

# SENATE BILL 820

K4, P2

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CF 6lr1625

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By: **Senator Peters (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 5, 2016

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Disability Retirement – Alterations**

3 FOR the purpose of altering the process and benefits for disability retirement in the State  
4 Retirement and Pension System; renaming an ordinary disability to be a  
5 non–line–of–duty disability and making conforming changes; renaming an  
6 accidental disability and a special disability to be a line–of–duty disability and  
7 making conforming changes; altering the time period during which an application  
8 for a non–line–of–duty disability retirement must be submitted; altering the  
9 calculation for a non–line–of–duty disability retirement allowance for certain  
10 members who file an application for a disability retirement on or after a certain date;  
11 authorizing the Executive Director of the State Retirement Agency to require certain  
12 retirees receiving a disability retirement allowance to undergo a medical  
13 examination by a certain physician under certain circumstances; authorizing the  
14 Board of Trustees for the State Retirement and Pension System to suspend a  
15 disability retirement allowance under certain circumstances; authorizing the Board  
16 of Trustees to stop payment and revoke a disability retirement allowance if a retiree  
17 refuses a medical examination under certain circumstances; authorizing a certain  
18 retiree whose disability retirement allowance is suspended to receive a vested  
19 allowance under certain circumstances; authorizing certain individuals whose  
20 disability retirement allowance is suspended to receive certain creditable service and  
21 eligibility service under certain circumstances; authorizing the Board of Trustees to  
22 adopt certain regulations; repealing obsolete provisions of law relating to the  
23 granting of a disability retirement allowance to certain members who transferred  
24 between certain retirement and pension systems; altering the definition of small  
25 procurement for certain expenses and services relating to the State Retirement  
26 Agency; requiring the publisher of the Annotated Code of Maryland, in consultation  
27 with the Department of Legislative Services, to correct cross–references and  
28 terminology in the Code that are rendered incorrect by this Act; providing for the  
29 prospective application of certain provisions of this Act; and generally relating to  
30 alterations in the provisions of law for disability retirement in the State Retirement  
31 and Pension System.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY repealing and reenacting, with amendments,  
2 Article – Public Safety  
3 Section 2–410(c)(2)  
4 Annotated Code of Maryland  
5 (2011 Replacement Volume and 2015 Supplement)
- 6 BY repealing and reenacting, with amendments,  
7 Article – State Finance and Procurement  
8 Section 13–109  
9 Annotated Code of Maryland  
10 (2015 Replacement Volume)
- 11 BY repealing and reenacting, with amendments,  
12 Article – State Personnel and Pensions  
13 Section 9–704(b), 22–209(b), 22–219, 22–220, 22–221(c)(4) and (5), 22–404(b),  
14 23–218, 23–222, 23–226, 23–304.1, 24–304.1, 24–401.1(g)(6) and (k),  
15 25–304.1, 26–210, 26–306.1, 26–401.1(g)(5) and (k), 29–104 through 29–111,  
16 29–113, 29–114, 29–116 through 29–118, 29–203(a), and 38–102(a)  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume)
- 19 BY repealing and reenacting, without amendments,  
20 Article – State Personnel and Pensions  
21 Section 22–221(a)(1) and (c)(1), 22–404(c), 24–401.1(b), 26–401.1(b), and 29–115  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume)
- 24 BY adding to  
25 Article – State Personnel and Pensions  
26 Section 29–115.1  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume)
- 29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
30 That the Laws of Maryland read as follows:
- 31 **Article – Public Safety**
- 32 2–410.
- 33 (c) (2) Payment for work–related administrative leave is a separate benefit on  
34 account of [accidental] ~~LINE–OF–DUTY~~ disability and is not a continuation of salary.
- 35 **Article – State Finance and Procurement**
- 36 13–109.

1 (a) In this section, “small procurement” means a procurement for which:

2 (1) **(I) a unit OTHER THAN THE STATE RETIREMENT AGENCY**  
3 **spends \$25,000 or less; OR**

4 **(II) THE STATE RETIREMENT AGENCY SPENDS \$50,000 OR**  
5 **LESS;**

6 (2) a contractor provides services subject to § 11–202(3) of this article:

7 **(I) FOR A UNIT OTHER THAN THE STATE RETIREMENT AGENCY**  
8 **for expected annual revenues of \$25,000 or less; or**

9 **(II) FOR THE STATE RETIREMENT AGENCY FOR EXPECTED**  
10 **ANNUAL REVENUES OF \$50,000 OR LESS; OR**

11 (3) the Department of General Services is seeking to award a procurement  
12 contract for a construction with a value that is \$50,000 or less.

13 (b) A unit may make small procurements in accordance with the regulations of  
14 primary procurement units.

15 (c) A primary procurement unit may not create a small procurement by artificial  
16 division of a procurement.

17 (d) Any regulation of a primary procurement unit to govern small procurements:

18 (1) shall provide for a simplified administrative procedure;

19 (2) shall be consistent with the basic intent of this Division II; and

20 (3) may not be disadvantageous economically to the State.

21 (e) At least every 3 years, the Board shall:

22 (1) review the prevailing costs of labor and materials; and

23 (2) if warranted by changes in cost, recommend to the General Assembly  
24 appropriate adjustments in the ceiling for a small procurement.

25 **Article – State Personnel and Pensions**

26 9–704.

1 (b) Payment for work-related accident leave taken under this subtitle constitutes  
2 a separate benefit on account of [accidental] ~~LINE-OF-DUTY~~ disability and is not a  
3 continuation of salary.

4 22-209.

5 (b) (1) Subject to subsection (c) of this section, an individual receiving benefits  
6 under this title on December 31, 1979, shall continue to receive the benefits provided as of  
7 December 31, 1979.

8 (2) The benefits that an individual may continue to receive include:

9 (i) eligibility for service retirement on or after 30 years of eligibility  
10 service or age 60;

11 (ii) eligibility for a reduced service retirement allowance after a  
12 certain length of eligibility service;

13 (iii) a normal service retirement allowance of one fifty-fifth of  
14 average final compensation multiplied by the number of years of creditable service;

15 (iv) the retirement allowances provided for [ordinary or accidental]  
16 ~~NON-LINE-OF-DUTY OR LINE-OF-DUTY~~ disability;

17 (v) the selection of options for allowances;

18 (vi) the adjustment of the allowance for increases in the Consumer  
19 Price Index;

20 (vii) the death benefit;

21 (viii) the level of member contributions; and

22 (ix) the length of eligibility service for members to vest benefits in  
23 the system.

24 22-219.

