

Department of Legislative Services  
Maryland General Assembly  
2001 Session

FISCAL NOTE

House Bill 1159 (Delegate Branch, *et al.*)  
Appropriations

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Law Enforcement Officers' Pension System - Membership

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This pension bill allows existing law enforcement officers of a local governmental unit that participates in the Law Enforcement Officers' Pension System (LEOPS) to elect membership in LEOPS on or before December 31, 2001.

The bill takes effect July 1, 2001.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Employer pension contributions for local governments participating in LEOPS (currently only the City of Cambridge) could increase minimally depending on the number of employees who switch from the employees' systems to LEOPS.

**Small Business Effect:** None.

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Analysis

**Current Law:** Existing law enforcement officers of a local governmental unit that participates in the Law Enforcement Officers' Pension System (LEOPS) must elect membership in LEOPS on or within six months of the effective date of participation.

**Background:** Chapter 494 of 1998 opened the LEOPS plan to participating local governments. Participation in the plan is at the local government's (not the State's) expense, and these assets and liabilities are part of the municipal pool within the SRPS.

Currently, the City of Cambridge is the only local participant in LEOPS, with 45 members and a payroll of \$1.6 million. The provision requiring existing employees to transfer within six months of the government electing LEOPS is to ensure that contributions are initiated as soon as possible for the higher LEOPS benefit. To the extent that members transferred at a later date, there would be actuarial losses to LEOPS for the service credit accrued under the employees' system. The transfer deadline provision is similar to the one governing the entry of State law enforcement officers into LEOPS.

**Local Expenditures:** Employer pension contributions for local governments participating in LEOPS (currently only the City of Cambridge) could increase depending on the number of employees who switch from the employees' systems to LEOPS. The State Retirement Agency advises, however, that most, and possibly all, such Cambridge law enforcement officers have already switched to LEOPS.

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### **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 21, 2001  
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