

# HOUSE BILL 1294

P6

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By: **Delegate Mautz**

Introduced and read first time: February 11, 2022

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program – BWI**  
3 **Airport Fire and Rescue Department – Employees and Dependents**

4 FOR the purpose of authorizing certain retirees who began employment with the BWI  
5 Airport Fire and Rescue Department before a certain date and who are receiving a  
6 retirement allowance from the Baltimore City Fire and Police Retirement System to  
7 participate in the State Employee and Retiree Health and Welfare Benefits Program;  
8 authorizing certain spouses and dependent children of certain deceased retirees to  
9 participate in the Program; and generally relating to the State Employee and Retiree  
10 Health and Welfare Benefits Program.

11 BY repealing and reenacting, with amendments,  
12 Article – State Personnel and Pensions  
13 Section 2–508  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume and 2021 Supplement)

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

18 **Article – State Personnel and Pensions**

19 2–508.

20 (a) (1) In this section the following words have the meanings indicated.

21 (2) “Creditable service” means:

22 (i) service credited toward a retirement allowance under Division II  
23 of this article;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) service while a member of the Judges' Retirement System under  
2 Title 27 of this article;

3 (iii) service while an employee was employed by the Domestic  
4 Relations Division of the Anne Arundel County Circuit Court, prior to transfer on or before  
5 July 1, 2002 into the State Personnel Management System, in accordance with § 2–510 of  
6 the Courts Article; [or]

7 (iv) service while a member of the Maryland Transit Administration  
8 Retirement Plan under § 7–206 of the Transportation Article; **OR**

9 (v) **SERVICE WHILE AN EMPLOYEE WAS EMPLOYED BY THE BWI  
10 AIRPORT FIRE AND RESCUE DEPARTMENT WHO:**

11 **1. BEGAN EMPLOYMENT WITH THE BWI AIRPORT FIRE  
12 AND RESCUE DEPARTMENT BEFORE OCTOBER 1, 1993; AND**

13 **2. IS RECEIVING A RETIREMENT ALLOWANCE FROM THE  
14 BALTIMORE CITY FIRE AND POLICE RETIREMENT SYSTEM.**

15 (3) (i) "Retiree" means:

16 1. a former State employee who receives a retirement  
17 allowance under Division II of this article;

18 2. a former employee of the Medical System Corporation, as  
19 defined in § 13–301 or § 13–401 of the Education Article, who receives a retirement  
20 allowance from the Employees' Retirement System of the State of Maryland or the  
21 Employees' Pension System of the State of Maryland under Title 22 or Title 23 of this  
22 article; [or]

23 3. a former employee of the Maryland Transit  
24 Administration who receives a Maryland Transit Administration retirement allowance  
25 under § 7–206 of the Transportation Article; **OR**

26 **4. A FORMER EMPLOYEE OF THE BWI AIRPORT FIRE  
27 AND RESCUE DEPARTMENT WHO:**

28 **A. BEGAN EMPLOYMENT WITH THE BWI AIRPORT FIRE  
29 AND RESCUE DEPARTMENT BEFORE OCTOBER 1, 1993; AND**

30 **B. RECEIVES A RETIREMENT ALLOWANCE FROM THE  
31 BALTIMORE CITY FIRE AND POLICE RETIREMENT SYSTEM.**

32 (ii) "Retiree" does not include:

- 1                                   1.     a member of the faculty or staff of a community college;
- 2                                   2.     a teacher or a staff member employed by a county board of  
3 education; or
- 4                                   3.     an individual who retired under an optional program  
5 under Title 30 of this article.

