

A BILL FOR AN ACT

To Establish the Commonwealth Medical Disability Retirement Act; To Provide Disability Retirement Benefits for Government Employees Who Sustain Service-Connected Illnesses, Injuries, or Disabilities; To Create a Disability Evaluation System Similar to Federal Military Medical Retirement Programs; and for other purposes.

BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Short Title.** This Act may be cited as the "Commonwealth Medical
2 Disability Retirement Act of 2026."

3 **Section 2. Findings and Purpose.** The Legislature finds that Commonwealth
4 government employees frequently perform duties that expose them to physical injury,
5 occupational illness, traumatic events, environmental hazards, and other conditions that
6 may permanently impair their ability to continue public service.

7 The Legislature further finds that while the Commonwealth Retirement Fund
8 provides retirement benefits based primarily upon years of service and age, there exists no
9 comprehensive disability retirement system comparable to those utilized by the United
10 States Armed Forces or the United States Department of Veterans Affairs for employees
11 who become medically unable to continue employment due to service-connected
12 disabilities.

13 Therefore, the purpose of this Act is to establish a fair and uniform medical
14 disability retirement system, ensure that employees who become disabled in the
15 performance of their duties receive financial protection and are treated with dignity, and
16 provide medical retirement compensation that is proportional to the severity of the
17 disability. The Act also seeks to encourage the retention and rehabilitation of employees

1 whenever possible, establish an independent process for evaluating disabilities, and
2 provide benefits to surviving spouses and dependents in qualifying cases.

3 **Section 3. Enactment.** Subject to codification by the CNMI Law Revision
4 Commission, the following provisions are enacted:

5 **“CHAPTER XX. Commonwealth Medical Disability Retirement.**

6 **ARTICLE 1. Commonwealth Development Evaluation System.**

7 **Section 101. Commonwealth Disability Evaluation Board, Established.** There
8 is hereby established within the Commonwealth Retirement Fund a Commonwealth
9 Disability Evaluation Board (CDEB).

10 (a) The Board shall consist of:

- 11 (1) One physician appointed by the Governor;
12 (2) One physician appointed by the Legislature;
13 (3) One representative from the Commonwealth Retirement Fund;
14 (4) One licensed mental health professional;
15 (5) One representative from the Office of Personnel Management;
16 (6) One representative selected by employee labor organizations, if
17 applicable.

18 (b) Members of the Commonwealth Disability Evaluation Board shall serve four-
19 year staggered terms.

20 **Section 102. Disability Evaluation Process.** Any government employee who
21 suffers from a medical condition, illness, injury, disease, or mental health condition that
22 substantially interferes with the ability to perform official duties may be referred to the
23 CDEB. The process shall include the following:

24 (a) Phase I – Medical Evaluation

- 25 (1) Determination whether the employee’s condition:
26 (i) Is permanent or expected to exceed twelve (12) months;
27 (ii) Prevents reasonable performance of essential job functions;
28 (iii) Is service-connected, aggravated by service, or non-service
29 connected.

(b) Phase II – Fitness for Duty Determination

(1) The Board shall determine whether the employee:

- (i) Is fit for continued service;
- (ii) Can be accommodated through reassignment;
- (iii) Should be placed on temporary disability status; or
- (iv) Should be medically retired.

Section 103. Temporary Disability Retirement List (TDRL). Employees whose conditions are not yet stable may be placed on a Temporary Disability Retirement List.

(a) Employees on the Temporary Disability Retirement List shall:

- (1) Receive disability compensation;
- (2) Receive medical benefits;
- (3) Be reevaluated every twelve (12) months;
- (4) Remain on TDRL for a maximum of five (5) years.

(b) At the conclusion of TDRL status, the employee shall:

- (1) Return to work;
- (2) Be reassigned;
- (3) Be medically retired.

ARTICLE 2. Disability Ratings.

Section 201. Adoption of Disability Rating Schedule. The Commonwealth shall adopt disability rating schedule modeled substantially after the rating criteria utilized by the:

- (a) United States Department of Veterans Affairs; and
- (b) Department of Defense Integrated Disability Evaluation System.
- (c) Disability Ratings shall range from:

Rating	Disability Level
0%	No compensable disability
10%	Mild
20%	Moderate
30%	Significant

1	40%	Severe
2	50%	Very Severe
3	60%	Major Occupational Impairment
4	70%	Serious Occupational Impairment
5	80%	Near Total Disability
6	90%	Extreme Disability
7	100%	Total Occupational Disability

Section 202. Service-Connected Disability.

(a) A disability shall be considered service-connected if:

- (1) It arose during employment;
- (2) It was caused by employment duties;
- (3) It was aggravated by employment duties;
- (4) It resulted from workplace exposure;
- (5) It resulted from an occupational disease.

(b) A presumption of service connection shall apply to:

- (1) Law enforcement officers;
- (2) Corrections officers;
- (3) Firefighters;
- (4) Emergency medical personnel;
- (5) Emergency management personnel;
- (6) Healthcare workers;
- (7) Teachers exposed to workplace violence;
- (8) Any employee exposed to declare disasters.

