

# SENATE BILL 486

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9lr1602  
CF HB 863

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By: **Senator Griffith (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 6, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Retirement and Pension System – Workers’ Compensation Offset**

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

8 BY repealing and reenacting, without amendments,  
9 Article – Labor and Employment  
10 Section 9–610(a)  
11 Annotated Code of Maryland  
12 (2016 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Personnel and Pensions  
15 Section 29–118  
16 Annotated Code of Maryland  
17 (2015 Replacement Volume and 2018 Supplement)

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

20 **Article – Labor and Employment**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 9–610.

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

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

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

## 17 Article – State Personnel and Pensions

18 29–118.

19 (a) (1) Except as otherwise provided in this subsection, this section applies to  
20 a retiree and any designated beneficiary.

21 (2) (i) This section does not apply to:

22 1. a retiree of a participating governmental unit, or a  
23 designated beneficiary of that retiree; or

24 2. a retiree of the Employees’ Pension System or the  
25 Employees’ Retirement System who receives a disability retirement benefit as a former  
26 employee of a county board of education or the Board of School Commissioners of Baltimore  
27 City, or a designated beneficiary of that retiree.

28 (ii) A retiree described in subparagraph (i) of this paragraph, or a  
29 designated beneficiary of that retiree is subject to § 9–610 of the Labor and Employment  
30 Article.

31 (b) (1) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION**, the Board of  
32 Trustees shall reduce an accidental or special disability retirement benefit by any related  
33 workers’ compensation benefits paid or payable after the effective date of retirement if the  
34 workers’ compensation benefits:

35 (i) are paid or payable while a pension is paid or payable; and

1 (ii) are for an accidental personal injury arising out of and in the  
2 course of the retiree's employment by a participating employer.

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

7 **(II) IF THE RETIREE WAS AWARDED RELATED WORKERS'**  
8 **COMPENSATION BENEFITS PAID OR PAYABLE AFTER THE EFFECTIVE DATE OF**  
9 **RETIREMENT, THE BOARD OF TRUSTEES SHALL ADJUST ITS REDUCTION OF THE**  
10 **RETIREE'S ACCIDENTAL OR SPECIAL DISABILITY RETIREMENT BENEFIT UNDER**  
11 **PARAGRAPH (1) OF THIS SUBSECTION TO REFLECT ANY OFFSET AWARDED TO THE**  
12 **RETIREE'S EMPLOYER BY THE WORKERS' COMPENSATION COMMISSION FOR THE**  
13 **ORIGINAL ORDINARY DISABILITY RETIREMENT BENEFIT.**

14 **[(2)] (3)** A retirement allowance may not be reduced:

15 (i) to be less than the sum of the retiree's annuity and the amount  
16 authorized to be deducted for health insurance premiums; or

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

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2019.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.