

SENATE BILL 654

P6

6lr3352
CF HB 1020

By: **Senator Augustine**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2026

CHAPTER _____

1 AN ACT concerning

2 **State Police Retirement System – Mandatory Retirement Age – Alteration**

3 FOR the purpose of increasing the age at which certain members of the State Police
4 Retirement System are required to retire; increasing the age at which certain
5 retirees must end participation in the Deferred Retirement Option Program;
6 authorizing certain individuals, subject to certain limitations and requirements, to
7 elect to extend their participation in the Deferred Retirement Option Program; and
8 generally relating to the mandatory retirement age for certain members of the State
9 Police Retirement System and participation in the Deferred Retirement Option
10 Program.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 24–401 and 24–401.1(c), (d), and (g)
14 Annotated Code of Maryland
15 (2024 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – State Personnel and Pensions
18 Section 24–401.1(a) and (b)
19 Annotated Code of Maryland
20 (2024 Replacement Volume and 2025 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – State Personnel and Pensions

24–401.

(a) (1) (i) This paragraph applies to an individual who is a member on or before June 30, 2011.

(ii) A member may retire with a normal service retirement allowance if:

1. on or before the date of retirement, the member:

A. has at least 22 years of eligibility service; or

B. is at least 50 years old; and

2. the member completes and submits a written application to the Board of Trustees, on the form that the Board of Trustees provides, stating the date when the member desires to retire.

(2) (i) This paragraph applies to an individual who becomes a member on or after July 1, 2011.

(ii) A member may retire with a normal service retirement allowance if:

1. on or before the date of retirement, the member:

A. has at least 25 years of eligibility service; or

B. is at least 50 years old; and

2. the member completes and submits a written application to the Board of Trustees, on the form that the Board of Trustees provides, stating the date when the member desires to retire.

(b) (1) Subject to the approval of the Board of Trustees, the Secretary of State Police may order a member who is at least 50 years old to retire on the first day of the month after the member is notified of the Secretary's order.

(2) Before approving the Secretary's order, the Board of Trustees shall give the member at least 30 days' notice and an opportunity to be heard.

(c) Except for the Secretary of State Police, a member shall retire with a normal service retirement allowance not later than the first day of the month after the member becomes ~~60~~ **62** years old.

1 (d) (1) Except as provided in paragraphs (2) and (3) of this subsection, on
2 retirement under this section, a member is entitled to receive a normal service retirement
3 allowance that equals 2.55% of the member's average final compensation multiplied by each
4 year of the member's years of creditable service.

5 (2) A member's normal service retirement allowance may not exceed 71.4%
6 of the member's average final compensation.

7 (3) Subject to paragraph (2) of this subsection, on retirement under this
8 section, if a member's annuity is greater than the member's normal service retirement
9 allowance calculated under paragraph (1) of this subsection, the member's normal service
10 retirement allowance shall equal the member's annuity.

11 (e) Subject to §§ 29–401, 29–402, and 29–403 of this article, a retiree, or a
12 beneficiary of a retiree, who retires on or before June 30, 1999 with a service retirement
13 allowance, shall receive an annual retirement allowance adjustment as of July 1, 1999, as
14 follows:

15 (1) for a retiree who has been retired not more than 5 years, \$1,200;

16 (2) for a retiree who has been retired more than 5 years but not more than
17 10 years, \$1,500;

18 (3) for a retiree who has been retired more than 10 years but not more than
19 15 years, \$1,800; and

20 (4) for a retiree who has been retired more than 15 years, \$2,100.

21 24–401.1.

22 (a) (1) In this section the following words have the meanings indicated.

23 (2) "DROP" means the Deferred Retirement Option Program established
24 under this section.

25 (3) "DROP member" means a member of the State Police Retirement
26 System who:

27 (i) is eligible to participate in the DROP as provided in subsection
28 (c) of this section; and

29 (ii) elects to participate in the DROP as provided in subsection (e) of
30 this section.

31 (b) There is a DROP for eligible members of the State Police Retirement System.

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

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

5 1. has at least 22 and less than 32 years of employment in a
6 position eligible for membership in the State Police Retirement System; and

7 2. is less than **[60] 62** years old.

8 (iii) The Secretary of State Police is eligible to participate in the
9 DROP if the Secretary has at least 22 years of employment in a position eligible for
10 membership in the State Police Retirement System.

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

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

15 1. has at least 25 years and less than 32 years of employment
16 in a position eligible for membership in the State Police Retirement System; and

17 2. is less than **[60] 62** years old.

18 (iii) The Secretary of State Police is eligible to participate in the
19 DROP if the Secretary has at least 25 years of employment in a position eligible for
20 membership in the State Police Retirement System.

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

23 (1) 7 years;

24 (2) the difference between 32 years and the member's years of employment
25 in a position eligible for membership in the State Police Retirement System as of the date
26 of the member's election to participate in the DROP and retire from the State Police
27 Retirement System;

28 (3) the difference between age **[60] 62** and the member's age as of the date
29 of the member's election to participate in the DROP and retire from the State Police
30 Retirement System; or

31 (4) a term selected by the member.

32 (g) Participation in the DROP ends if the DROP participant:

1 (1) separates from employment in accordance with the binding letter of
2 resignation submitted with the member's election form;

3 (2) except for the Secretary of State Police, attains age **[60] 62**;

4 (3) dies;

5 (4) is terminated from employment by the Maryland State Police at any
6 time before the date specified on the member's election form;

7 (5) shortens the time period for participation in the DROP by delivering to
8 the Maryland State Police and the Board of Trustees written notice of the intent of the
9 DROP member to terminate employment; or

10 (6) accepts a special disability retirement allowance as provided in
11 subsection (k) of this section.

12 SECTION 2. AND BE IT FURTHER ENACTED, That:

13 (a) Section 1 of this Act applies to any individual who began participation in the
14 Deferred Retirement Option Program (DROP) under § 24–401.1 or § 26–401.1 of the State
15 Personnel and Pensions Article before June 1, 2026, and continues to participate in the
16 DROP on or after June 1, 2026.

17 (b) (1) Except as provided in paragraph (2) of this subsection, an individual
18 described in subsection (a) of this section may elect to extend participation in the DROP by
19 the lesser of:

20 (i) the difference between 7 years and the number of years the
21 individual elected to participate in the DROP at the time the individual joined the DROP;
22 or

23 (ii) the difference between 32 years of eligibility service and the total
24 amount of eligibility service the individual had accrued at the time the individual joined
25 the DROP.

26 (2) An individual may not elect to extend participation in the DROP by a
27 number of years that will result in the individual terminating the DROP at an age older
28 than age 62.

29 (c) (1) An individual who elects to extend participation in the DROP shall do
30 so on or before the earlier of:

31 (i) the end of the term of participation in the DROP originally
32 selected by the individual; or

1 (ii) December 31, 2026, by completing a form provided by the Board
2 of Trustees for the State Retirement and Pension System.

3 (2) The form submitted by the individual in paragraph (1) of this
4 subsection shall include a signed acknowledgment by the individual's Director of Human
5 Resources within the Department of State Police that the individual's employment with the
6 Department of State Police and participation in the DROP will be extended by the time
7 period specified on that form.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.