
By: **Delegate Kelly**

Introduced and read first time: January 21, 2005

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program -**
3 **Calculation of State Subsidy for Retirees**

4 FOR the purpose of amending the definition of "creditable service" as it relates to
5 calculating the State subsidy for retirees participating in the State Employee
6 and Retiree Health and Welfare Benefits Program to include certain types of
7 contractual service with the State; and generally relating to the definition of
8 "creditable service" as it relates to calculating the State subsidy for retirees
9 participating in the State Employee and Retiree Health and Welfare Benefits
10 Program.

11 BY repealing and reenacting, with amendments,

12 Article - State Personnel and Pensions

13 Section 2-508

14 Annotated Code of Maryland

15 (2004 Replacement Volume)

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

18 **Article - State Personnel and Pensions**

19 2-508.

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

21 (2) "Creditable service" means:

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

24 (ii) service while a member of the Judges' Retirement System under
25 Title 27 of this article;

26 (iii) service while an employee was employed by the Domestic
27 Relations Division of the Anne Arundel County Circuit Court, prior to transfer on or

1 before July 1, 2002 into the State Personnel Management System, in accordance with
2 § 2-510 of the Courts Article; [or]

3 (iv) service while a member of the Maryland Transit Administration
4 Retirement Plan under § 7-206 of the Transportation Article; OR

5 (V) FULL-TIME CONTRACTUAL SERVICE, IF THE MEMBER HAS
6 ACCRUED AT LEAST 10 YEARS OF FULL-TIME CONTRACTUAL SERVICE WHILE
7 EMPLOYED BY THE STATE.

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

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

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

16 3. a former employee of the Maryland Transit
17 Administration who receives a Maryland Transit Administration retirement
18 allowance under § 7-206 of the Transportation Article.

19 (ii) "Retiree" does not include:

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

21 2. a teacher or a staff member employed by a county board of
22 education; or

23 3. an individual who retired under an optional program
24 under Title 30 of this article.

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

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

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

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

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

34 (v) an employee of the Medical System Corporation, as defined in §
35 13-301 or § 13-401 of the Education Article, while a member of the Employees'

1 Retirement System of the State of Maryland or the Employees' Pension System of the
2 State of Maryland under Title 22 or Title 23 of this article;

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

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

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

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

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

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

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

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

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

20 (2) (i) The surviving spouse or dependent child of a deceased retiree
21 who was eligible to enroll may enroll and participate in the health insurance benefit
22 options established under the Program as long as the spouse or child is receiving a
23 periodic allowance under Division II of this article or the Maryland Transit
24 Administration Retirement Plan under § 7-206 of the Transportation Article.

25 (ii) Subparagraph (i) of this paragraph does not apply to a deceased
26 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7
27 benefit under Division II of this article or a lump-sum payment of benefits under the
28 Maryland Transit Administration Retirement Plan under § 7-206 of the
29 Transportation Article.

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

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

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

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2005.