

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 789
Appropriations

(Delegates Forbes and Griffith)

Budget and Taxation

Law Enforcement Officers' Pension System - Military Service Credit Eligibility -
Helicopter Pilots

This bill allows a member or vested former member of the Law Enforcement Officers' Pension System (LEOPS) who is or was assigned as a helicopter pilot in a State law enforcement aviation unit to earn military service credit even if that member or former member receives service credit for the same military service under another retirement system. However, a member may not receive military service credit from the State more than once. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Since it is assumed that the bill applies in a limited number of cases, there is no discernible effect on State pension liabilities or contribution rates, as discussed below. No effect on revenues.

Local Effect: None. The bill applies only to State employees who are or were members of LEOPS.

Small Business Effect: None.

Analysis

Current Law: In general, any member or vested former member of the State Retirement and Pension System (SRPS) who accrues 10 years of service as a member of any State plan may receive 1 year of additional service credit for each year of prior active military duty performed, up to a maximum of 5 years. That credit is granted at no cost to the member or

former member and is applied using the accrual rate in effect when the member or former member submits an application for the credit to the State Retirement Agency (SRA).

However, SRPS members or vested former members who claim credit for the same military service from another retirement system may not receive military service credit from SRPS, unless they claimed credit for that military service from:

- Social Security;
- National Railroad Retirement Act; or
- National Guard or military reserves pensions (Title 3 or Title 10 of the U.S. Code).

This generally means that any SRPS member receiving a military pension after completing 20 years of *active* military service cannot claim the military service credit from SRPS.

State/Local Expenditures: SRA does not have reliable data on the number of members or vested former members of LEOPS that serve or have served as helicopter pilots for the State and have prior military service, nor does it have data on the number who have retired from the military and are receiving a military pension. Therefore, a reliable estimate of the number of LEOPS members who would be eligible to claim military service credit under the bill cannot be determined. However, the number of State helicopter pilots who receive a military pension and therefore would be eligible to receive service credit under the bill is expected to be small. Thus, this analysis assumes that only a limited number of individuals are eligible for military service credit under the bill. Accordingly, the bill is not expected to have a material effect on State pension liabilities or contribution rates. To the extent that the bill encourages more military retirees who receive a pension to seek employment with the State as helicopter pilots in the future, the effect on liabilities and contribution rates may be greater.

Furthermore, as the military service credit allowed by the bill counts toward both eligibility and creditable service, some affected members may retire earlier than they otherwise would because of the additional eligibility service credit they receive. Early retirements can increase pension liabilities because benefits are paid over a longer period of time; however, due to the bill's limited application, any effect stemming from earlier retirements is also expected to be minimal.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1102 of 2025.

Designated Cross File: SB 491 (Senator Salling) - Budget and Taxation.

Information Source(s): Bolton; Maryland Municipal League; State Retirement Agency; US Census Bureau; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2026
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