

May 19, 2011

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed Senate Bill 799 – *State Retirement and Pension System – Retirees and Beneficiaries of Retirees – Annual Retirement Allowance Adjustments*.

This bill precludes annual cost-of-living adjustments (COLAs) for retirees of the State Retirement and Pension System from being less than zero. In years in which COLAs would be less than zero due to a decline in the Consumer Price Index, retirees will not receive any COLA. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered. The bill also repeals the termination date and other provisions of Chapters 56 and 57 of 2010 that are rendered moot by this bill.

House Bill 727, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 799.

Sincerely,

Governor