

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 357

(Senator Munson)

Budget and Taxation

Appropriations

**State Retirement and Pension System - Retirement Benefits - Board of License
Commissioners of Washington County**

This pension bill allows a retiree of the Employees' Retirement System (ERS) who meets certain criteria, including reemployment with the Board of License Commissioners of Washington County (BLC), to continue to receive the member's ERS benefit while also accruing a benefit in the Employees' Pension System (EPS), in which the member's current employer participates.

The bill takes effect July 1, 2003.

Fiscal Summary

State Effect: None. The State Retirement Agency can implement the bill with existing budgeted resources.

Local Effect: Minimal. The affected member has inadvertently accrued two pension benefits, contrary to existing State law. The bill would allow the member to receive both benefits.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible under the bill, an individual must be a retiree of ERS who: (1) was employed by the Washington County Board of Elections on or after April 1, 1976; (2) retired from the Washington County Board of Elections and began receiving a

normal service retirement benefit on or before December 31, 1993; (3) became reemployed by BLC on or before December 31, 1994; and (4) began making contributions to the Employees' Pension System (EPS) on or before July 31, 2000 and ceased making contributions to EPS on or before April 30, 2001. A retiree who meets these conditions may continue to receive the member's ERS benefit. The member is also allowed to accrue an EPS benefit for service with BLC.

Current Law: A retiree of ERS who is reemployed – whether on a temporary, contractual, or permanent basis – by any employer participating in SRPS cannot be enrolled in a system of SRPS and accrue any additional pension service.

Background: When BLC joined SRPS as a participating employer in EPS, the member was inadvertently enrolled in EPS and began accruing service, in contravention of State law.

Local Expenditures: Because BLC made employer contributions on behalf of the affected member for most, of the period of BLC employment, and because the bill requires repayment of any missed member contributions, there should be minimal actuarial impact on BLC in the “municipal pool” of SRPS. The State Retirement Agency may wish to bill BLC for any missed employer contributions, in order to avoid the minimal additional actuarial liabilities to the “municipal pool.”

Additional Information

Prior Introductions: None.

Cross File: None.

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

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