

# SENATE BILL 875

K4, P2

6lr2209

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By: **Senator Serafini**

Introduced and read first time: February 5, 2016

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Retirement and Pension System – ~~Line of Duty and Non-Line of Duty~~**  
3 **~~Disability Alterations~~ Disability Benefits Study**

4 FOR the purpose of ~~altering the process and benefits for disability retirement in the State~~  
5 ~~Retirement and Pension System; renaming an ordinary disability to be a~~  
6 ~~non-line of duty disability and making conforming changes; renaming an~~  
7 ~~accidental disability and a special disability to be a line of duty disability and~~  
8 ~~making conforming changes; altering the time period during which an application~~  
9 ~~for a non-line of duty disability retirement must be submitted; altering the time~~  
10 ~~period during which an application for a line of duty disability retirement must be~~  
11 ~~submitted; altering the calculation for a non-line of duty disability retirement~~  
12 ~~allowance for certain members who file an application for a disability retirement on~~  
13 ~~or after a certain date; establishing a short term non-line of duty disability~~  
14 ~~payment program; establishing certain eligibility criteria to receive a short term~~  
15 ~~non-line of duty disability payment; providing for the duration and the~~  
16 ~~computation of the short term non-line of duty disability payment; altering certain~~  
17 ~~eligibility criteria to receive a non-line of duty disability retirement allowance for~~  
18 ~~certain members who file an application for a disability retirement on or after a~~  
19 ~~certain date; altering the calculation for a line of duty disability retirement~~  
20 ~~allowance for certain members who file an application for a disability retirement on~~  
21 ~~or after a certain date; authorizing the Executive Director of the State Retirement~~  
22 ~~Agency to require certain retirees receiving a disability retirement allowance to~~  
23 ~~undergo a medical examination by a certain physician under certain circumstances;~~  
24 ~~authorizing the Board of Trustees for the State Retirement and Pension System to~~  
25 ~~suspend a disability retirement allowance under certain circumstances; authorizing~~

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~the Board of Trustees to stop payment and revoke a disability retirement allowance if a retiree refuses a medical examination under certain circumstances; authorizing a certain retiree whose disability retirement allowance is suspended to receive a vested allowance under certain circumstances; authorizing certain individuals whose disability retirement allowance is suspended to receive certain creditable service and eligibility service under certain circumstances; authorizing the Board of Trustees to adopt certain regulations; repealing obsolete provisions of law relating to the granting of a disability retirement allowance to certain members who transferred between certain retirement and pension systems; altering the definition of "small procurement" for certain expenses and services relating to the State Retirement Agency; requiring the Department of Legislative Services, on or before a certain date, to issue a certain request for proposals for a certain short term disability program administrator; requiring the Department of Legislative Services, on or before a certain date, to recommend certain statutory changes necessary to implement a certain short term disability program; requiring a disability program administrator to administer a certain short term disability program on and after a certain date; requiring the publisher of the Annotated Code of Maryland, in consultation with the Department of Legislative Services, to correct cross references and terminology in the Code that are rendered incorrect by this Act; providing for the application of certain provisions of this Act; and generally relating to alterations in the provisions of law for disability retirement in the State Retirement and Pension System~~
requiring the Department of Budget and Management, in consultation with the State Retirement Agency, to issue a certain request for information on the viability of replacing certain disability benefits provided by the Board of Trustees for the State Retirement and Pension System with a certain insurance program; requiring the Department to submit a certain report on or before a certain date; and generally relating to providing disability benefits under the State Retirement and Pension System.

~~BY repealing and reenacting, with amendments,  
 Article — Public Safety  
 Section 2-410(e)(2)  
 Annotated Code of Maryland  
 (2011 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, with amendments,  
 Article — State Finance and Procurement  
 Section 13-109  
 Annotated Code of Maryland  
 (2015 Replacement Volume)~~

~~BY repealing and reenacting, with amendments,  
 Article — State Personnel and Pensions  
 Section 9-704(b), 22-200(b), 22-210, 22-220, 22-221(e)(4) and (5), 22-404(b),  
 23-218, 23-222, 23-226, 23-304.1, 24-304.1, 24-401.1(g)(6) and (k),  
 25-304.1, 26-210, 26-306.1, 26-401.1(g)(5) and (k), 29-104 through 29-111,  
 29-113, 29-114, 29-116 through 29-118, 29-203(a), and 38-102(a)~~

1 ~~Annotated Code of Maryland~~  
 2 ~~(2015 Replacement Volume)~~

3 ~~BY repealing and reenacting, without amendments,~~  
 4 ~~Article State Personnel and Pensions~~  
 5 ~~Section 22-221(a)(1) and (e)(1), 22-404(e), 24-401.1(b), 26-401.1(b), and 29-115~~  
 6 ~~Annotated Code of Maryland~~  
 7 ~~(2015 Replacement Volume)~~

8 ~~BY adding to~~  
 9 ~~Article State Personnel and Pensions~~  
 10 ~~Section 29-105 and 29-115.1~~  
 11 ~~Annotated Code of Maryland~~  
 12 ~~(2015 Replacement Volume)~~

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

15 ~~Article Public Safety~~

16 ~~2-410.~~

17 ~~(e) (2) Payment for work-related administrative leave is a separate benefit on~~  
 18 ~~account of [accidental] LINE-OF-DUTY disability and is not a continuation of salary.~~

