

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 595
Appropriations

(Delegate Proctor, *et al.*)

Budget and Taxation

State Retirement and Pension System - Board of Trustees - Membership

This pension bill alters the eligibility requirements for membership on the Board of Trustees of the State Retirement and Pension System of Maryland (SRPS). The bill requires that one of the two trustees who are elected by teachers' system members and retirees must be a retiree, while current law requires that only one of those two trustees may be a retiree.

Fiscal Summary

State Effect: None. The bill does not change the total number of trustees or otherwise affect pension board expenditures.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Of the 14-member board, two trustees are members or retirees of the TRS or TPS, only one of whom may be a retiree at the time of election.

Background: Six members on the board are elected by active members, retirees, beneficiaries, and former vested members of the various systems. As indicated above, two are elected by teachers' systems participants. Two other board members are elected by State Police Retirement System participants; one of these board members must be a retiree at the time of election. Finally, two other board members are elected by all the participants of the Employees' Retirement System (ERS), Employees' Pension System

(EPS), the Correctional Officers' Retirement System (CORS), the Judges' Retirement System (JRS), the Legislative Pension Plan (LPP), the Local Fire and Police Retirement System (LFP), and the Law Enforcement Officers' Pension System (LEOPS). The distribution of elected board members and plan participants is illustrated in **Exhibit 1**.

Additional Information

Prior Introductions: The bill, as amended, is identical to several past bills, including HB 1060 of 1997, SB 807 of 1997, and HB 186 of 1998. None passed.

Cross File: SB 531 (Senator Ruben, *et al.*) – Budget and Taxation.

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

Fiscal Note History: First Reader - February 13, 2003
ncs/jr Revised - House Third Reader - March 25, 2003

Analysis by: Matthew D. Riven

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Exhibit 1
Distribution of SRPS Membership and Elected Board Trustees

Teachers	TRS		TPS	
	active	9,270	active	87,086
	retiree	29,989	retiree	11,931
	former vested	1,643	former vested	16,397
	subtotal	40,902	subtotal	115,414
Total Teachers	156,316			
Number of board members	2			
Per elected board member	78,158			

Employees & Others

	ERS (incl LPP & CORS)		EPS	
	active	11,722	active	78,584
	retiree	24,904	retiree	18,205
	former vested	1,331	former vested	24,845
	subtotal	37,957	subtotal	121,634
	JRS		LEOPS	
	active	281	active	1,410
	retiree	311	retiree	403
	former vested	10	former vested	66
	subtotal	602	subtotal	1,879
	LFP			
active	181			
retiree	26			
former vested	36			
subtotal	243			
Total Group	162,315			
Number of board members	2			
Per elected board member	81,158			

State Police

	SPRS	
	active	1,589
	retiree	1,598
	former vested	27
	total	3,214
Total State Police	3,214	
Number of board members	2	
Per elected board member	1,607	

Source: State Retirement and Pension System, Department of Legislative Services