

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 165

(Senator Feldman, *et al.*)

Budget and Taxation

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State Retirement and Pension System - Constitutional Officers - Forfeiture of  
Benefits

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This bill requires that specified constitutional officers of the State forfeit their pension benefits if they are convicted of or plead *nolo contendere* to a crime that is related to their public duties and for which the penalty may be incarceration for at least one year.

The bill takes effect July 1, 2015, and applies only prospectively to crimes committed on or after that date.

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Fiscal Summary

**State Effect:** Potential minimal decrease in State pension liabilities to the extent a constitutional officer is required to forfeit benefits, which is likely to be a rare occurrence. No discernible effect on State pension contributions. The State Retirement Agency and the Judiciary (Administrative Office of the Courts) can implement the bill with existing budgeted resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** The bill applies only to the following constitutional officers of the State:

- Attorney General;
- Comptroller;

- Lieutenant Governor;
- Secretary of State; and
- Treasurer.

If an individual is found guilty of or pleads *nolo contendere* to a crime that requires forfeiture of benefits, the court that enters the guilty judgment or accepts the plea must issue an order requiring all State pension benefits to be forfeited. However, the individual is still entitled to a return of accumulated contributions, less any benefit payments already made, and the board may recover any payments made to the individual from the individual's accumulated contributions. A copy of the court order must be provided to the Board of Trustees of the State Retirement and Pension System within 30 days of its issuance.

If the conviction is reversed or overturned, the court must issue an order requiring that benefits be restored back to the date that they originally ceased. A copy of this order must also be provided to the Board of Trustees within 30 days.

**Current Law:** Joint Resolution 4 of 2010, which amended the Resolution of the 2010 General Assembly Compensation Commission (GACC), and the Resolution of the 2014 GACC, which was enacted with no action by the General Assembly, included provisions for the forfeiture of pension benefits by active and retired members of the General Assembly. Under the terms established by both documents, benefits payable by the Legislative Pension Plan may not be paid if a member or retiree is convicted of or pleads *nolo contendere* to any crime committed while in office that is either (1) a felony or (2) a misdemeanor related to the member's public duties and responsibilities and involved moral turpitude for which the penalty may be incarceration. There are similar provisions to those in the bill for the restoration of benefits if the conviction is overturned or reversed.

There are no other provisions in State law for the forfeiture of pension benefits related to conviction of a crime, including for the Governor.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2015  
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