

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 311 (Senator Amoss)  
(Chairman, Joint Committee on Pensions)  
Budget and Taxation

---

**Pensions - Accidental Disability - Time Limit for Applications**

---

This bill repeals the authority of the Board of Trustees of the Maryland State Retirement and Pension System (MSRPS) to accept an application for accidental disability benefits after five years. Under current law, an application for accidental disability may be made more than five years after the date of the claimed accident if the member proves to the satisfaction of the Medical Board that failure to submit an application within the required five years was attributable solely to physical or mental conditions that resulted directly from the event or act of duty that caused the disability. Under the proposed legislation, applications for accidental disability must simply be made within five years of the claimed accident.

---

**Fiscal Summary**

**State Effect:** Minimal reduction in special fund expenditures for administrative and legal expenses, as discussed below.

**Local Effect:** None.

**Small Business Effect:** None. This bill does not directly affect small businesses.

---

**Fiscal Analysis**

**State Expenditures:** Under current law, accidental disability applications filed more than five years from the date of the alleged accident are rejected unless the member or former member proves to the satisfaction of the Medical Board of the MSRPS that failure to file the accidental disability application is solely attributable to physical or mental conditions that resulted directly from the accident. The Medical Board has interpreted this provision strictly; unless the member's condition is extreme, e.g., the member is comatose, the member must

file the application for accidental disability within five years of the accident.

Applications for accidental disability are frequently denied because the burden of proof is relatively high for the applicant and is significantly higher than for ordinary disability. Moreover, the longer the time span between the alleged accident and the application, the more difficult it is for the member to prove that their disability is the direct and natural result of the alleged accident. Thus, to date the applications for accidental disability that have been filed past the five-year deadline have been denied.

Because these claims are rarely successful, there has been little or no increase in the actuarial liabilities of the system as a result of the current provision. Each claim and subsequent appeal, however, requires substantial time and effort on the part of the administrative and legal staff of the Retirement Agency. The agency estimates that, on average, 15 members or former members per year file for accidental disability beyond the five-year period. All such applications to date have been unsuccessful. About 15% of these denied applicants can be expected to appeal. Accordingly, the bill would reduce administrative and legal expenses for the Retirement Agency by a minimal amount.

---

**Information Source(s):** State Retirement Agency, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 3, 1997  
nrd

---

Analysis by: Matthew D. Riven  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710