

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 432

(Senator Klausmeier)

Judicial Proceedings

Judiciary

Baltimore County - Orphans' Court Judges and Surviving Spouses - Pensions

This bill requires Baltimore County to pay a pension to specified retired judges of the Baltimore County Orphans' Court. The pension payment must be the greater of \$1,200 annually or an amount equal to 4% of compensation at the time of retirement for each year of service beginning on or after January 1, 2022, up to 24 years. The County Council of Baltimore County must establish, by law, requirements for member contributions, procedures for the purchase of service credit, and any other provisions necessary to implement the bill. The bill includes benefits for the surviving spouse of a deceased orphans' court retiree.

Fiscal Summary

State Effect: None. The bill pertains only to Baltimore County.

Local Effect: Baltimore County expenditures increase, potentially significantly, although a reliable estimate of the amount and timing of any increase is not feasible, as discussed below. No effect on revenues. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: A pension is payable to each judge of the Baltimore County Orphans' Court who (1) was in office on or after January 1, 2022; (2) terminates active service; (3) reaches age 60; and (4) completes at least two terms in office. In general, a surviving spouse must be paid one-half of the retiree's pension at the time of the retiree's death, or

one-half of what would have been paid upon reaching age 60. The survivor benefit must be paid until the spouse's death or remarriage. However, a surviving spouse is not entitled to a survivor benefit if the spouse was married to an active or retired judge for less than three years before the active judge's death or retirement.

Current Law: Under the Maryland Constitution, each county elects, for a term of four years, three judges to the Orphans' Court of their respective jurisdictions, with the exception of Harford and Montgomery counties, where a circuit court judge sits as the orphans' court. The orphans' courts are the State's probate courts. The courts supervise the handling of estates and have certain jurisdiction over the guardianship of minors and their property.

Compensation for orphans' court judges is set by each local government. In Baltimore County, judges receive compensation as set by the County Executive and County Council in accordance with specified local laws.

Except in Baltimore City and Baltimore, Carroll, Cecil, Frederick, Garrett, Harford, Kent, Montgomery, Queen Anne's, and Talbot counties, a county must pay a pension to each judge of the orphans' court who (1) terminates active service; (2) reaches age 60; and (3) completed at least two terms in office. In most counties, the pension is the greater of \$1,200 annually or an amount equal to 4% of compensation at the time of retirement multiplied by the number of years of service, up to 12 years. However, pensions may be greater in Prince George's County and Allegany County due to more years of service as a multiplier. As noted above, a pension is not currently paid to a Baltimore County Orphans' Court judge.

Local Expenditures: Baltimore County advises that the Chief Judge of the Orphans' Court is paid \$75,000 annually and the two associate judges are paid \$70,000 annually. Two of the three sitting judges are currently eligible to retire, with the Chief Judge having 22 years of service and one associate judge having 8 years of service. All sitting judges must accrue at least one year of service after January 1, 2022, to qualify for a benefit under the bill (which, for each year of service at current compensation levels, equals \$3,000 for the Chief Judge and \$2,800 for each associate judge). The benefit formula pays a retired judge with 24 years of experience the equivalent of 96% of his or her salary when in active service, or, based on current compensation levels, \$72,000 for the Chief Judge and \$67,200 for the associate judges. Eligible retired judges with fewer years of qualifying experience receive prorated amounts.

Since the tenure or timing of retirement of current and future orphans' court judges cannot be known in advance, a reliable estimate of the increase in Baltimore County expenditures is not feasible.

The county council can enact the required legislation with existing resources. Provisions for the purchase of service credit likely increase county pension liabilities, whereas provisions for member contributions likely decrease county liabilities. The net effect depends on the provisions enacted by the county council and, therefore, cannot be reliably estimated.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 585 (Delegate P. Young) - Judiciary.

Information Source(s): Judiciary (Administrative Office of the Courts); Orphans' Court of Baltimore County; Baltimore County; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2022

rh/ljm Third Reader - March 16, 2022

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:

(410) 946-5510

(301) 970-5510