

HB 1581

Department of Legislative Services Maryland General Assembly 2016 Session

FISCAL AND POLICY NOTE **Third Reader - Revised**

House Bill 1581

(Harford County Delegation)

Appropriations

Budget and Taxation

Harford County Deputy Sheriffs Dailey and Logsdon Benefits Memorial Act

This emergency bill raises the maximum age, from 18 to 26, of a surviving child to whom a line-of-duty death benefit can be paid under the Law Enforcement Officers' Pension System (LEOPS). It also requires the State Retirement Agency (SRA) and Department of Legislative Services (DLS) to review existing death benefit provisions in State pension law, including those in the Legislative Pension Plan, and recommend changes to the Joint Committee on Pensions by December 1, 2016. The bill applies retroactively to a member of LEOPS killed in the line of duty as a Harford County Deputy Sheriff on or after February 1, 2016, but otherwise applies only prospectively.

Fiscal Summary

State Effect: The bill may increase State pension liabilities minimally to the extent that line-of-duty death benefits are paid to surviving children of State LEOPS members. As such payments are rare, the bill is assumed to have no material effect on State pension liabilities and contribution rates. Harford County is a participating governmental unit (PGU), so any death benefits paid under the bill's retroactive provision have no effect on State pension liabilities or contribution rates. DLS and SRA can conduct the required review with existing budgeted resources. No effect on revenues.

Local Effect: PGU pension liabilities and contribution rates increase minimally for local governments that participate in LEOPS due to a death benefit allowance being paid for up to eight more years to a surviving child of a local LEOPS member killed in action, including the payments made under the retroactively applicable provision for Harford County. No effect on local revenues.

Small Business Effect: None.

Analysis

Current Law: Surviving beneficiaries or specified family members of individuals who die while an active member of LEOPS are entitled to one of three different death benefit payments:

A *special death benefit* is payable to a surviving spouse or a surviving child younger than age 18 if the LEOPS member dies without willful negligence by the member and with at least two years of eligibility service. The benefit consists of a return of the member's accumulated contributions and a monthly allowance of 50% of an ordinary disability allowance.

A *line-of-duty* death benefit is payable to a surviving spouse or a surviving child younger than age 18 if the LEOPS member dies without willful negligence by the member and the death occurred out of or in the course of the actual performance of duty. The benefit consists of a return of the member's accumulated contributions and a regular monthly allowance of two-thirds of the member's average final compensation.

If either the special or line-of-duty allowance is paid to more than one child younger than age 18, the allowance is divided equally until each child dies or turns 18.

A *general* death benefit is paid to the designated beneficiary or the member's estate if the LEOPS member dies without a surviving spouse or dependent child in the performance of duty or with one year of eligibility service. The benefit consists of a return of the member's accumulated contributions and a lump-sum payment equaling the member's annual compensation at the time of death. A general death benefit is not paid if either a special or line-of-duty benefit is paid.

Harford County is a PGU within the State Retirement and Pension System (SRPS), with the Sheriff's Department participating in LEOPS.

Separate from death benefits paid by SRPS, the Department of Public Safety and Correctional Services (DPSCS) pays a death benefit to the surviving spouse or minor children of any law enforcement officer in the State who is killed or dies in the performance of duties. The benefit consists of a lump-sum payment of \$125,000 that since fiscal 2009 has been adjusted annually for inflation; the fiscal 2016 adjusted benefit is \$145,507. A separate payment of up to \$10,000 is payable for funeral expenses.

The U.S. Department of Justice Public Safety Officers' Benefits Programs provides a one-time benefit of \$339,881 to the survivors of law enforcement officers, firefighters, and other first responders who die in the line of duty.

Background: On February 10, 2016, two Harford County sheriff's deputies were shot and killed by a single gunman. Patrick Dailey had more than 30 years of service credit; he does not have a surviving spouse but is survived by two sons, ages 20 and 17. Mark Logsdon had more than 20 years of service credit and has a surviving spouse, so the bill does not apply to his family.

Under current law, one of Deputy Sheriff Dailey's sons is not eligible for a survivor benefit because he is older than age 18, and the other is eligible for a line-of-duty benefit for about three months as reported in the *Baltimore Sun*. By virtue of receiving that payment, however, he does not receive the general death benefit, which includes what is assumed to be a larger payment of a full year's compensation. Under the bill, both sons share equally in the line-of-duty death benefit while they are both younger than age 26.

The State Retirement Agency advises that it is currently paying 33 line-of-duty death benefits, with the earliest dating back to 1972. Of those, five are for LEOPS members killed in the line of duty, with two being paid to minor children resulting from the same death; the other three are paid to surviving spouses. In the last five completed fiscal years, DPSCS has paid a total of 20 death benefit payments to surviving family members of public safety officers killed in the line of duty, but many of the officers were not SRPS members.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Retirement Agency, *Baltimore Sun*, www.psob.org, Department of Public Safety and Correctional Services, Department of Legislative Services

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