

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System and Correctional Officers' Retirement System -**
3 **Disability Retirement Allowances**

4 FOR the purpose of providing that certain members of the Employees' Pension
5 System who have accrued a certain amount of service credit in the Correctional
6 Officers' Retirement System may combine their eligibility service in the
7 Employees' Pension System and the Correctional Officers' Retirement System
8 for purposes of determining eligibility for an ordinary disability retirement
9 allowance from the Employees' Pension System; determining the benefit to be
10 received for an ordinary disability retirement for certain members of the
11 Employees' Pension System who have accrued a certain amount of service credit
12 in the Correctional Officers' Retirement System; determining the benefit to be
13 received for a special disability retirement for certain members of the
14 Employees' Pension System who have accrued a certain amount of service credit
15 in the Correctional Officers' Retirement System; and generally relating to
16 disability retirements for members of the Employees' Pension System who have
17 accrued service credit in the Correctional Officers' Retirement System.

1 BY repealing and reenacting, with amendments,
2 Article - State Personnel and Pensions
3 Section 29-105, 29-108, and 29-110
4 Annotated Code of Maryland
5 (2004 Replacement Volume)

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

8 **Article - State Personnel and Pensions**

9 29-105.

10 (A) The Board of Trustees shall grant an ordinary disability retirement
11 allowance to a member if:

12 (1) the member has at least 5 years of eligibility service; and

13 (2) the medical board certifies that:

14 (i) the member is mentally or physically incapacitated for the
15 further performance of the normal duties of the member's position;

16 (ii) the incapacity is likely to be permanent; and

17 (iii) the member should be retired.

18 (B) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER OF THE EMPLOYEES'
19 PENSION SYSTEM WHO:

20 (I) IS PROMOTED WITHIN THE DEPARTMENT OF CORRECTIONS TO
21 A POSITION THAT NO LONGER IS ELIGIBLE FOR MEMBERSHIP IN THE CORRECTIONAL
22 OFFICERS' PENSION SYSTEM AS PROVIDED IN § 25-201 OF THIS ARTICLE;

23 (II) ELECTS NOT TO TRANSFER THE YEARS OF CREDITABLE
24 SERVICE THE INDIVIDUAL ACCRUED IN THE CORRECTIONAL OFFICERS' RETIREMENT
25 SYSTEM TO THE EMPLOYEES' PENSION SYSTEM; AND

26 (III) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM THE
27 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

28 (2) A MEMBER MAY COMBINE THE ELIGIBILITY SERVICE ACCRUED IN
29 THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AND THE EMPLOYEES'
30 PENSION SYSTEM TO DETERMINE IF THE MEMBER IS ELIGIBLE FOR AN ORDINARY
31 DISABILITY RETIREMENT ALLOWANCE UNDER SUBSECTION (A) OF THIS SECTION
32 FROM THE EMPLOYEES' PENSION SYSTEM.

33 29-108.

34 (a) This section applies only to members of:

- 1 (1) the Employees' Pension System;
- 2 (2) the Local Fire and Police System;
- 3 (3) the Law Enforcement Officers' Pension System; and
- 4 (4) the Teachers' Pension System.

5 (b) Except as provided in subsections ~~(c) and (d)~~ (C), (D), AND (E) of this section,
6 an ordinary disability retirement allowance equals:

7 (1) if the member is at least normal retirement age, a normal service
8 retirement allowance; or

9 (2) if the member is under normal retirement age, a normal service
10 retirement allowance that is computed by using:

11 (i) the number of years of creditable service the member would
12 have received if the member continued employment until normal retirement age; and

13 (ii) an average final compensation the member would have received
14 if the member continued employment without a change in earnable compensation.

15 (c) A member of the Employees' Pension System or the Teachers' Pension
16 System who has transferred from the Employees' Retirement System or the Teachers'
17 Retirement System shall receive the benefits provided under the State system from
18 which the member transferred, offset by any refunded contributions including any
19 interest received in connection with the transfer, if:

20 (1) the member applies for the retirement allowance within 2 years after
21 the transfer; and

22 (2) the Board of Trustees grants a disability retirement allowance to the
23 member.

