

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 673

(Delegate Conway, *et al.*)

Appropriations

Budget and Taxation

Correctional Officers' Retirement System - Line of Duty Death Benefits

This emergency bill establishes a special death benefit for any member of the Correctional Officers' Retirement System (CORS) who is killed in the line of duty. In addition to a one-time repayment of the member's accumulated contributions, an annual benefit payment equal to two-thirds of the member's average final compensation is payable to the member's surviving spouse or minor children.

The bill takes effect on the date it is enacted.

Fiscal Summary

State Effect: Death benefit payments made under this bill would not have a discernable effect on the State's pension liability or employer contribution rates. Potential increase in expenditures for the State employee and retirees health benefits plan.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: This bill applies to any member of CORS who is killed in the course of performing his or her duty, provided the member was not willfully negligent. It requires the Board of Trustees of the State Retirement and Pension System (SRPS) to pay the member's surviving spouse a lump sum equal to the member's accumulated contributions to the retirement system and an annual allowance equal to two-thirds of the member's

average final compensation. If the member does not have a surviving spouse, the benefit is divided equally among the member's surviving children under the age of 18. If the member does not have any surviving minor children, the benefit is paid to the member's estate.

SRPS does not need to pay a regular death benefit to any beneficiary if it pays the special death benefit created by this bill.

By providing a surviving spouse or minor children with a regular allowance, the bill makes the spouse and surviving minor children eligible to participate in the State's employee and retiree health insurance program (State plan).

The special death benefit is retroactive and applies to any CORS member who dies in the line of duty on or before January 1, 2006.

Current Law: Beneficiaries of State correctional officers killed in the line of duty are entitled to payments from three different State agencies:

- From the Department of Public Safety and Correctional Services, one payment of \$59,900 (\$50,000 plus an annual inflator since 1999) for law enforcement officers killed in the line of duty after July 1, 1989, and another payment up to \$10,000 for funeral expenses (neither of these payments are affected by this bill).
- A single payment of \$59,000 from the Department of Budget and Management for any law enforcement officer killed in the line of duty after July 1, 2000 (this payment is not affected by this bill).
- Two payments from SRPS for (1) the member's accumulated contributions; and (2) an amount equal to the member's annual compensation at the time of his or her death if the member has at least one year of eligible service (this bill would allow the first payment, but not the second).

Beneficiaries who receive only lump sum death benefits, such as those listed above, are not eligible to participate in the State's employee and retiree health insurance program.

Surviving spouses of members of either the Employees' Pension System or the Teachers' Pension System are entitled to an annual allowance if the member was eligible to retire, had at least 25 years of eligibility service, or was at least 55 years old and had 15 years of eligibility service.

Members of the State Police Retirement System (SPRS) and the Law Enforcement Officers' Pension System (LEOPS) are entitled to special line-of-duty death benefits that are similar to the benefit created by this bill for CORS members.

Background: State correctional officer Jeffrey Wroten was killed in the line of duty in January 2006 at the age of 44. He had served as a State correctional officer for four years. He is survived by a wife and five children; his children range in age from 5 to 15.

State Fiscal Effect: This bill will not affect State pension liabilities or pension contributions. According to media reports following the death of State correctional officer Jeffrey Wroten in January 2006, only three correctional officers have been killed in the line of duty in the past 100 years. The last line-of-duty death of a correctional officer occurred in 1984.

State plan expenditures could increase by \$4,767 in fiscal 2007 for each spouse not yet eligible for Medicare and by \$4,144 for each child who enrolls in the State plan as a result of the bill and chooses the preferred provider option medical plan and prescription drug coverage.

State plan expenditures assume a fund mix of 60% general funds, 20% federal funds, and 20% special funds; with 20% of expenditures reimbursable through employee contributions.

Additional Information

Prior Introductions: None.

Cross File: SB 885 (Senator Munson, *et al.*) – Budget and Taxation.

Information Source(s): Board of Public Works, Maryland State Retirement Agency, Department of Public Safety and Correctional Services, Department of Legislative Services

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Analysis by: Michael C. Rubenstein

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