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By: **Chairman, Appropriations Committee (Departmental - University System of Maryland, Morgan State University, St. Mary's College, and Baltimore City Community College)**

Introduced and read first time: January 31, 2001

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Retirement - Optional Retirement Program - Health Insurance Benefits for**  
3 **Retirees and Surviving Spouses and Children**

4 FOR the purpose of altering eligibility requirements for participation in the State  
5 health insurance benefit program for certain optional retirement program  
6 retirees, surviving spouses, and dependent children; and generally relating to  
7 the State health insurance benefit program for optional retirement program  
8 retirees, surviving spouses, and children.

9 BY repealing and reenacting, with amendments,  
10 Article - State Personnel and Pensions  
11 Section 2-507(b) and 2-509  
12 Annotated Code of Maryland  
13 (1997 Replacement Volume and 2000 Supplement)

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

16 **Article - State Personnel and Pensions**

17 2-507.

18 (b) The surviving spouse of a State employee who died while employed by the  
19 State may enroll and participate in the health insurance benefit options established  
20 under the Program as long as the surviving spouse:

21 (1) is receiving an allowance under Title 29, Subtitle 2 of this article; OR

22 (2) IS THE SOLE PRIMARY DESIGNATED BENEFICIARY AND RECEIVING A  
23 PERIODIC DISTRIBUTION OF BENEFITS UNDER AN OPTIONAL RETIREMENT  
24 PROGRAM UNDER TITLE 30 OF THIS ARTICLE.

1 2-509.

2 (a) (1) An individual may enroll and participate in the health insurance  
3 benefit options established under the Program if the individual[:

4 (1)] retired under an optional Program under Title 30 of this article[;]  
5 and:

6 (I) ENDED SERVICE WITH A STATE INSTITUTION OF HIGHER  
7 EDUCATION WITH AT LEAST 10 YEARS OF CREDITABLE SERVICE AND WAS AT LEAST  
8 AGE 57;

9 (II) ENDED SERVICE WITH A STATE INSTITUTION OF HIGHER  
10 EDUCATION WITH AT LEAST 16 YEARS OF CREDITABLE SERVICE; OR

11 (III) RETIRED DIRECTLY FROM SERVICE WITH A STATE  
12 INSTITUTION OF HIGHER EDUCATION WITH A PERIODIC DISTRIBUTION OF BENEFITS  
13 ON OR AFTER JULY 1, 1984.

14 (2) [was in service with a State institution of higher education at the  
15 time of the retirement.] THE SURVIVING SPOUSE OR DEPENDENT CHILD OF A  
16 DECEASED INDIVIDUAL WHO WAS ELIGIBLE TO ENROLL MAY ENROLL AND  
17 PARTICIPATE IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER  
18 THE PROGRAM AS LONG AS THE SPOUSE OR CHILD IS RECEIVING A PERIODIC  
19 DISTRIBUTION OF BENEFITS UNDER AN OPTIONAL RETIREMENT PROGRAM UNDER  
20 TITLE 30 OF THIS ARTICLE.

21 (b) (1) An enrollee under this section WHO WAS IN SERVICE WITH A STATE  
22 INSTITUTION OF HIGHER EDUCATION AT THE TIME OF THE RETIREMENT is entitled  
23 to the same State subsidy allowed a retiree under § 2-508 of this subtitle. However,  
24 except as provided in paragraph (2) of this subsection, the subsidy shall apply only to  
25 the costs of coverage for the enrollee and may not apply to any additional costs of  
26 coverage for the enrollee's spouse or children.

27 (2) If the enrollee has 25 or more years of service as an employee of the  
28 State in the Executive, Legislative, or Judicial Branch of government, the enrollee or  
29 the enrollee's surviving spouse or dependent child is entitled to the same State  
30 subsidy allowed a retiree with 16 or more years of creditable service under §  
31 2-508(c)(1) of this subtitle.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2001.