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By: **Senator Della**

Introduced and read first time: February 2, 2006

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Personnel - State Employees - Health Benefits**

3 FOR the purpose of providing that certain State employees or certain State  
4 employees' spouses are eligible to receive a certain State subsidy for purposes of  
5 the health insurance benefits established under the State Employee and Retiree  
6 Health and Welfare Benefits Program; and generally relating to the eligibility of  
7 State employees and the surviving spouses of State employees receiving a State  
8 subsidy for purposes of the health insurance benefits established under the  
9 State Employee and Retiree Health and Welfare Benefits Program.

10 BY repealing and reenacting, with amendments,

11 Article - State Personnel and Pensions

12 Section 2-509

13 Annotated Code of Maryland

14 (2004 Replacement Volume and 2005 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 2-509.

19 (a) (1) Subject to paragraph (2) of this subsection, an individual may enroll  
20 and participate in the health insurance benefit options established under the  
21 Program if the individual retired under an optional program under Title 30 of this  
22 article and:

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

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

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

4 (2) (i) For purposes of this subsection only, years of service shall be  
5 calculated as follows:

6 1. except as provided in subparagraph (ii) of this paragraph,  
7 a year of service means a period of 12 months during which an employee was a  
8 participant in an optional retirement program under Title 30 of this article and the  
9 participant's employer made contributions to the participant's account in the  
10 Program; or

11 2. if an employee's work year is an academic year of at least  
12 9 but less than 12 months, a year of service means a period equal to the academic year  
13 during which an employee was a participant in an optional retirement program under  
14 Title 30 of this article and the participant's employer made contributions to the  
15 participant's account in the Program.

16 (ii) To determine eligibility for health insurance benefits under this  
17 section, each year of service shall be multiplied by the participant's percentage of  
18 full-time employment for that year of service.

19 (3) The surviving spouse or dependent child of a deceased individual who  
20 was eligible to enroll may enroll and participate in the health insurance benefit  
21 options established under the Program as long as the spouse or child is receiving a  
22 periodic distribution of benefits under an optional retirement program under Title 30  
23 of this article.

24 (b) (1) An enrollee under this section who was in service with a State  
25 institution of higher education at the time of the retirement is entitled to the same  
26 State subsidy allowed a retiree under § 2-508 of this subtitle. However, except as  
27 provided in paragraph (2) of this subsection, the subsidy shall apply only to the costs  
28 of coverage for the enrollee and may not apply to any additional costs of coverage for  
29 the enrollee's spouse or children.

30 (2) [If] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,  
31 IF the enrollee has 25 or more years of service as an employee of the State in the  
32 Executive, Legislative, or Judicial Branch of government, the enrollee or the  
33 enrollee's surviving spouse or dependent child is entitled to the same State subsidy  
34 allowed a retiree with 16 or more years of creditable service under § 2-508(c)(1) of this  
35 subtitle.

36 (3) (I) THIS PARAGRAPH APPLIES TO AN ENROLLEE WHO:

37 1. IS AT LEAST 65 YEARS OLD;

38 2. RETIRES DIRECTLY FROM SERVICE WITH A STATE  
39 INSTITUTION OF HIGHER EDUCATION;

