

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

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

15 (ii) the medical board certifies that:

(I) THE MEDICAL BOARD CERTIFIES THAT:

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

2. THE INCAPACITY IS LIKELY TO BE PERMANENT; AND

3 THE MEMBER SHOULD BE RETIRED; AND

26 (II) THE MEMBER IS:

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:

4 (ii) the medical board certifies that:

(I) THE MEDICAL BOARD CERTIFIES THAT:

2. THE INCAPACITY IS LIKELY TO BE PERMANENT; AND

3. THE MEMBER SHOULD BE RETIRED; AND

15 (II) THE MEMBER IS:

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;

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

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:

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 contributions at retirement; and

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

10 (c) (1) This subsection applies to a member of a State system other than the
11 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 subsection (b) of this section.

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

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

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

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

26 (2) A member may receive an accidental disability retirement allowance
27 under this section if the member:

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

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

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

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

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

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

2 ENGAGES IN ANY SUBSTANTIAL GAINFUL ACTIVITY

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

4 (III) 1. IF AN INDIVIDUAL FAILS TO SUBMIT THE
5 INFORMATION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN
6 45 DAYS AFTER IT IS DUE, THE INDIVIDUAL SHALL BE NOTIFIED THAT THE
7 INDIVIDUAL'S BENEFIT SHALL BE SUSPENDED.

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

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

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

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

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

3 29-111.

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

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

10 (2)] the medical board certifies that:

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

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

14 (iii) the member should be retired; AND

15 (2) THE MEMBER IS:

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

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

28 (2) the sum of:

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

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

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

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

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

9 (i) a normal service retirement allowance; or

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

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

2. ENGAGES IN ANY SUBSTANTIAL GAINFUL ACTIVITY.

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

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

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

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.