

Chapter 279

(House Bill 62)

AN ACT concerning

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

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

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

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 29–116
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

~~**29–115.1.**~~

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

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

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

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

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

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

29-116.

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

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

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

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

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

(ii) who is reemployed by a participating employer.

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

(1) the retiree is under normal retirement age;

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

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

(ii) **THE SUM OF:**

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

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

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

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

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

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

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

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

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

Approved by the Governor, April 18, 2017.