19 ~~Article State Finance and Procurement~~

20 ~~13-109.~~

21 ~~(a) In this section, "small procurement" means a procurement for which:~~

22 ~~(1) (I) a unit OTHER THAN THE STATE RETIREMENT AGENCY~~  
 23 ~~spends \$25,000 or less; OR~~

24 ~~(II) THE STATE RETIREMENT AGENCY SPENDS \$50,000 OR~~  
 25 ~~LESS;~~

26 ~~(2) a contractor provides services subject to § 11-202(3) of this article:~~

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

29 ~~(II) FOR THE STATE RETIREMENT AGENCY FOR EXPECTED~~  
 30 ~~ANNUAL REVENUES OF \$50,000 OR LESS; OR~~

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

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

~~(e) A primary procurement unit may not create a small procurement by artificial division of a procurement.~~

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

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

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

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

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

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

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

### ~~Article State Personnel and Pensions~~

~~9-704.~~

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

~~22-200.~~

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

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

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

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

1                   (iii) ~~a normal service retirement allowance of one fifty fifth of~~  
2 ~~average final compensation multiplied by the number of years of creditable service;~~

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

5                   (v) ~~the selection of options for allowances;~~

6                   (vi) ~~the adjustment of the allowance for increases in the Consumer~~  
7 ~~Price Index;~~

8                   (vii) ~~the death benefit;~~

9                   (viii) ~~the level of member contributions; and~~

10                  (ix) ~~the length of eligibility service for members to vest benefits in~~  
11 ~~the system.~~

12 ~~22-219.~~

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

15                  (b) ~~A member who is subject to Selection A (Additional member contributions)~~  
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 through 29-403~~  
26 ~~of this article; and~~

27                   (3) ~~make the member contributions at the rate specified by § 22-214(a) of~~  
28 ~~this subtitle.~~

29 ~~22-220.~~

1 ~~(a) This section applies only to a member who is subject to Selection B (Limited~~  
 2 ~~cost of living adjustment) on October 1, 1994.~~

3 ~~(b) A member who is subject to Selection B (Limited cost of living adjustment)~~  
 4 ~~shall:~~

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

6 ~~(i) for normal service retirement as provided by § 22-401 of this~~  
 7 ~~title;~~

8 ~~(ii) for early service retirement as provided by § 22-402 of this title;~~

9 ~~(iii) for [ordinary] NON LINE OF DUTY disability retirement as~~  
 10 ~~provided by § 29-106 of this article; and~~

11 ~~(iv) for [accidental] LINE OF DUTY disability retirement as~~  
 12 ~~provided by § 29-110 of this article;~~

13 ~~(2) have the allowance adjusted as provided in §§ 29-401, 29-402, and~~  
 14 ~~29-405 of this article; and~~

15 ~~(3) make the member contributions at the rate specified by § 22-214(b) of~~  
 16 ~~this subtitle.~~

17 ~~22-221.~~

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

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

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

24 ~~(i) the allowance computed as provided by § 29-106 of this article;~~  
 25 ~~or~~

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

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

29 ~~22-404.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~23-218.~~

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

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

1 (i) ~~for normal service retirement as provided in § 23-401(e) of this~~  
2 ~~title;~~

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

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

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

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

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

12 ~~23-222.~~

13 ~~A member who is subject to this part shall:~~

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

15 (i) ~~for normal service retirement as provided in § 23-401(d) of this~~  
16 ~~title;~~

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

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

20 (iv) ~~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 Title 29, Subtitle 4 of this~~  
23 ~~article; and~~

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

26 ~~23-226.~~

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

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



- 1                   (i) ~~for normal service retirement as provided in § 23-401(f) of this~~  
 2 ~~title;~~
- 3                   (ii) ~~for early service retirement as provided in § 23-402(c) of this~~  
 4 ~~title;~~
- 5                   (iii) ~~for a vested allowance as provided in § 29-303(b-1) of this article;~~
- 6                   (iv) ~~for [ordinary] NON LINE OF DUTY disability retirement as~~  
 7 ~~provided in § 29-108 of this article; and~~
- 8                   (v) ~~for [accidental] LINE OF DUTY disability retirement as~~  
 9 ~~provided in § 29-110 of this article;~~
- 10               (2) ~~have the allowance adjusted as provided in §§ 29-401, 29-402, and~~  
 11 ~~29-408 of this article; and~~
- 12               (3) ~~make the member contributions at the rate specified in § 23-212(d) of~~  
 13 ~~this subtitle.~~
- 14               (b) ~~A member described in § 23-225(a)(2) of this subtitle is not subject to this Part~~  
 15 ~~IV of this subtitle with respect to the service credit earned in the member's previous~~  
 16 ~~membership.~~
- 17 ~~23-304.1.~~
- 18               (a) ~~Except as provided in subsection (b) of this section, a member may not~~  
 19 ~~purchase service credit under this title if the member is separated from employment.~~
- 20               (b) (1) ~~A member who is separated from employment may purchase service~~  
 21 ~~credit under this title for a leave of absence approved by the Board of Trustees under~~  
 22 ~~regulations that apply to all members, if the member purchases the service credit within~~  
 23 ~~60 days after the expiration of the leave of absence.~~
- 24               (2) ~~For good cause shown, the Executive Director, in the Executive~~  
 25 ~~Director's sole discretion, may extend the time period to purchase service credit under~~  
 26 ~~paragraph (1) of this subsection if:~~
- 27                   (i) ~~the purchased service credit would allow the member to meet the~~  
 28 ~~eligibility service requirements to apply for [an ordinary] A NON LINE OF DUTY~~  
 29 ~~disability retirement under § [29-105(a)] 29-105.1 of this article; and~~
- 30                   (ii) ~~the member completes the purchase of the service credit before~~  
 31 ~~the earlier of:~~
- 32                   1. ~~4 years after the expiration of the leave of absence; or~~