25 (a) This section applies only to a member who is subject to Selection A (Additional  
26 member contributions) on October 1, 1994.

27 (b) A member who is subject to Selection A (Additional member contributions)  
28 shall:

29 (1) receive an allowance for all creditable service as follows:

- 1 (i) for normal service retirement as provided by § 22–401 of this  
2 title;
- 3 (ii) for early service retirement as provided by § 22–402 of this title;
- 4 (iii) for [ordinary] **NON-LINE-OF-DUTY** disability retirement as  
5 provided by § 29–106 of this article; and
- 6 (iv) for [accidental] **LINE-OF-DUTY** disability retirement as  
7 provided by § 29–110 of this article;
- 8 (2) have the allowance adjusted as provided in §§ 29–401 through 29–403  
9 of this article; and
- 10 (3) make the member contributions at the rate specified by § 22–214(a) of  
11 this subtitle.  
12 22–220.
- 13 (a) This section applies only to a member who is subject to Selection B (Limited  
14 cost-of-living adjustment) on October 1, 1994.
- 15 (b) A member who is subject to Selection B (Limited cost-of-living adjustment)  
16 shall:
- 17 (1) receive an allowance for all creditable service as follows:
- 18 (i) for normal service retirement as provided by § 22–401 of this  
19 title;
- 20 (ii) for early service retirement as provided by § 22–402 of this title;
- 21 (iii) for [ordinary] **NON-LINE-OF-DUTY** disability retirement as  
22 provided by § 29–106 of this article; and
- 23 (iv) for [accidental] **LINE-OF-DUTY** disability retirement as  
24 provided by § 29–110 of this article;
- 25 (2) have the allowance adjusted as provided in §§ 29–401, 29–402, and  
26 29–405 of this article; and
- 27 (3) make the member contributions at the rate specified by § 22–214(b) of  
28 this subtitle.  
29 22–221.

1 (a) (1) This section applies only to a member who is not subject to Selection A  
2 (Additional member contributions) or Selection B (Limited cost-of-living adjustment).

3 (c) (1) From the effective date for application of this section, a member shall  
4 receive an allowance as provided in this subsection.

5 (4) For [ordinary] ~~NON-LINE-OF-DUTY~~ disability retirement, the  
6 allowance is computed on the greater of:

7 (i) the allowance computed as provided by § 29-106 of this article;  
8 or

9 (ii) the allowance computed as provided by § 29-108 of this article.

10 (5) For [accidental] ~~LINE-OF-DUTY~~ disability retirement the allowance is  
11 computed as provided by § 29-110 of this article.

12 22-404.

13 (b) The Board of Trustees shall pay a member of the Employees' Retirement  
14 System who qualifies under subsection (c) of this section a pension equal to [an ordinary]  
15 ~~A NON-LINE-OF-DUTY~~ disability pension, regardless of age, if the member:

16 (1) has at least 16 years of creditable service; and

17 (2) elects to have the member's accumulated contributions paid as an  
18 annuity of equivalent actuarial value instead of withdrawing the accumulated  
19 contributions.

20 (c) A member qualifies for a pension under subsection (b) of this section if the  
21 member:

22 (1) (i) is an elected or appointed official of the State at the time of  
23 application for retirement; and

24 (ii) was initially an elected or appointed official of the State before  
25 July 22, 1981;

26 (2) (i) is an elected or appointed official of the State when separating  
27 from employment;

28 (ii) was initially an elected or appointed official of the State during  
29 the period from July 22, 1981, through June 30, 1982, both inclusive; and

30 (iii) separated from employment involuntarily as certified by the  
31 Secretary of Budget and Management;

1                   (3)   (i)    was promoted to a position in the unclassified service of the State  
2 on or before June 30, 1982;

3                   (ii)   has been in the unclassified service or its equivalent in the State  
4 continuously from June 30, 1982, until separating from employment; and

5                   (iii) separated from employment involuntarily as certified by the  
6 Secretary of Budget and Management; or

7                   (4)   (i)    is a deputy clerk of the court at the time of application for  
8 retirement; and

9                   (ii)   was initially a deputy clerk of the court before July 22, 1981.

10 23-218.

11           A member who is subject to this Part II of this subtitle shall:

12                   (1)    receive an allowance for all creditable service as follows:

13                           (i)    for normal service retirement as provided in § 23-401(c) of this  
14 title;

15                           (ii)   for early service retirement as provided in § 23-402 of this title;

16                           (iii) for [ordinary] ~~NON-LINE-OF-DUTY~~ disability retirement as  
17 provided in § 29-108 of this article; and

18                           (iv) for [accidental] ~~LINE-OF-DUTY~~ disability retirement as  
19 provided in § 29-110 of this article;

20                   (2)    have the allowance adjusted as provided in §§ 29-401, 29-402, 29-406,  
21 and 29-408 of this article; and

22                   (3)    make the member contributions at the rate specified in § 23-212(b) of  
23 this subtitle.

24 23-222.

25           A member who is subject to this part shall:

26                   (1)    receive an allowance for all creditable service as follows:

27                           (i)    for normal service retirement as provided in § 23-401(d) of this  
28 title;

29                           (ii)   for early service retirement as provided in § 23-402 of this title;

1 (iii) for [ordinary] ~~NON-LINE-OF-DUTY~~ disability retirement as  
2 provided in § 29-108 of this article; and

3 (iv) for [accidental] ~~LINE-OF-DUTY~~ disability retirement as  
4 provided in § 29-110 of this article;

5 (2) have the allowance adjusted as provided in Title 29, Subtitle 4 of this  
6 article; and

7 (3) make the member contributions at the rate specified in § 23-212(c) of  
8 this subtitle.

9 23-226.

10 (a) Except as provided in subsection (b) of this section, a member who is subject  
11 to this Part IV of this subtitle shall:

12 (1) receive an allowance for all creditable service as follows:

13 (i) for normal service retirement as provided in § 23-401(f) of this  
14 title;

15 (ii) for early service retirement as provided in § 23-402(c) of this  
16 title;

17 (iii) for a vested allowance as provided in § 29-303(b-1) of this article;

18 (iv) for [ordinary] ~~NON-LINE-OF-DUTY~~ disability retirement as  
19 provided in § 29-108 of this article; and

20 (v) for [accidental] ~~LINE-OF-DUTY~~ disability retirement as  
21 provided in § 29-110 of this article;

22 (2) have the allowance adjusted as provided in §§ 29-401, 29-402, and  
23 29-408 of this article; and

24 (3) make the member contributions at the rate specified in § 23-212(d) of  
25 this subtitle.

