

SENATE BILL 444

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2002 Regular Session
2r1582
CF 2r0732

By: **Senators Jimeno and Neall**

Introduced and read first time: January 31, 2002

Assigned to: Finance

A BILL ENTITLED

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,
25 Article - State Personnel and Pensions
26 Section 2-508
27 Annotated Code of Maryland
28 (1997 Replacement Volume and 2001 Supplement)

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

3 **Article - Family Law**

4 10-117.

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

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

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

27 **Article - Courts and Judicial Proceedings**

28 2-510.

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

32 (b) An employee of the Domestic Relations Division of the Anne Arundel
33 County Circuit Court who is transferred on or before July 1, 2002 into the State
34 Personnel Management System as an employee of the Child Support Enforcement
35 Administration of the Maryland Department of Human Resources, including any
36 attorney representing the Child Support Enforcement Administration may elect to:

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

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

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

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

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

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

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

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

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

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

37 (4) An employee transferred under this section is not subject to §
38 22-406(b)(2) of the State Personnel and Pensions Article.

39 (e) (1) A retiree covered under this section who elected to remain in the
40 Anne Arundel County Retirement and Pension System may [receive retirement

1 health benefits equal to those received by retirees under the Anne Arundel County
 2 Retirement and Pension System if the State each month reimburses the county an
 3 amount equal to the employer's contribution for those health benefits];

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

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

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

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

18 (4) IF THE EMPLOYER CONTRIBUTION RATE CERTIFIED UNDER
 19 PARAGRAPH (2) OF THIS SUBSECTION IS GREATER THAN THE EMPLOYER
 20 CONTRIBUTION RATE PAID BY THE STATE FOR STATE RETIREES UNDER THE STATE
 21 PERSONNEL MANAGEMENT SYSTEM:

22 (I) THE DEPARTMENT OF HUMAN RESOURCES MAY LIMIT THE
 23 EMPLOYER CONTRIBUTION RATE TO THE EMPLOYER CONTRIBUTION RATE PAID BY
 24 THE STATE FOR STATE EMPLOYEES UNDER THE STATE PERSONNEL MANAGEMENT
 25 SYSTEM; AND

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

28 **Article - State Personnel and Pensions**

29 2-508.

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

31 (2) "Creditable service" means:

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

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

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

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

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

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

13 (ii) "Retiree" does not include:

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

15 2. a teacher or a staff member employed by a county board of
16 education; or

17 3. an individual who retired under an optional program
18 under Title 30 of this article.

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

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

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

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

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

28 (v) an employee of the Medical System Corporation, as defined in §
29 13-301 or § 13-401 of the Education Article, while a member of the Employees'
30 Retirement System of the State of Maryland or the Employees' Pension System of the
31 State of Maryland under Title 22 or Title 23 of this article;

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

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

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

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

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

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

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

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

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

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

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

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

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

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