~~2. the date membership ends.~~

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

~~24-304.1.~~

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

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

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

~~(i) the purchased service credit would allow the member to meet the eligibility service requirements to apply for [an ordinary] A NON LINE OF DUTY disability retirement under § [29-105(a)] 29-105.1 of this article; and~~

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

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

~~2. the date membership ends.~~

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

~~24-401.1.~~

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

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

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

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

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

4           ~~(ii) the medical board certifies that:~~

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

8           ~~2. the incapacity is likely to be permanent; and~~

9           ~~3. the member should be retired.~~

10           ~~(2) (i) If a DROP member is granted a [special] LINE OF DUTY~~  
11 ~~disability retirement allowance, the DROP member shall:~~

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

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

17           ~~3. submit an application to retire with a [special]~~  
18 ~~LINE OF DUTY disability retirement allowance, on the form the Board of Trustees~~  
19 ~~provides, stating the effective date of the DROP member's retirement as a [special]~~  
20 ~~LINE OF DUTY disability retiree.~~

21           ~~(ii) On acceptance of the application for payment and application to~~  
22 ~~retire, the Board of Trustees shall commence payment of a [special] LINE OF DUTY~~  
23 ~~disability allowance to the DROP member as provided in § 29-111(e) of this article, except~~  
24 ~~that the DROP member's average final compensation shall be computed as of the effective~~  
25 ~~date of the DROP member's application for a [special] LINE OF DUTY disability~~  
26 ~~retirement allowance.~~

27 ~~25-304.1.~~

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

30           ~~(b) (1) A member who is separated from employment may purchase service~~  
31 ~~credit under this title for a leave of absence approved by the Board of Trustees under~~  
32 ~~regulations that apply to all members, if the member purchases the service credit within~~  
33 ~~60 days after the expiration of the leave of absence.~~

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

~~(i) the purchased service credit would allow the member to meet the eligibility service requirements to apply for [an ordinary] A NON-LINE-OF-DUTY disability retirement under § [29-105(a)] 29-105.1 of this article; and~~

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

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

~~2. the date membership ends.~~

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

~~26-210.~~

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

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

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

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

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

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

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

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

~~26-306.1.~~

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

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

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

8                   ~~(i) the purchased service credit would allow the member to meet the~~  
9 ~~eligibility service requirements to apply for [an ordinary] A NON-LINE-OF-DUTY~~  
10 ~~disability retirement under § [29-105(a)] 29-105.1 of this article; and~~

11                   ~~(ii) the member completes the purchase of the service credit before~~  
12 ~~the earlier of:~~

13                           ~~1. 4 years after the expiration of the leave of absence; or~~

14                           ~~2. the date membership ends.~~

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

17 ~~26-401.1.~~

18           ~~(b) There is a DROP for eligible members of the Law Enforcement Officers'~~  
19 ~~Pension System.~~

20           ~~(g) Participation in the DROP ends if the DROP participant:~~

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

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

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

29                   ~~(ii) the medical board certifies that:~~

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

1 ~~2.~~ the incapacity is likely to be permanent; and

2 ~~3.~~ the member should be retired.

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

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

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

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

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

20 ~~29-104.~~

21 ~~(a) Except as provided in subsections (c) and (d) of this section and subject to~~  
22 ~~[subsection] SUBSECTIONS (c) AND (F) of this section[.];~~

23 ~~(1) an application THAT IS FILED ON OR BEFORE JUNE 30, 2016, FOR A~~  
24 ~~NON LINE OF DUTY disability retirement must be submitted before the date membership~~  
25 ~~ends;~~

26 ~~(2) AN APPLICATION THAT IS FILED ON OR AFTER JULY 1, 2016, FOR~~  
27 ~~A NON LINE OF DUTY DISABILITY RETIREMENT MUST BE SUBMITTED WITHIN 2~~  
28 ~~YEARS AFTER PAID EMPLOYMENT ENDS; AND~~

29 ~~(3) AN APPLICATION FOR A LINE OF DUTY DISABILITY RETIREMENT~~  
30 ~~MUST BE SUBMITTED BEFORE THE DATE MEMBERSHIP ENDS.~~

31 ~~(b) (1) This subsection applies only to an application for [an ordinary or~~  
32 ~~accidental] A NON LINE OF DUTY OR LINE OF DUTY disability retirement allowance~~

1 ~~filed by a member of the Employees' Pension System or the Teachers' Pension System who~~  
2 ~~is not subject to the contributory pension benefit or the Alternate Contributory Pension~~  
3 ~~Selection and who separated from employment on or before June 30, 2005.~~

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

6 ~~(e) (1) (I) THIS PARAGRAPH APPLIES ONLY TO AN APPLICATION FOR~~  
7 ~~DISABILITY RETIREMENT THAT IS FILED ON OR BEFORE JUNE 30, 2016.~~

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

15 ~~[(2)] (III) The Board of Trustees may accept an application for [ordinary or~~  
16 ~~accidental] A NON LINE OF DUTY OR LINE OF DUTY disability retirement from a~~  
17 ~~former member of the Teachers' Retirement System within 12 months after the month~~  
18 ~~membership ended if the former member of the Teachers' Retirement System proves to the~~  
19 ~~satisfaction of the medical board that failure to submit an application while a member of~~  
20 ~~the Teachers' Retirement System was attributable solely to physical or mental incapacity~~  
21 ~~during the filing period.~~

