

SENATE BILL 647

P6

6lr0968

By: **Senator Bailey**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System and State Police Retirement**
3 **System – Line-of-Duty Catastrophic Injury Disability**

4 FOR the purpose of requiring a certain line-of-duty disability allowance to be paid to a
5 member of the Law Enforcement Officers' Pension System or the State Police
6 Retirement System who is found to be disabled and unable to engage in any
7 substantial gainful activity; and generally relating to line-of-duty disability
8 allowances provided in the State Retirement and Pension System.

9 BY repealing and reenacting, without amendments,
10 Article – State Personnel and Pensions
11 Section 24–401.1(a) and 26–401.1(a)
12 Annotated Code of Maryland
13 (2024 Replacement Volume and 2025 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 24–401.1(k), 26–401.1(k), 29–109(c), 29–110, and 29–111
17 Annotated Code of Maryland
18 (2024 Replacement Volume and 2025 Supplement)

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

21 **Article – State Personnel and Pensions**

22 24–401.1.

23 (a) (1) In this section the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) "DROP" means the Deferred Retirement Option Program established under this section.

(3) "DROP member" means a member of the State Police Retirement System who:

(i) is eligible to participate in the DROP as provided in subsection (c) of this section; and

(ii) elects to participate in the DROP as provided in subsection (e) of this section.

(k) (1) A DROP member is eligible to apply for a special disability retirement allowance under § 29–111 of this article if after the DROP member commences participation in the DROP:

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

(ii) the medical board certifies that:

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

2. the incapacity is likely to be permanent; and

3. the member should be retired.]

(I) THE MEDICAL BOARD CERTIFIES THAT:

1. THE MEMBER IS TOTALLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF DUTY;

2. THE INCAPACITY IS LIKELY TO BE PERMANENT; AND

3. THE MEMBER SHOULD BE RETIRED; AND

(II) THE MEMBER IS:

1. TOTALLY AND PERMANENTLY INCAPACITATED, EITHER MENTALLY OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF DUTY ARISING OUT OF AND IN THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER; OR

1 **2. TOTALLY AND PERMANENTLY UNABLE TO ENGAGE IN**
2 **ANY SUBSTANTIAL GAINFUL ACTIVITY BECAUSE OF A MEDICALLY DETERMINABLE**
3 **PHYSICAL IMPAIRMENT THAT IS THE NATURAL AND PROXIMATE RESULT OF AN**
4 **ACCIDENT THAT OCCURRED IN THE ACTUAL PERFORMANCE OF DUTY AT A DEFINITE**
5 **TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER.**

6 (2) (i) If a DROP member is granted a special disability retirement
7 allowance, the DROP member shall:

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

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

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

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

21 26–401.1.

22 (a) (1) In this section the following words have the meanings indicated.

23 (2) “DROP” means the Deferred Retirement Option Program established
24 under this section.

25 (3) “DROP member” means a member of the Law Enforcement Officers'
26 Pension System who:

27 (i) is eligible to participate in the DROP as provided in subsection
28 (c) of this section; and

29 (ii) elects to participate in the DROP as provided in subsection (e) of
30 this section.

31 (k) (1) A DROP member is eligible to apply for an accidental disability
32 retirement allowance under § 29–109 of this article if after the DROP member commences
33 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 the 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 **(I) THE MEDICAL BOARD CERTIFIES THAT:**

11 1. THE MEMBER IS TOTALLY INCAPACITATED FOR THE
12 FURTHER PERFORMANCE OF DUTY;

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

14 3. THE MEMBER SHOULD BE RETIRED; AND

15 **(II) THE MEMBER IS:**

16 1. TOTALLY AND PERMANENTLY INCAPACITATED,
17 EITHER MENTALLY OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF DUTY
18 ARISING OUT OF AND IN THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY
19 WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER; OR

20 2. TOTALLY AND PERMANENTLY UNABLE TO ENGAGE IN
21 ANY SUBSTANTIAL GAINFUL ACTIVITY BECAUSE OF A MEDICALLY DETERMINABLE
22 PHYSICAL IMPAIRMENT THAT IS THE NATURAL AND PROXIMATE RESULT OF AN
23 ACCIDENT THAT OCCURRED IN THE ACTUAL PERFORMANCE OF DUTY AT A DEFINITE
24 TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER.

