

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

Reassigned: Budget and Taxation, February 1, 2002

Committee Report: Favorable

Senate action: Adopted

Read second time: February 27, 2002

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)

1 BY repealing and reenacting, with amendments,
2 Article - State Personnel and Pensions
3 Section 2-508
4 Annotated Code of Maryland
5 (1997 Replacement Volume and 2001 Supplement)

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

8 **Article - Family Law**

9 10-117.

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

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

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

32 **Article - Courts and Judicial Proceedings**

33 2-510.

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

37 (b) An employee of the Domestic Relations Division of the Anne Arundel
38 County Circuit Court who is transferred on or before July 1, 2002 into the State
39 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.