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

24 ~~(II) THE BOARD OF TRUSTEES MAY ACCEPT AN APPLICATION~~  
25 ~~FOR A NON LINE OF DUTY OR LINE OF DUTY DISABILITY RETIREMENT FROM A~~  
26 ~~MEMBER WITHIN 4 YEARS AFTER PAID EMPLOYMENT ENDS IF THE MEMBER PROVES~~  
27 ~~TO THE SATISFACTION OF THE MEDICAL BOARD THAT FAILURE TO SUBMIT AN~~  
28 ~~APPLICATION IN THE TIME PERIOD REQUIRED UNDER SUBSECTION (A)(2) OR (3) OF~~  
29 ~~THIS SECTION WAS ATTRIBUTABLE SOLELY TO PHYSICAL OR MENTAL INCAPACITY~~  
30 ~~DURING THE FILING PERIOD.~~

31 ~~(3) If the Board of Trustees accepts a disability retirement application~~  
32 ~~under this subsection and grants a disability retirement allowance, the retirement~~  
33 ~~allowance begins as of the first day of the month after the Board of Trustees receives the~~  
34 ~~application.~~

35 ~~(d) (1) The Board of Trustees shall accept an application for [ordinary,~~  
36 ~~accidental, or special] A NON LINE OF DUTY OR LINE OF DUTY disability retirement~~

1 ~~from a surviving beneficiary of a deceased member, if a preliminary application for~~  
 2 ~~disability retirement or an application for disability retirement:~~

3 ~~(i) is signed and dated by the deceased member within 7 days before~~  
 4 ~~the death of the member; and~~

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

7 ~~(2) If the Board of Trustees receives an application under paragraph (1) of~~  
 8 ~~this subsection:~~

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

12 ~~(ii) the Board of Trustees shall review the application to determine~~  
 13 ~~if the preliminary application for disability retirement or the application for disability~~  
 14 ~~retirement was signed by the deceased member before the death of the member.~~

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

16 ~~(i) the medical board determines that the deceased member would~~  
 17 ~~have been eligible for disability retirement at the time the deceased member signed the~~  
 18 ~~disability application; and~~

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

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

24 ~~(5) If the Board of Trustees accepts a disability retirement application~~  
 25 ~~under this subsection and grants a disability retirement allowance, the retirement~~  
 26 ~~allowance begins as of the first day of the month after the Board of Trustees receives the~~  
 27 ~~application.~~

28 ~~(c) (1) This subsection [does not apply] APPLIES to an application for [special]~~  
 29 ~~LINE OF DUTY disability under [the State Police Retirement System or an application for~~  
 30 ~~accidental disability under the Law Enforcement Officers' Pension System or to an~~  
 31 ~~application for accidental disability under the Correctional Officers' Retirement System]:~~

32 ~~(I) THE EMPLOYEES' PENSION SYSTEM;~~

33 ~~(II) THE EMPLOYEES' RETIREMENT SYSTEM;~~



1 ~~(III) THE TEACHERS' PENSION SYSTEM; AND~~

2 ~~(IV) THE TEACHERS' RETIREMENT SYSTEM.~~

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

6 ~~(F) (1) THIS SUBSECTION APPLIES TO AN APPLICATION FOR~~  
7 ~~LINE OF DUTY DISABILITY UNDER:~~

8 ~~(I) THE STATE POLICE RETIREMENT SYSTEM;~~

9 ~~(II) THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM;~~

10 ~~AND~~

11 ~~(III) THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.~~

12 ~~(2) THE BOARD OF TRUSTEES MAY NOT ACCEPT AN APPLICATION~~  
13 ~~FOR LINE OF DUTY DISABILITY FILED BY A MEMBER OR FORMER MEMBER MORE~~  
14 ~~THAN 2 YEARS AFTER THE DATE OF THE CLAIMED ACCIDENT OR DIAGNOSIS OF THE~~  
15 ~~DISABLING CONDITION.~~

16 ~~29 105.~~

17 ~~(A) A SHORT TERM DISABILITY PROGRAM ADMINISTRATOR SHALL~~  
18 ~~PROVIDE A SHORT TERM NON LINE OF DUTY DISABILITY PAYMENT TO A MEMBER~~  
19 ~~IF:~~

20 ~~(1) THE MEMBER FILES AN APPLICATION FOR A SHORT TERM~~  
21 ~~NON LINE OF DUTY DISABILITY ON OR AFTER JULY 1, 2017;~~

22 ~~(2) THE MEMBER HAS AT LEAST 10 YEARS OF ELIGIBILITY SERVICE;~~  
23 ~~AND~~

24 ~~(3) THE SHORT TERM DISABILITY PROGRAM ADMINISTRATOR~~  
25 ~~CERTIFIES THAT:~~

26 ~~(I) THE MEMBER IS MENTALLY OR PHYSICALLY~~  
27 ~~INCAPACITATED FOR THE FURTHER PERFORMANCE OF THE NORMAL DUTIES OF THE~~  
28 ~~MEMBER'S POSITION; AND~~

