

Chapter 591

(House Bill 333)

AN ACT concerning

State Retirement and Pension System – Administration – Simplification

FOR the purpose of clarifying that certain employees of the Baltimore Metropolitan Council may participate in the State Employee and Retiree Health and Welfare Benefits Program; clarifying that the definition of “Social Security integration level” for purposes of calculating certain State Retirement and Pension System benefits only applies to certain members of the several systems who are eligible to receive certain benefits; clarifying that the State is required to pay a certain amount of the cost of special death benefits for members of the State Police Retirement System; clarifying that certain retirees of withdrawn participating governmental units of the State Retirement and Pension System are subject to a certain break in service before becoming reemployed by the same withdrawn participating governmental unit; clarifying that a certain death benefit may not be paid for certain members of the Law Enforcement Officers’ Pension System if a certain other death benefit is also payable; and generally relating to simplifying the administration of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 2–511, 20–101(nn), 21–307(e), 22–406(d), 23–407(d), 25–403(h),
26–403(f), and 29–202

Annotated Code of Maryland

(2009 Replacement Volume and 2010 Supplement)

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

Article – State Personnel and Pensions

2–511.

(a) This section applies to employees of:

(1) the Maryland Environmental Service;

(2) the Northeast Maryland Waste Disposal Authority; and

(3) the Baltimore Metropolitan Council [who were employees of the Baltimore Regional Council of Governments on June 30, 1992].

(b) Subject to the regulations adopted under § 2–503 of this subtitle, an employee or, while receiving an allowance under the Employees’ Retirement System of the State of Maryland or the Employees’ Pension System of the State of Maryland, an employee’s surviving spouse:

(1) may enroll and participate in the health insurance or other benefit options established under the Program; and

(2) except as provided in subsection (d) of this section, is subject to the same terms and conditions as those provided under § 2–507 of this subtitle.

(c) While receiving an allowance under the Employees’ Retirement System of the State of Maryland or the Employees’ Pension System of the State of Maryland, a former employee or a former employee’s surviving spouse or dependent child:

(1) may enroll and participate in the health insurance benefit options established under the Program; and

(2) except as provided in subsection (d) of this section, is subject to the same terms and conditions as those provided under § 2–508 of this subtitle, with the employee’s service with the Maryland Environmental Service, Northeast Maryland Waste Disposal Authority, and the Baltimore Metropolitan Council being included as part of the employee’s State service.

(d) For each participant under this section, the Maryland Environmental Service, the Northeast Maryland Waste Disposal Authority, and the Baltimore Metropolitan Council or any successor agency, shall pay to the State the respective employer share of the cost of the Program based on the State subsidy allowed under this subtitle.

20–101.

(nn) “Social Security integration level” means, with respect to the calendar year in which a member retires or otherwise separates from employment, the average yearly amount of earnings for which old age and survivors benefits would be provided under Title II of the federal Social Security Act for an employee [65 years old] **WHO IS ELIGIBLE TO RECEIVE FULL OLD AGE AND SURVIVORS BENEFITS PROVIDED UNDER TITLE II OF THE FEDERAL SOCIAL SECURITY ACT** in that calendar year that is:

(1) computed as though for each previous year yearly earnings are at least equal to the maximum amount of yearly earnings subject to tax under the Federal Insurance Contributions Act; and

(2) rounded to the next lower multiple of \$100.

21-307.

(e) (1) For a member of the State Police Retirement System, the State shall pay the **FULL** cost of special death benefits under [~~§ 29-204(a)(2)(i)2~~] **§ 29-204** of this article[, including the normal contribution rate and the accrued liability rate, up to the current contribution rate for employers for federal old age, survivors, and disability insurance.

(2) Except as provided in paragraph (3) of this subsection, the members shall pay the cost of the special death benefits that exceeds the current rate for federal old age, survivors, and disability insurance.

(3) The State shall pay the full costs of each special death benefit applicable to each member whose death arises out of or in the course of actual performance of duty].

22-406.

(d) An individual who is rehired under this section may not be rehired within 45 days of the date the individual retired if:

(1) the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service retirement allowance; [or]

(2) (I) AT THE TIME OF RETIREMENT, THE INDIVIDUAL WAS A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM AS AN EMPLOYEE OF A WITHDRAWN GOVERNMENTAL UNIT; AND

(II) THE INDIVIDUAL'S CURRENT EMPLOYER IS THE SAME WITHDRAWN GOVERNMENTAL UNIT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A WITHDRAWN GOVERNMENTAL UNIT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE; OR

[(2)] **(3)** the individual's current employer is any unit of State government and the individual's employer at the time of the individual's last separation from employment with the State before the individual commenced receiving a service retirement allowance was also a unit of State government.

