

SENATE BILL 422

K4

8lr2387
CF HB 442

By: **Senator McFadden (Chair, Joint Committee on Pensions) and Senators Currie, Kasemeyer, Kramer, Munson, and Robey**
Introduced and read first time: January 31, 2008
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Deferred Retirement Option Program Participants – Application of Line of**
3 **Duty Disability Benefits**

4 FOR the purpose of limiting the circumstances under which certain retirees of the
5 State Police Retirement System or the Law Enforcement Officers' Pension
6 System who are participating in the Deferred Retirement Option Program may
7 apply for certain disability retirements; providing for the application of this Act;
8 and generally relating to retirees receiving a line of duty disability retirement
9 benefit while participating in the Deferred Retirement Option Program.

10 BY repealing and reenacting, with amendments,
11 Article – State Personnel and Pensions
12 Section 24–401.1(k), 26–401.1(k), and 29–111
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2007 Supplement)

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

17 **Article – State Personnel and Pensions**

18 24–401.1.

19 (k) (1) A DROP member is eligible to apply for a special disability
20 retirement allowance under § 29–111 of this article **IF THE DROP MEMBER IS**
21 **TOTALLY AND PERMANENTLY INCAPACITATED FOR DUTY AS THE NATURAL AND**
22 **PROXIMATE RESULT OF AN ACCIDENT THAT OCCURRED:**

23 (I) **IN THE ACTUAL PERFORMANCE OF DUTY AT A DEFINITE**
24 **TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE DROP MEMBER; AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 **(II) AFTER THE DROP MEMBER COMMENCED**
2 **PARTICIPATION IN THE DROP.**

3 (2) If the Board of Trustees grants a DROP member a special
4 disability retirement allowance, the DROP member may elect to receive the special
5 disability retirement allowance or continue to participate in the DROP.

6 (3) (i) If a DROP member elects to receive a special disability
7 retirement allowance instead of continuing to participate in the DROP, the DROP
8 member shall:

9 1. submit an application to the Board of Trustees, on the
10 form the Board of Trustees provides, to receive payment of the amount accrued in the
11 DROP in accordance with subsection (i) of this section;

12 2. execute a written waiver of any benefits to which the
13 DROP member may be entitled under the DROP; and

14 3. submit an application to retire with a special
15 disability retirement allowance, on the form the Board of Trustees provides, stating
16 the effective date of the DROP member's retirement as a special disability retiree.

17 (ii) On acceptance of the application for payment and
18 application to retire, the Board of Trustees shall commence payment of a special
19 disability allowance to the DROP member as provided in § 29–111(c) of this article,
20 except that the DROP member's average final compensation shall be computed as of
21 the effective date of the DROP member's application for a special disability retirement
22 allowance.

23 26–401.1.

24 (k) (1) A DROP member is eligible to apply for an accidental disability
25 retirement allowance under § 29–109 of this article **IF THE DROP MEMBER IS**
26 **TOTALLY AND PERMANENTLY INCAPACITATED FOR DUTY AS THE NATURAL AND**
27 **PROXIMATE RESULT OF AN ACCIDENT THAT OCCURRED:**

28 **(I) IN THE ACTUAL PERFORMANCE OF DUTY AT A DEFINITE**
29 **TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE DROP MEMBER; AND**

30 **(II) AFTER THE DROP MEMBER COMMENCED**
31 **PARTICIPATION IN THE DROP.**

32 (2) If the Board of Trustees grants a DROP member an accidental
33 disability retirement allowance, the DROP member may elect to receive the accidental
34 disability retirement allowance or continue to participate in the DROP.

1 (3) (i) If a DROP member elects to receive a disability retirement
2 allowance instead of continuing to participate in the DROP, the DROP member shall:

3 1. submit an application to the Board of Trustees, on the
4 form the Board of Trustees provides, to receive payment of the amount accrued in the
5 DROP in accordance with subsection (i) of this section;

6 2. execute a written waiver of any benefits to which the
7 DROP member may be entitled under the DROP; and

8 3. submit an application to retire with an accidental
9 disability retirement allowance, on the form the Board of Trustees provides, stating
10 the effective date of the DROP member's retirement as an accidental disability retiree.

11 (ii) On acceptance of the application for payment and
12 application to retire, the Board of Trustees shall commence payment of an accidental
13 disability allowance to the DROP member as provided in § 29–110 of this article,
14 except that the DROP member's average final compensation shall be computed as of
15 the effective date of the DROP member's application for an accidental disability
16 retirement allowance.

17 29–111.

18 (a) This section applies to the State Police Retirement System.

19 (b) [The] **EXCEPT AS PROVIDED IN § 24–401.1(K) OF THIS ARTICLE, THE**
20 Board of Trustees shall grant a special disability retirement allowance to a member if:

21 (1) the member is totally and permanently incapacitated for duty
22 arising out of or in the course of the actual performance of duty without willful
23 negligence by the member; and

24 (2) the medical board certifies that:

25 (i) the member is totally incapacitated, either mentally or
26 physically, for the further performance of duty;

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

28 (iii) the member should be retired.

29 (c) Except as provided in subsection (d) of this section, a special disability
30 retirement allowance equals the lesser of:

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

32 (2) the sum of:

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

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

5 (d) (1) This subsection applies to a member who is at least normal
6 retirement age.

7 (2) A special disability retirement allowance equals the greater of:

8 (i) a normal service retirement allowance; or

9 (ii) a special disability retirement allowance computed in
10 accordance with subsection (c) of this section.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
12 construed to apply only prospectively and may not be applied or interpreted to have
13 any effect on or application to any individual who on or before June 30, 2008,
14 commenced participation in the Deferred Retirement Option Program under either §
15 24-401.1 or § 26-401.1 of the State Personnel and Pensions Article.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2008.