26 (b) A member described in § 23-225(a)(2) of this subtitle is not subject to this Part  
27 IV of this subtitle with respect to the service credit earned in the member's previous  
28 membership.

29 23-304.1.



1 (a) Except as provided in subsection (b) of this section, a member may not  
2 purchase service credit under this title if the member is separated from employment.

3 (b) (1) A member who is separated from employment may purchase service  
4 credit under this title for a leave of absence approved by the Board of Trustees under  
5 regulations that apply to all members, if the member purchases the service credit within  
6 60 days after the expiration of the leave of absence.

7 (2) For good cause shown, the Executive Director, in the Executive  
8 Director's sole discretion, may extend the time period to purchase service credit under  
9 paragraph (1) of this subsection if:

10 (i) the purchased service credit would allow the member to meet the  
11 eligibility service requirements to apply for [an ordinary] A NON-LINE-OF-DUTY  
12 disability retirement under § 29-105(a) of this article; and

13 (ii) the member completes the purchase of the service credit before  
14 the earlier of:

15 1. 4 years after the expiration of the leave of absence; or

16 2. the date membership ends.

17 (3) The Board of Trustees shall adopt regulations to carry out this  
18 subsection.

19 24-304.1.

20 (a) Except as provided in subsection (b) of this section, a member may not  
21 purchase service credit under this title if the member is separated from employment.

22 (b) (1) A member who is separated from employment may purchase service  
23 credit under this title for a leave of absence approved by the Board of Trustees under  
24 regulations that apply to all members, if the member purchases the service credit within  
25 60 days after the expiration of the leave of absence.

26 (2) For good cause shown, the Executive Director, in the Executive  
27 Director's sole discretion, may extend the time period to purchase service credit under  
28 paragraph (1) of this subsection if:

29 (i) the purchased service credit would allow the member to meet the  
30 eligibility service requirements to apply for [an ordinary] A NON-LINE-OF-DUTY  
31 disability retirement under § 29-105(a) of this article; and

32 (ii) the member completes the purchase of the service credit before  
33 the earlier of:

- 1 1. 4 years after the expiration of the leave of absence; or
- 2 2. the date membership ends.

3 (3) The Board of Trustees shall adopt regulations to carry out this  
4 subsection.

5 24-401.1.

6 (b) There is a DROP for eligible members of the State Police Retirement System.

7 (g) Participation in the DROP ends if the DROP participant:

8 (6) accepts a [special] **LINE-OF-DUTY** disability retirement allowance as  
9 provided in subsection (k) of this section.

10 (k) (1) A DROP member is eligible to apply for a [special] **LINE-OF-DUTY**  
11 disability retirement allowance under § 29-111 of this article if after the DROP member  
12 commences participation in the DROP:

13 (i) the member is totally and permanently incapacitated for duty  
14 arising out of or in the course of the actual performance of duty that occurs while  
15 participating in DROP, and without willful negligence of the member; and

16 (ii) the medical board certifies that:

17 1. the member is totally incapacitated, either mentally or  
18 physically, for the further performance of duty by the occurrence described under item (i)  
19 of this paragraph;

20 2. the incapacity is likely to be permanent; and

21 3. the member should be retired.

22 (2) (i) If a DROP member is granted a [special] **LINE-OF-DUTY**  
23 disability retirement allowance, the DROP member shall:

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

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

29 3. submit an application to retire with a [special]  
30 **LINE-OF-DUTY** disability retirement allowance, on the form the Board of Trustees

1 provides, stating the effective date of the DROP member's retirement as a [special]  
2 ~~LINE-OF-DUTY~~ disability retiree.

3 (ii) On acceptance of the application for payment and application to  
4 retire, the Board of Trustees shall commence payment of a [special] ~~LINE-OF-DUTY~~  
5 disability allowance to the DROP member as provided in § 29-111(c) of this article, except  
6 that the DROP member's average final compensation shall be computed as of the effective  
7 date of the DROP member's application for a [special] ~~LINE-OF-DUTY~~ disability  
8 retirement allowance.

9 25-304.1.

10 (a) Except as provided in subsection (b) of this section, a member may not  
11 purchase service credit under this title if the member is separated from employment.

12 (b) (1) A member who is separated from employment may purchase service  
13 credit under this title for a leave of absence approved by the Board of Trustees under  
14 regulations that apply to all members, if the member purchases the service credit within  
15 60 days after the expiration of the leave of absence.

16 (2) For good cause shown, the Executive Director, in the Executive  
17 Director's sole discretion, may extend the time period to purchase service credit under  
18 paragraph (1) of this subsection if:

19 (i) the purchased service credit would allow the member to meet the  
20 eligibility service requirements to apply for [an ordinary] A ~~NON-LINE-OF-DUTY~~  
21 disability retirement under § 29-105(a) of this article; and

22 (ii) the member completes the purchase of the service credit before  
23 the earlier of:

24 1. 4 years after the expiration of the leave of absence; or

25 2. the date membership ends.

26 (3) The Board of Trustees shall adopt regulations to carry out this  
27 subsection.

28 26-210.

29 (a) A member who is subject to this Part II of this subtitle shall:

30 (1) receive an allowance for all creditable service as follows:

31 (i) for normal service retirement as provided in § 26-401(b) of this  
32 title;

1 (ii) for [ordinary] ~~NON-LINE-OF-DUTY~~ disability retirement as  
2 provided in § 29-108 of this article; and

3 (iii) for [accidental] ~~LINE-OF-DUTY~~ disability retirement as  
4 provided in §§ 29-109(c) and 29-110 of this article;

5 (2) have the allowance adjusted as provided in §§ 29-401, 29-402, 29-406,  
6 and 29-408 of this article; and

7 (3) make member contributions at the rate specified in § 26-204(a) of this  
8 subtitle.

9 (b) A member who is not subject to this Part II of this subtitle shall receive an  
10 allowance for [accidental] ~~LINE-OF-DUTY~~ disability retirement as provided in §§  
11 29-109(c) and 29-110 of this article.

12 26-306.1.

13 (a) Except as provided in subsection (b) of this section, a member may not  
14 purchase service credit under this title if the member is separated from employment.

15 (b) (1) A member who is separated from employment may purchase service  
16 credit under this title for a leave of absence approved by the Board of Trustees under  
17 regulations that apply to all members, if the member purchases the service credit within  
18 60 days after the expiration of the leave of absence.