29 ~~(II) THE INCAPACITY IS LIKELY TO LAST FOR AT LEAST 2 YEARS.~~

~~(B) (1) A SHORT TERM NON LINE OF DUTY DISABILITY PAYMENT SHALL BE COMPUTED AS A NORMAL SERVICE RETIREMENT ALLOWANCE ON THE BASIS OF THE MEMBER'S CREDITABLE SERVICE AND AVERAGE FINAL COMPENSATION AT THE TIME OF SEPARATION FROM EMPLOYMENT.~~

~~(2) A SHORT TERM NON LINE OF DUTY DISABILITY PAYMENT IS NOT SUBJECT TO REDUCTION FOR ANY PERIOD OF TIME DURING WHICH THE MEMBER IS UNDER NORMAL RETIREMENT AGE.~~

~~(C) A MEMBER MAY RECEIVE SHORT TERM NON LINE OF DUTY DISABILITY PAYMENTS FOR A PERIOD NOT TO EXCEED 2 YEARS.~~

~~(D) IF A MEMBER CONTINUES TO BE INCAPACITATED AFTER THE EXPIRATION OF SHORT TERM NON LINE OF DUTY DISABILITY PAYMENTS, THE MEMBER MAY APPLY FOR A NON LINE OF DUTY DISABILITY RETIREMENT ALLOWANCE UNDER § 29-105.1 OF THIS SUBTITLE.~~

~~[29-105.] 29-105.1.~~

~~(a) (1) The Board of Trustees shall grant [an ordinary] A NON LINE OF DUTY disability retirement allowance to a member WHO FILES AN APPLICATION FOR DISABILITY RETIREMENT ON OR BEFORE JUNE 30, 2017, if:~~

~~[(1)] (I) the member has at least 5 years of eligibility service; and~~

~~[(2)] (II) the medical board certifies that:~~

~~[(i)] 1. the member is mentally or physically incapacitated for the further performance of the normal duties of the member's position;~~

~~[(ii)] 2. the incapacity is likely to be permanent; and~~

~~[(iii)] 3. the member should be retired.~~

~~(2) THE BOARD OF TRUSTEES SHALL GRANT A NON LINE OF DUTY DISABILITY RETIREMENT ALLOWANCE TO A MEMBER WHO FILES AN APPLICATION FOR DISABILITY RETIREMENT ON OR AFTER JULY 1, 2017, IF:~~

~~(I) THE MEMBER HAS AT LEAST 10 YEARS OF ELIGIBILITY SERVICE;~~

~~(II) THE MEMBER WAS AWARDED A SHORT TERM NON LINE OF DUTY DISABILITY PAYMENT UNDER § 29-105 OF THIS SUBTITLE;~~

~~(III) THE SHORT TERM NON LINE OF DUTY DISABILITY PAYMENTS UNDER § 29 105 OF THIS SUBTITLE HAVE EXPIRED; AND~~

~~(IV) THE MEDICAL BOARD CERTIFIES THAT:~~

~~1. THE MEMBER IS MENTALLY OR PHYSICALLY INCAPACITATED FOR THE PERFORMANCE OF ANY GAINFUL EMPLOYMENT;~~

~~2. THE INCAPACITY IS LIKELY TO BE PERMANENT; AND~~

~~3. THE MEMBER SHOULD BE RETIRED.~~

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

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

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

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

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

~~29 106.~~

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

~~(1) the Correctional Officers' Retirement System;~~

~~(2) the Employees' Retirement System; and~~

~~(3) the Teachers' Retirement System.~~

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

~~(1) a normal service retirement allowance; or~~

~~(2) the amount computed under subsection (e) or (d) of this section.~~

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

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

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

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

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

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

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

~~(I) 25% OF THE MEMBER'S AVERAGE FINAL COMPENSATION;~~  
~~OR~~

~~(II) THE NORMAL SERVICE RETIREMENT ALLOWANCE THAT IS COMPUTED BY USING:~~

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

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

~~29-107.~~

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

1 (b) ~~[(An ordinary)] A NON-LINE-OF-DUTY~~ disability retirement allowance equals  
2 ~~the greater of:~~

3 ~~(1) a normal service retirement allowance; or~~

4 ~~(2) 35% of the member's average final compensation;~~

5 ~~20-108.~~

6 ~~(a) This section applies only to members of:~~

7 ~~(1) the Employees' Pension System;~~

8 ~~(2) the Local Fire and Police System;~~

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

10 ~~(4) the Teachers' Pension System.~~

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

13 ~~(1) if the member is at least normal retirement age, a normal service~~  
14 ~~retirement allowance; [or]~~

15 ~~(2) if the member is under normal retirement age AND THE MEMBER~~  
16 ~~FILED AN APPLICATION FOR DISABILITY RETIREMENT ON OR BEFORE JUNE 30,~~  
17 ~~2016, a normal service retirement allowance that is computed by using:~~

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

20 ~~(ii) an average final compensation the member would have received~~  
21 ~~if the member continued employment without a change in carnable compensation; OR~~

22 ~~(3) IF THE MEMBER IS UNDER NORMAL RETIREMENT AGE AND THE~~  
23 ~~MEMBER FILED AN APPLICATION FOR DISABILITY RETIREMENT ON OR AFTER JULY~~  
24 ~~1, 2016, A NORMAL SERVICE RETIREMENT ALLOWANCE THAT IS COMPUTED BY~~  
25 ~~USING:~~

26 ~~(i) THE NUMBER OF YEARS OF CREDITABLE SERVICE THE~~  
27 ~~MEMBER WOULD HAVE RECEIVED IF THE MEMBER CONTINUED EMPLOYMENT UNTIL~~  
28 ~~FIRST ELIGIBILITY FOR A NORMAL SERVICE RETIREMENT ALLOWANCE; AND~~

