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

Introduced and read first time: February 9, 2006

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System - Disability Retirement**

3 FOR the purpose of exempting from certain earnings limitations and certain
4 reemployment restrictions certain retirees of certain systems of the State
5 Retirement and Pension System; providing for the application of this Act; and
6 generally relating to retirees of the State Retirement and Pension System
7 receiving disability retirement allowances.

8 BY repealing and reenacting, with amendments,
9 Article - State Personnel and Pensions
10 Section 29-115 and 29-116
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2005 Supplement)

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

15 **Article - State Personnel and Pensions**

16 29-115.

17 (a) (1) This section applies only to a disability retiree who is not eligible to
18 receive a normal service retirement.

19 (2) [This] EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,
20 THIS section does not apply to a disability retiree of:

21 (I) the State Police Retirement System [or], the Law Enforcement
22 Officers' Pension System [if the retiree is reemployed by a participating employer in
23 any position other than a probationary status law enforcement officer, a law
24 enforcement officer, or chief, as defined in § 3-101 of the Public Safety Article], OR
25 THE LOCAL FIRE AND POLICE SYSTEM; OR

26 (II) THE EMPLOYEES' RETIREMENT SYSTEM OR THE EMPLOYEES'
27 PENSION SYSTEM, IF AT THE TIME OF RETIREMENT THE RETIREE WAS A LAW

1 ENFORCEMENT OFFICER FOR A PARTICIPATING EMPLOYER UNDER § 26-201(A) OF
2 THIS ARTICLE.

3 (b) (1) (i) Except as provided in subsection (a)(2) of this section AND
4 SUBJECT TO SUBSECTION (E) OF THIS SECTION, the Board of Trustees shall, after
5 giving notice, temporarily suspend the retiree's allowance if the retiree:

6 1. began receiving a disability retirement allowance on or
7 after July 1, 1998; and

8 2. is employed by a participating employer at an annual
9 compensation that is at least equal to the retiree's average final compensation at
10 retirement.

11 (ii) A temporary suspension under this subsection shall begin as of
12 the date the retiree is reemployed by a participating employer under subparagraph
13 (i)2 of this paragraph.

14 (2) A retiree whose allowance is temporarily suspended under this
15 subsection is not subject to a reduction as provided in § 29-116 of this subtitle during
16 the period of employment by a participating employer.

17 (3) Upon receiving satisfactory documentation that the retiree is no
18 longer employed by a participating employer, the Board of Trustees shall reinstate the
19 retiree's allowance with accumulated cost-of-living adjustments from the date the
20 allowance was temporarily suspended.

21 (4) The retiree's allowance will be reinstated on the first day of the
22 month following the month in which the retiree ceased employment with the
23 participating employer.

24 (c) A member who retires on or after July 1, 1982, and receives a disability
25 retirement allowance shall provide yearly medical and earnings information on
26 request of the Board of Trustees until the retiree attains normal retirement age.

27 (d) If the retiree refuses to provide the information, the Board of Trustees
28 shall suspend the retiree's allowance until the information is provided.

29 (E) THE BOARD OF TRUSTEES SHALL, AFTER GIVING NOTICE, TEMPORARILY
30 SUSPEND THE RETIREMENT ALLOWANCE OF A RETIREE UNDER SUBSECTION (B) OF
31 THIS SECTION IF THE RETIREE IS REEMPLOYED IN ANY POSITION OTHER THAN A
32 PROBATIONARY STATUS LAW ENFORCEMENT OFFICER, A LAW ENFORCEMENT
33 OFFICER, OR CHIEF, AS DEFINED IN § 3-101 OF THE PUBLIC SAFETY ARTICLE.

34 29-116.

35 (a) [This] EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THIS
36 section does not apply to a retiree of:

1 (1) the State Police Retirement System [or], the Law Enforcement
2 Officers' Pension System, OR THE LOCAL FIRE AND POLICE SYSTEM who is receiving
3 an ordinary disability retirement allowance [if the retiree is reemployed in any
4 position other than a probationary status law enforcement officer, a law enforcement
5 officer, or chief, as defined in § 3-101 of the Public Safety Article]; OR

6 (2) THE EMPLOYEES' RETIREMENT SYSTEM OR THE EMPLOYEES'
7 PENSION SYSTEM WHO IS RECEIVING AN ORDINARY DISABILITY RETIREMENT
8 ALLOWANCE, IF AT THE TIME OF RETIREMENT THE RETIREE WAS A LAW
9 ENFORCEMENT OFFICER FOR A PARTICIPATING EMPLOYER UNDER § 26-201(A) OF
10 THIS ARTICLE.

11 (b) Except as provided in subsection (a) of this section AND SUBJECT TO
12 SUBSECTION (E) OF THIS SECTION, the Board of Trustees shall reduce the pension of
13 a retiree on ordinary disability if:

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

15 (2) the medical board certifies in a report to the Board of Trustees that
16 the retiree is employed by a participating employer at an annual compensation that is
17 greater than the difference between:

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

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

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

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

23 (c) The Board of Trustees shall reduce the pension of a retiree who has been
24 receiving an ordinary disability retirement allowance for:

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

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

29 (d) The pension to be reduced under this section is the pension at retirement
30 without any cost-of-living adjustment.

31 (E) THE BOARD OF TRUSTEES SHALL, AFTER GIVING NOTICE, TEMPORARILY
32 SUSPEND THE RETIREMENT ALLOWANCE OF A RETIREE UNDER SUBSECTION (B) OF
33 THIS SECTION IF THE RETIREE IS REEMPLOYED IN ANY POSITION OTHER THAN A
34 PROBATIONARY STATUS LAW ENFORCEMENT OFFICER, A LAW ENFORCEMENT
35 OFFICER, OR CHIEF, AS DEFINED IN § 3-101 OF THE PUBLIC SAFETY ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That Chapter 518 of the Acts of
2 the General Assembly of 2005 shall be construed to apply retroactively and shall be
3 applied to and interpreted to affect any individual in the Law Enforcement Officers'
4 Pension System or the State Police Retirement System who began receiving a
5 disability retirement allowance on or after January 1, 2005.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be
7 construed to apply retroactively and shall be applied to and interpreted to affect any
8 individual who began receiving a disability retirement allowance on or after January
9 1, 2005, if the individual is a disability retiree of:

10 (1) the Local Fire and Police System; or

11 (2) the Employees' Retirement System or the Employees' Pension System
12 who is receiving an ordinary disability retirement allowance, if at the time of
13 retirement the retiree was a law enforcement officer for a participating employer
14 under § 26-201(a) of the State Personnel and Pensions Article.

15 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2006.