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Legislative District 29

Calvert and St. Mary's Counties

Budget & Taxation Committee



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## <u>Senate Bill 812 - Law Enforcement Officers' Pension System and State Police Retirement System - Line-of-Duty</u> <u>Catastrophic Injury Disability</u>

Dear Chair Hettleman and Members of the Subcommittee,

I am writing to introduce Senate Bill 812. This bill will provide an enhanced line-of-duty disability allowance to be paid to a member of the Law Enforcement Officers' Pension System (LEOPS) or the State Police Retirement System (SPRS) who is found to be disabled and unable to engage in any substantial gainful activity.

Under current law, a member of one of these pension systems who is disabled in the line of duty can receive an allowance equal to two-thirds of their compensation at the time of the injury. Last session's Joint Chairmen's Report requested that the State Retirement Agency report on how Maryland could award a special and accidental disability benefit for catastrophic injuries that result in a member of these two pension systems being unable to work in any capacity equal to 100% of the member's annual compensation at the time their injury occurred. Senate Bill 812 has been drafted to accomplish this objective and provide this increased benefit.

This bill uses the Federal definition of "disabled" as set forth in §72(m)(7) of the Internal Revenue Code. This definition states, in part, "an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration."

The current 66 2/3 benefit is intended to account for the fact that about one-third of the individual's paycheck would be taxed otherwise. However, this does not account for other paycheck deductions that many of us are familiar with, particularly the cost of health insurance. Providing this enhanced benefit to our police who have been catastrophically injured in the line of duty will ensure that their income can continue to cover their cost of living, and that their disability does not result in an effective reduction in the amount of income they receive.

Senate Bill 812 will support those officers who have become catastrophically injured in the line of duty while protecting the residents of this State. I know that this subcommittee understands the importance of ensuring that our State takes care of the brave men and women who work to keep Maryland safe. I respectfully request a favorable report on Senate Bill 812. Thank you for your consideration.

Sincerely,

Senator Jack Bailey