

UMB_FAV_SB339

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February 6, 2020

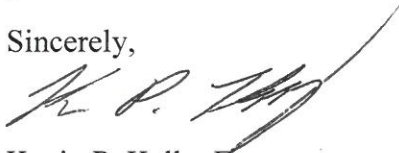
The Honorable Sarah Elfreth
Chair, Senate Budget and Taxation
Pensions Subcommittee
3 West, Miller Senate Building
Annapolis, MD 21401

Dear Chair Elfreth and Pension Subcommittee Members,

The University of Maryland, Baltimore (UMB) supports SB 339 – State Employee and Retiree Health and Welfare Benefits Program – Participation. We have been working diligently with Ms. Murray during the last two years to assist her in reconciling her eligibility requirements for participation as a retiree in the State Employee and Retiree Health and Welfare Benefits Program. UMB has determined that Dr. Murray was provided erroneous information by the University as she made a decision to come to the School of Nursing.

Dr. Murray was a participant in the Optional Retirement Program (ORP) during her employment at Anne Arundel Community College prior to her joining the University of Maryland School of Nursing. We support her efforts to have her Anne Arundel and University of Maryland service aggregated to determine her eligibility for subsidized Retiree Health and Welfare Benefits, as she expected based upon the information she was provided when she came to our campus as a faculty member.

Sincerely,



Kevin P. Kelly, Esq.
Chief Government Affairs Officer & Associate Vice President
University of Maryland, Baltimore

Linda_Murray_FAV_SB339

Uploaded by: Murray, Linda

Position: FAV

February 6, 2020

The Honorable Sarah Elfreth
Chair, Senate Budget and Taxation
Pensions Subcommittee
3 West, Miller Senate Building
Annapolis, MD 21401

Dear Chair Elfreth and Pension Subcommittee Members,

My name is Linda Murray. I am here in support of SB 339. I'd like to thank Senator Reilly for sponsoring this proposal and being here with me today as my representative. I have been a resident of Anne Arundel County for 42 years. I am currently employed at the University of Maryland School of Nursing as a nursing faculty member. Previously I was employed as Assistant Director of the Nursing Program at Anne Arundel Community College for 11 years from 2002 to 2013.

While employed at AACC, I contributed to the Maryland State Retirement and Pension System Optional Retirement Plan (ORP).

In 2013 I was recruited for a full time faculty position at UMB. Prior to making a decision as to accepting the position, I contacted UMSON Human Resources with an important question to determine if my enrollment in the ORP while at AACC would be considered continuous at UMB as I knew this would impact my retiree health benefits.

This was a concern to be addressed before accepting the position as having worked 11 years at AACC was vested and eligible for partial health benefits if I retired. Additionally I was tenured with rank of Associate Professor and was only being offered at UMB a rank of Clinical Instructor until I completed my doctorate. I also would not be able to be tenured at UMB according to policy.

On October 16, 2013, I received an email from Sandra Jones, Benefits Specialist, Human Resources, UMB, stating that my ORP service would be combined and that before I would retire and receive health care benefits I would need to have AACC complete a length of service form.

In September 2018, I visited UMB HR to review my benefits situation as I was nearing retirement age. I was informed that I only had 5 years of service and that I was considered an employee that had been hired after 2011. This 2011 date is important as this is when changes were made to the retiree health benefits for the state of Maryland based on an employee's initial date of employment.

I questioned this since my service was to be counted from 2002 through 2018, per the email from Sandra Jones which would be 16 years of service and I had been told my service would be combined so my hire date was actually prior to 2011 since I began working at AACC in 2002.

I requested further clarification from Emily, Benefits Manager who then directed me to Anne Timmons at the Office of Budget and Management. Emily did also provide me with a document signed by all the

community college presidents and the UM system president that indicated the ORP was the same plan for all the institutions.

Ms. Timmons responded to my concerns in January 2019 stating my service was not continuous per their office and I would need to work 10 years at UMB to be even eligible for retirement and to be eligible for partial subsidized retiree health benefits for they considered I was hired after 2011.

I questioned this with a subsequent email to Ms Timmons as I could not find a state regulation that supported her information and I had in hand my initial email from Sandra Jones stating that the service would be combined. There was no further response at the time.

I continued meeting with various Human Resources representatives, Counsel and Vice Presidents at UMB to try and determine my best course of action. It was decided that a legislative fix could possibly address my situation. That is why I am before you today. I have directly served Anne Arundel County citizens in my role as a Pediatric Nurse Practitioner and faculty member for over 20 years and I have served the citizens of Maryland in my role as a faculty member at both AACC and UMB and as a PNP for over 25 years.

As a constituent the only time I have come to the legislature is to ask for assistance and support in assisting children and families in the state of Maryland never for a personal issue. I am hoping you can support SB 339 so that my situation may be clarified.

Thank you for your consideration. I am happy to answer any questions you may have.

Sincerely,

Linda Aveni Murray, DNP, CRNP-Ped
526 Wintersweet Court
Annapolis, MD 21409

DBM_UNF_SB0339

Uploaded by: Wilkins, Barbara

Position: UNF



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MARC L. NICOLE
Deputy Secretary

SENATE BILL 339 State Employee and Retiree Health and Welfare Benefits Program – Participation (Reilly)

POSITION: OPPOSE

DATE: February 6, 2020

COMMITTEE: Senate Budget & Taxation Committee – Pension Subcommittee

SUMMARY OF BILL: SB 339 makes eligible for State retiree health insurance benefits an individual who was employed by Anne Arundel Community College (AACC) from August 2002 through November 2013 and was a participant in an Optional Retirement Program (ORP) while employed by AACC and who retired under an ORP from the University System of Maryland. Further, the determination for eligibility of retiree health insurance benefits is considered as having begun State service prior to July 1, 2011.

EXPLANATION OF POSITION: The Department of Budget and Management's (DBM) Employee Benefits Division (EBD) is responsible for administering the State Employee and Retiree Health and Welfare Benefits Program. As such, DBM is the agency that makes determinations of eligibility for State retiree health insurance benefits. These determinations are not made by State agency HR personnel or HR personnel within an independent personnel system, i.e. University System of Maryland. EBD typically receives retirement documentation from the State Retirement Agency in making retiree health insurance eligibility determinations.

The provisions of SB 339 are unique to an individual that interacted with EBD between December 19, 2018 and February 11, 2019, at which time the individual was advised based on review and consultation with DBM's assistant attorney general that prior service at a community college did not count toward the individual's State service for purposes of eligibility. The community college is not part of the State retirement system. At the time the individual was hired in 2013, the hiring agency provided inaccurate information regarding prior service at the community college being counted for retiree health insurance eligibility. In September 2018, the hiring agency again misinformed the individual, but shortly thereafter corrected its response. Subsequently, the individual sought final confirmation from EBD.

The DBM Secretary has a fiduciary duty in administering the State health plan. The bill establishes a precedent that affords State retiree health insurance benefits to an individual(s) based on a unique set of circumstances, rather than complying with the laws governing the employee and retiree benefit plans. As

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a matter of equity, any State employee similarly situated should also receive the benefit of their prior service with entities, regardless of whether that service was part of the State retirement system. The axiom, "bad facts make bad law" best describes DBM's opposition to SB 339.

For these reasons, DBM respectfully requests an unfavorable report.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**

participation

Uploaded by: Wilkins, Barbara

Position: UNF



LARRY HOGAN
Governor

DAVID R. BRINKLEY
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