

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 238 (Delegate Hecht, et al.)
Appropriations

Pensions - Maryland Investigative Services Unit

This pension bill authorizes certain members of the Maryland Investigative Services Unit to participate in the Natural Resources Pension System (NRPS). The Natural Resources Pension System is renamed the Law Enforcement Officers' Pension System. The bill is effective July 1, 1996.

Fiscal Summary

State Effect: Retirement expenditures could increase by \$161,000 beginning in FY 1998. Revenues would not be affected. Future year expenditures reflect growth consistent with actuarial assumptions.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF/SF/FF Rev.	\$0	\$ 0	\$ 0	\$ 0	\$ 0
GF/SF/FF Expend.	0	161,000	169,000	178,000	\$186,000
Net Effect	\$0	(\$161,000)	(\$169,000)	(\$178,000)	(\$186,000)

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

Local Effect: None.

Fiscal Analysis

State Expenditures: Under current law employees of the Maryland Investigative Services Unit of the Office of the Comptroller of the Treasury are members of either the Employees' Retirement System (ERS) or the Employees' Pension System (EPS). The ERS and EPS are 30-year and out plans while the NRPS is a 25-year and out plan. Thus, this bill would allow employees of the Investigative Services Unit with police powers to retire with unreduced benefits after 25 years of service.

The bill would authorize 11 current employees of the Comptroller's Office to participate in the NRPS. These 11 employees have salaries from \$37,800 to \$51,300 and average 21 years of service credit. While this bill has not been sent to the State's actuary for a detailed actuarial analysis, it is estimated that the actuarial liabilities of the system would increase by \$1.4 million, if all of these employees elect to participate in the NRPS. These costs would be amortized over 24 years with a first year cost of \$161,000 in fiscal 1998. These costs would increase by an estimated 5% each year thereafter.

Information Source(s): Maryland State Retirement Agency, Office of the Comptroller, Department of Fiscal Services

Fiscal Note History: First Reader - January 31, 1996

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