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By: **Senator Kasemeyer**

Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Retirement and Pensions - Ordinary Disability Retirement Allowance -**  
3                                   **Offsets**

4 FOR the purpose of requiring that certain retirees who meet certain criteria be  
5 subject to a reduction to their ordinary disability retirement allowance; and  
6 generally relating to reducing ordinary disability retirement allowances.

7 BY repealing and reenacting, with amendments,  
8 Article - State Personnel and Pensions  
9 Section 29-116  
10 Annotated Code of Maryland  
11 (2004 Replacement Volume)

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

14                                   **Article - State Personnel and Pensions**

15 29-116.

16 (a) The Board of Trustees shall reduce the pension of a retiree on ordinary  
17 disability if:

18 (1) the retiree is under normal retirement age;

19 (2) the medical board certifies in a report to the Board of Trustees that  
20 the retiree is [engaged in a gainful occupation paying more] EMPLOYED BY A  
21 PARTICIPATING EMPLOYER AT AN ANNUAL COMPENSATION THAT IS GREATER than  
22 the difference between:

23 (i) the retiree's retirement allowance at retirement; and

24 (ii) the retiree's average final compensation plus \$5,000;

25 (3) the Board of Trustees agrees with the medical board's report; and

1           (4)       the retiree's allowance has not been temporarily suspended as  
2 provided in § 29-115 of this subtitle.

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

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

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

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

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