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By: **Chairman, Budget and Taxation Committee (By Request -  
Departmental - University System of Maryland)**

Introduced and read first time: January 27, 2003

Rules suspended

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 20, 2003

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

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

9 BY repealing and reenacting, with amendments,  
10 Article - State Personnel and Pensions  
11 Section 2-509(a)  
12 Annotated Code of Maryland  
13 (1997 Replacement Volume and 2002 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 2-509.

18 (a) (1) [An] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN  
19 individual may enroll and participate in the health insurance benefit options  
20 established under the Program if the individual retired under an optional Program  
21 under Title 30 of this article and:

1 (i) ended service with a State institution of higher education with  
2 at least 10 years of service and was at least age 57;

3 (ii) ended service with a State institution of higher education with  
4 at least 16 years of service; or

5 (iii) retired directly from and had at least 5 years of service with a  
6 State institution of higher education with a periodic distribution of benefits on or  
7 after July 1, 1984.

8 (2) (I) FOR PURPOSES OF THIS SUBSECTION ONLY, YEARS OF SERVICE  
9 SHALL BE CALCULATED AS FOLLOWS:

10 1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
11 PARAGRAPH, A YEAR OF SERVICE MEANS A PERIOD OF 12 MONTHS DURING WHICH  
12 AN EMPLOYEE WAS A PARTICIPANT IN AN OPTIONAL RETIREMENT PROGRAM UNDER  
13 TITLE 30 OF THIS ARTICLE AND THE PARTICIPANT'S EMPLOYER MADE  
14 CONTRIBUTIONS TO THE PARTICIPANT'S ACCOUNT IN THE PROGRAM; OR

15 2. IF AN EMPLOYEE'S WORK YEAR IS AN ACADEMIC YEAR OF  
16 AT LEAST 9 BUT LESS THAN 12 MONTHS, A YEAR OF SERVICE MEANS A PERIOD EQUAL  
17 TO THE ACADEMIC YEAR DURING WHICH AN EMPLOYEE WAS A PARTICIPANT IN AN  
18 OPTIONAL RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE AND THE  
19 PARTICIPANT'S EMPLOYER MADE CONTRIBUTIONS TO THE PARTICIPANT'S ACCOUNT  
20 IN THE PROGRAM.

21 (II) TO DETERMINE ELIGIBILITY FOR HEALTH INSURANCE  
22 BENEFITS UNDER THIS SECTION, EACH YEAR OF SERVICE SHALL BE MULTIPLIED BY  
23 THE PARTICIPANT'S PERCENTAGE OF FULL-TIME EMPLOYMENT FOR THAT YEAR OF  
24 SERVICE.

25 [(2)] (3) The surviving spouse or dependent child of a deceased  
26 individual who was eligible to enroll may enroll and participate in the health  
27 insurance benefit options established under the Program as long as the spouse or  
28 child is receiving a periodic distribution of benefits under an optional retirement  
29 program under Title 30 of this article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
31 effect October 1, 2003.