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

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Committee Report: Favorable with amendments House action: Adopted Read second time: March 23, 2002

CHAPTER_____

1 AN ACT concerning

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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:

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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:

2	HOUSE BILL 549
1	1. has at least 25 years of eligibility service; or
2	2. is at least 50 years old; and
	(ii) the member completes and submits a written application to the Board of Trustees on the form that the Board of Trustees provides stating the date when the member desires to retire.
6 7	(2) A member may not retire before the first day of the month after employment ends.
10	(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, on retirement under this section, a member is entitled to receive a normal service retirement allowance that equals the number of years of the member's creditable service multiplied by 2% of the member's average final compensation.
	 (2) A member's normal service retirement allowance under paragraph (1) of this subsection may not exceed 60% of the member's average final compensation.
	(3) (i) This paragraph applies only to a member who is not subject to the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of this title.
18 19	(ii) On retirement under this paragraph, the member is entitled to receive a normal service retirement allowance that equals:
20 21	1. 2.3% of the member's average final compensation multiplied by each year of the member's first 30 years of creditable service; and
22 23	2. 1% of the member's average final compensation multiplied by each year of creditable service in excess of 30 years.
24	(C) (1) THIS SUBSECTION APPLIES TO:
25 26	(I) A RETIREE, OR BENEFICIARY OF A RETIREE, WHO RETIRES WITH A SERVICE RETIREMENT ALLOWANCE ON OR BEFORE JUNE 30, 2000; OR
27	(II) A RETIREE, OR BENEFICIARY OF A RETIREE, WHO:
	1. PRIOR TO RETIREMENT, WAS NOT SUBJECT TO THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE; AND
31 32	2. RETIRES WITH A SERVICE RETIREMENT ALLOWANCE BETWEEN JULY 1, 2000 AND JUNE 30, 2001, BOTH INCLUSIVE.
33 34	(2) SUBJECT TO PARAGRAPH (3) <u>PARAGRAPHS (3) AND (4)</u> OF THIS SUBSECTION A RETIREE OR A BENEFICIARY OF A RETIREE SHALL RECEIVE AN

34 SUBSECTION, A RETIREE, OR A BENEFICIARY OF A RETIREE, SHALL RECEIVE AN 35 ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT AS OF JULY 1, 2002, AS FOLLOWS:

3			HOUSE BILL 549		
1 2	YEARS, \$1,200;	(I)	FOR A RETIREE WHO HAS BEEN RETIRED NOT MORE THAN 5		
3 4	BUT NOT MORE TH	(II) IAN 10 Y	FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 5 YEARS YEARS, \$1,500; AND		
5 6	\$1,800.	(III)	FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 10 YEARS,		
			<u>THIS PARAGRAPH APPLIES ONLY TO A RETIREE OR A</u> <u>EE WHO IS RECEIVING A RETIREMENT ALLOWANCE</u> LE 29, SUBTITLE 4, PART VI OF THIS ARTICLE.		
12 13 14 15	THE ADJUSTMENT PARAGRAPH (2) O PRECEDING FISCA DIVIDING THE CO DECEMBER 31 IN	<u>F THIS S</u> L YEAF NSUME THE PRE	EACH FISCAL YEAR THE BOARD OF TRUSTEES SHALL INCREASE VED BY THE RETIREE OR THE BENEFICIARY UNDER SUBSECTION BY MULTIPLYING THE ADJUSTMENT FOR THE R, BY A RATE NOT EXCEEDING 3%, THAT IS OBTAINED BY R PRICE INDEX FOR THE CALENDAR YEAR ENDING SCEDING FISCAL YEAR BY THE CONSUMER PRICE INDEX R ENDING DECEMBER 31, 2000.		
17 18	SUM OF:	<u>(III)</u>	THE TOTAL ADJUSTMENT IN EACH FISCAL YEAR SHALL BE THE		
19 20	YEAR; AND		1. THE ADJUSTMENT PAID DURING THE PRECEDING FISCAL		
21 22		GRAPH	2. <u>THE INCREASE TO THE ADJUSTMENT PROVIDED FOR</u> (II) OF THIS PARAGRAPH.		
	BENEFICIARY OF		<u>THIS PARAGRAPH APPLIES ONLY TO A RETIREE OR A</u> REE WHO IS RECEIVING A RETIREMENT ALLOWANCE LE 29, SUBTITLE 4, PART III OF THIS ARTICLE.		
	THE ADJUSTMEN		EACH FISCAL YEAR THE BOARD OF TRUSTEES SHALL INCREASE VED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, HE ADJUSTMENT BY A FRACTION THAT HAS:		
29 30		(I) TEAR EN	<u>1.</u> AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR IDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND		
			<u>2.</u> AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR IDING DECEMBER 31 OF THE FISCAL YEAR IN WHICH THE OYED , 2001.		
	34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 35 July 1, 2002.				

HOUSE BILL 549