



## House Bill 1042

### *Law Enforcement Officers' Pension System – Benefit Cap Increase*

MACo Position: **OPPOSE**

To: Budget & Taxation Committee

Date: March 22, 2018

From: Robin Clark Eilenberg

The Maryland Association of Counties (MACo) OPPOSES HB 1042. This legislation increases the limit for a normal service allowance for a member of the Law Enforcement Officers' Pension System from 60% to 65% of the member's average final compensation.

Seven Maryland county governments participate in the State's Law Enforcement Officers' Pension System. These include Allegany, Caroline, Dorchester, Harford, Kent, Queen Anne's, and Worcester Counties.

For county governments that participated in the Law Enforcement Officers' Pension System (LEOPS), this legislation effects an automatic increase in county law enforcement pension benefits, and a new variable in county government pension contributions. The changes in this legislation could widen the gap between retirement options for one portion of the county workforce—law enforcement—and all other county employees. It also could create costs, although the fiscal effects are difficult to predict alongside other law enforcement benefits, such as early retirement options.

An amendment could resolve this county mandate. There is precedent for providing county members of the state system with an option to join the benefit enhancement, too. Such an option could provide a discrete amount of time, for example 12 months, for a county government to determine whether they would join the enhancement.

Without such a true local option, acknowledging that this bill escalates costs for jurisdictions who opted in to the LEOPS program under a different benefit structure, MACo requests an UNFAVORABLE report on HB 1042.