19 (2) For good cause shown, the Executive Director, in the Executive  
20 Director's sole discretion, may extend the time period to purchase service credit under  
21 paragraph (1) of this subsection if:

22 (i) the purchased service credit would allow the member to meet the  
23 eligibility service requirements to apply for [an ordinary] ~~A NON-LINE-OF-DUTY~~  
24 disability retirement under § 29-105(a) of this article; and

25 (ii) the member completes the purchase of the service credit before  
26 the earlier of:

27 1. 4 years after the expiration of the leave of absence; or

28 2. the date membership ends.

29 (3) The Board of Trustees shall adopt regulations to carry out this  
30 subsection.

31 26-401.1.

1 (b) There is a DROP for eligible members of the Law Enforcement Officers'  
2 Pension System.

3 (g) Participation in the DROP ends if the DROP participant:

4 (5) accepts [an accidental] A ~~LINE-OF-DUTY~~ disability retirement  
5 allowance as provided in subsection (k) of this section.

6 (k) (1) A DROP member is eligible to apply for [an accidental] A  
7 ~~LINE-OF-DUTY~~ disability retirement allowance under § 29-109 of this article if after the  
8 DROP member commences participation in the DROP:

9 (i) the member is totally and permanently incapacitated for duty  
10 arising out of or in the course of the actual performance of duty that occurs while  
11 participating in the DROP, and without willful negligence of the member; and

12 (ii) the medical board certifies that:

13 1. the member is totally incapacitated, either mentally or  
14 physically, for the further performance of duty by the occurrence described under item (i)  
15 of this paragraph;

16 2. the incapacity is likely to be permanent; and

17 3. the member should be retired.

18 (2) (i) If a DROP member is granted [an accidental] A ~~LINE-OF-DUTY~~  
19 disability retirement allowance, the DROP member shall:

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

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

25 3. submit an application to retire with [an accidental] A  
26 ~~LINE-OF-DUTY~~ disability retirement allowance, on the form the Board of Trustees  
27 provides, stating the effective date of the DROP member's retirement as [an accidental] A  
28 ~~LINE-OF-DUTY~~ disability retiree.

29 (ii) On acceptance of the application for payment and application to  
30 retire, the Board of Trustees shall commence payment of [an accidental] A ~~LINE-OF-DUTY~~  
31 disability allowance to the DROP member as provided in § 29-110 of this article, except  
32 that the DROP member's average final compensation shall be computed as of the effective

1 date of the DROP member's application for [an accidental] A LINE-OF-DUTY disability  
2 retirement allowance.

3 29-104.

4 (a) Except as provided in subsections (c) and (d) of this section and subject to  
5 subsection (e) of this section[.]:

6 (1) an application **THAT IS FILED ON OR BEFORE JUNE 30, 2016**, for A  
7 **NON-LINE-OF-DUTY** disability retirement must be submitted before the date membership  
8 ends;

9 (2) **AN APPLICATION THAT IS FILED ON OR AFTER JULY 1, 2016, for A**  
10 **NON-LINE-OF-DUTY DISABILITY RETIREMENT MUST BE SUBMITTED WITHIN 2**  
11 **YEARS AFTER PAID EMPLOYMENT ENDS; AND**

12 (3) **AN APPLICATION FOR A LINE-OF-DUTY DISABILITY RETIREMENT**  
13 **MUST BE SUBMITTED BEFORE THE DATE MEMBERSHIP ENDS.**

14 (b) (1) This subsection applies only to an application for [an ordinary or  
15 accidental] A **NON-LINE-OF-DUTY OR LINE-OF-DUTY** disability retirement allowance  
16 filed by a member of the Employees' Pension System or the Teachers' Pension System who  
17 is not subject to the contributory pension benefit or the Alternate Contributory Pension  
18 Selection and who separated from employment on or before June 30, 2005.

19 (2) For the purpose of submitting an application for disability, membership  
20 continues for 4 years after paid employment ends.

21 (c) (1) **(I) THIS PARAGRAPH APPLIES ONLY TO AN APPLICATION FOR**  
22 **DISABILITY RETIREMENT THAT IS FILED ON OR BEFORE JUNE 30, 2016.**

23 **(II)** Except as provided in [paragraph (2) of this subsection]  
24 **SUBPARAGRAPH (III) OF THIS PARAGRAPH**, the Board of Trustees may accept an  
25 application for [ordinary, accidental, or special] A **NON-LINE-OF-DUTY OR**  
26 **LINE-OF-DUTY** disability retirement from a former member within 24 months after the  
27 month membership ended if the former member proves to the satisfaction of the medical  
28 board that failure to submit an application while a member was attributable solely to  
29 physical or mental incapacity during the filing period.

30 **[(2)] (III)** The Board of Trustees may accept an application for [ordinary or  
31 accidental] A **NON-LINE-OF-DUTY OR LINE-OF-DUTY** disability retirement from a  
32 former member of the Teachers' Retirement System within 12 months after the month  
33 membership ended if the former member of the Teachers' Retirement System proves to the  
34 satisfaction of the medical board that failure to submit an application while a member of

1 the Teachers' Retirement System was attributable solely to physical or mental incapacity  
2 during the filing period.

3 **(2) (I) THIS PARAGRAPH APPLIES ONLY TO AN APPLICATION FOR**  
4 **DISABILITY RETIREMENT THAT IS FILED ON OR AFTER JULY 1, 2016.**

5 **(II) THE BOARD OF TRUSTEES MAY ACCEPT AN APPLICATION**  
6 **FOR A NON-LINE-OF-DUTY OR LINE-OF-DUTY DISABILITY RETIREMENT FROM A**  
7 **MEMBER WITHIN 4 YEARS AFTER PAID EMPLOYMENT ENDS IF THE MEMBER PROVES**  
8 **TO THE SATISFACTION OF THE MEDICAL BOARD THAT FAILURE TO SUBMIT AN**  
9 **APPLICATION IN THE TIME PERIOD REQUIRED UNDER SUBSECTION(A)(2) OR (3) OF**  
10 **THIS SECTION WAS ATTRIBUTABLE SOLELY TO PHYSICAL OR MENTAL INCAPACITY**  
11 **DURING THE FILING PERIOD.**

12 (3) If the Board of Trustees accepts a disability retirement application  
13 under this subsection and grants a disability retirement allowance, the retirement  
14 allowance begins as of the first day of the month after the Board of Trustees receives the  
15 application.

16 (d) (1) The Board of Trustees shall accept an application for [ordinary,  
17 accidental, or special] **A NON-LINE-OF-DUTY OR LINE-OF-DUTY** disability retirement  
18 from a surviving beneficiary of a deceased member, if a preliminary application for  
19 disability retirement or an application for disability retirement:

20 (i) is signed and dated by the deceased member within 7 days before  
21 the death of the member; and

22 (ii) is received by the Board of Trustees on or before 30 days after the  
23 date of the death of the member.

