

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 344

(Senator Peters)(Chair, Joint Committee on Pensions)

Budget and Taxation

Appropriations

State Retirement and Pension System - Local Fire and Police System -
Commingling of Assets

This bill repeals obsolete language that authorizes the Board of Trustees of the State Retirement and Pension System to commingle the assets of the Local Fire and Police (LFP) System with that of other systems, and it makes technical changes to the asset commingling authorization.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None. The bill is technical in nature and has no effect on State pension liabilities or contribution rates. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The board is authorized to commingle assets of the several systems, including the Postretirement Health Benefits Trust Fund, as long as it maintains separate records for each of seven specified systems, including LFP. LFP was closed to new members in 2004, and Chapter 238 of 2005 transferred its assets and liabilities to the Employees' Pension System for participants of withdrawn employers. As of June 30, 2008, the board advises that no participating employers remain in LFP. The board recommended

legislation be introduced to repeal the obsolete requirement, and the Joint Committee on Pensions adopted the recommendation.

Additional Information

Prior Introductions: None.

Cross File: HB 380 (Delegate B. Barnes)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): Maryland State Retirement Agency, Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2016
md/rhh

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