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

Introduced and read first time: January 28, 2002

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Retirement and Pensions - Disability Retirees - Temporary Suspension of**
3 **Allowance**

4 FOR the purpose of repealing certain requirements that disability retirees of the
5 State Retirement and Pension Systems must meet; repealing certain
6 restrictions on reemployment of disability retirees; providing for a temporary
7 suspension of benefits paid to disability retirees under certain circumstances;
8 providing for the resumption of disability benefits with certain adjustments to
9 the benefits after receipt by the Board of Trustees for the State Retirement and
10 Pension System of certain documentation; and generally relating to disability
11 retirees of the State retirement and pension systems.

12 BY repealing and reenacting, with amendments,
13 Article - State Personnel and Pensions
14 Section 29-115 and 29-116
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2001 Supplement)

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

19 **Article - State Personnel and Pensions**

20 29-115.

21 (a) [If a disability retiree is under normal retirement age, the Board of
22 Trustees may require the disability retiree to undergo a yearly medical examination]
23 THIS SECTION APPLIES ONLY TO A DISABILITY RETIREE WHO IS NOT ELIGIBLE TO
24 RECEIVE A NORMAL SERVICE RETIREMENT.

25 (b) [The retiree shall be examined by a physician chosen by the Board of
26 Trustees at a place agreed on by the retiree and the physician conducting the
27 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 disability retirement
6 allowance.

7 (e) (1) The Board of Trustees may, after giving notice [and an opportunity
8 for a hearing], TEMPORARILY suspend the retiree's allowance if [:

9 (i) a retiree is employed by a participating employer at an annual
10 compensation that is at least equal to the retiree's average final compensation at
11 retirement [;

12 (ii) a retiree is employed by a participating employer at an annual
13 compensation that is less than the retiree's average final compensation at retirement
14 in a position similar to the position held before retirement; or

15 (iii) the Board of Trustees determines that a retiree has refused to
16 accept from the retiree's employer at retirement an offer of reemployment in a
17 position comparable to the position held before retirement or a position with
18 compensation that is at least equal to the retiree's average final compensation at
19 retirement].

20 (2) A retiree whose allowance is TEMPORARILY suspended under this
21 subsection [may receive a vested allowance as provided under Title 29, Subtitle 3 of
22 this article, if the retiree had at least 5 years of eligibility service at retirement] IS
23 NOT SUBJECT TO A REDUCTION AS PROVIDED IN § 29-116 OF THIS SUBTITLE DURING
24 THE PERIOD OF EMPLOYMENT BY A PARTICIPATING EMPLOYER.

25 (3) UPON RECEIVING SATISFACTORY DOCUMENTATION THAT THE
26 RETIREE IS NO LONGER EMPLOYED BY A PARTICIPATING EMPLOYER, THE BOARD OF
27 TRUSTEES SHALL REINSTATE THE RETIREE'S ALLOWANCE WITH ACCUMULATED
28 COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE WAS
29 TEMPORARILY SUSPENDED.

30 (4) THE RETIREE'S ALLOWANCE WILL BE REINSTATED ON THE FIRST
31 DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE RETIREE CEASED
32 EMPLOYMENT WITH THE PARTICIPATING EMPLOYER.

33 [(f)] (C) A member who retires on or after July 1, 1982, and receives a
34 disability retirement allowance shall provide yearly medical and earnings
35 information on request of the Board of Trustees until the retiree attains normal
36 retirement age.

37 [(g)] (D) If the retiree refuses to provide the information, the Board of
38 Trustees 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; AND

11 (4) **THE RETIREE'S ALLOWANCE HAS NOT BEEN TEMPORARILY**
12 **SUSPENDED AS PROVIDED IN § 29-115 OF THIS SUBTITLE.**

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

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2002.