24 (2) If the Board of Trustees receives an application under paragraph (1) of  
25 this subsection:

26 (i) the medical board shall review the application to determine if the  
27 deceased member was mentally or physically incapacitated for the further performance of  
28 the normal duties of the individual's position; and

29 (ii) the Board of Trustees shall review the application to determine  
30 if the preliminary application for disability retirement or the application for disability  
31 retirement was signed by the deceased member before the death of the member.

32 (3) The Board of Trustees shall grant a disability retirement allowance, if:

33 (i) the medical board determines that the deceased member would  
34 have been eligible for disability retirement at the time the deceased member signed the  
35 disability application; and

1 (ii) the Board of Trustees determines that the signature is valid.

2 (4) In order for the signature to be valid, a surviving beneficiary shall  
3 submit to the Board of Trustees an affidavit signed by an individual who witnessed the  
4 deceased member signing the preliminary application for disability retirement or the  
5 application for disability retirement before the death of the member.

6 (5) If the Board of Trustees accepts a disability retirement application  
7 under this subsection and grants a disability retirement allowance, the retirement  
8 allowance begins as of the first day of the month after the Board of Trustees receives the  
9 application.

10 (e) (1) This subsection does not apply to an application for [special]  
11 ~~LINE-OF-DUTY~~ disability under:

12 (I) the State Police Retirement System;

13 (II) [or an application for accidental disability under] the Law  
14 Enforcement Officers' Pension System; or

15 (III) [to an application for accidental disability under] the  
16 Correctional Officers' Retirement System.

17 (2) The Board of Trustees may not accept an application for [accidental]  
18 ~~LINE-OF-DUTY~~ disability filed by a member or former member more than 5 years after  
19 the date of the claimed accident.

20 29-105.

21 (a) The Board of Trustees shall grant [an ordinary] ~~A NON-LINE-OF-DUTY~~  
22 disability retirement allowance to a member if:

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

24 (2) the medical board certifies that:

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

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

28 (iii) the member should be retired.

29 (b) (1) This subsection applies only to a member of the Employees' Pension  
30 System who:



1 (i) is promoted within the Department of Corrections to a position  
2 that no longer is eligible for membership in the Correctional Officers' Pension System as  
3 provided in § 25–201 of this article;

4 (ii) elects not to transfer the years of creditable service the individual  
5 accrued in the Correctional Officers' Retirement System to the Employees' Pension System;  
6 and

7 (iii) is eligible to receive a vested allowance from the Correctional  
8 Officers' Retirement System.

9 (2) A member may combine the eligibility service accrued in the  
10 Correctional Officers' Retirement System and the Employees' Pension System to determine  
11 if the member is eligible for ~~[an ordinary] A NON–LINE–OF–DUTY~~ disability retirement  
12 allowance under subsection (a) of this section from the Employees' Pension System.

13 29–106.

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

15 (1) the Correctional Officers' Retirement System;

16 (2) the Employees' Retirement System; and

17 (3) the Teachers' Retirement System.

18 (b) ~~[An ordinary] A NON–LINE–OF–DUTY~~ disability retirement allowance equals  
19 the greater of:

20 (1) a normal service retirement allowance; or

21 (2) the amount computed under subsection (c) or (d) of this section.

22 (c) If a member is at least normal retirement age, the amount to be used under  
23 subsection (b)(2) of this section is 25% of the member's average final compensation.

24 (d) **(1)** If a member is under normal retirement age **AND THE MEMBER FILED**  
25 **AN APPLICATION FOR DISABILITY RETIREMENT ON OR BEFORE JUNE 30, 2016**, the  
26 amount to be used under subsection (b)(2) of this section is the lesser of:

27 **[(1)] (I)** 25% of the member's average final compensation; or

28 **[(2)] (II)** the normal service retirement allowance that is computed by  
29 using:

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

4                    [(ii)] 2.            an average final compensation that the member would  
5 have received if the member continued employment without a change in earnable  
6 compensation.

7                    **(2) IF A MEMBER IS UNDER NORMAL RETIREMENT AGE AND THE**  
8 **MEMBER FILED AN APPLICATION FOR DISABILITY RETIREMENT ON OR AFTER JULY**  
9 **1, 2016, THE AMOUNT TO BE USED UNDER SUBSECTION (B)(2) OF THIS SECTION IS**  
10 **THE LESSER OF:**

11                    **(I) 25% OF THE MEMBER'S AVERAGE FINAL COMPENSATION;**  
12 **OR**

13                    **(II) THE NORMAL SERVICE RETIREMENT ALLOWANCE THAT IS**  
14 **COMPUTED BY:**

15                    1. USING THE NUMBER OF YEARS OF CREDITABLE  
16 SERVICE THAT THE MEMBER WOULD HAVE RECEIVED IF THE MEMBER CONTINUED  
17 EMPLOYMENT UNTIL FIRST ELIGIBILITY FOR A NORMAL SERVICE RETIREMENT  
18 ALLOWANCE; AND

19                    2. USING AN AVERAGE FINAL COMPENSATION THAT THE  
20 MEMBER WOULD HAVE RECEIVED IF THE MEMBER CONTINUED EMPLOYMENT  
21 WITHOUT A CHANGE IN EARNABLE COMPENSATION.

22 29-107.

23                    (a) This section applies only to members of the State Police Retirement System.

24                    (b) [An ordinary] **A NON-LINE-OF-DUTY** disability retirement allowance equals  
25 the greater of:

26                    (1) a normal service retirement allowance; or

27                    (2) 35% of the member's average final compensation.

28 29-108.

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

30                    (1) the Employees' Pension System;

1 (2) the Local Fire and Police System;

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

3 (4) the Teachers' Pension System.

