

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 334 (Delegate Proctor)
(Chairman, Joint Committee on Pensions)

Appropriations

Retirement and Pensions - Disability Retirement - Limitations

This pension bill makes certain technical changes to the disability retirement provisions of the Maryland State Retirement and Pension System (MSRPS). This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: The proposed changes are technical in nature and should have no fiscal impact on the State Retirement Agency or MSRPS assets.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Bill Summary: This proposal:

- provides that a physical examination of a disability retiree will occur at a place agreed on by the retiree and the retirement agency (rather than at the retiree's residence);
- clarifies that the board of trustees may permanently revoke the entire disability retirement allowance (rather than the employer provided portion) for retirees who continue to refuse a medical examination for at least one year;

- provides that the board (after giving notice and opportunity for hearing) may suspend the disability retirement allowance (1) if the retiree is employed by a participating employer at a salary equal to or greater than the average final salary at retirement; or (2) if the retiree is employed by a participating employer in a similar position to the one held before retirement even if the salary is less than the average final compensation at retirement;
- provides that a disability retiree is required to submit medical and earnings information only until the retiree reaches normal retirement age; and
- for disability retirees who earn more than the allowable amount under § 29-116 (reemployment offset for ordinary disability), clarifies that the pension to be reduced under this section is the pension at retirement without any cost-of-living adjustment.

Background: The provisions regarding suspension of disability benefits required clarification because previous statutory changes had left the standards by which the board could suspend the benefits undefined. The retirement agency advises that the clarification that COLAs are not offset in the recovery of excess earnings was suggested by the legislative auditors.

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

Fiscal Note History: First Reader - February 16, 1998

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