1 ~~(H) AN AVERAGE FINAL COMPENSATION THE MEMBER WOULD~~  
 2 ~~HAVE RECEIVED IF THE MEMBER CONTINUED EMPLOYMENT WITHOUT A CHANGE IN~~  
 3 ~~EARNABLE COMPENSATION.~~

4 ~~(e) [A member of the Employees' Pension System or the Teachers' Pension~~  
 5 ~~System who has transferred from the Employees' Retirement System or the Teachers'~~  
 6 ~~Retirement System shall receive the benefits provided under the State system from which~~  
 7 ~~the member transferred, offset by any refunded contributions including any interest~~  
 8 ~~received in connection with the transfer, if:~~

9 ~~(1) the member applies for the retirement allowance within 2 years after~~  
 10 ~~the transfer; and~~

11 ~~(2) the Board of Trustees grants a disability retirement allowance to the~~  
 12 ~~member.~~

13 ~~(d)] (1) This subsection applies only to:~~

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

16 ~~(ii) a member of the Law Enforcement Officers' Pension System who~~  
 17 ~~has transferred from the Employees' Retirement System after electing to receive benefits~~  
 18 ~~in accordance with Selection A (Additional member contributions) as defined in § 22-101(b)~~  
 19 ~~of this article or Selection B (Limited cost of living adjustment) as defined in § 22-101(e)~~  
 20 ~~of this article.~~

21 ~~(2) [An ordinary] A NON-LINE-OF-DUTY disability retirement allowance~~  
 22 ~~equals the greater of:~~

23 ~~(i) a normal service retirement allowance; or~~

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

25 ~~[(c)] (D) (1) This subsection applies only to a member of the Employees'~~  
 26 ~~Pension System who:~~

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

30 ~~(ii) elects not to transfer the years of creditable service the individual~~  
 31 ~~accrued in the Correctional Officers' Retirement System to the Employees' Pension System;~~  
 32 ~~and~~

1 ~~(iii) is eligible to receive a vested allowance from the Correctional~~  
2 ~~Officers' Retirement System.~~

3 ~~(2) [An ordinary] A NON-LINE-OF-DUTY disability retirement allowance~~  
4 ~~equals:~~

5 ~~(i) a normal service retirement allowance in the Correctional~~  
6 ~~Officers' Retirement System based on the member's total years of creditable service accrued~~  
7 ~~in the Correctional Officers' Retirement System; plus~~

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

11 ~~29-109.~~

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

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

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

18 ~~(2) the medical board certifies that:~~

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

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

22 ~~(iii) the member should be retired.~~

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

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

28 ~~(2) the medical board certifies that:~~

29 ~~(i) the member is totally incapacitated, either mentally or~~  
30 ~~physically, for the further performance of duty;~~

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

1                   ~~(iii) the member should be retired.~~

2 ~~29-110.~~

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

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

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

7                   ~~(2) [the sum of:~~

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

10                               ~~(ii)] a pension equal to two thirds of the member's average final~~  
11 ~~compensation.~~

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

14                   ~~(2) [An accidental] A LINE OF DUTY disability retirement allowance~~  
15 ~~equals the greater of:~~

16                                 ~~(i) a normal service retirement allowance; or~~

17                                 ~~(ii) [an accidental] A LINE OF DUTY disability retirement~~  
18 ~~allowance computed in accordance with subsection (b) of this section.~~

19           ~~(d) (1) This subsection applies only to a member of the Employees' Pension~~  
20 ~~System who:~~

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

24                                 ~~(ii) elects not to transfer the years of creditable service the individual~~  
25 ~~accrued in the Correctional Officers' Retirement System to the Employees' Pension System;~~  
26 ~~and~~

27                                 ~~(iii) is eligible to receive a vested allowance from the Correctional~~  
28 ~~Officers' Retirement System.~~



1           ~~(2) A member may receive [an accidental] A LINE OF DUTY disability~~  
2 ~~retirement allowance under this section if the member:~~

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

5                   ~~(ii) transfers the member's accumulated contributions in the~~  
6 ~~Correctional Officers' Retirement System to the Employees' Pension System.~~

7 ~~29-111.~~

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

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

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

14                   ~~(2) the medical board certifies that:~~

15                           ~~(i) the member is totally incapacitated, either mentally or~~  
16 ~~physically, for the further performance of duty;~~

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

18                           ~~(iii) the member should be retired.~~

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

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

22                   ~~(2) [the sum of:~~

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

25                           ~~(ii)] a pension equal to two thirds of the member's average final~~  
26 ~~compensation.~~

27           ~~(d) (1) This subsection applies to a member who is at least normal retirement~~  
28 ~~age.~~

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

3                     ~~(i) a normal service retirement allowance; or~~

4                     ~~(ii) a [special] LINE OF DUTY disability retirement allowance~~  
5 ~~computed in accordance with subsection (e) of this section.~~

6 ~~29-113.~~

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

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

14                     ~~(2) for a retiree who has been retired more than 5 years but not more than~~  
15 ~~10 years, \$1,500;~~

16                     ~~(3) for a retiree who has been retired more than 10 years but not more than~~  
17 ~~15 years, \$1,800; and~~

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

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

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

24                     ~~(2) as its denominator, the Consumer Price Index for the calendar year~~  
25 ~~ending December 31, 1998.~~