24 (d) (1) This subsection applies only to:

25 (i) a member of the Local Fire and Police Pension System who has
26 transferred from the Employees' Retirement System; or

27 (ii) a member of the Law Enforcement Officers' Pension System
28 who has transferred from the Employees' Retirement System after electing to receive
29 benefits in accordance with Selection A (Additional member contributions) as defined
30 in § 22-101(b) of this article or Selection B (Limited cost-of-living adjustment) as
31 defined in § 22-101(c) of this article.

32 (2) An ordinary disability retirement allowance equals the greater of:

33 (i) a normal service retirement allowance; or

34 (ii) 25% of the member's average final compensation.

1 (E) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER OF THE EMPLOYEES'
2 PENSION SYSTEM WHO:

3 (I) IS PROMOTED WITHIN THE DEPARTMENT OF CORRECTIONS TO
4 A POSITION THAT NO LONGER IS ELIGIBLE FOR MEMBERSHIP IN THE CORRECTIONAL
5 OFFICERS' ~~PENSION~~ RETIREMENT SYSTEM AS PROVIDED IN § 25-201 OF THIS
6 ARTICLE;

7 (II) ELECTS NOT TO TRANSFER THE YEARS OF CREDITABLE
8 SERVICE THE INDIVIDUAL ACCRUED IN THE CORRECTIONAL OFFICERS' RETIREMENT
9 SYSTEM TO THE EMPLOYEES' PENSION SYSTEM; AND

10 (III) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM THE
11 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

12 (2) AN ORDINARY DISABILITY RETIREMENT ALLOWANCE EQUALS:

13 (I) A NORMAL SERVICE RETIREMENT ALLOWANCE IN THE
14 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ~~AND IS~~ BASED ON THE MEMBER'S
15 TOTAL YEARS OF CREDITABLE SERVICE ACCRUED IN ~~BOTH~~ THE CORRECTIONAL
16 OFFICERS' RETIREMENT SYSTEM ~~AND~~; PLUS

17 (II) AN ORDINARY DISABILITY RETIREMENT ALLOWANCE BASED
18 ON THE MEMBER'S TOTAL YEARS OF CREDITABLE SERVICE ACCRUED IN THE
19 EMPLOYEES' PENSION SYSTEM.

20 29-110.

21 (a) This section does not apply to the State Police Retirement System.

22 (b) Except as provided in subsection (c) of this section, an accidental disability
23 retirement allowance equals the lesser of:

24 (1) the member's average final compensation; or

25 (2) the sum of:

26 (i) an annuity that is the actuarial equivalent of the member's
27 accumulated contributions at retirement; and

28 (ii) a pension equal to two-thirds of the member's average final
29 compensation.

30 (c) (1) This subsection applies to a member of a State system other than the
31 Law Enforcement Officers' Pension System who is at least normal retirement age.

32 (2) An accidental disability retirement allowance equals the greater of:

33 (i) a normal service retirement allowance; or

1 (ii) an accidental disability retirement allowance computed in
2 accordance with subsection (b) of this section.

3 (D) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER OF THE EMPLOYEES'
4 PENSION SYSTEM WHO:

5 (I) IS PROMOTED WITHIN THE DEPARTMENT OF CORRECTIONS TO
6 A POSITION THAT NO LONGER IS ELIGIBLE FOR MEMBERSHIP IN THE CORRECTIONAL
7 OFFICERS' ~~PENSION~~ RETIREMENT SYSTEM AS PROVIDED IN § 25-201 OF THIS
8 ARTICLE;

9 (II) ELECTS NOT TO TRANSFER THE YEARS OF CREDITABLE
10 SERVICE THE INDIVIDUAL ACCRUED IN THE CORRECTIONAL OFFICERS' RETIREMENT
11 SYSTEM TO THE EMPLOYEES' PENSION SYSTEM; AND

12 (III) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM THE
13 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

14 (2) A MEMBER MAY RECEIVE AN ACCIDENTAL DISABILITY RETIREMENT
15 ALLOWANCE UNDER THIS SECTION IF THE MEMBER:

16 (I) DOES NOT ELECT TO RECEIVE A VESTED ALLOWANCE FROM
17 THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; AND

18 (II) TRANSFERS THE MEMBER'S ACCUMULATED CONTRIBUTIONS
19 IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM TO THE EMPLOYEES'
20 PENSION SYSTEM.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2005.