

Chapter 210

(Senate Bill 486)

AN ACT concerning

State Retirement and Pension System – Workers’ Compensation Offset

FOR the purpose of requiring the Board of Trustees for the State Retirement and Pension System to adjust a certain reduction of a retiree’s accidental or special disability retirement benefit to reflect any offset awarded to the retiree’s employer by the Workers’ Compensation Commission; making conforming changes; and generally relating to the effect of workers’ compensation benefits on retirement benefits.

BY repealing and reenacting, without amendments,
 Article – Labor and Employment
 Section 9–610(a)
 Annotated Code of Maryland
 (2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 29–118
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

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

Article – Labor and Employment

9–610.

(a) (1) Except for benefits subject to an offset under § 29–118 of the State Personnel and Pensions Article, if a statute, charter, ordinance, resolution, regulation, or policy, regardless of whether part of a pension system, provides a benefit to a covered employee of a governmental unit or a quasi–public corporation that is subject to this title under § 9–201(2) of this title or, in case of death, to the dependents of the covered employee, payment of the benefit by the employer satisfies, to the extent of the payment, the liability of the employer and the Subsequent Injury Fund for payment of similar benefits under this title.

(2) If a benefit paid under paragraph (1) of this subsection is less than the benefits provided under this title, the employer, the Subsequent Injury Fund, or both shall provide an additional benefit that equals the difference between the benefit paid under paragraph (1) of this subsection and the benefits provided under this title.

(3) The computation of an additional benefit payable under paragraph (2) of this section shall be done at the time of the initial award and may not include any cost of living adjustment after the initial award.

Article – State Personnel and Pensions

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) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION**, the Board of Trustees shall reduce an accidental or special 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 personal injury arising out of and in the course of the retiree's employment by a participating employer.

(2) (I) THIS PARAGRAPH APPLIES TO A RETIREE WHO WAS ORIGINALLY AWARDED AN ORDINARY DISABILITY RETIREMENT BENEFIT, BUT WHOSE BENEFIT WAS LATER CONVERTED TO AN ACCIDENTAL OR SPECIAL DISABILITY RETIREMENT BENEFIT BY THE BOARD OF TRUSTEES.

(II) IF THE RETIREE WAS AWARDED RELATED WORKERS' COMPENSATION BENEFITS PAID OR PAYABLE AFTER THE EFFECTIVE DATE OF RETIREMENT, THE BOARD OF TRUSTEES SHALL ADJUST ITS REDUCTION OF THE RETIREE'S ACCIDENTAL OR SPECIAL DISABILITY RETIREMENT BENEFIT UNDER PARAGRAPH (1) OF THIS SUBSECTION TO REFLECT ANY OFFSET AWARDED TO THE

RETIREE'S EMPLOYER BY THE WORKERS' COMPENSATION COMMISSION FOR THE ORIGINAL ORDINARY DISABILITY RETIREMENT BENEFIT.

[(2)] (3) 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

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

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

(D) SUBJECT TO SUBSECTION (B)(2) OF THIS SECTION, THE RETIREMENT ALLOWANCE TO BE REDUCED UNDER THIS SECTION IS RETROACTIVE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

Approved by the Governor, April 18, 2019.