4 (b) Except as provided in subsections [(c), (d), and (e)] **(C) AND (D)** of this section,  
5 **[an ordinary] A NON-LINE-OF-DUTY** disability retirement allowance equals:

6 (1) if the member is at least normal retirement age, a normal service  
7 retirement allowance; **[or]**

8 (2) if the member is under normal retirement age **AND THE MEMBER**  
9 **FILED AN APPLICATION FOR DISABILITY RETIREMENT ON OR BEFORE JUNE 30,**  
10 **2016**, a normal service retirement allowance that is computed by using:

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

13 (ii) an average final compensation the member would have received  
14 if the member continued employment without a change in earnable compensation; **OR**

15 **(3) IF THE MEMBER IS UNDER NORMAL RETIREMENT AGE AND THE**  
16 **MEMBER FILED AN APPLICATION FOR DISABILITY RETIREMENT ON OR AFTER JULY**  
17 **1, 2016, A NORMAL SERVICE RETIREMENT ALLOWANCE THAT IS COMPUTED BY**  
18 **USING:**

19 **(I) THE NUMBER OF YEARS OF CREDITABLE SERVICE THE**  
20 **MEMBER WOULD HAVE RECEIVED IF THE MEMBER CONTINUED EMPLOYMENT UNTIL**  
21 **FIRST ELIGIBILITY FOR A NORMAL SERVICE RETIREMENT ALLOWANCE; AND**

22 **(II) AN AVERAGE FINAL COMPENSATION THE MEMBER WOULD**  
23 **HAVE RECEIVED IF THE MEMBER CONTINUED EMPLOYMENT WITHOUT A CHANGE IN**  
24 **EARNABLE COMPENSATION.**

25 (c) **[A member of the Employees' Pension System or the Teachers' Pension**  
26 **System who has transferred from the Employees' Retirement System or the Teachers'**  
27 **Retirement System shall receive the benefits provided under the State system from which**  
28 **the member transferred, offset by any refunded contributions including any interest**  
29 **received in connection with the transfer, if:**

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

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

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

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

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

11 (2) [An ordinary] **A NON-LINE-OF-DUTY** disability retirement allowance  
12 equals the greater of:

13 (i) a normal service retirement allowance; or

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

15 [(e) (D) (1) This subsection applies only to a member of the Employees'  
16 Pension System who:

17 (i) is promoted within the Department of Corrections to a position  
18 that no longer is eligible for membership in the Correctional Officers' Retirement System  
19 as provided in § 25-201 of this article;

20 (ii) elects not to transfer the years of creditable service the individual  
21 accrued in the Correctional Officers' Retirement System to the Employees' Pension System;  
22 and

23 (iii) is eligible to receive a vested allowance from the Correctional  
24 Officers' Retirement System.

25 (2) [An ordinary] **A NON-LINE-OF-DUTY** disability retirement allowance  
26 equals:

27 (i) a normal service retirement allowance in the Correctional  
28 Officers' Retirement System based on the member's total years of creditable service accrued  
29 in the Correctional Officers' Retirement System; plus

30 (ii) [an ordinary] **A NON-LINE-OF-DUTY** disability retirement  
31 allowance based on the member's total years of creditable service accrued in the Employees'  
32 Pension System.

33 29-109.

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

2 (b) Except as provided in subsection (c) of this section, the Board of Trustees shall  
3 grant ~~[an accidental]~~ **A LINE-OF-DUTY** disability retirement allowance to a member if:

4 (1) the member is totally and permanently incapacitated for duty as the  
5 natural and proximate result of an accident that occurred in the actual performance of duty  
6 at a definite time and place without willful negligence by the member; and

7 (2) the medical board certifies that:

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

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

11 (iii) the member should be retired.

12 (c) The Board of Trustees shall grant ~~[an accidental]~~ **A LINE-OF-DUTY** disability  
13 retirement allowance to a member of the Law Enforcement Officers' Pension System if:

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

17 (2) the medical board certifies that:

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

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

21 (iii) the member should be retired.

22 29-110.

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

24 (b) Except as provided in subsection (c) of this section, ~~[an accidental]~~ **A**  
25 **LINE-OF-DUTY** disability retirement allowance equals the lesser of:

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

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

7 (2) [An accidental] A **LINE-OF-DUTY** disability retirement allowance  
8 equals the greater of:

9 (i) a normal service retirement allowance; or

10 (ii) [an accidental] A **LINE-OF-DUTY** disability retirement  
11 allowance computed in accordance with subsection (b) of this section.

12 (d) (1) This subsection applies only to a member of the Employees' Pension  
13 System who:

14 (i) is promoted within the Department of Corrections to a position  
15 that no longer is eligible for membership in the Correctional Officers' Retirement System  
16 as provided in § 25-201 of this article;

17 (ii) elects not to transfer the years of creditable service the individual  
18 accrued in the Correctional Officers' Retirement System to the Employees' Pension System;  
19 and

20 (iii) is eligible to receive a vested allowance from the Correctional  
21 Officers' Retirement System.

22 (2) A member may receive [an accidental] A **LINE-OF-DUTY** disability  
23 retirement allowance under this section if the member:

24 (i) does not elect to receive a vested allowance from the Correctional  
25 Officers' Retirement System; and

26 (ii) transfers the member's accumulated contributions in the  
27 Correctional Officers' Retirement System to the Employees' Pension System.

28 29-111.

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

30 (b) Except as provided in § 24-401.1(k) of this article, the Board of Trustees shall  
31 grant a [special] **LINE-OF-DUTY** disability retirement allowance to a member if:

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

4 (2) the medical board certifies that:

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

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

8 (iii) the member should be retired.

9 (c) Except as provided in subsection (d) of this section, a [special]  
10 ~~LINE-OF-DUTY~~ disability retirement allowance equals the lesser of:

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

12 (2) the sum of:

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

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

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

19 (2) A [special] ~~LINE-OF-DUTY~~ disability retirement allowance equals the  
20 greater of:

21 (i) a normal service retirement allowance; or

22 (ii) a [special] ~~LINE-OF-DUTY~~ disability retirement allowance  
23 computed in accordance with subsection (c) of this section.

24 29-113.

25 (a) Subject to subsection (b) of this section, a disability retiree of the State Police  
26 Retirement System, or a beneficiary of a disability retiree of the State Police Retirement  
27 System, who retires on or before June 30, 1999 with [an ordinary or special] A  
28 ~~NON-LINE-OF-DUTY OR LINE-OF-DUTY~~ disability retirement allowance under § 29-107  
29 or § 29-111 of this subtitle, shall receive an annual retirement allowance adjustment as of  
30 July 1, 1999, as follows:

1 (1) for a retiree who has been retired not more than 5 years, \$1,200;

2 (2) for a retiree who has been retired more than 5 years but not more than  
3 10 years, \$1,500;

4 (3) for a retiree who has been retired more than 10 years but not more than  
5 15 years, \$1,800; and

6 (4) for a retiree who has been retired more than 15 years, \$2,100.

