
By: **Delegates Cadden, Edwards, W. Baker, Sophocleus, Conway, Branch,
Pitkin, A. Jones, Linton, Love, Rosso, and Clagett**

Introduced and read first time: February 1, 2002

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System - Benefits**

3 FOR the purpose of providing for certain annual adjustments to the service
4 retirement allowances of certain retirees or beneficiaries of retirees as of a
5 certain date; providing for the adjustments to be subject to a certain
6 cost-of-living adjustment each fiscal year; and generally relating to benefits for
7 retirees or beneficiaries of retirees of the Law Enforcement Officers' Pension
8 System.

9 BY repealing and reenacting, with amendments,
10 Article - State Personnel and Pensions
11 Section 26-401
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - State Personnel and Pensions**

17 26-401.

18 (a) (1) Subject to paragraph (2) of this subsection, a member may retire with
19 a normal service retirement allowance if:

20 (i) on or before the date of retirement, the member:

21 1. has at least 25 years of eligibility service; or

22 2. is at least 50 years old; and

23 (ii) the member completes and submits a written application to the
24 Board of Trustees on the form that the Board of Trustees provides stating the date
25 when the member desires to retire.

1 (2) A member may not retire before the first day of the month after
2 employment ends.

3 (b) (1) Except as provided in paragraphs (2) and (3) of this subsection, on
4 retirement under this section, a member is entitled to receive a normal service
5 retirement allowance that equals the number of years of the member's creditable
6 service multiplied by 2% of the member's average final compensation.

7 (2) A member's normal service retirement allowance under paragraph
8 (1) of this subsection may not exceed 60% of the member's average final
9 compensation.

10 (3) (i) This paragraph applies only to a member who is not subject to
11 the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of
12 this title.

13 (ii) On retirement under this paragraph, the member is entitled to
14 receive a normal service retirement allowance that equals:

15 1. 2.3% of the member's average final compensation
16 multiplied by each year of the member's first 30 years of creditable service; and

17 2. 1% of the member's average final compensation multiplied
18 by each year of creditable service in excess of 30 years.

19 (C) (1) THIS SUBSECTION APPLIES TO:

20 (I) A RETIREE, OR BENEFICIARY OF A RETIREE, WHO RETIRES
21 WITH A SERVICE RETIREMENT ALLOWANCE ON OR BEFORE JUNE 30, 2000; OR

22 (II) A RETIREE, OR BENEFICIARY OF A RETIREE, WHO:

23 1. PRIOR TO RETIREMENT, WAS NOT SUBJECT TO THE LAW
24 ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER SUBTITLE 2, PART II
25 OF THIS TITLE; AND

26 2. RETIRES WITH A SERVICE RETIREMENT ALLOWANCE
27 BETWEEN JULY 1, 2000 AND JUNE 30, 2001, BOTH INCLUSIVE.

28 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A RETIREE, OR A
29 BENEFICIARY OF A RETIREE, SHALL RECEIVE AN ANNUAL RETIREMENT ALLOWANCE
30 ADJUSTMENT AS OF JULY 1, 2002, AS FOLLOWS:

31 (I) FOR A RETIREE WHO HAS BEEN RETIRED NOT MORE THAN 5
32 YEARS, \$1,200;

33 (II) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 5 YEARS
34 BUT NOT MORE THAN 10 YEARS, \$1,500; AND

35 (III) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 10 YEARS,
36 \$1,800.

1 (3) EACH FISCAL YEAR THE BOARD OF TRUSTEES SHALL INCREASE THE
2 ADJUSTMENT RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 2002,
3 BY MULTIPLYING THE ADJUSTMENT BY A FRACTION THAT HAS:

4 (I) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE
5 CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

6 (II) AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE
7 CALENDAR YEAR ENDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE
8 RETIREE WAS LAST EMPLOYED.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2002.