

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1458

(Delegates G. Clagett and DeBoy)

Appropriations

Budget and Taxation

State Police Retirement System - Special Disability Retirement Allowance -
Forfeiture

This bill prevents a member or former member of the State Police Retirement System (SPRS) from applying for or receiving a special disability benefit if the member or former member is charged with or convicted of committing any of 16 criminal offenses specified in the bill while employed by the Department of State Police.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: Potential negligible reduction in State pension liabilities and contribution rates to the extent that SPRS disability retirees may forfeit their disability allowance if convicted of a crime covered under the bill.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: For the purposes of the bill, a person is convicted of a crime if the person is found guilty by a jury or judicial officer, enters a plea of guilty or *nolo contendere*, or is granted a probation before judgment (PBJ).

If an individual receiving an SPRS special disability benefit is charged with committing a specified crime, the board must temporarily suspend the individual's special disability

retirement allowance if the crime was allegedly committed while the individual was employed with the Department of State Police. If the special disability retiree is acquitted of the charges, or if the charges are placed on a stet document or dismissed, the special disability allowance is reinstated with interest. An individual convicted of a specified crime forfeits his or her special disability allowance; however, if the conviction is overturned on appeal, the allowance is reinstated with interest.

A member or former member of SPRS is barred from applying for a special disability benefit if the member is charged with committing a criminal offense at any time while employed by the Department of State Police. If a special disability application is pending before the Board of Trustees of the State Retirement and Pension System, the board must temporarily suspend the application process. If the member or former member is convicted, any pending application is terminated. However, if the member or former member is acquitted, the charges are dismissed or placed on a stet document, or a conviction is overturned on appeal, the member or former member may apply for special disability benefits, and any pending applications must be processed.

Current Law: There are no provisions in current law addressing the suspension or forfeiture of benefits for State Retirement and Pension System members or former members who commit a crime.

A member of SPRS is entitled to a special disability retirement if the member is totally and permanently incapacitated for duty in the course of performing in the line of duty, without willful negligence on the part of the member. In addition, the State Retirement and Pension System's medical board must certify that the member is totally incapacitated for duty, that the incapacity is likely to be permanent, and that the member should be retired.

A special disability allowance is equal to the lesser of the member's average final compensation or the sum of an annuity based on the member's accumulated contributions and a pension equal to two-thirds of the member's average final compensation. An SPRS member, who is at least normal retirement age and eligible for a special disability retirement, receives the greater of a normal service retirement or a special disability allowance.

Background: As of June 30, 2009, SPRS had 1,408 active members, all of them State Troopers, and 2,226 retirees and beneficiaries.

The Maryland State Retirement Agency is aware of at least seven State Troopers seeking special disability and one retiree currently receiving special disability benefits who are under investigation for a covered criminal offense.

State Fiscal Effect: The potential suspension of the processing of disability applications for seven current SPRS members has no fiscal effect because (1) none of them has been charged with a crime, and (2) it cannot be presumed that their applications will be accepted. Legislative Services understands that one current retiree is under investigation for a covered crime, but the legal process has not concluded. If he is charged, found guilty, or otherwise qualifies for suspension or termination of benefits under this bill, it would result in a negligible reduction in State pension liabilities due to his forfeiture of future benefits.

Additional Information

Prior Introductions: None.

Cross File: SB 894 (Senator McFadden) - Budget and Taxation.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of State Police, Maryland State Retirement Agency, Department of Legislative Services

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Analysis by: Michael C. Rubenstein

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