

## Chapter 477

(Senate Bill 235)

AN ACT concerning

### Governor – Pension and Health Benefits

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

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

BY adding to  
Article – State Personnel and Pensions  
Section 2–508.1  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

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

#### Article – State Personnel and Pensions

2–508.

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

(ii) This subsection does not apply to:

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

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

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

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

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

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

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

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

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

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

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

(iii) Notwithstanding subparagraph (ii) of this paragraph and subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the

State Racing Commission, for the purposes of determining a retiree's State subsidy, creditable service shall be determined with respect to service as an additional employee or agent beginning from the initial date of employment.

**2-508.1.**

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

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

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

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

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

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

**(D) A FORMER GOVERNOR DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION OR THE SURVIVING SPOUSE OF A DECEASED FORMER GOVERNOR IS ENTITLED TO THE SAME STATE SUBSIDY ALLOWED A STATE EMPLOYEE.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – State Personnel and Pensions**

**22-405.**

**(a) Subject to subsection (d) of this section, if a Governor serves for at least:**

(1) one full term, the Governor is entitled to receive a retirement allowance equal to one-third of the annual salary received by the current Governor in office; or

(2) two full terms, the Governor is entitled to receive a retirement allowance equal to one-half of the annual salary received by the current Governor in office.

(b) The Board of Trustees shall suspend a retirement allowance received under this section during any period when the former Governor is employed by a unit of State government.

(c) Except as provided in subsection (d) of this section, a Governor may not receive a retirement allowance under this subsection until the Governor is at least [55] 62 years old.

(d) (1) A Governor who leaves office because of physical or mental disability, under Article II, Section 6(c) of the Maryland Constitution, shall immediately receive a disability retirement allowance equal to the amount the Governor would have received had the Governor completed the current term and become [55] 62 years old.

(2) If the physical or mental disability ends before the former Governor becomes [55] 62 years old, the Board of Trustees shall stop the disability retirement allowance, but the former Governor shall receive the normal retirement allowance at age [55] 62 if otherwise qualified.

(e) On the death of a former Governor, the surviving spouse of the former Governor shall receive an allowance that is equal to one-half of the former Governor's retirement allowance.

(f) On the death of a Governor while in office, the deceased Governor's surviving spouse shall receive one-half of the retirement allowance that the deceased Governor would have been entitled to receive had the deceased Governor completed the current term and become [55] 62 years old.

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

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

**Approved by the Governor, May 15, 2014.**