25 (2) (i) If a DROP member is granted an accidental disability retirement
26 allowance, the DROP member shall:

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

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

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

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

11 29–109.

12 (c) The Board of Trustees shall grant an accidental disability retirement
13 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; AND

22 **(2) THE MEMBER IS:**

23 **(I) TOTALLY AND PERMANENTLY INCAPACITATED, EITHER**
24 **MENTALLY OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF DUTY ARISING**
25 **OUT OF AND IN THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY WITHOUT**
26 **WILLFUL NEGLIGENCE BY THE MEMBER; OR**

27 **(II) TOTALLY AND PERMANENTLY UNABLE TO ENGAGE IN ANY**
28 **SUBSTANTIAL GAINFUL ACTIVITY BECAUSE OF A MEDICALLY DETERMINABLE**
29 **PHYSICAL IMPAIRMENT THAT IS THE NATURAL AND PROXIMATE RESULT OF AN**
30 **ACCIDENT THAT OCCURRED IN THE ACTUAL PERFORMANCE OF DUTY AT A DEFINITE**
31 **TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER.**

32 29–110.

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

(b) Except as provided in [subsection (c)] **SUBSECTIONS (C) AND (E)** of this section, an accidental disability retirement allowance equals the lesser of:

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

(2) the sum of:

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

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

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

(2) An accidental disability retirement allowance equals the greater of:

(i) a normal service retirement allowance; or

(ii) an accidental disability retirement allowance computed in accordance with subsection (b) of this section.

(d) (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' Retirement 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 receive an accidental disability retirement allowance under this section if the member:

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

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

(E) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

(2) THIS SUBSECTION APPLIES TO A MEMBER WHO THE MEDICAL BOARD CERTIFIES IS DISABLED, AS DETERMINED UNDER § 29-109(C)(2)(II) OF THIS SUBTITLE.

(3) AN ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE FOR AN INDIVIDUAL CERTIFIED AS DISABLED UNDER § 29-109(C)(2)(II) OF THIS SUBTITLE EQUALS THE SUM OF:

(I) AN ANNUITY THAT IS THE ACTUARIAL EQUIVALENT OF THE MEMBER'S ACCUMULATED CONTRIBUTIONS AT RETIREMENT; AND

(II) A PENSION EQUAL TO 100% OF THE MEMBER'S AVERAGE FINAL COMPENSATION.

(4) EXCEPT AS PROVIDED UNDER PARAGRAPHS (5) AND (6) OF THIS SUBSECTION, IF A BENEFIT IS PAID TO AN INDIVIDUAL UNDER PARAGRAPH (3) OF THIS SUBSECTION, A BENEFIT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT BE PAID TO THE INDIVIDUAL.

(5) (I) A BENEFIT PROVIDED UNDER THIS SUBSECTION SHALL BE REDUCED TO THE BENEFIT PROVIDED UNDER SUBSECTION (B) OF THIS SECTION IF THE INDIVIDUAL:

1. IS EMPLOYED AT ANY TIME BY A PARTICIPATING EMPLOYER; OR

2. ENGAGES IN ANY SUBSTANTIAL GAINFUL ACTIVITY.

(II) AN INDIVIDUAL WHO HAS A BENEFIT REDUCED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NO LONGER ELIGIBLE FOR A BENEFIT UNDER THIS SUBSECTION.

(6) (I) EACH YEAR, AN INDIVIDUAL RECEIVING A BENEFIT UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL PROVIDE TO THE STATE RETIREMENT AGENCY THE INDIVIDUAL'S ANNUAL FEDERAL TAX RETURN WITH SUPPORTING DOCUMENTATION AND ANY OTHER ADDITIONAL INFORMATION THAT THE STATE RETIREMENT AGENCY REQUIRES FOR THE ADMINISTRATION OF THIS SUBSECTION.

(II) AN INDIVIDUAL MAY REQUEST AND THE STATE RETIREMENT AGENCY MAY GRANT AN EXTENSION TO PROVIDE THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) 1. IF AN INDIVIDUAL FAILS TO SUBMIT THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN 45 DAYS AFTER IT IS DUE, THE INDIVIDUAL SHALL BE NOTIFIED THAT THE INDIVIDUAL'S BENEFIT SHALL BE SUSPENDED.

