
By: **Delegate Proctor (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 29, 1998

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Retirement and Pensions - Disability Retirement - Limitations**

3 FOR the purpose of altering the conditions under which a retiree receiving a
4 disability retirement allowance from certain State retirement and pension
5 systems is to have a medical examination; altering the penalty for refusing a
6 medical examination; authorizing the Board of Trustees of the State Retirement
7 and Pension System to suspend a disability retirement allowance under certain
8 conditions; terminating requirements for medical and earnings information
9 after the disability retiree attains normal retirement age; clarifying that a
10 pension of a retiree on ordinary disability that is to be reduced under certain
11 circumstances is the pension at retirement without any cost-of-living
12 adjustment; and generally relating to limitations on receipt of a disability
13 retirement allowance from the State Retirement and Pension System.

14 BY repealing and reenacting, with amendments,
15 Article - State Personnel and Pensions
16 Section 29-115 and 29-116
17 Annotated Code of Maryland
18 (1997 Replacement Volume)

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

21 **Article - State Personnel and Pensions**

22 29-115.

23 (a) If a disability retiree is under normal retirement age, the Board of Trustees
24 may require the disability retiree to undergo a yearly medical examination.

25 (b) [(1)] The retiree shall be examined by a physician chosen by the Board of
26 Trustees[.

27 (2) The examination shall be at the retiree's residence or other] AT A
28 place agreed on by the retiree and the physician conducting the examination.

1 (c) If a retiree who is under normal retirement age refuses a medical
2 examination, the Board of Trustees may stop payment of the retiree's allowance until
3 the retiree withdraws the refusal.

4 (d) If a retiree's refusal of a medical examination continues for 1 year, the
5 Board of Trustees may revoke the retiree's rights in the retiree's [pension]
6 DISABILITY RETIREMENT ALLOWANCE.

7 (e) (1) [Except as provided in paragraph (2) of this subsection, if the medical
8 board finds after a medical examination that a disability retiree who is under normal
9 retirement age is no longer mentally or physically incapacitated for the further
10 performance of the normal duties of the position of the retiree at the time of
11 retirement, the] THE Board of Trustees may, after giving notice and an opportunity
12 for a hearing, suspend the retiree's allowance[.

13 (2) The Board of Trustees may not suspend a retiree's allowance under
14 this section unless] IF:

15 (i) a retiree is employed [in a position that requires the retiree's
16 allowance to be suspended under § 29-117 of this subtitle] BY A PARTICIPATING
17 EMPLOYER AT AN ANNUAL COMPENSATION THAT IS AT LEAST EQUAL TO THE
18 RETIREE'S AVERAGE FINAL COMPENSATION AT RETIREMENT;

19 (ii) a retiree is employed [in a position that does not require the
20 retiree's allowance to be suspended under § 29-117 of this subtitle, but is employed]
21 BY A PARTICIPATING EMPLOYER AT AN ANNUAL COMPENSATION THAT IS LESS THAN
22 THE RETIREE'S AVERAGE FINAL COMPENSATION AT RETIREMENT in a position
23 similar to the position held before retirement [or a position with compensation that is
24 at least equal to the retiree's average final compensation at retirement]; or

25 (iii) the Board of Trustees determines[, after giving notice and an
26 opportunity for a hearing,] that a retiree has refused to accept from the retiree's
27 employer at retirement an offer of reemployment in a position comparable to the
28 position held before retirement or a position with compensation that is at least equal
29 to the retiree's average final compensation at retirement.

30 [(3)] (2) A retiree whose allowance is suspended under this subsection
31 may receive a vested allowance as provided under Title 29, Subtitle 3 of this article, if
32 the retiree had at least 5 years of eligibility service at retirement.

33 (f) A member who retires on or after July 1, 1982, and receives a disability
34 retirement allowance shall provide yearly medical and earnings information on
35 request of the Board of Trustees UNTIL THE RETIREE ATTAINS NORMAL RETIREMENT
36 AGE.

37 (g) If the retiree refuses to provide the information, the Board of Trustees
38 shall suspend the retiree's allowance until the information is provided.

1 29-116.

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

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

5 (2) the medical board certifies in a report to the Board of Trustees that
6 the retiree is engaged in a gainful occupation paying more than the difference
7 between:

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

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

10 (3) the Board of Trustees agrees with the medical board's report.

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

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

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

17 (C) THE PENSION TO BE REDUCED UNDER THIS SECTION IS THE PENSION AT
18 RETIREMENT WITHOUT ANY COST-OF-LIVING ADJUSTMENT.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
20 effect July 1, 1998.