SENATE BILL 115

By: Senator Jackson
Requested: November 1, 2021
Introduced and read first time: January 12, 2022
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Law Enforcement Officers’ Pension System – Benefits

FOR the purpose of altering the method for calculating the retirement allowance for certain retirees of the Law Enforcement Officers’ Pension System for service earned on or after a certain date; altering the maximum benefit that certain retirees of the Law Enforcement Officers’ Pension System may receive; and generally relating to the Law Enforcement Officers’ Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 26–401(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – State Personnel and Pensions

26–401.

(b) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, on retirement under this section, a member is entitled to receive a normal service retirement allowance that equals:

(1) the number of years of the member’s creditable service ON OR BEFORE JUNE 30, 2022, multiplied by 2% of the member’s average final compensation;

AND
(II) THE NUMBER OF YEARS OF THE MEMBER’S CREDITABLE SERVICE ON OR AFTER JULY 1, 2022, MULTIPLIED BY 2.5% OF THE MEMBER’S AVERAGE FINAL COMPENSATION.

(2) A member’s normal service retirement allowance under paragraph (1) of this subsection may not exceed [65%] 70% of the member’s average final compensation.

(3) (i) This paragraph applies only to a member who is not subject to the Law Enforcement Officers’ Modified Pension Benefit under Subtitle 2, Part II of this title.

(ii) Except as provided in paragraph (4) of this subsection, on retirement under this paragraph, the member is entitled to receive a normal service retirement allowance that equals:

1. 2.3% of the member’s average final compensation multiplied by each year of the member’s first 30 years of creditable service; and

2. 1% of the member’s average final compensation multiplied by each year of creditable service in excess of 30 years.

(4) Subject to paragraph (2) of this subsection, on retirement under this section, if a member’s annuity is greater than the member’s normal service retirement allowance calculated under paragraph (1) or (3) of this subsection, the member’s normal service retirement allowance shall equal the member’s annuity.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.