7 (b) Each fiscal year, the Board of Trustees shall increase the adjustment received  
8 by the retiree or the beneficiary as of July 1, 1999, by multiplying the adjustment by a  
9 fraction that has:

10 (1) as its numerator, the Consumer Price Index for the calendar year  
11 ending December 31 of the preceding fiscal year; and

12 (2) as its denominator, the Consumer Price Index for the calendar year  
13 ending December 31, 1998.

14 29-114.

15 A member entitled to [an accidental disability retirement allowance or a special] A  
16 ~~LINE-OF-DUTY~~ disability retirement allowance may not receive a retirement allowance  
17 for [ordinary] A ~~NON-LINE-OF-DUTY~~ disability.

18 29-115.

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

21 (2) This section does not apply to a disability retiree who is:

22 (i) a retiree of:

23 1. the State Police Retirement System;

24 2. the Law Enforcement Officers' Pension System;

25 3. the Local Fire and Police System; or

26 4. the Employees' Retirement System or the Employees'  
27 Pension System, if at the time of retirement the retiree was a law enforcement officer for a  
28 participating employer under § 26-201(a) of this article; and



1 (ii) reemployed by a participating employer in any position other  
2 than a probationary status law enforcement officer, a law enforcement officer, or chief, as  
3 defined in § 3–101 of the Public Safety Article.

4 (b) (1) (i) The Board of Trustees shall, after giving notice, temporarily  
5 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 (i)2 of  
13 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 the  
16 period of employment by a participating employer.

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

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

24 **29–115.1.**

25 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO FILES AN  
26 APPLICATION FOR A DISABILITY RETIREMENT ON OR AFTER JULY 1, 2016, AND IS  
27 AWARDED A DISABILITY RETIREMENT ALLOWANCE.

28 (B) THE EXECUTIVE DIRECTOR MAY REQUIRE A DISABILITY RETIREE TO  
29 UNDERGO A MEDICAL EXAMINATION IF:

30 (1) THE DISABILITY RETIREE IS UNDER NORMAL RETIREMENT AGE;  
31 AND

32 (2) IN THE EXECUTIVE DIRECTOR’S SOLE DISCRETION, GOOD CAUSE  
33 EXISTS FOR THE MEDICAL EXAMINATION.

1           **(C) THE RETIREE SHALL BE EXAMINED BY A PHYSICIAN CHOSEN BY THE**  
2 **EXECUTIVE DIRECTOR.**

3           **(D) IF A DISABILITY RETIREE WHO IS UNDER NORMAL RETIREMENT AGE**  
4 **REFUSES A MEDICAL EXAMINATION, THE BOARD OF TRUSTEES MAY SUSPEND**  
5 **PAYMENT OF THE RETIREE'S ALLOWANCE UNTIL THE RETIREE WITHDRAWS THE**  
6 **REFUSAL AND COMPLETES THE EXAMINATION.**

7           **(E) IF A DISABILITY RETIREE'S REFUSAL OF A MEDICAL EXAMINATION**  
8 **CONTINUES FOR 1 YEAR OR MORE, THE BOARD OF TRUSTEES MAY REVOKE THE**  
9 **RETIREE'S RIGHTS IN THE RETIREE'S DISABILITY RETIREMENT ALLOWANCE.**

10           **(F) IF THE MEDICAL BOARD FINDS AFTER THE MEDICAL EXAMINATION BY**  
11 **THE PHYSICIAN CHOSEN BY THE EXECUTIVE DIRECTOR THAT A DISABILITY**  
12 **RETIREE WHO IS UNDER NORMAL RETIREMENT AGE IS NO LONGER MENTALLY OR**  
13 **PHYSICALLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF THE NORMAL**  
14 **DUTIES OF THE POSITION OF THE RETIREE AT THE TIME OF RETIREMENT, THE**  
15 **BOARD OF TRUSTEES MAY, AFTER GIVING NOTICE AND AN OPPORTUNITY FOR A**  
16 **HEARING, SUSPEND THE RETIREE'S ALLOWANCE.**

17           **(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A RETIREE**  
18 **WHOSE ALLOWANCE IS SUSPENDED UNDER THIS SECTION MAY RECEIVE A VESTED**  
19 **ALLOWANCE AS PROVIDED UNDER SUBTITLE 3 OF THIS TITLE.**

20           **(2) THE VESTED ALLOWANCE SHALL BE COMPUTED AS A NORMAL**  
21 **SERVICE RETIREMENT ALLOWANCE ON THE BASIS OF THE FORMER MEMBER'S**  
22 **CREDITABLE SERVICE AND AVERAGE FINAL COMPENSATION AT THE TIME OF**  
23 **SEPARATION FROM EMPLOYMENT.**

24           **(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND EXCEPT**  
25 **AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, AN INDIVIDUAL WHOSE**  
26 **DISABILITY RETIREMENT ALLOWANCE IS SUSPENDED UNDER THIS SECTION MAY**  
27 **RECEIVE CREDITABLE SERVICE AND ELIGIBILITY SERVICE DURING THE PERIOD OF**  
28 **EMPLOYMENT WITH A PARTICIPATING EMPLOYER AFTER THE SUSPENSION OF THE**  
29 **DISABILITY RETIREMENT ALLOWANCE IF THE INDIVIDUAL RETURNS TO**  
30 **MEMBERSHIP IN A STATE SYSTEM.**

31           **(2) AN INDIVIDUAL WHOSE DISABILITY RETIREMENT ALLOWANCE IS**  
32 **SUSPENDED UNDER THIS SECTION MAY RECEIVE SERVICE CREDIT DURING THE**  
33 **PERIOD OF EMPLOYMENT WITH A PARTICIPATING EMPLOYER UNTIL THE**  
34 **INDIVIDUAL BEGINS RECEIVING A RETIREMENT ALLOWANCE FROM A STATE**  
35 **SYSTEM.**

1           **(3) AN INDIVIDUAL WHOSE DISABILITY RETIREMENT ALLOWANCE IS**  
2 **SUSPENDED UNDER THIS SECTION MAY NOT RECEIVE SERVICE CREDIT DURING THE**  
3 **PERIOD OF EMPLOYMENT WITH A PARTICIPATING EMPLOYER IF THE INDIVIDUAL**  
4 **HAS WITHDRAWN THE INDIVIDUAL'S ACCUMULATED CONTRIBUTIONS.**

5           **(I) THE BOARD OF TRUSTEES MAY ADOPT REGULATIONS TO CARRY OUT**  
6 **THIS SECTION.**

7 29–116.

