

# SENATE BILL 734

P6

6lr2465  
CF HB 1139

---

By: **Senator Lewis Young (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Eligible Governmental Units**

3 FOR the purpose of clarifying that an eligible governmental unit of the Employees' Pension  
4 System, the Law Enforcement Officers' Pension System, and the Correctional  
5 Officers' Retirement System that satisfies certain requirements is eligible to  
6 participate in a certain system of the State Retirement and Pension System only if  
7 all employees of the eligible governmental unit participate in the certain system;  
8 clarifying that certain documentation by an eligible governmental unit electing to  
9 participate in the Employees' Pension System, the Law Enforcement Officers'  
10 Pension System, or the Correctional Officers' Retirement System shall include  
11 certain properly completed election forms; and generally relating to participating  
12 governmental units in the State Retirement and Pension System.

13 BY repealing and reenacting, without amendments,  
14 Article – State Personnel and Pensions  
15 Section 31–101(a), (d), and (e), 31–102, 31–2A–01(a) and (c), 31–2A–02, 31–2B–01(a)  
16 and (c), and 31–2B–02  
17 Annotated Code of Maryland  
18 (2024 Replacement Volume and 2025 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – State Personnel and Pensions  
21 Section 31–109, 31–109.1, 31–2A–03, 31–2A–03.1, 31–2B–03, and 31–2B–03.1  
22 Annotated Code of Maryland  
23 (2024 Replacement Volume and 2025 Supplement)

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

26 **Article – State Personnel and Pensions**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 31–101.

2 (a) In this subtitle the following words have the meanings indicated.

3 (d) “Eligible governmental unit” means a governmental unit that is eligible to  
4 participate in the employees’ systems under § 31–102 of this subtitle.

5 (e) (1) “Employee” means a regular employee of an eligible governmental unit.

6 (2) “Employee” includes an officer of an eligible governmental unit.

7 (3) “Employee” does not include a contractual, emergency, or temporary  
8 extra employee.

9 31–102.

10 Subject to § 22–202(b) of this article and § 31–109 of this subtitle, the governmental  
11 units that are eligible to participate in the employees’ systems are:

12 (1) a political subdivision of the State, including:

13 (i) a county;

14 (ii) a municipal corporation; and

15 (iii) a special taxing area; and

16 (2) the following governmental units:

17 (i) an agency on aging, as designated by the legislative body of the  
18 agency on aging;

19 (ii) the Allegany County Transit Authority;

20 (iii) subject to § 31–104 of this subtitle, the Baltimore Metropolitan  
21 Council;

22 (iv) a board or commission created by an Act of the General Assembly  
23 for public purpose and not for the profit of a private person;

24 (v) subject to § 31–105 of this subtitle, the Canal Place Preservation  
25 and Development Authority;

26 (vi) the Chesapeake Bay Commission;

27 (vii) a cooperative library commission;

(viii) subject to § 31–103 of this subtitle, a community action agency,  
as designated by the legislative body of the community action agency;

(ix) a fire department that receives any of its funds from or through  
a county, municipal corporation, special taxing area, or other political subdivision of the  
State;

(x) the Health Planning Council of Appalachia;

(xi) the Howard County Economic Development Authority;

(xii) the Interstate Commission on the Potomac River Basin;

(xiii) the Lower Shore Private Industry Council, Inc.;

(xiv) the Maryland Environmental Service;

(xv) subject to § 31–106 of this subtitle, the Maryland Stadium  
Authority;

(xvi) a public library association or organization;

(xvii) subject to § 31–106.2 of this subtitle, the St. Mary’s Nursing  
Center, Inc.;

(xviii) the Tri–County Council for Western Maryland, Inc.;

(xix) the Tri–County Council for Southern Maryland;

(xx) subject to § 31–107 of this subtitle, the University of Maryland  
Medical System Corporation;

(xxi) the Upper Potomac River Commission;

(xxii) subject to § 31–106.1 of this subtitle, the Maryland African  
American Museum Corporation;

(xxiii) the Garrett County Office for Children, Youth and Families;

(xxiv) the Somerset County Economic Development Commission; and

(xxv) the Dorchester County Sanitary Commission.

31–109.

