

HOUSE BILL 929

P6
HB 748/22 – APP

3lr0931
CF SB 264

By: **Delegates Reilly, Anderton, Ciliberti, Griffith, Hornberger, Kipke, Schmidt, and Valentine**

Introduced and read first time: February 10, 2023

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System – Benefits**

3 FOR the purpose of clarifying that a member of the Law Enforcement Officers' Pension
4 System is not required to make member contributions after accruing a certain
5 amount of service credit; altering the method for calculating the retirement
6 allowance for certain retirees of the Law Enforcement Officers' Pension System for
7 service earned on or after a certain date; altering the maximum benefit that certain
8 retirees of the Law Enforcement Officers' Pension System may receive; and generally
9 relating to the Law Enforcement Officers' Pension System.

10 BY repealing and reenacting, with amendments,
11 Article – State Personnel and Pensions
12 Section 26–204(a) and 26–401(b)
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2022 Supplement)

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

17 **Article – State Personnel and Pensions**

18 26–204.

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

21 (i) 4% of the member's earnable compensation received before July
22 1, 2011;

23 (ii) 6% of the member's earnable compensation received from July 1,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2011 to June 30, 2012, both inclusive; and

2 (iii) 7% of the member's earnable compensation received on or after
3 July 1, 2012.

4 (2) Notwithstanding paragraph (1) of this subsection, [after 32 years and
5 6 months of service as a member,] a member does not make any further contributions
6 **AFTER ACCRUING THE MAXIMUM AMOUNT OF SERVICE CREDIT ALLOWED UNDER §**
7 **26-401(B) OF THIS TITLE.**

8 26-401.

9 (b) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, on
10 retirement under this section, a member is entitled to receive a normal service retirement
11 allowance that equals:

12 (I) the number of years of the member's creditable service **ON OR**
13 **BEFORE JUNE 30, 2023**, multiplied by 2% of the member's average final compensation;
14 **AND**

15 (II) **THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**
16 **SERVICE ON OR AFTER JULY 1, 2023, MULTIPLIED BY 2.5% OF THE MEMBER'S**
17 **AVERAGE FINAL COMPENSATION.**

18 (2) A member's normal service retirement allowance under paragraph (1)
19 of this subsection may not exceed [~~65%~~] **70%** of the member's average final compensation.

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

23 (ii) Except as provided in paragraph (4) of this subsection, on
24 retirement under this paragraph, the member is entitled to receive a normal service
25 retirement allowance that equals:

26 1. 2.3% of the member's average final compensation
27 multiplied by each year of the member's first 30 years of creditable service; and

28 2. 1% of the member's average final compensation multiplied
29 by each year of creditable service in excess of 30 years.

30 (4) Subject to paragraph (2) of this subsection, on retirement under this
31 section, if a member's annuity is greater than the member's normal service retirement
32 allowance calculated under paragraph (1) or (3) of this subsection, the member's normal
33 service retirement allowance shall equal the member's annuity.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2023.