

# SENATE BILL 264

P6

3lr2660  
CF 3lr0931

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By: **Senator Jackson**

Introduced and read first time: January 25, 2023

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System – Benefits**

3 FOR the purpose of clarifying that a member of the Law Enforcement Officers' Pension  
4 System is not required to make member contributions after accruing a certain  
5 amount of service credit; altering the method for calculating the retirement  
6 allowance for certain retirees of the Law Enforcement Officers' Pension System for  
7 service earned on or after a certain date; altering the maximum benefit that certain  
8 retirees of the Law Enforcement Officers' Pension System may receive; and generally  
9 relating to the Law Enforcement Officers' Pension System.

10 BY repealing and reenacting, with amendments,  
11 Article – State Personnel and Pensions  
12 Section 26–204(a) and 26–401(b)  
13 Annotated Code of Maryland  
14 (2015 Replacement Volume and 2022 Supplement)

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

17 **Article – State Personnel and Pensions**

18 26–204.

19 (a) (1) Except as provided in subsection (b) of this section, a member's  
20 contribution rate is:

21 (i) 4% of the member's earnable compensation received before July  
22 1, 2011;

23 (ii) 6% of the member's earnable compensation received from July 1,  
24 2011 to June 30, 2012, both inclusive; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) 7% of the member's earnable compensation received on or after  
2 July 1, 2012.

3 (2) Notwithstanding paragraph (1) of this subsection, [after 32 years and  
4 6 months of service as a member,] a member does not make any further contributions  
5 **AFTER ACCRUING THE MAXIMUM AMOUNT OF SERVICE CREDIT ALLOWED UNDER §**  
6 **26-401(B) OF THIS TITLE.**

7 26-401.

8 (b) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, on  
9 retirement under this section, a member is entitled to receive a normal service retirement  
10 allowance that equals:

11 (I) the number of years of the member's creditable service **ON OR**  
12 **BEFORE JUNE 30, 2023**, multiplied by 2% of the member's average final compensation;  
13 **AND**

14 (II) **THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
15 **SERVICE ON OR AFTER JULY 1, 2023, MULTIPLIED BY 2.5% OF THE MEMBER'S**  
16 **AVERAGE FINAL COMPENSATION.**

17 (2) A member's normal service retirement allowance under paragraph (1)  
18 of this subsection may not exceed [~~65%~~] **70%** of the member's average final compensation.

19 (3) (i) This paragraph applies only to a member who is not subject to  
20 the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of this  
21 title.

22 (ii) Except as provided in paragraph (4) of this subsection, on  
23 retirement under this paragraph, the member is entitled to receive a normal service  
24 retirement allowance that equals:

25 1. 2.3% of the member's average final compensation  
26 multiplied by each year of the member's first 30 years of creditable service; and

27 2. 1% of the member's average final compensation multiplied  
28 by each year of creditable service in excess of 30 years.

29 (4) Subject to paragraph (2) of this subsection, on retirement under this  
30 section, if a member's annuity is greater than the member's normal service retirement  
31 allowance calculated under paragraph (1) or (3) of this subsection, the member's normal  
32 service retirement allowance shall equal the member's annuity.

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

1 1, 2023.