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By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: February 3, 2005

Assigned to: Budget and Taxation

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A BILL ENTITLED

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.

18 BY repealing and reenacting, with amendments,  
19 Article - State Personnel and Pensions  
20 Section 29-105, 29-108, and 29-110  
21 Annotated Code of Maryland  
22 (2004 Replacement Volume)

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

25 **Article - State Personnel and Pensions**

26 29-105.

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

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

1 (2) the medical board certifies that:

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

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

5 (iii) the member should be retired.

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

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

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

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

16 (2) A MEMBER MAY COMBINE THE ELIGIBILITY SERVICE ACCRUED IN  
17 THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AND THE EMPLOYEES'  
18 PENSION SYSTEM TO DETERMINE IF THE MEMBER IS ELIGIBLE FOR AN ORDINARY  
19 DISABILITY RETIREMENT ALLOWANCE UNDER SUBSECTION (A) OF THIS SECTION  
20 FROM THE EMPLOYEES' PENSION SYSTEM.

21 29-108.

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

23 (1) the Employees' Pension System;

24 (2) the Local Fire and Police System;

25 (3) the Law Enforcement Officers' Pension System; and

26 (4) the Teachers' Pension System.

27 (b) Except as provided in subsections (c) and (d) of this section, an ordinary  
28 disability retirement allowance equals:

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

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

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

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

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

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

12 (2) the Board of Trustees grants a disability retirement allowance to the  
13 member.

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

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

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

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

23 (i) a normal service retirement allowance; or

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

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

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

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

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

35 (2) AN ORDINARY DISABILITY RETIREMENT ALLOWANCE EQUALS A  
36 NORMAL SERVICE RETIREMENT ALLOWANCE IN THE CORRECTIONAL OFFICERS'

1 RETIREMENT SYSTEM AND IS BASED ON THE MEMBER'S TOTAL YEARS OF  
2 CREDITABLE SERVICE ACCRUED IN BOTH THE CORRECTIONAL OFFICERS'  
3 RETIREMENT SYSTEM AND THE EMPLOYEES' PENSION SYSTEM.

4 29-110.

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

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

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

9 (2) the sum of:

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

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

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

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

17 (i) a normal service retirement allowance; or

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

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

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

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

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

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

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

1 (II) TRANSFERS THE MEMBER'S ACCUMULATED CONTRIBUTIONS  
2 IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM TO THE EMPLOYEES'  
3 PENSION SYSTEM.

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