

HOUSE BILL 364

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2002 Regular Session  
2lr0732  
CF 2lr1582

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By: **Delegates Love and Cadden**

Introduced and read first time: January 25, 2002

Assigned to: Appropriations

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Committee Report: Favorable

House action: Adopted

Read second time: March 12, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2                                   **Child Support Enforcement Administration - Retirement Health Benefits -**  
3                                   **Former Anne Arundel County Circuit Court Domestic Relations Division**  
4                                   **Employees**

5 FOR the purpose of requiring the State to reimburse Anne Arundel County, up to a  
6     certain amount, for the cost of health insurance premiums for certain retirees  
7     from the Child Support Enforcement Administration of the Maryland  
8     Department of Human Resources who elected to remain in the Anne Arundel  
9     County Retirement and Pension System after transfer to the State; requiring  
10    the affected retirees to cover the cost of premiums not reimbursed by the State;  
11    establishing that certain years of county service are counted in the State's  
12    calculation of creditable service years; and generally relating to health  
13    insurance for certain retirees.

14 BY repealing and reenacting, without amendments,  
15    Article - Family Law  
16    Section 10-117  
17    Annotated Code of Maryland  
18    (1999 Replacement Volume and 2001 Supplement)

19 BY repealing and reenacting, with amendments,  
20    Article - Courts and Judicial Proceedings  
21    Section 2-510  
22    Annotated Code of Maryland  
23    (1998 Replacement Volume and 2001 Supplement)

24 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions  
2 Section 2-508  
3 Annotated Code of Maryland  
4 (1997 Replacement Volume and 2001 Supplement)

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

7 **Article - Family Law**

8 10-117.

9 (a) A county or circuit court with a local support enforcement office may  
10 request that the responsibility for support enforcement be transferred to the  
11 Administration.

12 (b) A request for transfer of responsibility under this section must be made to  
13 the Department of Human Resources by September 1 of the year preceding the fiscal  
14 year for which responsibility will be transferred.

15 (c) Any personnel of the local support enforcement office involved in a transfer  
16 under this section shall be in the State Personnel Management System and shall be  
17 placed in the position that is comparable to or most closely compares to their former  
18 position, without further examination or qualification. These employees shall be  
19 credited with the years of service with the jurisdiction for purposes of seniority,  
20 including the determination of leave accumulation and the determination of layoff  
21 rights under Title 11, Subtitle 2 of the State Personnel and Pensions Article, and,  
22 except as provided under § 2-510 of the Courts Article, shall become members of the  
23 Employees' Pension System of the State of Maryland. All previous pension  
24 contributions shall be transferred in accordance with Title 37 of the State Personnel  
25 and Pensions Article. These employees shall receive no diminution in compensation or  
26 accumulated leave solely as a result of the transfer. The salary grade of these  
27 employees shall be determined using a salary based on the same hourly rate of salary  
28 of the employee at the time of transfer. Annual leave in excess of that which may be  
29 retained annually in the State Personnel Management System may be retained at the  
30 time of transfer if that accumulation was permitted by the former employer.

31 **Article - Courts and Judicial Proceedings**

32 2-510.

33 (a) This section applies only to employees of the Domestic Relations Division  
34 of the Anne Arundel County Circuit Court who, on or before June 30, 2002 were  
35 participants in the Anne Arundel County Retirement and Pension System.

36 (b) An employee of the Domestic Relations Division of the Anne Arundel  
37 County Circuit Court who is transferred on or before July 1, 2002 into the State  
38 Personnel Management System as an employee of the Child Support Enforcement

1 Administration of the Maryland Department of Human Resources, including any  
2 attorney representing the Child Support Enforcement Administration may elect to:

3 (1) Remain as a participant in the Anne Arundel County Retirement and  
4 Pension System; or

5 (2) Become an enrollee in the Employees' Pension System of the State of  
6 Maryland.

7 (c) (1) If an employee elects to remain as a participant in the Anne Arundel  
8 County Retirement and Pension System, the election remains in effect only as long as  
9 the employee remains employed by the Child Support Enforcement Administration of  
10 the Department of Human Resources.

11 (2) If the employee transfers to another position in State service, the  
12 employee shall become an enrollee of the Employees' Pension System of Maryland.