ARTICLE 3. Medical Retirement Benefits.

Section 301. Eligibility.

(a) An employee may be medically retired if:

- (1) The employee has completed at least one year of government service;

and

- (2) The employee receives a disability rating of 30% or greater; and

- 1 (3) The employee is found unfit for continued service.
- 2 (b) Employees with catastrophic injuries shall not be subject to the one-year service
- 3 requirement.

4 **Section 302. Medical Retirement Compensation.**

- 5 (a) Disability Rating 30%-49%

- 6 (1) Employee shall receive the greater of:
- 7 (i) 50% of final average salary; or
- 8 (ii) Earned retirement benefit.

- 9 (b) Disability Rating 50%-69%

- 10 (1) Employee shall receive the greater of:
- 11 (i) 60% of final average salary; or
- 12 (ii) Earned retirement benefit.

- 13 (c) Disability Rating 70%-89%

- 14 (1) Employee shall receive the greater of:
- 15 (i) 75% of final average salary; or
- 16 (ii) Earned retirement benefit.

- 17 (d) Disability Rating 90%-100%

- 18 (1) Employee shall receive the greater of:
- 19 (i) 100% of final average salary; or
- 20 (ii) Earned retirement benefit.

- 21 (e) Maximum annual adjustments shall be tied to the Consumer Price Index.

22 **Section 303. Catastrophic Disability Benefit.**

- 23 (a) Subject to annual appropriations; an employee rated 100% disabled and
- 24 requiring assistance with activities of daily living shall receive:

- 25 (1) An additional caregiver allowance;
- 26 (2) Home modification assistance;
- 27 (3) Medical equipment assistance.

28 **ARTICLE 4. Healthcare Benefits**

29 **Section 401. Continued Medical Coverage.**

1 (a) Medically retired employees shall remain eligible for government-sponsored
2 health insurance coverage.

3 (b) The government shall continue paying the employer portion of premiums.

4 **Section 402. Mental Health Coverage.**

5 Disabilities that arise from the following shall be eligible for compensation under
6 this Act:

7 (a) Post-Traumatic Stress Disorder (PTSD);

8 (b) Traumatic stress;

9 (c) Workplace violence;

10 (d) Disaster response;

11 (e) Emergency operations.

12 **ARTICLE 5. Survivors Benefit**

13 **Section 501. Line-of-Duty Death Benefit.**

14 If an employee dies as a result of a service-connected illness or injury:

15 (a) The surviving spouse shall receive:

16 (1) Fifty percent (50%) of the employee's final salary for life; or

17 (2) Existing survivor retirement benefits; whichever is greater.

18 (b) Dependent children shall remain eligible until:

19 (1) Age 18; or

20 (2) Age 23 if enrolled in college on a full-time basis.

21 **ARTICLE 6. Appeals.**

22 **Section 601. Disability Appeals Board.** Employees may appeal decisions of the
23 Commonwealth Disability Evaluation Board to an independent Disability Appeals Board.
24 Appeals must be filed within sixty (60) days. Judicial review may be sought before the
25 Commonwealth Superior Court.

26 **ARTICLE 7. Coordination of Benefits.**

27 **Section 701. Offset Provisions.**

28 (a) Benefits that shall not eliminate eligibility under this Act are as follows:

29 (1) Workers' compensation;

1 (2) Social Security Disability Insurance (SSDI);

2 (3) Federal disability programs;

3 (b) The Retirement Fund may establish reasonable coordination formulas to prevent
4 duplication of wage replacement benefits exceeding one hundred percent (100%) of
5 final average salary.

6 **Section 702. Rulemaking.**

7 The Commonwealth Retirement Fund, Office of Personnel Management, and
8 Commonwealth Healthcare Corporation shall promulgate regulations necessary to
9 implement this Act within one hundred eighty (180) days.”

10 **Section 4. Severability.** If any provision of this Act or the application of any such
11 provision to any person or circumstance should be held invalid by a court of competent
12 jurisdiction, the remainder of this Act or the application of its provisions to persons or
13 circumstances other than those to which it is held invalid shall not be affected thereby.

14 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not
15 be construed as affecting any existing right acquired under contract or acquired under
16 statutes repealed or under any rule, regulation, or order adopted under the statutes.
17 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant
18 to prior law. The enactment of the Act shall not have the effect of terminating, or in any
19 way modifying, any liability, civil or criminal, which shall already be in existence on the
20 date this Act becomes effective.

21 **Section 6. Effective Date.** This Act shall take effect upon its approval by the
22 Governor or becoming law without such approval.

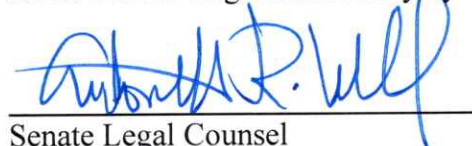
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Date: 18 Jun 26

Introduced By: 

Senator Celina R. Babauta

Reviewed for Legal Sufficiency by:


Senate Legal Counsel