

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 100

(Chairman, Budget and Taxation Committee)
(By Request – Departmental – Transportation)

Budget and Taxation

Appropriations

Personnel and Pensions - Maryland Transit Administration Retirees - Health Benefits

This departmental bill broadens the definition of State “retiree” to include a former Maryland Transit Administration (MTA) employee who receives an MTA retirement allowance. The expanded definition permits a former MTA employee to participate in the State Employee and Retiree Welfare Benefits Program (State plan). The definition of “State service” as it relates to determining eligibility for retiree health benefits is expanded to include employment while a member of the MTA retirement plan.

Fiscal Summary

State Effect: None. The bill codifies existing practice/procedure and permits MTA retirees who are enrolled in the State plan to remain enrolled.

Local Effect: None.

Small Business Effect: The Department of Transportation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: A State “retiree” is: (1) a former State employee who receives a retirement allowance under Division II of the State Personnel and Pensions Article; or (2) a former employee of the Medical System Corporation who receives a retirement

allowance from either the State Employees' Retirement System or the State Employees' Pension System.

MTA employees who are union members may participate in either: (1) the Employees' Retirement System and the Employee's Pension System on terms and conditions mutually acceptable to MTA and the State Retirement and Pension System's Board of Trustees; or (2) MTA's retirement plan.

Individuals eligible to enroll in the State Employee and Retiree Welfare Benefits Program and receive health benefits include: (1) State employees; (2) elected officials; (3) registers of wills and their employees; (4) clerks of the court and their employees; (5) board of commission members; (6) employees of political subdivisions that have chosen to participate in the State plan; (7) employees of agencies, commissions, or organizations permitted by law; (8) State retirees; and (9) enrollees' eligible dependents.

Fiscal Effect: There are approximately 75 MTA retirees currently receiving health insurance benefits from the State plan and who are, under current law, ineligible to do so. MTA employees who are union members are entitled to their choice of health coverage either through the MTA's health plan for union members or through the State plan. Upon retirement, however, former MTA employees become ineligible to remain enrolled in the State plan. This bill permits MTA retirees who chose to enroll in the State plan when employed with MTA the opportunity to remain enrolled after retirement. MTA's fiscal 2003 budget includes \$370,000 to pay retiree health benefit subsidies for the 75 retirees enrolled in the State plan.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2003
ncs/jr

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