23-407.

(d) An individual who is rehired under this section may not be rehired within 45 days of the date the individual retired if:

(1) the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service retirement allowance; [or]

(2) (I) AT THE TIME OF RETIREMENT, THE INDIVIDUAL WAS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM AS AN EMPLOYEE OF A WITHDRAWN GOVERNMENTAL UNIT; AND

(II) THE INDIVIDUAL'S CURRENT EMPLOYER IS THE SAME WITHDRAWN GOVERNMENTAL UNIT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A WITHDRAWN GOVERNMENTAL UNIT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE; OR

[(2)] (3) the individual's current employer is any unit of State government and the individual's employer at the time of the individual's last separation from employment with the State before the individual commenced receiving a service retirement allowance was also a unit of State government.

25-403.

(h) An individual who is rehired under this section may not be rehired within 45 days of the date the individual retired if:

(1) the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service retirement allowance; [or]

(2) (I) AT THE TIME OF RETIREMENT, THE INDIVIDUAL WAS A MEMBER OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AS AN EMPLOYEE OF A WITHDRAWN GOVERNMENTAL UNIT; AND

(II) THE INDIVIDUAL'S CURRENT EMPLOYER IS THE SAME WITHDRAWN GOVERNMENTAL UNIT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A WITHDRAWN GOVERNMENTAL UNIT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE; OR

~~[(2)] (3)~~ the individual's current employer is any unit of State government and the individual's employer at the time of the individual's last separation from employment with the State before the individual commenced receiving a service retirement allowance was also a unit of State government.

26-403.

(f) An individual who is rehired under this section may not be rehired within 45 days of the date the individual retired if:

(1) the individual's current employer is a participating employer other than the State and is the same participating employer that employed the individual at the time of the individual's last separation from employment with a participating employer before the individual commenced receiving a service retirement allowance; **[or]**

(2) (I) AT THE TIME OF RETIREMENT, THE INDIVIDUAL WAS A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM AS AN EMPLOYEE OF A WITHDRAWN GOVERNMENTAL UNIT; AND

(II) THE INDIVIDUAL'S CURRENT EMPLOYER IS THE SAME WITHDRAWN GOVERNMENTAL UNIT THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A WITHDRAWN GOVERNMENTAL UNIT BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE RETIREMENT ALLOWANCE; OR

~~[(2)] (3)~~ the individual's current employer is any unit of State government and the individual's employer at the time of the individual's last separation from employment with the State before the individual commenced receiving a service retirement allowance was also a unit of State government.

29-202.

(a) (1) When the Board of Trustees receives proof of death of an individual who died while employed as a member, the Board of Trustees shall pay to the designated beneficiary or, if there is no designated beneficiary, to the member's estate the amounts specified in this subsection.

(2) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay the member's accumulated contributions.

(3) Subject to paragraph (1) of this subsection, the Board of Trustees shall pay an amount equal to the member's annual earnable compensation at death if

the member dies in the course of the performance of duty or the member has at least 1 year of eligibility service.

(b) (1) A death benefit under this section may not be paid for the death of a member of the State Police Retirement System if a special death benefit under § 29–204 of this subtitle is payable or has been paid for that death.

(2) A death benefit under this section may not be paid for the death of a member of the Correctional Officers' Retirement System if a special death benefit under § 29–204.1 of this subtitle is payable or has been paid for that death.

(3) A death benefit under this section may not be paid for the death of a member of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System if a special death benefit under § 29–204.2 of this subtitle is payable or has been paid for that death.

(4) A DEATH BENEFIT UNDER THIS SECTION MAY NOT BE PAID FOR THE DEATH OF A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IF A SPECIAL DEATH BENEFIT UNDER § 29–203 OF THIS SUBTITLE IS PAYABLE OR HAS BEEN PAID FOR THAT DEATH.

(c) The Board of Trustees may provide the death benefit as group life insurance if the Board of Trustees finds that the designated beneficiaries would receive a more favorable tax treatment of the death benefit.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2011.

Approved by the Governor, May 19, 2011.