

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1403

(Chairman, Appropriations Committee)
(Departmental – State Police)

Appropriations

Budget and Taxation

State Police Retirement System - Transfers of Service Credit - Time Limitations - Exception

This departmental pension bill exempts certain members of the State Police Retirement System (SPRS) from the requirement that they transfer pension service from another public employer in Maryland to the SPRS within one year of becoming a member of the SPRS. The time limitation is waived if the member made a claim to transfer the service credit within one year but the claim was not processed and the member resubmits a completed claim application.

The bill takes effect July 1, 2002 and terminates on June 30, 2003. The bill applies retroactively to individuals who became SPRS members on or after January 1, 2000.

Fiscal Summary

State Effect: Minimal increase in pension contributions (general funds) by the Department of State Police. If the original application of the one affected member had been processed correctly, the additional credit would have already been transferred. The additional service will increase the pension benefits of the affected member by approximately 10% versus his benefit if the additional service is not transferred.

Local Effect: None.

Small Business Effect: The Department of State Police has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Pension service credit may be transferred among public pension systems within Maryland; however, application for such transfers must be made within one year of becoming a member of the pension system of the new employer.

State Expenditures: The State Retirement Agency advises that the transfer application to process the requested transfer of service credit for one member of the SPRS was lost by either the sending or receiving agencies. All parties agree, however, that the member had timely filed the service transfer application. By the time the error was discovered, the one-year period had expired and it was determined that legislation was necessary in order to process the transfer of service credit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Retirement Agency, Milliman USA, Department of Legislative Services

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lsc/jr

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