2. IF THE INDIVIDUAL DOES NOT PROVIDE THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN 45 DAYS AFTER THE STATE RETIREMENT AGENCY SENDS THE NOTICE REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE INDIVIDUAL'S BENEFIT SHALL BE SUSPENDED.

3. IF THE INDIVIDUAL PROVIDES THE REQUIRED INFORMATION AFTER THE SUSPENSION IN BENEFITS UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE INDIVIDUAL'S BENEFIT UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE RESTORED, UNLESS THE BENEFIT IS REQUIRED TO BE REDUCED UNDER PARAGRAPH (5) OF THIS SUBSECTION.

(IV) IF AN INDIVIDUAL'S BENEFIT IS RESTORED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE INDIVIDUAL SHALL RECEIVE A LUMP-SUM PAYMENT IN THE AMOUNT EQUAL TO ANY BENEFITS SUSPENDED IN ACCORDANCE WITH SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(7) ON OR BEFORE NOVEMBER 1, 2028, AND EACH NOVEMBER 1 THEREAFTER, THE STATE RETIREMENT AGENCY SHALL REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE TO THE JOINT COMMITTEE ON PENSIONS THE NUMBER OF:

(I) DISABILITY APPLICATIONS IN THE PRIOR FISCAL YEAR SUBMITTED UNDER § 29-109(C)(2)(II) OF THIS SUBTITLE;

(II) DISABILITY APPLICATIONS GRANTED IN THE PRIOR FISCAL YEAR UNDER § 29-109(C)(2)(II) OF THIS SUBTITLE;

(III) RETIREES RECEIVING A DISABILITY BENEFIT UNDER THIS SUBSECTION;

(IV) BENEFITS REDUCED IN THE PRIOR FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH (5) OF THIS SUBSECTION; AND

**(V) BENEFITS SUSPENDED IN THE PRIOR FISCAL YEAR IN
ACCORDANCE WITH PARAGRAPH (6) OF THIS SUBSECTION.**

29–111.

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

(b) Except as provided in § 24–401.1(k) of this article, the Board of Trustees shall grant a special disability retirement allowance to a member if:

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

(2)] the medical board certifies that:

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

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

(iii) the member should be retired; AND

(2) THE MEMBER IS:

(I) TOTALLY AND PERMANENTLY INCAPACITATED, EITHER MENTALLY OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF DUTY ARISING OUT OF AND IN THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER; OR

(II) TOTALLY AND PERMANENTLY UNABLE TO ENGAGE IN ANY SUBSTANTIAL GAINFUL ACTIVITY BECAUSE OF A MEDICALLY DETERMINABLE PHYSICAL IMPAIRMENT THAT IS THE NATURAL AND PROXIMATE RESULT OF AN ACCIDENT THAT OCCURRED AT A DEFINITE TIME AND PLACE WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER.

(c) Except as provided in [subsection (d)] **SUBSECTIONS (D) AND (E)** of this section, a special disability retirement allowance equals the lesser of:

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

(2) the sum of:

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

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

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

(II) THIS SUBSECTION DOES NOT APPLY TO A MEMBER WHO THE MEDICAL BOARD CERTIFIES IS DISABLED, AS DETERMINED UNDER SUBSECTION (B)(2)(II) OF THIS SECTION.

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

(i) a normal service retirement allowance; or

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

(E) (1) THIS SUBSECTION APPLIES TO A MEMBER WHO THE MEDICAL BOARD CERTIFIES IS DISABLED, AS DETERMINED UNDER SUBSECTION (B)(2)(II) OF THIS SECTION.

(2) A SPECIAL DISABILITY RETIREMENT ALLOWANCE FOR AN INDIVIDUAL CERTIFIED AS DISABLED UNDER SUBSECTION (B)(2)(II) OF THIS SECTION EQUALS THE SUM OF:

(I) AN ANNUITY THAT IS THE ACTUARIAL EQUIVALENT OF THE MEMBER'S ACCUMULATED CONTRIBUTIONS AT RETIREMENT; AND

(II) A PENSION EQUAL TO 100% OF THE MEMBER'S AVERAGE FINAL COMPENSATION.

