

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1525

(Delegate Edwards)

Appropriations

Budget and Taxation

**Law Enforcement Officers' Pension System - Membership - Maryland Forest
and Parks Service Managers**

This pension bill provides that specified Maryland Forest and Park Service managers may elect, on or before December 31, 2004, to remain in the Law Enforcement Officers' Pension System (LEOPS).

The bill is effective July 1, 2004.

Fiscal Summary

State Effect: None. The affected employees in the Department of Natural Resources (DNR) are already current members of LEOPS, and it is assumed these members will be grandfathered under the Administration's proposed reorganization.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: This bill authorizes a supervisory or managerial law enforcement officer of the Maryland Forest and Parks Service commissioned by the Secretary of Natural Resources as a supervisory or managerial law enforcement officer on or before January 1, 2004 to elect membership in LEOPS on or before December 31, 2004. An individual described above may not elect participation in LEOPS if the individual transferred from

the Employees' Retirement System (ERS) to the Employees' Pension System (EPS) on or after April 1, 1998.

Current Law: Membership in LEOPS includes the following public safety employees:

- Department of Natural Resources police and rangers;
- Maryland Investigative Services Unit officers (Comptroller's Office);
- Maryland Transportation Authority police officers;
- Baltimore City Deputy Sheriffs;
- University of Maryland police officers;
- Morgan State University police officers;
- State Fire Marshal and Deputy State Fire Marshals;
- law enforcement officers of an electing governmental unit;
- Maryland Aviation Administration Fire Rescue Service officers;
- Department of General Services police officers;
- Department of Health and Mental Hygiene police officers;
- Motor Vehicle Administration police officers;
- Department of Labor, Licensing, and Regulation police officers;
- Martin State Airport firefighters; and
- Division of Rehabilitation Services police officers of the Maryland State Department of Education.

Members of LEOPS may retire with full benefits at age 50 or with 25 years of service, regardless of age. Members of the modified LEOPS (Chapter 397 of 2000) contribute 4% of annual earnable compensation from July 1, 2000 forward. They receive a benefit multiplier of 2% on all service up to 30 years (maximum benefit of 60% of Average Final Compensation (AFC)). LEOPS members who transfer from ERS receive a retirement benefit based on 2.3% of their AFC for each year of service up to 30 years and 1% of their AFC for each year over 30 years.

Background: DNR advises that this bill affects a closed group of fewer than 60 members who are currently classified as managerial or supervisory law enforcement officers. As sworn law enforcement officers within DNR, they are all currently members of LEOPS. As part of a departmental reorganization, DNR plans to merge two law enforcement units, the Forest and Parks Service with the DNR police. After January 1, 2005, managerial and supervisory law enforcement officer positions will be filled as civilian positions without law enforcement powers and will not be eligible for membership in LEOPS. The Department of Budget and Management advises that the 60 individuals currently in the LEOPS-eligible positions will be grandfathered in LEOPS until the newly civilianized positions are filled through attrition.

State Fiscal Effect: The State's actuary informally estimates that because these members are already in LEOPS, the State will not incur additional liabilities. As these positions become civilian and eligible for EPS rather than LEOPS, total State pension liabilities may decrease minimally. Any potential minimal reduction in liabilities, occurring over time, would not likely affect State pension contribution rates.

Additional Information

Prior Introductions: None.

Cross File: SB 929 (Senator Astle) – Budget and Taxation.

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

Fiscal Note History: First Reader - March 22, 2004
n/mdr

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