



House Bill 344

*State Retirement and Pension System – Disability Retirement and
Workers' Compensation Benefits – Offsets*

MACo Position: **OPPOSE**

To: Economic Matters and Appropriations Committees

Date: February 21, 2017

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** HB 344. The bill appears to shift costs from the pension/retirement sector to the workers' compensation sector, which may not affect State costs but would increase costs on local governments.

One of the key provisions of HB 344 is the repeal of the ability to offset a workers' compensation benefit if a person is receiving an ordinary disability payment for the same injury from the State Retirement and Pension System (SRPS). Another appears to result in the shifting of costs between SRPS and the workers' compensation system.

Currently, the ability to collect both a workers' compensation payment and a disability retirement payment is a special benefit enjoyed by fire and public safety personnel. The "stacking" of these benefits is costly to local governments. HB 344 would broaden the pool of potential candidates that could stack such benefits.

The bill also appears to shift costs between the SRPS and the workers' compensation system for certain SRPS members. While such shifting may ultimately be neutral at the State level as the State pays for both retirement benefits and workers' compensation for its members, such shifts have a different effect for local governments, which pay for workers' compensation directly.

HB 344 appears to shift costs between the SRPS and workers' compensation system in a manner that may be neutral for the State but would increase local government costs. Accordingly, MACo requests the Committee give HB 344 an **UNFAVORABLE** report.