(a) Subject to subsection (b) of this section, the legislative body of an eligible governmental unit may approve participation by its employees in the Employees' Pension System if:

(1) the legislative body adopts a resolution in the form prescribed by the Board of Trustees; and

(2) the eligible governmental unit operates a local plan, only if:

(i) at least 60% of the members of the local plan petition to become members of the Employees' Pension System;

(ii) the eligible governmental unit satisfies the requirements in subsection (b) of this section; and

(iii) the legislative body approves participation of the eligible governmental unit in the Employees' Pension System as though the local plan were not in operation.

(b) An eligible governmental unit that operates a local plan may approve participation by its employees in the Employees' Pension System only if:

(1) the local plan of the eligible governmental unit requires member contributions at the same rate as the member contribution rate that would be applicable to employees of the eligible governmental unit in the Employees' Pension System; or

(2) the eligible governmental unit:

(i) does not provide for the employer pickup of member contributions to the local plan within the meaning of § 414(h)(2) of the Internal Revenue Code; and

(ii) certifies that it will not become an approved employer under § 21-313 of this article on or after the effective date of participation.

(c) (1) If an eligible governmental unit does not satisfy the requirements under subsection (b) of this section, the eligible governmental unit may submit a request to the Board of Trustees to participate in the Employees' Pension System.

(2) The Board of Trustees shall consider a request made under paragraph (1) of this subsection and determine whether any legislation is necessary to allow the eligible governmental unit to participate in the Employees' Pension System.

(3) The Board of Trustees shall make recommendations to the Joint Committee on Pensions regarding any legislation that it determines is necessary to allow the eligible governmental unit to participate in the Employees' Pension System.

(D) AN ELIGIBLE GOVERNMENTAL UNIT THAT SATISFIES THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION IS ELIGIBLE TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM ONLY IF ALL EMPLOYEES OF THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

31-109.1.

(a) Except as provided in subsection (b) of this section, the effective date of participation for an eligible governmental unit is July 1 of the year following the fiscal year in which the eligible governmental unit elects to participate in the Employees' Pension System.

(b) (1) If an eligible governmental unit does not provide the Board of Trustees with the necessary documentation to join the Employees' Pension System on or before the effective date for the eligible governmental unit, the effective date shall be postponed until July 1 of the second year following the fiscal year in which the eligible governmental unit elects to participate in the Employees' Pension System.

(2) (I) AN ELIGIBLE GOVERNMENTAL UNIT SHALL CERTIFY TO THE STATE RETIREMENT AGENCY THAT THE ELIGIBLE GOVERNMENTAL UNIT PROVIDED EACH OF ITS EMPLOYEES WHO ARE ELIGIBLE TO ELECT OPTIONAL MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM WITH THE NECESSARY DOCUMENTATION REQUIRED BY THE STATE RETIREMENT AGENCY TO MAKE THAT ELECTION.

(II) FOR ANY EMPLOYEE OF AN ELIGIBLE GOVERNMENTAL UNIT WHO IS ELIGIBLE FOR OPTIONAL MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM, THE NECESSARY DOCUMENTATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE PROPERLY COMPLETED ELECTION FORMS INDICATING EITHER THAT:

1. THE EMPLOYEE INTENDS TO PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM; OR

2. THE EMPLOYEE INTENDS TO OPT OUT OF PARTICIPATION IN THE EMPLOYEES' PENSION SYSTEM.

31-2A-01.

(a) In this subtitle the following words have the meanings indicated.

(c) "Eligible governmental unit" means a governmental unit that is eligible to participate in the Law Enforcement Officers' Pension System under § 31-2A-02 of this subtitle.

1 31-2A-02.

2 Subject to § 31-2A-03 of this subtitle, the governmental units that are eligible to  
3 participate in the Law Enforcement Officers' Pension System are:

4 (1) counties; and

5 (2) municipal corporations.

6 31-2A-03.

