by a participating employer.

3                               (2)     A retirement allowance may not be reduced:

4                               (i)     to be less than the sum of the retiree's annuity and the amount  
5 authorized to be deducted for health insurance premiums; or

6                               (ii)    for workers' compensation benefits that are reimbursements for  
7 legal fees, medical expenses, or other payments made to third parties and not to the retiree.

8                               (c)     The retirement allowance to be reduced under this section is the retirement  
9 allowance at retirement without any cost-of-living adjustment and is retroactive.]

10                              SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
11 1, 2017.