
By: **Senator Jimeno**
Introduced and read first time: February 1, 2002
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County Circuit Court Employees - Pension and Retirement**
3 **Health Benefits**

4 FOR the purpose of allowing an individual who is an employee of the Anne Arundel
5 County Circuit Court on or before a certain date and subsequently is transferred
6 into the State Personnel Management System to remain in the Anne Arundel
7 County Retirement and Pension System or transfer into the Employees' Pension
8 System of the State of Maryland; requiring the Central Payroll Bureau to deduct
9 a certain amount from the biweekly salaries of certain employees; requiring that
10 an appellate court provide the county with certain funding on a quarterly basis;
11 providing for the calculation and payment of these funds; requiring the State to
12 reimburse Anne Arundel County, up to a certain amount, for the cost of health
13 insurance premiums for certain retirees from an appellate court who elected to
14 remain in the Anne Arundel County Retirement and Pension System after
15 transfer to the State; requiring the affected retirees to cover the cost of
16 premiums not reimbursed by the State; establishing that certain years of county
17 service are counted in the State's calculation of creditable service years; and
18 generally relating to pension and retirement health benefits paid to employees
19 of the Anne Arundel County Circuit Court who transfer into the State Personnel
20 Management System.

21 BY repealing and reenacting, without amendments,
22 Article - Courts and Judicial Proceedings
23 Section 2-402
24 Annotated Code of Maryland
25 (1998 Replacement Volume and 2001 Supplement)

26 BY adding to
27 Article - Courts and Judicial Proceedings
28 Section 2-405
29 Annotated Code of Maryland
30 (1998 Replacement Volume and 2001 Supplement)

31 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions
2 Section 2-508 and 23-201
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 - Courts and Judicial Proceedings**

8 2-402.

9 An appellate court may appoint the law clerks, stenographers, and other full or
10 part time employees it deems necessary.

11 2-405.

12 (A) THIS SECTION APPLIES ONLY TO FULL-TIME EMPLOYEES OF AN
13 APPELLATE COURT WHO, ON OR BEFORE DECEMBER 31, 2002, WERE PARTICIPANTS IN
14 THE ANNE ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM.

15 (B) AN EMPLOYEE OF THE ANNE ARUNDEL COUNTY CIRCUIT COURT WHO IS
16 TRANSFERRED ON OR BEFORE JANUARY 1, 2003 INTO THE STATE PERSONNEL
17 MANAGEMENT SYSTEM AS AN EMPLOYEE OF AN APPELLATE COURT MAY ELECT TO:

18 (1) REMAIN AS A PARTICIPANT IN THE ANNE ARUNDEL COUNTY
19 RETIREMENT AND PENSION SYSTEM; OR

20 (2) BECOME AN ENROLLEE IN THE EMPLOYEES' PENSION SYSTEM OF
21 THE STATE OF MARYLAND.

22 (C) (1) IF AN EMPLOYEE ELECTS TO REMAIN AS A PARTICIPANT IN THE
23 ANNE ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM, THE ELECTION
24 REMAINS IN EFFECT ONLY AS LONG AS THE EMPLOYEE REMAINS EMPLOYED BY AN
25 APPELLATE COURT.

26 (2) IF THE EMPLOYEE TRANSFERS TO ANOTHER POSITION IN STATE
27 SERVICE, THE EMPLOYEE SHALL BECOME AN ENROLLEE OF THE EMPLOYEES'
28 PENSION SYSTEM OF MARYLAND.

29 (3) WHILE AN EMPLOYEE REMAINS A PARTICIPANT IN THE ANNE
30 ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM, THE STATE CENTRAL
31 PAYROLL BUREAU SHALL DEDUCT FROM THE EMPLOYEE'S BIWEEKLY SALARY AN
32 EMPLOYEE CONTRIBUTION THAT EQUALS THE EMPLOYEE'S SALARY MULTIPLIED BY
33 THE EMPLOYEE CONTRIBUTION RATE CERTIFIED BY THE ANNE ARUNDEL COUNTY
34 RETIREMENT AND PENSION SYSTEM UNDER SUBSECTION (D)(2) OF THIS SECTION.