7 (a) Subject to subsection (b) of this section, the legislative body of an eligible  
8 governmental unit may approve participation by its law enforcement officers, firefighters,  
9 or emergency medical technicians in the Law Enforcement Officers' Pension System if:

10 (1) the legislative body adopts a resolution in the form prescribed by the  
11 Board of Trustees; and

12 (2) the eligible governmental unit participates in a State system or  
13 operates a local plan, only if:

14 (i) at least 60% of the law enforcement officers, firefighters, or  
15 emergency medical technicians of the eligible governmental unit petition to become  
16 members of the Law Enforcement Officers' Pension System;

17 (ii) the eligible governmental unit satisfies the requirements in  
18 subsection (b) of this section; and

19 (iii) the legislative body approves participation of its law enforcement  
20 officers, firefighters, or emergency medical technicians in lieu of participation in the State  
21 system or local plan.

22 (b) An eligible governmental unit that operates a local plan or participates in a  
23 State system may approve participation of its law enforcement officers, firefighters, or  
24 emergency medical technicians in the Law Enforcement Officers' Pension System only if:

25 (1) the State system or local plan of the eligible governmental unit requires  
26 member contributions at the same rate as the member contribution rate that would be  
27 applicable to the law enforcement officers, firefighters, or emergency medical technicians  
28 of the eligible governmental unit in the Law Enforcement Officers' Pension System; or

29 (2) the eligible governmental unit:

30 (i) does not provide for the employer pickup of member  
31 contributions to the State system or local plan within the meaning of § 414(h)(2) of the  
32 Internal Revenue Code; and

(ii) certifies that it will not become an approved employer under § 21–313 of this article on or after the effective date of participation.

(c) (1) If an eligible governmental unit does not satisfy the requirements under subsection (b) of this section, the eligible governmental unit may submit a request to the Board of Trustees to participate in the Law Enforcement Officers' Pension System.

(2) The Board of Trustees shall consider a request made under paragraph (1) of this subsection and determine whether any legislation is necessary to allow the eligible governmental unit to participate in the Law Enforcement Officers' Pension System.

(3) The Board of Trustees shall make recommendations to the Joint Committee on Pensions regarding any legislation that it determines is necessary to allow the eligible governmental unit to participate in the Law Enforcement Officers' Pension System.

**(D) AN ELIGIBLE GOVERNMENTAL UNIT THAT SATISFIES THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION IS ELIGIBLE TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM ONLY IF ALL LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, OR EMERGENCY MEDICAL TECHNICIANS OF THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.**

31–2A–03.1.

(a) Except as provided in subsection (b) of this section, the effective date of participation for an eligible governmental unit is July 1 of the year following the fiscal year in which the eligible governmental unit elects to participate in the Law Enforcement Officers' Pension System.

(b) (1) If an eligible governmental unit does not provide the Board of Trustees with the necessary documentation to join the Law Enforcement Officers' Pension System on or before the effective date for the eligible governmental unit, the effective date shall be postponed until July 1 of the second year following the fiscal year in which the eligible governmental unit elects to participate in the Law Enforcement Officers' Pension System.

**(2) (i) AN ELIGIBLE GOVERNMENTAL UNIT SHALL CERTIFY TO THE STATE RETIREMENT AGENCY THAT THE ELIGIBLE GOVERNMENTAL UNIT PROVIDED EACH OF ITS EMPLOYEES WHO ARE ELIGIBLE TO ELECT OPTIONAL MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WITH THE NECESSARY DOCUMENTATION REQUIRED BY THE STATE RETIREMENT AGENCY TO MAKE THAT ELECTION.**

**(ii) FOR ANY EMPLOYEE OF AN ELIGIBLE GOVERNMENTAL UNIT WHO IS ELIGIBLE FOR OPTIONAL MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM, THE NECESSARY DOCUMENTATION UNDER**

SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE PROPERLY COMPLETED  
ELECTION FORMS INDICATING EITHER THAT:

1. THE EMPLOYEE INTENDS TO PARTICIPATE IN THE  
LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; OR

2. THE EMPLOYEE INTENDS TO OPT OUT OF  
PARTICIPATION IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

31-2B-01.

(a) In this subtitle the following words have the meanings indicated.

(c) "Eligible governmental unit" means a governmental unit that is eligible to  
participate in the Correctional Officers' Retirement System under § 31-2B-02 of this  
subtitle.

31-2B-02.

Subject to § 31-2B-03 of this subtitle, the governmental units that are eligible to  
participate in the Correctional Officers' Retirement System are:

(1) counties; and

(2) municipal corporations.