26 ~~29-114.~~

27           ~~A member entitled to [an accidental disability retirement allowance or a special] A~~  
28 ~~LINE OF DUTY disability retirement allowance may not receive a retirement allowance~~  
29 ~~for [ordinary] A NON LINE OF DUTY disability.~~

30 ~~29-115.~~

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

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

4                   ~~(i) a retiree of:~~

5                           ~~1. the State Police Retirement System;~~

6                           ~~2. the Law Enforcement Officers' Pension System;~~

7                           ~~3. the Local Fire and Police System; or~~

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

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

14           ~~(b) (1) (i) The Board of Trustees shall, after giving notice, temporarily~~  
15 ~~suspend the retiree's allowance if the retiree:~~

16                           ~~1. began receiving a disability retirement allowance on or~~  
17 ~~after July 1, 1998; and~~

18                           ~~2. is employed by a participating employer at an annual~~  
19 ~~compensation that is at least equal to the retiree's average final compensation at~~  
20 ~~retirement.~~

21                           ~~(ii) A temporary suspension under this subsection shall begin as of~~  
22 ~~the date the retiree is reemployed by a participating employer under subparagraph (i)2 of~~  
23 ~~this paragraph.~~

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

27           ~~(3) Upon receiving satisfactory documentation that the retiree is no longer~~  
28 ~~employed by a participating employer, the Board of Trustees shall reinstate the retiree's~~  
29 ~~allowance with accumulated cost of living adjustments from the date the allowance was~~  
30 ~~temporarily suspended.~~

31           ~~(4) The retiree's allowance will be reinstated on the first day of the month~~  
32 ~~following the month in which the retiree ceased employment with the participating~~  
33 ~~employer.~~

1 ~~29-115.1.~~

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

5 ~~(B) THE EXECUTIVE DIRECTOR MAY REQUIRE A DISABILITY RETIREE TO~~  
6 ~~UNDERGO A MEDICAL EXAMINATION IF:~~

7 ~~(1) THE DISABILITY RETIREE IS UNDER NORMAL RETIREMENT AGE;~~  
8 ~~AND~~

9 ~~(2) IN THE EXECUTIVE DIRECTOR'S SOLE DISCRETION, GOOD CAUSE~~  
10 ~~EXISTS FOR THE MEDICAL EXAMINATION.~~

11 ~~(C) THE RETIREE SHALL BE EXAMINED BY A PHYSICIAN CHOSEN BY THE~~  
12 ~~EXECUTIVE DIRECTOR.~~

13 ~~(D) IF A DISABILITY RETIREE WHO IS UNDER NORMAL RETIREMENT AGE~~  
14 ~~REFUSES A MEDICAL EXAMINATION, THE BOARD OF TRUSTEES MAY SUSPEND~~  
15 ~~PAYMENT OF THE RETIREE'S ALLOWANCE UNTIL THE RETIREE WITHDRAWS THE~~  
16 ~~REFUSAL AND COMPLETES THE EXAMINATION.~~

17 ~~(E) IF A DISABILITY RETIREE'S REFUSAL OF A MEDICAL EXAMINATION~~  
18 ~~CONTINUES FOR 1 YEAR OR MORE, THE BOARD OF TRUSTEES MAY REVOKE THE~~  
19 ~~RETIREE'S RIGHTS IN THE RETIREE'S DISABILITY RETIREMENT ALLOWANCE.~~

20 ~~(F) IF THE MEDICAL BOARD FINDS AFTER THE MEDICAL EXAMINATION BY~~  
21 ~~THE PHYSICIAN CHOSEN BY THE EXECUTIVE DIRECTOR THAT A DISABILITY~~  
22 ~~RETIREE WHO IS UNDER NORMAL RETIREMENT AGE IS NO LONGER MENTALLY OR~~  
23 ~~PHYSICALLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF THE NORMAL~~  
24 ~~DUTIES OF THE POSITION OF THE RETIREE AT THE TIME OF RETIREMENT, THE~~  
25 ~~BOARD OF TRUSTEES MAY, AFTER GIVING NOTICE AND AN OPPORTUNITY FOR A~~  
26 ~~HEARING, SUSPEND THE RETIREE'S ALLOWANCE.~~

27 ~~(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A RETIREE~~  
28 ~~WHOSE ALLOWANCE IS SUSPENDED UNDER THIS SECTION MAY RECEIVE A VESTED~~  
29 ~~ALLOWANCE AS PROVIDED UNDER SUBTITLE 3 OF THIS TITLE.~~

30 ~~(2) THE VESTED ALLOWANCE SHALL BE COMPUTED AS A NORMAL~~  
31 ~~SERVICE RETIREMENT ALLOWANCE ON THE BASIS OF THE FORMER MEMBER'S~~  
32 ~~CREDITABLE SERVICE AND AVERAGE FINAL COMPENSATION AT THE TIME OF~~  
33 ~~SEPARATION FROM EMPLOYMENT.~~

1       ~~(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND EXCEPT~~  
2 ~~AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, AN INDIVIDUAL WHOSE~~  
3 ~~DISABILITY RETIREMENT ALLOWANCE IS SUSPENDED UNDER THIS SECTION MAY~~  
4 ~~RECEIVE CREDITABLE SERVICE AND ELIGIBILITY SERVICE DURING THE PERIOD OF~~  
5 ~~EMPLOYMENT WITH A PARTICIPATING EMPLOYER AFTER THE SUSPENSION OF THE~~  
6 ~~DISABILITY RETIREMENT ALLOWANCE IF THE INDIVIDUAL RETURNS TO~~  
7 ~~MEMBERSHIP IN A STATE SYSTEM.~~

