

Chapter 766

(Senate Bill 692)

AN ACT concerning

State Retirement and Pension System – Alterations and Clarifications

FOR the purpose of altering certain due dates of certain reports issued by the State Retirement and Pension System; clarifying the eligibility requirement of State Police Retirement System members in the Deferred Retirement Option Program; and generally relating to the administration of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–116(d)(4), 21–123.2(f)(1), and 24–401.1(c) and (d)
Annotated Code of Maryland
(2024 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 24–401.1(a) and (b)
Annotated Code of Maryland
(2024 Replacement Volume and 2024 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

21–116.

(d) (4) On or before **[September 1] NOVEMBER 1** each year, the Investment Committee shall submit a report to the Board of Trustees, the Governor’s Office of Small, Minority, and Women Business Affairs and, subject to § 2–1257 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Investment Committee in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets that are under the control of the Investment Committee that are under the investment control of minority business enterprise brokerage and investment management services firms for each allocated asset class; and

(iii) the measures the Investment Committee undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

21–123.2.

(f) (1) On or before [December 1] **DECEMBER 31** each year, the Board of Trustees shall submit a report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2–1257 of the State Government Article, and subject to § 4–335 of the General Provisions Article, that includes a detailed description of:

- (i) the investments, if any, made under this section;
- (ii) the recommendations, if any, made under this section;
- (iii) the actions, if any, taken by the Board of Trustees on the recommendations made under this section;
- (iv) the investment performance of any investments made under this section;
- (v) to the extent possible, an accounting of the fees and expenses incurred under this section; and
- (vi) to the extent possible, the ratio of funds invested in projects under this section to the total percentage of venture capital funds raised in the State by all sources.

24–401.1.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “DROP” means the Deferred Retirement Option Program established under this section.
- (3) “DROP member” means a member of the State Police Retirement System who:
 - (i) is eligible to participate in the DROP as provided in subsection (c) of this section; and
 - (ii) elects to participate in the DROP as provided in subsection (e) of this section.
- (b) There is a DROP for eligible members of the State Police Retirement System.

(c) (1) (i) This paragraph applies to an individual who is a member of the State Police Retirement System on or before June 30, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 22 and less than 32 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 22 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**.

(2) (i) This paragraph applies to an individual who becomes a member of the State Police Retirement System on or after July 1, 2011.

(ii) Except for the Secretary of State Police, a member of the State Police Retirement System is eligible to participate in the DROP if the member:

1. has at least 25 years and less than 32 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 25 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**.

(d) An eligible member may elect to participate in the DROP for a period not to exceed the lesser of:

(1) 7 years;

(2) the difference between 32 years and the member's [eligibility service] **YEARS OF EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM** as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System;

(3) the difference between age 60 and the member's age as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System; or

(4) a term selected by the member.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

Approved by the Governor, May 20, 2025.