8           (a) This section does not apply to a retiree who is:

9           (1) a retiree of:

10           (i) the State Police Retirement System;

11           (ii) the Law Enforcement Officers' Pension System;

12           (iii) the Local Fire and Police System; or

13           (iv) the Employees' Retirement System or the Employees' Pension  
14 System, if at the time of retirement the retiree was a law enforcement officer for a  
15 participating employer under § 26–201(a) of this article; and

16           (2) reemployed by a participating employer in any position other than a  
17 probationary status law enforcement officer, a law enforcement officer, or chief, as defined  
18 in § 3–101 of the Public Safety Article.

19           (b) The Board of Trustees shall reduce the pension of a retiree on [ordinary]  
20 ~~NON-LINE-OF-DUTY~~ disability if:

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

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

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

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

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

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

1 (c) The Board of Trustees shall reduce the pension of a retiree who has been  
2 receiving [an ordinary] ~~A NON-LINE-OF-DUTY~~ disability retirement allowance for:

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

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

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

9 29-117.

10 (a) **[A] EXCEPT AS PROVIDED IN § 29-115.1(H) OF THIS SUBTITLE, A**  
11 disability retiree who is rehired by a participating employer may not receive creditable  
12 service or eligibility service during the period of reemployment.

13 (b) The disability retiree's compensation during the period of reemployment may  
14 not be subject to the employer pickup provisions of § 21-303 of this article or any reduction  
15 or deduction as a member contribution for pension or retirement purposes.

16 (c) The State Retirement Agency shall institute appropriate reporting procedures  
17 with the affected payroll systems to ensure compliance with this section.

18 (d) (1) Immediately on the employment of any retiree, a participating  
19 employer shall notify the State Retirement Agency of the type of employment and the  
20 anticipated earnings of the retiree.

21 (2) At least once each year, in a format specified by the State Retirement  
22 Agency, each participating employer shall provide the State Retirement Agency with a list  
23 of all employees included on any payroll of the employer, the Social Security numbers of  
24 the employees, and their earnings for that year.

25 (e) An individual who is receiving a disability retirement allowance under this  
26 title may not be employed within 45 days of the date the individual retired, on a permanent,  
27 temporary, or contractual basis, by:

28 (1) the State or other participating employer; or

29 (2) a withdrawn participating governmental unit, if the retiree was an  
30 employee of the withdrawn participating governmental unit while the withdrawn  
31 governmental unit was a participating employer.

32 29-118.

1 (a) (1) Except as otherwise provided in this subsection, this section applies to  
2 a retiree and any designated beneficiary.

3 (2) (i) This section does not apply to:

4 1. a retiree of a participating governmental unit, or a  
5 designated beneficiary of that retiree; or

6 2. a retiree of the Employees' Pension System or the  
7 Employees' Retirement System who receives a disability retirement benefit as a former  
8 employee of a county board of education or the Board of School Commissioners of Baltimore  
9 City, or a designated beneficiary of that retiree.

10 (ii) A retiree described in subparagraph (i) of this paragraph, or a  
11 designated beneficiary of that retiree is subject to § 9–610 of the Labor and Employment  
12 Article.

13 (b) (1) The Board of Trustees shall reduce [an accidental or special] A  
14 ~~LINE-OF-DUTY~~ disability retirement benefit by any related workers' compensation  
15 benefits paid or payable after the effective date of retirement if the workers' compensation  
16 benefits:

17 (i) are paid or payable while a pension is paid or payable; and

18 (ii) are for [an accidental] A ~~LINE-OF-DUTY~~ personal injury arising  
19 out of and in the course of the retiree's employment by a participating employer.

20 (2) A retirement allowance may not be reduced:

21 (i) to be less than the sum of the retiree's annuity and the amount  
22 authorized to be deducted for health insurance premiums; or

23 (ii) for workers' compensation benefits that are reimbursements for  
24 legal fees, medical expenses, or other payments made to third parties and not to the retiree.

25 (c) The retirement allowance to be reduced under this section is the retirement  
26 allowance at retirement without any cost-of-living adjustment and is retroactive.

27 29–203.

28 (a) (1) This subsection applies only to an individual who dies while employed  
29 as a member of the Law Enforcement Officers' Pension System:

30 (i) without willful negligence by the member; and

31 (ii) with more than 2 years of eligibility service.

1           (2) When the Board of Trustees receives proof of death of a member and  
2 finds that the death has occurred in the manner described in paragraph (1) of this  
3 subsection, the Board of Trustees shall pay:

4                   (i) if the member is survived by a spouse or child under the age of  
5 18 years:

6                           1. the member's accumulated contributions to the designated  
7 beneficiary, or otherwise to the member's estate; and

8                           2. an allowance of 50% of the [ordinary]  
9 ~~NON-LINE-OF-DUTY~~ disability retirement allowance provided for in § 29-108 of this title:

10                               A. to the surviving spouse; or

11                               B. if there is no surviving spouse or if the surviving spouse  
12 dies before the youngest child of the member is 18 years old, to any children of the deceased  
13 member who are under the age of 18 years; or

14                   (ii) if the member is not survived by a spouse or child under the age  
15 of 18 years, the death benefit under § 29-202 of this subtitle.

16 38-102.

17           (a) Except as provided in subsections (b) and (c) of this section, during a period  
18 that a member of a State or local retirement or pension system is absent from employment  
19 for military service, the member or the member's estate, under a State or local retirement  
20 or pension system, is not entitled to:

21                   (1) [ordinary] ~~NON-LINE-OF-DUTY~~ disability benefits;

22                   (2) [accidental] ~~LINE-OF-DUTY~~ disability benefits;

23                   (3) death benefits;

24                   (4) optional allowances; or

25                   (5) other disability or death benefits.

26           SECTION 2. AND BE IT FURTHER ENACTED, That the publisher of the  
27 Annotated Code of Maryland, in consultation with and subject to the approval of the  
28 Department of Legislative Services, shall correct, with no further action required by the  
29 General Assembly, cross-references and terminology rendered incorrect by this Act or by  
30 any other Act of the General Assembly of 2016 that affects provisions enacted by this Act.  
31 The publisher shall adequately describe any such correction in an editor's note following  
32 the section affected.

1           SECTION 3. AND BE IT FURTHER ENACTED, That, except for the provisions of  
2 this Act that alter the terminology for an ordinary disability, an accidental disability, and  
3 a special disability to a non–line–of–duty disability and a line–of–duty disability, this Act  
4 shall be construed to apply only prospectively to individuals who file an application for  
5 disability retirement for the first time on or after the effective date of this Act and may not  
6 be applied or interpreted to have any effect on or application to any individuals who file an  
7 application for disability retirement before the effective date of this Act.

8           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2016.