

**Department of Legislative Services**  
Maryland General Assembly  
2012 Session

**FISCAL AND POLICY NOTE**

House Bill 170

(St. Mary's County Delegation)

Appropriations

Budget and Taxation

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**State Employees' Retirement and Pension Systems - Eligible Employees - St. Mary's Nursing Center, Inc.**

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This bill authorizes the St. Mary's Nursing Center, Inc. to maintain its eligibility as a participating governmental unit (PGU) in the State Retirement and Pension System (SRPS), even though it is no longer a governmental entity. Only nursing center employees in the Employees' Retirement System (ERS) or Employees' Pension System (EPS) who were employed by the nursing home on January 17, 1996, may remain members in those plans. The bill also incorporates a name change for the center in the statute.

The bill takes effect July 1, 2012.

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**Fiscal Summary**

**State Effect:** None. The bill does not affect State pension liabilities or contribution rates.

**Local Effect:** None. The St. Mary's Nursing Center, Inc. is self-supporting and does not receive funding for its operating expenses from St. Mary's County.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Political subdivisions of the State, including counties, municipal corporations, special taxing areas, and other local governmental entities authorized by statute may participate in SRPS as PGUs. The St. Mary's County Nursing Home is one of several dozen local governmental entities authorized by statute to participate in the system.

**Background:** The St. Mary's Nursing Home was established in 1965 as Southern Maryland's first nursing home. It began participating in SRPS as a PGU in 1977 but withdrew in January 1996. However, employees of the nursing home who were participating in ERS/EPS at that time were given the option of remaining in the plan. The nursing home advises that 25 of its current employees remain in either ERS or EPS.

The nursing home was incorporated as the St. Mary's Nursing Center, Inc. in 2001, with its Governing Board of Trustees appointed by the St. Mary's County Board of Commissioners. In 2010, the Board of Trustees purchased the property from the county and all county involvement in administering the center ended. Therefore, the nursing home, not the county, pays the employer pension contribution on behalf of the 25 individuals who remained ERS/EPS members when the nursing center withdrew in 1996.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 52 (Senator Dyson) - Budget and Taxation.

**Information Source(s):** St. Mary's County; Maryland State Retirement Agency; St. Mary's Nursing Center, Inc.; Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2012  
ncs/rhh

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