

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1489

(Delegate Conway, *et al.*)

Appropriations

Budget and Taxation

Correctional Officers' Retirement System - Membership - Local Detention
Center Officers

This bill establishes a municipal pool within the Correctional Officers Retirement System (CORS) for local detention center officers. Local governmental units may join the CORS municipal pool if at least 60% of their detention officers petition to join CORS and if the local legislative body votes to join the municipal pool. The bill also sets forth rules governing withdrawal from the municipal pool and for calculating employer contributions to CORS on behalf of enrolled members.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: The Maryland State Retirement Agency could establish and track a separate municipal pool with existing resources.

Local Effect: The bill enables local governments to join the CORS municipal pool on behalf of their detention center officers, but does not require them to join. Local governments that elect to join the CORS municipal pool would have to pay an actuarially determined contribution for all detention center officers who become CORS members, which may or may not exceed any current local pension contributions.

Small Business Effect: None.

Analysis

Bill Summary: A detention center officer who is employed by a participating governmental unit (PGU) at the time it decides to join the CORS municipal pool has six months from the time the PGU joins CORS to choose whether to become a member. After six months, detention center officers previously employed by the PGU may not join CORS. All detention center officers hired after a PGU joins CORS are members of CORS as a condition of their employment.

If a local detention center officer was previously employed by a PGU, was a member of a local pension system, and elects to become a member of CORS, the PGU must transfer to CORS all prior employer contributions, plus interest, made on that officer's behalf to the local pension plan. The officer is entitled to receive service credit in CORS equal to the prior service credit earned in the local pension plan.

If a PGU withdraws from CORS, participating members may elect to remain members of CORS and the PGU must continue to make employer contributions on their behalf, subject to an actuarial calculation of its liability for the remaining members.

The bill also sets forth rules governing the actuarial calculation of annual employer contributions that PGUs must make on behalf of the detention center officers who join CORS. In addition, each PGU must make annual special accrued liability contributions, determined by the actuary, to make up the difference between its particular liability and its regular contributions to CORS.

Current Law: CORS is open only to correctional officers who work in State correctional institutions, not to local detention center officers. However, both the Law Enforcement Officers' Pension System and the Employees' Combined Pension System (ECPS) have municipal pools that operate in much the same way as the municipal pool proposed by this bill. Detention center officers who work in counties that participate in the ECPS municipal pool are members of ECPS.

Background: The Maryland Correctional Administrators Association reports that there are 22 counties with detention centers and a total of approximately 1,500 detention center officers. The smallest county has 40 officers and the largest has 200.

Additional Information

Prior Introductions: None.

Cross File: SB 475 (Senator Pipkin) – Budget and Taxation.

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

Fiscal Note History: First Reader - March 2, 2006
ncs/jr

Analysis by: Michael C. Rubenstein

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