

# SENATE BILL 587

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CF HB 588

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By: **Senators Griffith and Serafini**

Introduced and read first time: January 31, 2020

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 8, 2020

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

1 AN ACT concerning

2 **State Police Retirement System and Law Enforcement Officers' Pension System**  
3 **– Member Contributions**

4 FOR the purpose of providing that members of the State Police Retirement System no  
5 longer make member contributions after a certain amount of service credit is earned;  
6 providing that certain members of the Law Enforcement Officers' Pension System no  
7 longer make member contributions after a certain amount of service credit is earned;  
8 and generally relating to member contributions in the State Police Retirement  
9 System and the Law Enforcement Officers' Pension System.

10 BY repealing and reenacting, with amendments,  
11 Article – State Personnel and Pensions  
12 Section 24–205 and 26–204  
13 Annotated Code of Maryland  
14 (2015 Replacement Volume and 2019 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article – State Personnel and Pensions  
17 Section 24–401(d) and 26–401(b)  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2019 Supplement)

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

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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.



**Article – State Personnel and Pensions**

24–205.

**(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A member’s contribution rate is 8% of the member’s earnable compensation.**

**(B) AFTER 28 YEARS OF SERVICE AS A MEMBER, A MEMBER DOES NOT MAKE ANY FURTHER CONTRIBUTIONS.**

24–401.

(d) (1) Except as provided in paragraph (2) of this subsection, on retirement under this section, a member is entitled to receive a normal service retirement allowance that equals 2.55% of the member’s average final compensation multiplied by each year of the member’s years of creditable service.

(2) A member’s normal service retirement allowance may not exceed 71.4% of the member’s average final compensation.

26–204.

(a) **(1)** Except as provided in subsection (b) of this section, a member’s contribution rate is:

**[(1)] (I)** 4% of the member’s earnable compensation received before July 1, 2011;

**[(2)] (II)** 6% of the member’s earnable compensation received from July 1, 2011 to June 30, 2012, both inclusive; and

**[(3)] (III)** 7% of the member’s earnable compensation received on or after July 1, 2012.

**(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, AFTER 32 YEARS AND 6 MONTHS OF SERVICE AS A MEMBER, A MEMBER DOES NOT MAKE ANY FURTHER CONTRIBUTIONS.**

(b) (1) This subsection applies only to a member who:

(i) transferred to the Law Enforcement Officers’ Pension System from the Employees’ Retirement System on or after January 1, 2001, and on or before December 31, 2004; or

(ii) 1. transferred to the Law Enforcement Officers’ Pension System from the Employees’ Retirement System on or before December 31, 2000; and

1                   2.     did not elect to participate in the Law Enforcement  
2 Officers' Modified Pension Benefit on or before December 31, 2000 as provided in § 26–211  
3 of this subtitle.

4                   (2)     The contribution rate for a member who has transferred from the  
5 Employees' Retirement System is the rate set under:

6                   (i)     Section 22–214(a) of this article, for a member who had elected  
7 Selection A (Additional member contributions) under § 22–219 of this article; or

8                   (ii)    Section 22–214(b) of this article, for a member who had elected  
9 Selection B (Limited cost-of-living adjustment) under § 22–220 of this article.

10 26–401.

11               (b)    (1)     Except as provided in paragraphs (2) and (3) of this subsection, on  
12 retirement under this section, a member is entitled to receive a normal service retirement  
13 allowance that equals the number of years of the member's creditable service multiplied by  
14 2% of the member's average final compensation.

15                   (2)     A member's normal service retirement allowance under paragraph (1)  
16 of this subsection may not exceed 65% of the member's average final compensation.

17               (3)    (i)     This paragraph applies only to a member who is not subject to  
18 the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of this  
19 title.

20                   (ii)    On retirement under this paragraph, the member is entitled to  
21 receive a normal service retirement allowance that equals:

22                   1.     2.3% of the member's average final compensation  
23 multiplied by each year of the member's first 30 years of creditable service; and

24                   2.     1% of the member's average final compensation multiplied  
25 by each year of creditable service in excess of 30 years.

26               SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2020.