35 (D) (1) UNTIL THE DATE THAT THE LAST EMPLOYEE TRANSFERRED TO THE
36 STATE PERSONNEL MANAGEMENT SYSTEM LEAVES SERVICE IN THE APPELLATE

1 COURT, AN APPELLATE COURT SHALL PAY ON A QUARTERLY BASIS TO THE ANNE
2 ARUNDEL COUNTY GOVERNMENT:

3 (I) THE AMOUNT DEDUCTED BY THE STATE CENTRAL PAYROLL
4 BUREAU FROM AN EMPLOYEE'S BIWEEKLY SALARY FOR THAT QUARTER AS
5 PROVIDED UNDER SUBSECTION (C)(3) OF THIS SECTION; AND

6 (II) AN EMPLOYER CONTRIBUTION FOR THAT QUARTER EQUAL TO
7 THE TOTAL OF THE EMPLOYEE SALARIES SUBJECT TO A DEDUCTION UNDER
8 SUBSECTION (C)(3) OF THIS SECTION MULTIPLIED BY THE EMPLOYER CONTRIBUTION
9 RATE DETERMINED BY THE APPELLATE COURT UNDER PARAGRAPH (3) OF THIS
10 SUBSECTION.

11 (2) ON OR BEFORE MAY 15 OF EACH YEAR, THE BOARD OF TRUSTEES OF
12 THE ANNE ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM SHALL CERTIFY
13 TO THE APPELLATE COURT THE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES
14 FOR PENSION BENEFITS DETERMINED FOR THE ANNE ARUNDEL COUNTY
15 RETIREMENT AND PENSION SYSTEM FOR THE NEXT FISCAL YEAR.

16 (3) IF THE EMPLOYER CONTRIBUTION RATE CERTIFIED UNDER
17 PARAGRAPH (2) OF THIS SUBSECTION IS GREATER THAN THE EMPLOYER
18 CONTRIBUTION RATE PAID BY THE STATE FOR STATE EMPLOYEES UNDER THE STATE
19 PERSONNEL MANAGEMENT SYSTEM, THE APPELLATE COURT MAY LIMIT THE
20 EMPLOYER CONTRIBUTION RATE TO THE EMPLOYER CONTRIBUTION RATE PAID BY
21 THE STATE FOR STATE EMPLOYEES UNDER THE STATE PERSONNEL MANAGEMENT
22 SYSTEM.

23 (E) (1) A RETIREE COVERED UNDER THIS SECTION WHO ELECTED TO
24 REMAIN IN THE ANNE ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM MAY:

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

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

31 (2) ON OR BEFORE MAY 15 OF EACH YEAR, THE PERSONNEL OFFICER
32 FOR ANNE ARUNDEL COUNTY SHALL CERTIFY TO THE APPELLATE COURT THE
33 CONTRIBUTION RATES FOR HEALTH BENEFITS DETERMINED FOR THE ANNE
34 ARUNDEL COUNTY RETIREMENT AND PENSION SYSTEM FOR THE NEXT FISCAL YEAR.

35 (3) THE APPELLATE COURT SHALL PAY ON A QUARTERLY BASIS TO THE
36 ANNE ARUNDEL COUNTY GOVERNMENT AN AMOUNT EQUAL TO THE EMPLOYER'S
37 CONTRIBUTION FOR THOSE HEALTH BENEFITS.

38 (4) IF THE EMPLOYER CONTRIBUTION RATE CERTIFIED UNDER
39 PARAGRAPH (2) OF THIS SUBSECTION IS GREATER THAN THE EMPLOYER

1 CONTRIBUTION RATE PAID BY THE STATE FOR STATE RETIREES UNDER THE STATE
2 PERSONNEL MANAGEMENT SYSTEM:

3 (I) THE APPELLATE COURT MAY LIMIT THE EMPLOYER
4 CONTRIBUTION RATE TO THE EMPLOYER CONTRIBUTION RATE PAID BY THE STATE
5 FOR STATE EMPLOYEES UNDER THE STATE PERSONNEL MANAGEMENT SYSTEM; AND

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

8 **Article - State Personnel and Pensions**

9 2-508.

