

SENATE BILL 235

K4, P1

4r1378
CF 4r1379

By: **The President (By Request – Governor’s Salary Commission)**

Introduced and read first time: January 16, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Governor – Pension and Health Benefits**

3 FOR the purpose of authorizing a former Governor of Maryland who began serving as
4 Governor on or after a certain date and the surviving spouse of a deceased
5 Governor or former Governor to enroll and participate in the State Employee
6 and Retiree Health and Welfare Benefits Program under certain circumstances;
7 specifying the amount of the State subsidy for the Program that a former
8 Governor who began serving as Governor on or after a certain date and the
9 surviving spouse of a deceased Governor or former Governor are eligible to
10 receive; providing that certain retiree health benefits provisions do not apply to
11 a former Governor who began serving as Governor on or after a certain date;
12 altering eligibility requirements for a former Governor to receive a normal
13 service retirement allowance; and generally relating to pension and health
14 benefits for former Governors.

15 BY repealing and reenacting, with amendments,
16 Article – State Personnel and Pensions
17 Section 2–508(c) and 22–405
18 Annotated Code of Maryland
19 (2009 Replacement Volume and 2013 Supplement)

20 BY adding to
21 Article – State Personnel and Pensions
22 Section 2–508.1
23 Annotated Code of Maryland
24 (2009 Replacement Volume and 2013 Supplement)

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

27 **Article – State Personnel and Pensions**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2-508.

2 (c) (1) (i) Except as provided in subparagraph (ii) of this paragraph,
3 this subsection applies to a retiree who begins State service on or after July 1, 2011.

4 (ii) This subsection does not apply to:

5 1. a retiree of the Judges' Retirement System; **OR**

6 2. **A FORMER GOVERNOR OF MARYLAND WHO**
7 **BEGAN SERVING AS GOVERNOR ON OR AFTER JANUARY 21, 2015.**

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

10 (i) ends State service with at least 25 years of creditable
11 service;

12 (ii) ends State service with a least 10 years of creditable service
13 within 5 years before the age at which a vested retirement allowance normally would
14 begin;

15 (iii) retires directly from State service with a State retirement
16 allowance and has 10 years of creditable service; or

17 (iv) retires directly from State service with a State disability
18 retirement allowance.

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

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

29 (4) (i) If a retiree receives a State disability retirement allowance
30 or has 25 or more years of creditable service, the retiree or the retiree's surviving
31 spouse or dependent child is entitled to the same State subsidy allowed a State
32 employee.

1 (ii) In all other cases, if a retiree has at least 10 years of
2 creditable service, the retiree or the retiree's surviving spouse or dependent child is
3 entitled to 1/25 of the State subsidy allowed a State employee for each year of the
4 retiree's creditable service up to 25 years.

5 (iii) Notwithstanding subparagraph (ii) of this paragraph and
6 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the
7 State 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.

10 **2-508.1.**

11 (A) A FORMER GOVERNOR OF MARYLAND WHO BEGAN SERVING AS
12 GOVERNOR ON OR AFTER JANUARY 21, 2015, MAY ENROLL AND PARTICIPATE
13 IN THE HEALTH INSURANCE BENEFIT OPTIONS ESTABLISHED UNDER THE
14 PROGRAM IF THE FORMER GOVERNOR:

15 (1) IS AT LEAST 62 YEARS OLD;

16 (2) IS RECEIVING A NORMAL SERVICE RETIREMENT ALLOWANCE
17 UNDER DIVISION II OF THIS ARTICLE; OR

18 (3) IS RECEIVING A DISABILITY RETIREMENT ALLOWANCE
19 UNDER DIVISION II OF THIS ARTICLE.

20 (B) THE SURVIVING SPOUSE OF A DECEASED GOVERNOR OR FORMER
21 GOVERNOR MAY ENROLL AND PARTICIPATE IN THE HEALTH INSURANCE
22 BENEFIT OPTIONS ESTABLISHED UNDER THE PROGRAM AS LONG AS THE
23 SPOUSE IS RECEIVING A PERIODIC ALLOWANCE UNDER DIVISION II OF THIS
24 ARTICLE.

25 (C) A FORMER GOVERNOR DESCRIBED IN SUBSECTION (A)(1) OR (2) OF
26 THIS SECTION OR THE SURVIVING SPOUSE OF A DECEASED GOVERNOR OR
27 FORMER GOVERNOR IS ENTITLED TO 1/16 OF THE STATE SUBSIDY ALLOWED A
28 STATE EMPLOYEE FOR EACH YEAR SERVED AS GOVERNOR.

29 (D) A FORMER GOVERNOR DESCRIBED IN SUBSECTION (A)(3) OF THIS
30 SECTION OR THE SURVIVING SPOUSE OF A DECEASED FORMER GOVERNOR IS
31 ENTITLED TO THE SAME STATE SUBSIDY ALLOWED A STATE EMPLOYEE.

32 22-405.

33 (a) Subject to subsection (d) of this section, if a Governor serves for at least:

1 (1) one full term, the Governor is entitled to receive a retirement
2 allowance equal to one-third of the annual salary received by the current Governor in
3 office; or

4 (2) two full terms, the Governor is entitled to receive a retirement
5 allowance equal to one-half of the annual salary received by the current Governor in
6 office.

7 (b) The Board of Trustees shall suspend a retirement allowance received
8 under this section during any period when the former Governor is employed by a unit
9 of State government.

10 (c) Except as provided in subsection (d) of this section, a Governor may not
11 receive a retirement allowance under this subsection until the Governor is at least
12 **[55] 62** years old.

13 (d) (1) A Governor who leaves office because of physical or mental
14 disability, under Article II, Section 6(c) of the Maryland Constitution, shall
15 immediately receive a disability retirement allowance equal to the amount the
16 Governor would have received had the Governor completed the current term and
17 become **[55] 62** years old.

18 (2) If the physical or mental disability ends before the former
19 Governor becomes **[55] 62** years old, the Board of Trustees shall stop the disability
20 retirement allowance, but the former Governor shall receive the normal retirement
21 allowance at age **[55] 62** if otherwise qualified.

22 (e) On the death of a former Governor, the surviving spouse of the former
23 Governor shall receive an allowance that is equal to one-half of the former Governor's
24 retirement allowance.

25 (f) On the death of a Governor while in office, the deceased Governor's
26 surviving spouse shall receive one-half of the retirement allowance that the deceased
27 Governor would have been entitled to receive had the deceased Governor completed
28 the current term and become **[55] 62** years old.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2014.