

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 257 (Senator Munson)
Budget and Taxation

Task Force on Retirement Benefits of Correctional Officers

This bill creates a seven-member Task Force on Retirement Benefits of Correctional Officers.

The bill takes effect June 1, 2001.

Fiscal Summary

State Effect: Increase in contractual expenditures by the State Retirement Agency of \$10,000 to \$100,000 for actuarial analyses required by the task force. Any staffing costs and expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force is charged with: (1) studying the criteria for membership in the Correctional Officers' Retirement System (CORS) to determine whether there are other classifications of State employees who should be included as members of this system; (2) studying the level of benefits provided to active members in CORS to determine potential options for improving the current benefit structure for these members; (3) studying the level of benefits provided to retirees and beneficiaries of CORS to determine potential options for improving the benefits received by these retirees

and beneficiaries; and (4) reviewing the overall structure of CORS to generally determine any other improvements which could be made to this system.

Current Law: None applicable.

Background: CORS currently provides a retirement benefit based on 1.8% of average final compensation for each year of service. Members are eligible for an unreduced retirement benefit at 20 years of service. Members contribute 5% or 7% of pay depending on the cost-of-living adjustment option they select.

State Expenditures: It is likely that the task force will require the services of the State's actuary to study CORS system benefits and develop potential options. Such services are to be borne by the State Retirement and Pension System, but would not be covered under the board's existing retainer with the State's actuary, and could range from \$10,000 to \$100,000 depending on the amount of analysis required.

Task force members would be reimbursed for expenses under the Standard State Travel Regulations. Any such expenditures would depend upon the time, location, and frequency of the commission's meetings. Expenses are assumed to be minimal and able to be handled with existing resources of the entities represented on the task force.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Retirement Agency; Milliman & Robertson, Inc.; Department of Legislative Services

Fiscal Note History: First Reader – February 8, 2001
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