

**Department of Legislative Services**  
 Maryland General Assembly  
 2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 105 (Senator Jackson)  
 Budget and Taxation

**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 information necessary to conduct the study. By December 1, 2023, GOCPYVS must submit its report to specified committees of the General Assembly. **The bill takes effect July 1, 2023.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$75,000 only in FY 2024 to complete the required study. State agencies can otherwise provide the required information with existing resources. No effect on revenues.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	0	0	0	0
Net Effect	(\$75,000)	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None. The Maryland Association of Counties and the Maryland Municipal League can 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% 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 more than 20 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.

**State Expenditures:** GOCPYVS is generally a grant-making entity within the Governor's Office and has no staff expertise in the area of law enforcement officers' compensation and benefits. Therefore, it needs to hire a consultant to assemble the required information and produce the report at an estimated cost of \$75,000.

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### **Additional Information**

**Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 115 of 2022.

**Designated Cross File:** None.

**Information Source(s):** Maryland Association of Counties; Maryland Municipal League; Governor's Office of Crime Prevention, Youth, and Victim Services; Department of Budget and Management; Department of Public Safety and Correctional Services; Department of State Police; State Retirement Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - January 17, 2023  
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