13 (3) While an employee remains a participant in the Anne Arundel  
14 County Retirement and Pension System, the State Central Payroll Bureau shall  
15 deduct from the employee's biweekly salary an employee contribution that equals the  
16 employee's salary multiplied by the employee contribution rate certified by the Anne  
17 Arundel County Retirement and Pension System under subsection (d)(2) of this  
18 section.

19 (d) (1) Until the date that the last employee transferred to the State  
20 Personnel Management System leaves service in the Child Support Enforcement  
21 Administration of the Department of Human Resources, the Department of Human  
22 Resources shall pay on a quarterly basis to the Anne Arundel County government:

23 (i) The amount deducted by the State Central Payroll Bureau from  
24 an employee's biweekly salary for that quarter as provided under subsection (c)(3) of  
25 this section; and

26 (ii) An employer contribution for that quarter equal to the total of  
27 the employee salaries subject to a deduction under subsection (c)(3) of this section  
28 multiplied by the employer contribution rate determined by the Department of  
29 Human Resources under paragraph (3) of this subsection.

30 (2) On or before May 15 of each year, the Board of Trustees of the Anne  
31 Arundel County Retirement and Pension System shall certify to the Department of  
32 Human Resources the employer and employee contribution rates for pension benefits  
33 determined for the Anne Arundel County Retirement and Pension System for the next  
34 fiscal year.

35 (3) If the employer contribution rate certified under paragraph (2) of this  
36 subsection is greater than the employer contribution rate paid by the State for State  
37 employees under the State Personnel Management System, the Department of  
38 Human Resources may limit the employer contribution rate to the employer  
39 contribution rate paid by the State for State employees under the State Personnel  
40 Management System.

1 (4) An employee transferred under this section is not subject to §  
2 22-406(b)(2) of the State Personnel and Pensions Article.

3 (e) (1) A retiree covered under this section who elected to remain in the  
4 Anne Arundel County Retirement and Pension System may [receive retirement  
5 health benefits equal to those received by retirees under the Anne Arundel County  
6 Retirement and Pension System if the State each month reimburses the county an  
7 amount equal to the employer's contribution for those health benefits]:

8 (I) ENROLL IN THE HEALTH INSURANCE BENEFIT OPTION  
9 PROVIDED UNDER THAT SYSTEM; AND

10 (II) ONCE ENROLLED, RECEIVE THE RETIREMENT HEALTH  
11 BENEFITS PROVIDED BY THE COUNTY, SUBJECT TO THE CREDITABLE SERVICE  
12 REQUIREMENTS ESTABLISHED IN § 2-508 OF THE STATE PERSONNEL AND PENSIONS  
13 ARTICLE.

14 (2) ON OR BEFORE MAY 15 OF EACH YEAR, THE PERSONNEL OFFICER  
15 FOR ANNE ARUNDEL COUNTY SHALL CERTIFY TO THE DEPARTMENT OF HUMAN  
16 RESOURCES THE CONTRIBUTION RATES FOR HEALTH BENEFITS DETERMINED FOR  
17 THE ANNE ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM FOR THE NEXT  
18 FISCAL YEAR.

19 (3) THE DEPARTMENT OF HUMAN RESOURCES SHALL PAY ON A  
20 QUARTERLY BASIS TO THE ANNE ARUNDEL COUNTY GOVERNMENT AN AMOUNT  
21 EQUAL TO THE EMPLOYER'S CONTRIBUTION FOR THOSE HEALTH BENEFITS.

22 (4) IF THE EMPLOYER CONTRIBUTION RATE CERTIFIED UNDER  
23 PARAGRAPH (2) OF THIS SUBSECTION IS GREATER THAN THE EMPLOYER  
24 CONTRIBUTION RATE PAID BY THE STATE FOR STATE RETIREES UNDER THE STATE  
25 PERSONNEL MANAGEMENT SYSTEM:

26 (I) THE DEPARTMENT OF HUMAN RESOURCES MAY LIMIT THE  
27 EMPLOYER CONTRIBUTION RATE TO THE EMPLOYER CONTRIBUTION RATE PAID BY  
28 THE STATE FOR STATE EMPLOYEES UNDER THE STATE PERSONNEL MANAGEMENT  
29 SYSTEM; AND

30 (II) THE RETIREE IS RESPONSIBLE FOR PAYMENT OF THE BALANCE  
31 OF ANY MONTHLY PREMIUM COST TO THE COUNTY NOT REIMBURSED BY THE STATE.

