



## MONTGOMERY COUNTY, MARYLAND

# News Release

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### County Executive Receives Recommendations for Reforms to County Service-Connected Disability Retirements

County Executive Isiah Leggett today received a seven-point program of recommendations designed to clarify procedures and amend certain requirements with respect to determining an employee's eligibility to receive service-connected disability retirement benefits under the Montgomery County Employees Retirement System.

The recommendations are the product of a nine-month-long examination of the Disability Retirement Program by the County's Office of Human Resources, in conjunction with Montgomery County Fire & Rescue Service, the Montgomery County Police, and the County Attorney.

"I said from the start that I wanted to keep what's working and fix what isn't," said County Executive Isiah Leggett. "I'm concerned that our system for dealing with claims for service-connected disability retirements isn't working the way it should – and hasn't for some time.

"That's why I established a work group in December 2007 headed by our Director of the Office of Human Resources, Joe Adler."

"Of our seven recommendations for change, in some cases, the County Executive can simply change procedures," said Adler. "In others, the County Council would need to change the law. For still others, changes would be made through the collective bargaining process."

Over the past eight years, 2,141 County employees retired. Two hundred ninety-two of those received service connected disability benefits (13.5 percent). A total of 226 -- or 77.4 percent -- of those receiving service-connected disability retirement benefits were Public Safety employees (Fire & Rescue, Police, Sheriff, and Corrections), which represents 38.5 percent of the 587 Public Safety retirements over this time period.

By way of comparison, service-connected disability retirements for Public Safety as a percentage of retirements over the same eight years in Prince George's County were 25 percent (Police and Fire & Rescue), Howard County 4 percent (Police & Fire), Anne Arundel 23 percent (Police & Fire), and Fairfax County 3 percent (Police, Fire & Rescue, and Sheriff).

"We need to make sure that our Disability Retirement Program works in an objective and equitable manner, consistent with a wise use of public tax dollars," said Leggett.

"One of the reasons why I established this work group was to explore the differences that exist between Montgomery County and some of our neighboring jurisdictions."

A service-connected disability retiree receives a greater benefit than an employee retiring under normal retirement circumstances. Service-connected retirements can 1) occur before retirement age, allowing

retirees to receive benefits earlier, 2) do not reduce when a participant becomes eligible for Social Security benefits, and 3) are not subject to Federal Income Tax, consistent with an Internal Revenue Service Private Letter Ruling. Service-connected disability retirees receive two-thirds of their previous income.

The changes recommended by the Task Force include:

1. Change the Montgomery County Code to allow a denial of benefits if an employee is being terminated as a result of intentional wrongdoing, such as a felony, fraud, or recklessness.
2. Consider changing the current broad “disabled” qualification into two – “fully disabled” and “partially disabled” – each with their own criteria and different benefits (late recommendation from the Police Chief, who was represented on the work group).
3. Require a disability retiree to undergo a periodic physical examination during the five year period following retirement and periodically thereafter until age 55 and/or 60 to determine if the individual can return to work or continues to meet the criteria for disability retirement benefits.
4. Consider as a factor in deciding whether to award or reduce service connected disability retirement whether job-related injuries are not reported or not reported in a timely fashion.
5. Restrict retirees from being able to file for disability retirement after they retire, excepting claims for occupational disease such as those for heart and lung disease relating to police or fire-fighting activities.
6. Change the law to require that non-service connected disability beneficiaries and service-connected disability beneficiaries’ benefits integrate with Social Security at normal retirement age – as is the case with normal retirement benefits.
7. Require that required periodic physical examinations be performed by the Office of Human Resources’ Office of Medical Services.

“We value all of our employees – including our Public Safety employees who put their lives on the line to protect our families and our property,” said County Executive Leggett. “We know that many of them continue to ‘work hurt’ because they are committed to serving the citizens of Montgomery County.

“I want to work closely with the County Council and with our employee organizations to take a hard look at this issue. We have to help those employees disabled to some degree in service to this County while ensuring that any such designation is just and proper and makes sense to County taxpayers.”

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