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By: **Delegate Proctor (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 28, 2002

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2                                   **Retirement and Pensions - Disability Retirees - Temporary Suspension of**  
3                                   **Allowance**

4 FOR the purpose of repealing certain requirements that disability retirees of the  
5 State Retirement and Pension Systems must meet; repealing certain  
6 restrictions on reemployment of certain disability retirees; providing for a  
7 temporary suspension of benefits paid to disability retirees under certain  
8 circumstances; providing for the resumption of disability benefits with certain  
9 adjustments to the benefits after receipt by the Board of Trustees for the State  
10 Retirement and Pension System of certain documentation; and generally  
11 relating to disability retirees of the State retirement and pension systems.

12 BY repealing and reenacting, with amendments,  
13 Article - State Personnel and Pensions  
14 Section 29-115 and 29-116  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 2001 Supplement)

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

19                                   **Article - State Personnel and Pensions**

20 29-115.

21       (a)       [If a disability retiree is under normal retirement age, the Board of  
22 Trustees may require the disability retiree to undergo a yearly medical examination]

1 THIS SECTION APPLIES ONLY TO A DISABILITY RETIREE WHO IS NOT ELIGIBLE TO  
2 RECEIVE A NORMAL SERVICE RETIREMENT.

3 (b) [The retiree shall be examined by a physician chosen by the Board of  
4 Trustees at a place agreed on by the retiree and the physician conducting the  
5 examination.

6 (c) If a retiree who is under normal retirement age refuses a medical  
7 examination, the Board of Trustees may stop payment of the retiree's allowance until  
8 the retiree withdraws the refusal.

9 (d) If a retiree's refusal of a medical examination continues for 1 year, the  
10 Board of Trustees may revoke the retiree's rights in the retiree's disability retirement  
11 allowance.

12 (e) (1) The Board of Trustees may, after giving notice [and an opportunity  
13 for a hearing], TEMPORARILY suspend the retiree's allowance if { THE RETIREE:

14 (i) BEGAN RECEIVING A DISABILITY RETIREMENT ALLOWANCE ON  
15 OR AFTER JULY 1, 1998; AND

16 (II) ~~a retiree~~ is employed by a participating employer at an annual  
17 compensation that is at least equal to the retiree's average final compensation at  
18 retirement [;

19 (ii) a retiree is employed by a participating employer at an annual  
20 compensation that is less than the retiree's average final compensation at retirement  
21 in a position similar to the position held before retirement; or

22 (iii) the Board of Trustees determines that a retiree has refused to  
23 accept from the retiree's employer at retirement an offer of reemployment in a  
24 position comparable to the position held before retirement or a position with  
25 compensation that is at least equal to the retiree's average final compensation at  
26 retirement].

27 (2) A retiree whose allowance is TEMPORARILY suspended under this  
28 subsection [may receive a vested allowance as provided under Title 29, Subtitle 3 of  
29 this article, if the retiree had at least 5 years of eligibility service at retirement] IS  
30 NOT SUBJECT TO A REDUCTION AS PROVIDED IN § 29-116 OF THIS SUBTITLE DURING  
31 THE PERIOD OF EMPLOYMENT BY A PARTICIPATING EMPLOYER.

32 (3) UPON RECEIVING SATISFACTORY DOCUMENTATION THAT THE  
33 RETIREE IS NO LONGER EMPLOYED BY A PARTICIPATING EMPLOYER, THE BOARD OF  
34 TRUSTEES SHALL REINSTATE THE RETIREE'S ALLOWANCE WITH ACCUMULATED  
35 COST-OF-LIVING ADJUSTMENTS FROM THE DATE THE ALLOWANCE WAS  
36 TEMPORARILY SUSPENDED.

37 (4) THE RETIREE'S ALLOWANCE WILL BE REINSTATED ON THE FIRST  
38 DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE RETIREE CEASED  
39 EMPLOYMENT WITH THE PARTICIPATING EMPLOYER.

1 [(f)] (C) A member who retires on or after July 1, 1982, and receives a  
2 disability retirement allowance shall provide yearly medical and earnings  
3 information on request of the Board of Trustees until the retiree attains normal  
4 retirement age.

5 [(g)] (D) If the retiree refuses to provide the information, the Board of  
6 Trustees shall suspend the retiree's allowance until the information is provided.

7 29-116.

8 (a) The Board of Trustees shall reduce the pension of a retiree on ordinary  
9 disability if:

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

11 (2) the medical board certifies in a report to the Board of Trustees that  
12 the retiree is engaged in a gainful occupation paying more than the difference  
13 between:

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

15 (ii) the retiree's average final compensation plus \$5,000; [and]

16 (3) the Board of Trustees agrees with the medical board's report; AND

17 (4) THE RETIREE'S ALLOWANCE HAS NOT BEEN TEMPORARILY  
18 SUSPENDED AS PROVIDED IN § 29-115 OF THIS SUBTITLE.

19 (b) The Board of Trustees shall reduce the pension of a retiree who has been  
20 receiving an ordinary disability retirement allowance for:

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

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

25 (c) The pension to be reduced under this section is the pension at retirement  
26 without any cost-of-living adjustment.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 July 1, 2002.