32 **Article - State Personnel and Pensions**

33 2-508.

34 (a) (1) In this section the following words have the meanings indicated.

35 (2) "Creditable service" means:

36 (i) service credited toward a retirement allowance under Division  
37 II of this article; [or]

1 (ii) service while a member of the Judges' Retirement System under  
2 Title 27 of this article; OR

3 (III) SERVICE WHILE AN EMPLOYEE WAS EMPLOYED BY THE  
4 DOMESTIC RELATIONS DIVISION OF THE ANNE ARUNDEL COUNTY CIRCUIT COURT,  
5 PRIOR TO TRANSFER ON OR BEFORE JULY 1, 2002 INTO THE STATE PERSONNEL  
6 MANAGEMENT SYSTEM, IN ACCORDANCE WITH § 2-510 OF THE COURTS ARTICLE.

7 (3) (i) "Retiree" means:

8 1. a former State employee who receives a retirement  
9 allowance under Division II of this article; or

10 2. a former employee of the Medical System Corporation, as  
11 defined in § 13-301 or § 13-401 of the Education Article, who receives a retirement  
12 allowance from the Employees' Retirement System of the State of Maryland or the  
13 Employees' Pension System of the State of Maryland under Title 22 or Title 23 of this  
14 article.

15 (ii) "Retiree" does not include:

16 1. a member of the faculty or staff of a community college;

17 2. a teacher or a staff member employed by a county board of  
18 education; or

19 3. an individual who retired under an optional program  
20 under Title 30 of this article.

21 (4) "State service" means service with the State by:

22 (i) an employee while a member of the Employees' Retirement  
23 System or the Employees' Pension System under Title 22 or Title 23 of this article;

24 (ii) a member of the Judges' Retirement System under Title 27 of  
25 this article;

26 (iii) a teacher while a member of the Teachers' Retirement System  
27 or Teachers' Pension System under Title 22 or Title 23 of this article;

28 (iv) a correctional officer, while a member of the Correctional  
29 Officers' Retirement System under Title 25 of this article;

30 (v) an employee of the Medical System Corporation, as defined in §  
31 13-301 or § 13-401 of the Education Article, while a member of the Employees'  
32 Retirement System of the State of Maryland or the Employees' Pension System of the  
33 State of Maryland under Title 22 or Title 23 of this article;

34 (vi) a State Police officer while a member of the State Police  
35 Retirement System under Title 24 of this article; or

1 (vii) a law enforcement officer while a member of the Law  
2 Enforcement Officers' Pension System under Title 26 of this article.

3 (b) (1) A retiree may enroll and participate in the health insurance benefit  
4 options established under the Program if the retiree:

5 (i) ended State service with at least 10 years of creditable service  
6 and within 5 years before the age at which a vested retirement allowance normally  
7 would begin;

8 (ii) ended State service with at least 16 years of creditable service;

9 (iii) ended State service on or before June 30, 1984;

10 (iv) retired directly from State service with a State retirement  
11 allowance on or after July 1, 1984, and had at least 5 years of creditable service; or

12 (v) retired directly from State service with a State disability  
13 retirement allowance on or after July 1, 1984.

14 (2) (i) The surviving spouse or dependent child of a deceased retiree  
15 who was eligible to enroll may enroll and participate in the health insurance benefit  
16 options established under the Program as long as the spouse or child is receiving an  
17 allowance under Division II of this article.

18 (ii) Subparagraph (i) of this paragraph does not apply to a deceased  
19 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7  
20 benefit under Division II of this article.

21 (c) (1) If a retiree receives a State disability retirement allowance or has 16  
22 or more years of creditable service, the retiree or the retiree's surviving spouse or  
23 dependent child is entitled to the same State subsidy allowed a State employee.

24 (2) In all other cases, if a retiree has at least 5 years of creditable service,  
25 the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of  
26 the State subsidy allowed a State employee for each year of the retiree's creditable  
27 service up to 16 years.

28 (3) Notwithstanding paragraph (2) of this subsection and subsection  
29 (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State  
30 Racing Commission, for the purposes of determining a retiree's State subsidy,  
31 creditable service shall be determined with respect to service as an additional  
32 employee or agent beginning from the initial date of employment or January 1, 1986,  
33 whichever is later.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
35 effect July 1, 2002.

