

SENATE BILL 692

P6

5lr2229
CF HB 1034

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

Introduced and read first time: January 26, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Alterations and Clarifications**

3 FOR the purpose of altering certain due dates of certain reports issued by the State
4 Retirement and Pension System; clarifying the eligibility requirement of State Police
5 Retirement System members in the Deferred Retirement Option Program; and
6 generally relating to the administration of the State Retirement and Pension
7 System.

8 BY repealing and reenacting, with amendments,
9 Article – State Personnel and Pensions
10 Section 21–116(d)(4), 21–123.2(f)(1), and 24–401.1(c) and (d)
11 Annotated Code of Maryland
12 (2024 Replacement Volume and 2024 Supplement)

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

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

20 **Article – State Personnel and Pensions**

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.



1 21-116.

2 (d) (4) On or before [September 1] **NOVEMBER 1** each year, the Investment
3 Committee shall submit a report to the Board of Trustees, the Governor's Office of Small,
4 Minority, and Women Business Affairs and, subject to § 2-1257 of the State Government
5 Article, the General Assembly on:

6 (i) the identity of the minority business enterprise brokerage and
7 investment management services firms used by the Investment Committee in the
8 immediately preceding fiscal year;

9 (ii) the percentage and dollar value of the assets that are under the
10 control of the Investment Committee that are under the investment control of minority
11 business enterprise brokerage and investment management services firms for each
12 allocated asset class; and

13 (iii) the measures the Investment Committee undertook in the
14 immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

15 21-123.2.

16 (f) (1) On or before [December 1] **DECEMBER 31** each year, the Board of
17 Trustees shall submit a report to the Senate Budget and Taxation Committee, the House
18 Appropriations Committee, and the Joint Committee on Pensions, in accordance with §
19 2-1257 of the State Government Article, and subject to § 4-335 of the General Provisions
20 Article, that includes a detailed description of:

21 (i) the investments, if any, made under this section;

22 (ii) the recommendations, if any, made under this section;

23 (iii) the actions, if any, taken by the Board of Trustees on the
24 recommendations made under this section;

25 (iv) the investment performance of any investments made under this
26 section;

27 (v) to the extent possible, an accounting of the fees and expenses
28 incurred under this section; and

29 (vi) to the extent possible, the ratio of funds invested in projects
30 under this section to the total percentage of venture capital funds raised in the State by all
31 sources.

32 24-401.1.

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

(2) “DROP” means the Deferred Retirement Option Program established under this section.

(3) “DROP member” means a member of the State Police Retirement System who:

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

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

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

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

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

1. has at least 22 and less than 32 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 22 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**.

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

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

1. has at least 25 years and less than 32 years of [eligibility service] **EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT SYSTEM**; and

2. is less than 60 years old.

(iii) The Secretary of State Police is eligible to participate in the DROP if the Secretary has at least 25 years of [eligibility service] **EMPLOYMENT IN A**

1 **POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE POLICE RETIREMENT**
2 **SYSTEM.**

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

5 (1) 7 years;

6 (2) the difference between 32 years and the member's [eligibility service]
7 **YEARS OF EMPLOYMENT IN A POSITION ELIGIBLE FOR MEMBERSHIP IN THE STATE**
8 **POLICE RETIREMENT SYSTEM** as of the date of the member's election to participate in
9 the DROP and retire from the State Police Retirement System;

10 (3) the difference between age 60 and the member's age as of the date of
11 the member's election to participate in the DROP and retire from the State Police
12 Retirement System; or

13 (4) a term selected by the member.

14 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect July
15 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.