(3) EXCEPT AS PROVIDED UNDER PARAGRAPHS (4) AND (5) OF THIS SUBSECTION, IF A BENEFIT IS PAID TO AN INDIVIDUAL UNDER PARAGRAPH (2) OF THIS SUBSECTION, A BENEFIT UNDER SUBSECTION (C) OR (D) OF THIS SECTION MAY NOT BE PAID TO THE INDIVIDUAL.

(4) (I) A BENEFIT PROVIDED UNDER THIS SUBSECTION SHALL BE REDUCED TO THE BENEFIT PROVIDED UNDER SUBSECTION (C) OR (D) OF THIS SECTION IF THE INDIVIDUAL:

1. IS EMPLOYED AT ANY TIME BY A PARTICIPATING EMPLOYER; OR

2. ENGAGES IN ANY SUBSTANTIAL GAINFUL ACTIVITY.

(II) AN INDIVIDUAL WHO HAS A BENEFIT REDUCED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NO LONGER ELIGIBLE FOR A BENEFIT UNDER THIS SUBSECTION.

(5) (I) EACH YEAR, AN INDIVIDUAL RECEIVING A BENEFIT UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL PROVIDE TO THE STATE RETIREMENT AGENCY THE INDIVIDUAL'S ANNUAL FEDERAL TAX RETURN WITH SUPPORTING DOCUMENTATION AND ANY OTHER ADDITIONAL INFORMATION THAT THE STATE RETIREMENT AGENCY REQUIRES FOR THE ADMINISTRATION OF THIS SUBSECTION.

(II) AN INDIVIDUAL MAY REQUEST AND THE STATE RETIREMENT AGENCY MAY GRANT AN EXTENSION TO PROVIDE THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(III) 1. IF AN INDIVIDUAL FAILS TO SUBMIT THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN 45 DAYS AFTER IT IS DUE, THE INDIVIDUAL SHALL BE NOTIFIED THAT THE INDIVIDUAL'S BENEFIT SHALL BE SUSPENDED.

2. IF THE INDIVIDUAL DOES NOT PROVIDE THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN 45 DAYS AFTER THE STATE RETIREMENT AGENCY SENDS THE NOTICE REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE INDIVIDUAL'S BENEFIT SHALL BE SUSPENDED.

3. IF THE INDIVIDUAL PROVIDES THE REQUIRED INFORMATION AFTER THE SUSPENSION IN BENEFITS UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE INDIVIDUAL'S BENEFIT UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE RESTORED, UNLESS THE BENEFIT IS REQUIRED TO BE REDUCED UNDER PARAGRAPH (4) OF THIS SUBSECTION.

(IV) IF AN INDIVIDUAL'S BENEFIT IS RESTORED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE INDIVIDUAL SHALL RECEIVE A LUMP-SUM PAYMENT IN THE AMOUNT EQUAL TO ANY BENEFITS SUSPENDED IN ACCORDANCE WITH SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(6) ON OR BEFORE NOVEMBER 1, 2028, AND EACH NOVEMBER 1 THEREAFTER, THE STATE RETIREMENT AGENCY SHALL REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE TO THE JOINT COMMITTEE ON PENSIONS THE NUMBER OF:

1 **(I) DISABILITY APPLICATIONS IN THE PRIOR FISCAL YEAR**
2 **SUBMITTED UNDER SUBSECTION (B)(2)(II) OF THIS SECTION;**

3 **(II) DISABILITY APPLICATIONS GRANTED IN THE PRIOR FISCAL**
4 **YEAR UNDER (B)(2)(II) OF THIS SECTION;**

5 **(III) RETIREES RECEIVING A DISABILITY BENEFIT UNDER THIS**
6 **SUBSECTION;**

7 **(IV) BENEFITS REDUCED IN THE PRIOR FISCAL YEAR IN**
8 **ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION; AND**

9 **(V) BENEFITS SUSPENDED IN THE PRIOR FISCAL YEAR IN**
10 **ACCORDANCE WITH PARAGRAPH (5) OF THIS SUBSECTION.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2027.