8       ~~(2) AN INDIVIDUAL WHOSE DISABILITY RETIREMENT ALLOWANCE IS~~  
9 ~~SUSPENDED UNDER THIS SECTION MAY RECEIVE SERVICE CREDIT DURING THE~~  
10 ~~PERIOD OF EMPLOYMENT WITH A PARTICIPATING EMPLOYER UNTIL THE~~  
11 ~~INDIVIDUAL BEGINS RECEIVING A RETIREMENT ALLOWANCE FROM A STATE~~  
12 ~~SYSTEM.~~

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

17       ~~(I) THE BOARD OF TRUSTEES MAY ADOPT REGULATIONS TO CARRY OUT~~  
18 ~~THIS SECTION.~~

19 ~~29-116.~~

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

21       ~~(1) a retiree of:~~

22           ~~(i) the State Police Retirement System;~~

23           ~~(ii) the Law Enforcement Officers' Pension System;~~

24           ~~(iii) the Local Fire and Police System; or~~

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

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

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

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

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

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

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

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

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

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

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

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

16           ~~(d) The pension to be reduced under this section is the pension at retirement~~  
17 ~~without any cost of living adjustment.~~

18 ~~29-117.~~

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

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

25           ~~(e) The State Retirement Agency shall institute appropriate reporting procedures~~  
26 ~~with the affected payroll systems to ensure compliance with this section.~~

27           ~~(d) (1) Immediately on the employment of any retiree, a participating~~  
28 ~~employer shall notify the State Retirement Agency of the type of employment and the~~  
29 ~~anticipated earnings of the retiree.~~

30                   ~~(2) At least once each year, in a format specified by the State Retirement~~  
31 ~~Agency, each participating employer shall provide the State Retirement Agency with a list~~

~~of all employees included on any payroll of the employer, the Social Security numbers of the employees, and their earnings for that year.~~

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

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

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

~~29-118.~~

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

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

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

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

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

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

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

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

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

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

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

3                   (e) ~~The retirement allowance to be reduced under this section is the retirement~~  
4 ~~allowance at retirement without any cost of living adjustment and is retroactive.~~

5 ~~29-203.~~

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

8                               (i) ~~without willful negligence by the member; and~~

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

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

13                               (i) ~~if the member is survived by a spouse or child under the age of~~  
14 ~~18 years:~~

15                                       1. ~~the member's accumulated contributions to the designated~~  
16 ~~beneficiary, or otherwise to the member's estate; and~~

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

19   A. ~~to the surviving spouse; or~~

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

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

25 ~~38-102.~~

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

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

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



1           ~~(3) death benefits;~~

2           ~~(4) optional allowances; or~~

3           ~~(5) other disability or death benefits.~~

4           ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

5           ~~(a) On or before October 1, 2016, the Department of Legislative Services shall~~  
6 ~~issue a request for proposals for a disability program administrator to administer a~~  
7 ~~short term disability program in accordance with § 29-105.1 of the State Personnel and~~  
8 ~~Pensions Article.~~

9           ~~(b) On or before December 31, 2016, the Department of Legislative Services shall~~  
10 ~~recommend any statutory changes necessary to implement a short term disability program~~  
11 ~~through a disability program administrator.~~

12           ~~(c) On and after July 1, 2017, a short term disability program in accordance with~~  
13 ~~§ 29-105.1 of the State Personnel and Pensions Article shall be administered by the~~  
14 ~~disability program administrator.~~

15           ~~SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the~~  
16 ~~Annotated Code of Maryland, in consultation with and subject to the approval of the~~  
17 ~~Department of Legislative Services, shall correct, with no further action required by the~~  
18 ~~General Assembly, cross references and terminology rendered incorrect by this Act or by~~  
19 ~~any other Act of the General Assembly of 2016 that affects provisions enacted by this Act.~~  
20 ~~The publisher shall adequately describe any such correction in an editor's note following~~  
21 ~~the section affected.~~

22           ~~SECTION 4. AND BE IT FURTHER ENACTED, That, except for the provisions of~~  
23 ~~this Act that alter the terminology for an ordinary disability, an accidental disability, and~~  
24 ~~a special disability to a non-line of duty disability and a line of duty disability, this Act~~  
25 ~~shall be construed to apply only prospectively to individuals who file an application for~~  
26 ~~disability retirement for the first time on or after the effective date of this Act and may not~~  
27 ~~be applied or interpreted to have any effect on or application to any individuals who file an~~  
28 ~~application for disability retirement before the effective date of this Act.~~

29           (a) The Department of Budget and Management, in consultation with the State  
30 Retirement Agency, shall issue a request for information on the viability of replacing the  
31 disability benefits provided by the Board of Trustees for the State Retirement and Pension  
32 System under the State Personnel and Pensions Article with an insurance program that  
33 provides the same level of disability benefits and under the same conditions as provided by  
34 the Board of Trustees for the State Retirement and Pension System under the State  
35 Personnel and Pensions Article as of the effective date of this Act.

1           **(b)** On or before December 1, 2016, the Department of Budget and Management  
 2 shall report to the General Assembly and the Board of Trustees for the State Retirement  
 3 and Pension System, in accordance with § 2-1246 of the State Government Article, on the  
 4 results of the study under subsection (a) of this section.

5           SECTION ~~5~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 6 July 1, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.