

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 115

(Senator Jackson)

Budget and Taxation

Rules and Executive Nominations

Law Enforcement Officers - Compensation and Benefits - Study

This bill requires the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to study the compensation and benefits of law enforcement officers in the State. Specified State agencies and other entities must provide assistance by providing information necessary to conduct the study. By December 1, 2022, GOCPYVS must submit its report to specified committees of the General Assembly. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: GOCPYVS can likely complete the study with existing budgeted resources, and other State agencies can provide the required information with existing resources. No effect on revenues.

Local Effect: None. The Maryland Association of Counties and the Maryland Municipal League can likely provide necessary information on local law enforcement officers on behalf of the counties and municipalities with existing resources.

Small Business Effect: None.

Analysis

Bill Summary: The study must examine differences in salaries, retirement benefits, health benefits, and other fringe benefits provided to law enforcement officers of State and local governments. It must include whether law enforcement officers participate in Social Security. To the extent feasible, the study must review:

- the migration of law enforcement officers among departments;
- the attrition rates of newly certified law enforcement officers;

- the average length of active service for law enforcement officers; and
- the number of actively employed law enforcement officers who have retired from another law enforcement agency in State or local government.

Current Law: Generally, law enforcement officers in the State are members of either the State Police Retirement System (SPRS) or the Law Enforcement Officers' Pension System (LEOPS).

Law Enforcement Officers' Pension System

LEOPS was established on July 1, 1990, with participation a condition of employment for specified public safety officers. It consists of two components:

- a retirement plan that was closed to new members on January 1, 2005; and
- a pension plan applicable to members hired on or after that date.

Members of LEOPS subject to the pension plan contribute 7% of their earnable compensation and earn 2.0% of their average final compensation (AFC) for each year of creditable service. Vested members qualify for a normal service retirement benefit at age 50 or with at least 25 years of creditable service. However, the normal service allowance is capped at 65% of AFC, meaning that members stop accruing benefits after 32.5 years of service ($2\% \times 32.5 = 65\%$). Chapter 784 of 2018 increased the cap on LEOPS normal service retirement from 60% to 65% of AFC.

Membership in LEOPS is a condition of employment for State law enforcement employees in 22 specified groups. The most recent group added was employees of the Warrant Apprehension Unit of the Division of Parole and Probation within the Department of Public Safety and Correctional Services (Chapter 268 of 2015). Chapters 397 and 398 of 2021 added the Executive Director of the Alcohol and Tobacco Commission. In addition, members include specified law enforcement officers employed by participating governmental units that elect to participate in LEOPS.

State Police Retirement System

Members of SPRS contribute 8% of their earnable compensation and are eligible to retire at age 50 or after accumulating 22 years of eligibility service (if hired before July 1, 2011) or 25 years of eligibility service (if hired on or after July 1, 2011). Members must retire at age 60. The retirement allowance is equal to 2.55% of AFC multiplied by the number of years of creditable service. The retirement allowance is subject to a cap of 71.4% of AFC (the equivalent of 28 years of service). SPRS is the only State plan in which members do not participate in Social Security.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Bolton; Maryland Association of Counties; Maryland Municipal League; State Retirement Agency; Department of Budget and Management; Department of Legislative Services

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