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

11 (2) "Creditable service" means:

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

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

16 (III) SERVICE WHILE AN EMPLOYEE WAS EMPLOYED BY THE ANNE
17 ARUNDEL COUNTY CIRCUIT COURT, PRIOR TO TRANSFER ON OR BEFORE JANUARY 1,
18 2003 INTO THE STATE PERSONNEL MANAGEMENT SYSTEM, IN ACCORDANCE WITH §
19 2-405 OF THE COURTS ARTICLE.

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

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

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

28 (ii) "Retiree" does not include:

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

30 2. a teacher or a staff member employed by a county board of
31 education; or

32 3. an individual who retired under an optional program
33 under Title 30 of this article.

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

- 1 (i) an employee while a member of the Employees' Retirement
2 System or the Employees' Pension System under Title 22 or Title 23 of this article;
- 3 (ii) a member of the Judges' Retirement System under Title 27 of
4 this article;
- 5 (iii) a teacher while a member of the Teachers' Retirement System
6 or Teachers' Pension System under Title 22 or Title 23 of this article;
- 7 (iv) a correctional officer, while a member of the Correctional
8 Officers' Retirement System under Title 25 of this article;
- 9 (v) an employee of the Medical System Corporation, as defined in §
10 13-301 or § 13-401 of the Education Article, while a member of the Employees'
11 Retirement System of the State of Maryland or the Employees' Pension System of the
12 State of Maryland under Title 22 or Title 23 of this article;
- 13 (vi) a State Police officer while a member of the State Police
14 Retirement System under Title 24 of this article; or
- 15 (vii) a law enforcement officer while a member of the Law
16 Enforcement Officers' Pension System under Title 26 of this article.
- 17 (b) (1) A retiree may enroll and participate in the health insurance benefit
18 options established under the Program if the retiree:
- 19 (i) ended State service with at least 10 years of creditable service
20 and within 5 years before the age at which a vested retirement allowance normally
21 would begin;
- 22 (ii) ended State service with at least 16 years of creditable service;
- 23 (iii) ended State service on or before June 30, 1984;
- 24 (iv) retired directly from State service with a State retirement
25 allowance on or after July 1, 1984, and had at least 5 years of creditable service; or
- 26 (v) retired directly from State service with a State disability
27 retirement allowance on or after July 1, 1984.
- 28 (2) (i) The surviving spouse or dependent child of a deceased retiree
29 who was eligible to enroll may enroll and participate in the health insurance benefit
30 options established under the Program as long as the spouse or child is receiving an
31 allowance under Division II of this article.
- 32 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
33 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7
34 benefit under Division II of this article.

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

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

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

14 23-201.

15 (a) Except as provided in subsection (b) of this section, §§ 23-202 through
16 23-205 of this subtitle apply only to:

17 (1) a regular employee whose compensation is provided by State
18 appropriation or paid from State funds;

19 (2) an appointed or elected official of the State, including:

20 (i) a clerk of the circuit court;

21 (ii) a register of wills;

22 (iii) a State's Attorney; and

23 (iv) a sheriff;

24 (3) an employee or official of a participating governmental unit who is
25 eligible to participate under Title 31, Subtitle 1 of this article;

26 (4) an employee of the Office of the Sheriff of Baltimore City;

27 (5) an additional employee or agent of the State Racing Commission
28 authorized by § 11-207 of the Business Regulation Article;

29 (6) a permanent employee of the board of supervisors of elections of a
30 county;

31 (7) a full-time master in chancery or in juvenile causes who is appointed
32 on or after July 1, 1989, in any county by the circuit court for that county;

