

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 116 (Senator Hoffman, *et al.*)

Budget and Taxation

Referred to Appropriations

State Police Retirement System - Death Benefits

This amended emergency bill provides enhanced death benefits to the surviving spouses of State Police officers whose death arose out of or in the course of the actual performance of duty during the period July 1, 1992 through June 30, 1996. The allowance paid to a surviving spouse would be based on an average final compensation that is computed to include any annual step increments that the deceased members were denied in fiscal 1992 and fiscal 1993 as well as the next annual step increment to which the deceased members would have been entitled. Current law does not take into account these increments in calculating the officers' average final compensation. The computation of these allowances would be prospective only.

Fiscal Summary

State Effect: Minimal indeterminate increase in employer retirement contributions beginning in FY 1999. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

State Expenditures: The State Retirement Agency has identified two State Police troopers killed in the line of duty during the relevant period. Under current law, average final compensation is defined as the average annual earnable compensation during the highest three years. Based on average final compensation of the troopers as recalculated to include the two step increments that were denied in fiscal 1992 and fiscal 1993 but later paid to all troopers, as well as the next annual step increment that the members would have been

entitled to if their death had not occurred, the combined increase in annual beneficiary benefits would be as follows:

| | |
|-------------|---------|
| Fiscal 1998 | \$4,836 |
| Fiscal 1999 | \$4,981 |
| Fiscal 2000 | \$5,130 |
| Fiscal 2001 | \$5,284 |
| Fiscal 2002 | \$5,443 |

These additional liabilities to the State Police Retirement System would be reflected subsequently in that system's employer contribution rates. Any resulting increase in retirement expenditures for the State Police Department would be minimal.

Information Source(s): Department of State Police, State Retirement Agency, Department of Fiscal Services

Fiscal Note History: First Reader - January 21, 1997
brd Revised - Senate Third Reader - March 14, 1997

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