

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 372 (Delegate Owings)  
Appropriations

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Judges' Retirement System - Disability Retirement

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This pension bill provides a retirement allowance of two-thirds of peer salary to a disabled member of the Judges' Retirement System if the member has at least 10 years of service credit and has been reappointed or elected to a second term as a judge. The bill is effective July 1, 1996.

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Fiscal Summary

**State Effect:** General fund expenditures could increase by approximately \$129,000 beginning in FY 1998. Out-year expenditures increase consistent with actuarial assumptions. No effect on revenues.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	129,000	135,500	142,200	149,300	156,800
Net Effect	(\$129,000)	(\$135,500)	(\$142,200)	(\$149,300)	(\$156,800)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

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Fiscal Analysis

**State Expenditures:** Under current law, judges are entitled to a disability benefit of one-third of salary after three years or a normal service retirement allowance, whichever is greater. The State's actuary advises that this bill could result in an increase of approximately 25% in the value of the disability benefits provided by the Judges' Retirement System. As a result, it is estimated that the unfunded actuarial liabilities of the System would increase by \$2.3 million and annual retirement contributions would increase by \$129,000 beginning in fiscal 1998. Out-year contributions would increase at the 5% actuarially determined rate.

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**Information Source(s):** Maryland State Retirement Agency; Milliman and Robertson, Inc.; Department of Fiscal Services

**Fiscal Note History:** First Reader - February 12, 1996  
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