

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 612

(Senator M. Jackson)(Chair, Joint Committee on Pensions)

Budget and Taxation

Appropriations

State Retirement and Pension System - Deferred Vested Former Members -
 Return to Service

This bill allows, as specified, members of the State Police Retirement System (SPRS), Correctional Officers’ Retirement System (CORS), and Law Enforcement Officers’ Pension System (LEOPS) who were members on or before June 30, 2011, had a specified break in service, and return to service after that date to be subject to the same benefits as a member who did not have a break in service. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Likely no discernible effect on State retirement liabilities and contribution rates, as discussed below. No effect on revenues.

Local Effect: Likely no discernible effect on retirement liabilities and contribution rates for participating governmental units. No effect on revenues.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible to resume membership in the pre-2011 benefit structures, a member of SPRS, CORS, or LEOPS must:

- be separated from employment for at most four years;
- be separated from employment for specified military service and resume employment within one year of leaving military service; or
- have been vested at the time of the break in service.

Current Law: Among other changes, Chapter 397 of 2011 altered the vesting requirement (from 5 years to 10 years) and the calculation of average final compensation (from the average of the 3 highest years to the average of the 5 highest years) for members of all State plans hired on or after July 1, 2011. (Chapter 397 also raised the years of service required for retirement from SPRS from 22 years to 25 years for members hired on or after July 1, 2011.) Thus, there is a less generous benefit structure for members of SPRS, CORS, or LEOPS who (1) were members on or before June 30, 2011; (2) have a break in service; and (3) return to covered employment under the new benefit structure. There is no provision allowing them to re-enroll in their prior benefit structures (as there is for members of the Employees' Pension System and Teachers' Pension System).

State Expenditures: Based on a query of its membership records, the State Retirement Agency (SRA) identified 16 members of LEOPS who would benefit from the bill; SRA found no members of CORS or SPRS who would benefit. Given the bill's limited applicability to State members, it has no discernible effect on State pension liabilities or contribution rates.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 886 (Delegate Forbes)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): Department of State Police; Department of Public Safety and Correctional Services; State Retirement Agency; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2025
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