

# SENATE BILL 453

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By: Senator Serafini

Introduced and read first time: February 2, 2016

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Optional Retirement Program –**  
3 **Eligibility for Retiree Health Benefits Subsidy**

4 FOR the purpose of altering the eligibility requirements for a certain State subsidy under  
5 the State Employee and Retiree Health and Welfare Benefits Program for certain  
6 surviving spouses or dependent children of certain retirees of the Optional  
7 Retirement Program; and generally relating to eligibility for a certain State subsidy  
8 under the State Employee and Retiree Health and Welfare Benefits Program for  
9 certain spouses or dependents of certain retirees of the Optional Retirement  
10 Program.

11 BY repealing and reenacting, without amendments,  
12 Article – State Personnel and Pensions  
13 Section 2–508(b)(1) and (4)(i) and (ii) and (c)(1) and (4)(i) and (ii)  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume)

16 BY repealing and reenacting, with amendments,  
17 Article – State Personnel and Pensions  
18 Section 2–509  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume)

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

23 **Article – State Personnel and Pensions**

24 2–508.

25 (b) (1) This subsection applies to a retiree who:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) began State service on or before June 30, 2011; or
- 2 (ii) 1. began State service on or after July 1, 2011; and
- 3 2. is a retiree of the Judges' Retirement System.

4 (4) (i) If a retiree receives a State disability retirement allowance or has  
5 16 or more years of creditable service, the retiree or the retiree's surviving spouse or  
6 dependent child is entitled to the same State subsidy allowed a State employee.

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

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

13 (ii) This subsection does not apply to:

14 1. a retiree of the Judges' Retirement System; or

15 2. a former Governor of Maryland who began serving as  
16 Governor on or after January 21, 2015.

17 (4) (i) If a retiree receives a State disability retirement allowance or has  
18 25 or more years of creditable service, the retiree or the retiree's surviving spouse or  
19 dependent child is entitled to the same State subsidy allowed a State employee.

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

24 2-509.

25 (a) (1) This subsection applies to a retiree of an optional retirement program  
26 under Title 30 of this article who began service as an employee of the State in the Executive,  
27 Legislative, or Judicial Branch of government on or before June 30, 2011.

28 (2) (i) Subject to subparagraph (ii) of this paragraph, an individual may  
29 enroll and participate in the health insurance benefit options established under the  
30 Program if the individual retired under an optional program under Title 30 of this article  
31 and:

(ii) 1. For purposes of this subsection only, years of service shall be calculated as follows:

(b) (1) This subsection applies to a retiree of an optional retirement program under Title 30 of this article who begins service as an employee of the State in the Executive, Legislative, or Judicial Branch of government on or after July 1, 2011.

15 (ii) 1. For purposes of this paragraph only, years of service shall  
16 be calculated as follows:

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

1 (ii) of this paragraph, the subsidy shall apply only to the costs of coverage for the enrollee  
2 and may not apply to any additional costs of coverage for the enrollee's spouse or children.

3 (ii) If the enrollee has 25 or more years of service as an employee of  
4 the State in the Executive, Legislative, or Judicial Branch of government, the enrollee or  
5 the enrollee's surviving spouse or dependent child is entitled to the same State subsidy  
6 allowed a retiree with 25 or more years of creditable service under § 2-508(c)(4)(i) of this  
7 subtitle.]

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2016.