31-2B-03.

(a) Subject to subsection (b) of this section, the legislative body of an eligible  
governmental unit may approve participation by its local detention center officers in the  
Correctional Officers' Retirement System if:

(1) the legislative body adopts a resolution in the form prescribed by the  
Board of Trustees; and

(2) the eligible governmental unit participates in a State system or  
operates a local plan for its local detention center officers, only if:

(i) at least 60% of the local detention center officers of the eligible  
governmental unit petition to become members of the Correctional Officers' Retirement  
System;

(ii) the eligible governmental unit satisfies the requirements in  
subsection (b) of this section; and



(iii) the legislative body approves participation of its local detention center officers in lieu of participation in the State system or local plan.

(b) An eligible governmental unit that operates a local plan or participates in a State system may approve participation of its local detention center officers in the Correctional Officers' Retirement System only if:

(1) the State system or local plan of the eligible governmental unit requires member contributions at the same rate as the member contribution rate that would be applicable to the local detention center officers of the eligible governmental unit in the Correctional Officers' Retirement System; or

(2) the eligible governmental unit:

(i) does not provide for the employer pickup of member contributions to the State system or local plan within the meaning of § 414(h)(2) of the Internal Revenue Code; and

(ii) certifies that it will not become an approved employer under § 21-313 of this article on or after the effective date of participation.

(c) (1) If an eligible governmental unit does not satisfy the requirements under subsection (b) of this section, the eligible governmental unit may submit a request to the Board of Trustees to participate in the Correctional Officers' Retirement System.

(2) The Board of Trustees shall consider a request made under paragraph (1) of this subsection and determine whether any legislation is necessary to allow the eligible governmental unit to participate in the Correctional Officers' Retirement System.

(3) The Board of Trustees shall make recommendations to the Joint Committee on Pensions regarding any legislation that it determines is necessary to allow the eligible governmental unit to participate in the Correctional Officers' Retirement System.

**(D) AN ELIGIBLE GOVERNMENTAL UNIT THAT SATISFIES THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION IS ELIGIBLE TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM ONLY IF ALL LOCAL DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.**

31-2B-03.1.

(a) Except as provided in subsection (b) of this section, the effective date of participation for an eligible governmental unit is July 1 of the year following the fiscal year in which the eligible governmental unit elects to participate in the Correctional Officers' Retirement System.

1           (b)   **(1)**   If an eligible governmental unit does not provide the Board of Trustees  
2 with the necessary documentation to join the Correctional Officers' Retirement System on  
3 or before the effective date for the eligible governmental unit, the effective date shall be  
4 postponed until July 1 of the second year following the fiscal year in which the eligible  
5 governmental unit elects to participate in the Correctional Officers' Retirement System.

6                   **(2)   (I)**   **AN ELIGIBLE GOVERNMENTAL UNIT SHALL CERTIFY TO THE**  
7 **STATE RETIREMENT AGENCY THAT THE ELIGIBLE GOVERNMENTAL UNIT PROVIDED**  
8 **EACH OF ITS EMPLOYEES WHO ARE ELIGIBLE TO ELECT OPTIONAL MEMBERSHIP IN**  
9 **THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM WITH THE NECESSARY**  
10 **DOCUMENTATION REQUIRED BY THE STATE RETIREMENT AGENCY TO MAKE THAT**  
11 **ELECTION.**

12                           **(II)**   **FOR ANY EMPLOYEE OF AN ELIGIBLE GOVERNMENTAL UNIT**  
13 **WHO IS ELIGIBLE FOR OPTIONAL MEMBERSHIP IN THE CORRECTIONAL OFFICERS'**  
14 **RETIREMENT SYSTEM, THE NECESSARY DOCUMENTATION UNDER SUBPARAGRAPH**  
15 **(I) OF THIS PARAGRAPH SHALL INCLUDE PROPERLY COMPLETED ELECTION FORMS**  
16 **INDICATING EITHER THAT:**

17                                   **1.   THE EMPLOYEE INTENDS TO PARTICIPATE IN THE**  
18 **CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR**

19                                   **2.   THE EMPLOYEE INTENDS TO OPT OUT OF**  
20 **PARTICIPATION IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
22 1, 2026.