

SENATE BILL 63

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2004 Regular Session
4lr0025
CF 4lr2737

By: **Chairman, Budget and Taxation Committee (By Request -
Departmental - Transportation)**

Introduced and read first time: January 15, 2004
Assigned to: Budget and Taxation

Committee Report: Favorable
Senate action: Adopted
Read second time: March 9, 2004

CHAPTER _____

1 AN ACT concerning

2 **Personnel and Pensions - Dependents of Maryland Transit Administration**
3 **Retirees - Health Benefits**

4 FOR the purpose of providing that certain surviving spouses and dependent children
5 of Maryland Transit Administration Retirement Plan retirees are eligible to
6 receive certain health insurance benefits; altering certain definitions; and
7 generally relating to health insurance benefits for Maryland Transit
8 Administration Retirement Plan retirees and their surviving spouses and
9 dependent children.

10 BY repealing and reenacting, with amendments,
11 Article - State Personnel and Pensions
12 Section 2-508
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2003 Supplement)

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

17 **Article - State Personnel and Pensions**

18 2-508.

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

20 (2) "Creditable service" means:

1 (i) service credited toward a retirement allowance under Division
2 II of this article;

3 (ii) service while a member of the Judges' Retirement System under
4 Title 27 of this article; [or]

5 (iii) service while an employee was employed by the Domestic
6 Relations Division of the Anne Arundel County Circuit Court, prior to transfer on or
7 before July 1, 2002 into the State Personnel Management System, in accordance with
8 § 2-510 of the Courts Article; OR

9 (IV) SERVICE WHILE A MEMBER OF THE MARYLAND TRANSIT
10 ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION
11 ARTICLE.

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

13 1. a former State employee who receives a retirement
14 allowance under Division II of this article;

15 2. a former employee of the Medical System Corporation, as
16 defined in § 13-301 or § 13-401 of the Education Article, who receives a retirement
17 allowance from the Employees' Retirement System of the State of Maryland or the
18 Employees' Pension System of the State of Maryland under Title 22 or Title 23 of this
19 article; or

20 3. a former employee of the Maryland Transit
21 Administration who receives a Maryland Transit Administration retirement
22 allowance under § 7-206 of the Transportation Article.

23 (ii) "Retiree" does not include:

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

25 2. a teacher or a staff member employed by a county board of
26 education; or

27 3. an individual who retired under an optional program
28 under Title 30 of this article.

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

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

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

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

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

3 (v) an employee of the Medical System Corporation, as defined in §
4 13-301 or § 13-401 of the Education Article, while a member of the Employees'
5 Retirement System of the State of Maryland or the Employees' Pension System of the
6 State of Maryland under Title 22 or Title 23 of this article;

7 (vi) a State Police officer while a member of the State Police
8 Retirement System under Title 24 of this article;

9 (vii) a law enforcement officer while a member of the Law
10 Enforcement Officers' Pension System under Title 26 of this article; or

11 (viii) an employee while a member of the Maryland Transit
12 Administration Plan under § 7-206 of the Transportation Article.

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

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

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

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

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

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

24 (2) (i) The surviving spouse or dependent child of a deceased retiree
25 who was eligible to enroll may enroll and participate in the health insurance benefit
26 options established under the Program as long as the spouse or child is receiving [an]
27 A PERIODIC allowance under Division II of this article OR THE MARYLAND TRANSIT
28 ADMINISTRATION RETIREMENT PLAN UNDER § 7-206 OF THE TRANSPORTATION
29 ARTICLE.

30 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
31 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7
32 benefit under Division II of this article OR A LUMP-SUM PAYMENT OF BENEFITS
33 UNDER THE MARYLAND TRANSIT ADMINISTRATION RETIREMENT PLAN UNDER §
34 7-206 OF THE TRANSPORTATION ARTICLE.

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

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
12 effect October 1, 2004.