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

Introduced and read first time: February 3, 2005

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 2, 2005

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.

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:

1 **Article - State Personnel and Pensions**

2 29-105.

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

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

6 (2) the medical board certifies that:

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

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

10 (iii) the member should be retired.

11 (B) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER OF THE EMPLOYEES'
12 PENSION SYSTEM WHO:13 (I) IS PROMOTED WITHIN THE DEPARTMENT OF CORRECTIONS TO
14 A POSITION THAT NO LONGER IS ELIGIBLE FOR MEMBERSHIP IN THE CORRECTIONAL
15 OFFICERS' PENSION SYSTEM AS PROVIDED IN § 25-201 OF THIS ARTICLE;16 (II) ELECTS NOT TO TRANSFER THE YEARS OF CREDITABLE
17 SERVICE THE INDIVIDUAL ACCRUED IN THE CORRECTIONAL OFFICERS' RETIREMENT
18 SYSTEM TO THE EMPLOYEES' PENSION SYSTEM; AND19 (III) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM THE
20 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.21 (2) A MEMBER MAY COMBINE THE ELIGIBILITY SERVICE ACCRUED IN
22 THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AND THE EMPLOYEES'
23 PENSION SYSTEM TO DETERMINE IF THE MEMBER IS ELIGIBLE FOR AN ORDINARY
24 DISABILITY RETIREMENT ALLOWANCE UNDER SUBSECTION (A) OF THIS SECTION
25 FROM THE EMPLOYEES' PENSION SYSTEM.

26 29-108.

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

28 (1) the Employees' Pension System;

29 (2) the Local Fire and Police System;

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

31 (4) the Teachers' Pension System.

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

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

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

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

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

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

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

18 (2) the Board of Trustees grants a disability retirement allowance to the
19 member.

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

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

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

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

29 (i) a normal service retirement allowance; or

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

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

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

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

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

6 (2) AN ORDINARY DISABILITY RETIREMENT ALLOWANCE EQUALS:

7 (I) A NORMAL SERVICE RETIREMENT ALLOWANCE IN THE
8 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ~~AND IS~~ BASED ON THE MEMBER'S
9 TOTAL YEARS OF CREDITABLE SERVICE ACCRUED IN ~~BOTH~~ THE CORRECTIONAL
10 OFFICERS' RETIREMENT SYSTEM ~~AND; PLUS~~

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

14 29-110.

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

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

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

19 (2) the sum of:

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

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

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

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

27 (i) a normal service retirement allowance; or

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

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

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

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

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

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

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

10 (II) TRANSFERS THE MEMBER'S ACCUMULATED CONTRIBUTIONS
11 IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM TO THE EMPLOYEES'
12 PENSION SYSTEM.

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