

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1093

(Senator Dyson)

Budget and Taxation

Appropriations

Calvert County - County Commissioners - Pensions

This bill requires that an individual who has served on the Calvert County Board of County Commissioners for only three terms between 1994 through 2002 and between 2006 through 2010 receive an annual pension in the amount of \$150 for each year served. The pension must be paid in at least monthly installments.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County expenditures increase by \$1,800 annually beginning in FY 2013. County revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: In Calvert County, the Board of County Commissioners consists of five members. The annual salary for the board president is \$44,500; and the annual salary for each associate board member is \$42,000. Each commissioner may be reimbursed up to \$2,000 annually for any reasonable costs incurred in carrying out the functions of the office. Each commissioner holds office for four years or until a successor is elected and qualified.

Background: Calvert County indicates that prior to July 1, 1996, county commissioners were part of the State pension plan; beginning July 1, 1996 and continuing through June 30, 1998, the county moved to a county defined benefit plan. Beginning July 1, 1998, Calvert County switched to a 401(a) retirement plan, which all current county commissioners belong to. This plan requires a 3% contribution from an individual and a 5% contribution from the county. County commissioners that did not have five years in either the State or county plan (or combination of the two) were not vested for pension purposes when the county switched to the 401(a) retirement plan in 1998.

Local Fiscal Effect: The bill applies to one county commissioner who served three nonconsecutive terms from 1994 through 2010 and who was not vested when Calvert County switched to its current 401(a) retirement plan. The bill requires that the individual be paid an annual pension of \$150 per each year of service (12). As a result, Calvert County expenditures will increase by \$1,800 annually beginning in fiscal 2013.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 20, 2012
ncs/hlb

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