

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 470

(Senator Edwards)

Budget and Taxation

Appropriations

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Allegany County - Orphans' Court Judges - Pension

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This bill alters the pensions of judges of the Orphans' Court for Allegany County who have more than 12 years of service. Pursuant to the bill, the pension for an orphans' court judge in Allegany County must be the greater of: (1) \$1,200 annually; or (2) an annual amount calculated at the rate of 4% of the last annual amount of compensation multiplied by the number of years of service, not exceeding 16 years. If the judge has more than 16 years of service, the pension must be an annual amount equal to two-thirds of the last annual amount of compensation.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Minimal annual increase in Allegany County personnel expenditures, potentially beginning in FY 2013. Revenues are not affected.

**Small Business Effect:** None.

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Analysis

**Current Law:** Allegany County is required to pay a pension to each judge of the orphans' court who (1) has terminated active service; (2) has reached 60 years of age; and (3) has completed at least two terms of office. The pension must be the greater of \$1,200 or an amount calculated at the rate of 4% of the last annual salary multiplied by the number of years or partial years of service, not exceeding 12 years. Annual salaries for orphans' court judges in Allegany County are set by the county commissioners.

**Local Fiscal Effect:** Allegany County indicates that there are currently no retired orphans' court judges with 12 years of service or more who would be affected by the bill's provisions. However, two sitting judges of the orphans' court have over 16 years of service and, upon their retirement, would be eligible for the increased pension as specified in this bill. The fiscal impact cannot be reliably determined, as it will depend on when these judges retire and their last annual amount of compensation. *For illustrative purposes only*, based on the current annual salary of \$4,986, for each judge who retires and receives a pension based on the provisions of this bill, county expenditures could increase by approximately \$900 annually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 516 (Allegany County Delegation) - Appropriations.

**Information Source(s):** Allegany County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2012  
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