

SENATE BILL 235

K4, P1

4r1378
CF HB 231

By: **The President (By Request – Governor’s Salary Commission)**

Introduced and read first time: January 16, 2014

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2014

CHAPTER _____

1 AN ACT concerning

2 **Governor – Pension and Health Benefits**

3 FOR the purpose of authorizing a former Governor of Maryland who began serving as
4 Governor on or after a certain date and the surviving spouse of a deceased
5 Governor or former Governor to enroll and participate in the State Employee
6 and Retiree Health and Welfare Benefits Program under certain circumstances;
7 specifying the amount of the State subsidy for the Program that a former
8 Governor who began serving as Governor on or after a certain date and the
9 surviving spouse of a deceased Governor or former Governor are eligible to
10 receive; providing that certain retiree health benefits provisions do not apply to
11 a former Governor who began serving as Governor on or after a certain date;
12 altering eligibility requirements for a former Governor to receive a normal
13 service retirement allowance; providing for the application of certain provisions
14 of this Act; and generally relating to pension and health benefits for former
15 Governors.

16 BY repealing and reenacting, with amendments,
17 Article – State Personnel and Pensions
18 Section 2–508(c) and 22–405
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2013 Supplement)

21 BY adding to
22 Article – State Personnel and Pensions
23 Section 2–508.1

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 Annotated Code of Maryland
2 (2009 Replacement Volume and 2013 Supplement)

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

5 **Article – State Personnel and Pensions**

6 2–508.

7 (c) (1) (i) Except as provided in subparagraph (ii) of this paragraph,
8 this subsection applies to a retiree who begins State service on or after July 1, 2011.

9 (ii) This subsection does not apply to:

10 1. a retiree of the Judges' Retirement System; **OR**

11 2. **A FORMER GOVERNOR OF MARYLAND WHO**
12 **BEGAN SERVING AS GOVERNOR ON OR AFTER JANUARY 21, 2015.**

13 (2) A retiree may enroll and participate in the health insurance
14 benefit options established under the Program if the retiree:

15 (i) ends State service with at least 25 years of creditable
16 service;

17 (ii) ends State service with a least 10 years of creditable service
18 within 5 years before the age at which a vested retirement allowance normally would
19 begin;

20 (iii) retires directly from State service with a State retirement
21 allowance and has 10 years of creditable service; or

22 (iv) retires directly from State service with a State disability
23 retirement allowance.

24 (3) (i) The surviving spouse or dependent child of a deceased
25 retiree who was eligible to enroll may enroll and participate in the health insurance
26 benefit options established under the Program as long as the spouse or child is
27 receiving a periodic allowance under Division II of this article or the Maryland Transit
28 Administration Retirement Plan under § 7–206 of the Transportation Article.

29 (ii) Subparagraph (i) of this paragraph does not apply to a
30 deceased retiree's spouse or dependent child who receives an Option 1, Option 4, or
31 Option 7 benefit under Division II of this article or a lump-sum payment of benefits
32 under the Maryland Transit Administration Retirement Plan under § 7–206 of the
33 Transportation Article.

1 (4) (i) If a retiree receives a State disability retirement allowance
2 or has 25 or more years of creditable service, the retiree or the retiree's surviving
3 spouse or dependent child is entitled to the same State subsidy allowed a State
4 employee.

5 (ii) In all other cases, if a retiree has at least 10 years of
6 creditable service, the retiree or the retiree's surviving spouse or dependent child is
7 entitled to 1/25 of the State subsidy allowed a State employee for each year of the
8 retiree's creditable service up to 25 years.

9 (iii) Notwithstanding subparagraph (ii) of this paragraph and
10 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the
11 State Racing Commission, for the purposes of determining a retiree's State subsidy,
12 creditable service shall be determined with respect to service as an additional
13 employee or agent beginning from the initial date of employment.

14 **2-508.1.**

15 **(A) A FORMER GOVERNOR OF MARYLAND WHO BEGAN SERVING AS**
16 **GOVERNOR ON OR AFTER JANUARY 21, 2015, MAY ENROLL AND PARTICIPATE**
17 **IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE**
18 **PROGRAM IF THE FORMER GOVERNOR:**

19 **(1) IS AT LEAST 62 YEARS OLD;**

20 **(2) IS RECEIVING A NORMAL SERVICE RETIREMENT ALLOWANCE**
21 **UNDER DIVISION II OF THIS ARTICLE; OR**

22 **(3) IS RECEIVING A DISABILITY RETIREMENT ALLOWANCE UNDER**
23 **DIVISION II OF THIS ARTICLE.**

24 **(B) THE SURVIVING SPOUSE OF A DECEASED GOVERNOR OR FORMER**
25 **GOVERNOR MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE**
26 **BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM AS LONG AS THE**
27 **SPOUSE IS RECEIVING A PERIODIC ALLOWANCE UNDER DIVISION II OF THIS**
28 **ARTICLE.**

29 **(C) A FORMER GOVERNOR DESCRIBED IN SUBSECTION (A)(1) OR (2) OF**
30 **THIS SECTION OR THE SURVIVING SPOUSE OF A DECEASED GOVERNOR OR**
31 **FORMER GOVERNOR IS ENTITLED TO 1/16 OF THE STATE SUBSIDY ALLOWED A**
32 **STATE EMPLOYEE FOR EACH YEAR SERVED AS GOVERNOR.**

1 Governor would have been entitled to receive had the deceased Governor completed
2 the current term and become ~~[55]~~ **62** years old.

3 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
4 be construed to apply only prospectively and may not be applied or interpreted to have
5 any effect on or application to any individual who served as Governor of Maryland
6 before January 21, 2015.

7 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
8 effect October 1, 2014.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.