33 (8) an employee of the Maryland Environmental Service who is a
34 member of the Employees' Pension System on June 30, 1993, or transfers from the
35 Employees' Retirement System on or after July 1, 1993;

1 (9) an employee of Dorchester County who is not a member of the
2 County's general pension and retirement program;

3 (10) a former Baltimore City jail employee who became an employee of the
4 Baltimore City Detention Center and a member of the Employees' Pension System on
5 July 1, 1991;

6 (11) an employee of the Baltimore City Community College who is not a
7 clerical or professional employee;

8 (12) a court reporter for the Circuit Court for Charles County who is a
9 member of the Employees' Pension System on July 1, 1994, or transfers from the
10 Employees' Retirement System on or after July 1, 1994;

11 (13) a staff employee of the University System of Maryland, Morgan State
12 University, or St. Mary's College who is:

13 (i) a member of the Employees' Pension System on January 1,
14 1998, or transfers from the Employees' Retirement System on or after January 1,
15 1998; or

16 (ii) a staff employee of the University System of Maryland, Morgan
17 State University, or St. Mary's College who becomes an employee on or after January
18 1, 1998;

19 (14) on or after the date that the Board of Education of Kent County
20 begins participation in the Employees' Pension System, a supportive service employee
21 of the Board of Education of Kent County; and

22 (15) an employee of the Town of Oakland on or after the date that the
23 Town of Oakland begins participation in the Employees' Pension System.

24 (b) Sections 23-202 through 23-205 of this subtitle do not apply to:

25 (1) an individual who is or is entitled to be a member of any State system
26 other than the Employees' Pension System;

27 (2) a contractual, emergency, or temporary extra employee;

28 (3) an individual who is employed under a federal public service
29 employment program;

30 (4) an assessor who is a member of a retirement or pension system
31 operated by a political subdivision of the State;

32 (5) an employee of a board of supervisors of elections who chose to stay in
33 a local merit system under Article 33, § 2-207 of the Code;

34 (6) a nonclerical or nonprofessional employee of the Baltimore City
35 Community College who:

1 (i) was an employee of the New Community College of Baltimore
2 during the 1989-1990 academic year;

3 (ii) was employed by the New Community College of Baltimore on
4 or before December 31, 1990, as a "Class A" member of the Baltimore City Retirement
5 Plan; and

6 (iii) elected to remain a member of the Baltimore City Retirement
7 Plan;

8 (7) an employee who is not a member of a State system and who accepts
9 a position for which the budgeted hours per fiscal year are less than 500 hours in the
10 first fiscal year of employment; [or]

11 (8) an employee of the Domestic Relations Division of the Anne Arundel
12 County Circuit Court who:

13 (i) was transferred on or after July 1, 2002, into the State
14 Personnel Management System as an employee of the Child Support Enforcement
15 Administration of the Maryland Department of Human Resources;

16 (ii) elected, under § 2-510 of the Courts Article, to remain as a
17 participant in the Anne Arundel County Retirement and Pension System; and

18 (iii) remains as an employee of the Child Support Enforcement
19 Administration of the Maryland Department of Human Resources or an attorney
20 employed to represent the Child Support Enforcement Administration; OR

21 (9) AN EMPLOYEE OF THE ANNE ARUNDEL COUNTY CIRCUIT COURT
22 WHO:

23 (I) WAS TRANSFERRED ON OR BEFORE JANUARY 1, 2003, INTO THE
24 STATE PERSONNEL MANAGEMENT SYSTEM AS AN EMPLOYEE OF AN APPELLATE
25 COURT;

26 (II) ELECTED, UNDER § 2-405 OF THE COURTS ARTICLE, TO REMAIN
27 AS A PARTICIPANT IN THE ANNE ARUNDEL COUNTY RETIREMENT AND PENSION
28 SYSTEM; AND

29 (III) REMAINS AS AN EMPLOYEE OF AN APPELLATE COURT.

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