6                   (4)     “State service” means service with the State by:

- 7                                   (i)     an employee while a member of the Employees’ Retirement  
8 System or the Employees’ Pension System under Title 22 or Title 23 of this article;
- 9                                   (ii)    a member of the Judges’ Retirement System under Title 27 of  
10 this article;
- 11                                  (iii)   a teacher while a member of the Teachers’ Retirement System or  
12 Teachers’ Pension System under Title 22 or Title 23 of this article;
- 13                                  (iv)   a correctional officer, while a member of the Correctional  
14 Officers’ Retirement System under Title 25 of this article;
- 15                                  (v)     an employee of the Medical System Corporation, as defined in §  
16 13–301 or § 13–401 of the Education Article, while a member of the Employees’ Retirement  
17 System of the State of Maryland or the Employees’ Pension System of the State of Maryland  
18 under Title 22 or Title 23 of this article;
- 19                                  (vi)   a State Police officer while a member of the State Police  
20 Retirement System under Title 24 of this article;
- 21                                  (vii)  a law enforcement officer while a member of the Law  
22 Enforcement Officers’ Pension System under Title 26 of this article; [or]
- 23                                  (viii) an employee while a member of the Maryland Transit  
24 Administration Plan under § 7–206 of the Transportation Article; OR

25                                  **(IX) A FORMER EMPLOYEE OF THE BWI AIRPORT FIRE AND**  
26 **RESCUE DEPARTMENT WHO:**

27                                   **1.     BEGAN EMPLOYMENT WITH THE BWI AIRPORT FIRE**  
28 **AND RESCUE DEPARTMENT BEFORE OCTOBER 1, 1993; AND**

29                                   **2.     IS RECEIVING A RETIREMENT ALLOWANCE FROM THE**  
30 **BALTIMORE CITY FIRE AND POLICE RETIREMENT SYSTEM.**

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

2 (i) began State service on or before June 30, 2011; or

3 (ii) 1. began State service on or after July 1, 2011; and

4 2. is a retiree of the Judges' Retirement System.

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

7 (i) ended State service with at least 10 years of creditable service  
8 and within 5 years before the age at which a vested retirement allowance normally would  
9 begin;

10 (ii) ended State service with at least 16 years of creditable service;

11 (iii) ended State service on or before June 30, 1984;

12 (iv) retired directly from State service with a State retirement  
13 allowance on or after July 1, 1984, and had at least 5 years of creditable service;

14 (v) retired directly from State service with a State disability  
15 retirement allowance on or after July 1, 1984; or

16 (vi) retired directly from State service in the Judges' Retirement  
17 System at the mandatory retirement age required by Article IV, § 3 of the Maryland  
18 Constitution with less than 5 years of creditable service.

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

25 (ii) Subparagraph (i) of this paragraph does not apply to a deceased  
26 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit  
27 under Division II of this article [or], a lump-sum payment of benefits under the Maryland  
28 Transit Administration Retirement Plan under § 7-206 of the Transportation Article, **OR**  
29 **A LUMP-SUM PAYMENT OF BENEFITS FROM THE BALTIMORE CITY FIRE AND**  
30 **POLICE RETIREMENT SYSTEM.**

31 (4) (i) If a retiree receives a State disability retirement allowance or has  
32 16 or more years of creditable service, the retiree or the retiree's surviving spouse or  
33 dependent child is entitled to the same State subsidy allowed a State employee.

1 (ii) In all other cases, if a retiree has at least 5 years of creditable  
2 service, the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of  
3 the State subsidy allowed a State employee for each year of the retiree's creditable service  
4 up to 16 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 State  
7 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable  
8 service shall be determined with respect to service as an additional employee or agent  
9 beginning from the initial date of employment or January 1, 1986, whichever is later.

10 (iv) 1. This paragraph applies only to a retiree of the Judges'  
11 Retirement System who retired directly from State service at the mandatory retirement  
12 age required by Article IV, § 3 of the Maryland Constitution with less than 5 years of  
13 creditable service.

14 2. Notwithstanding subparagraph (ii) of this paragraph, a  
15 retiree of the Judges' Retirement System or the retiree's surviving spouse or dependent  
16 child is entitled to 1/16 of the State subsidy allowed a State employee for each year of the  
17 retiree's creditable service.

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

20 (ii) This subsection does not apply to:

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

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

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

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

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

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

31 (iv) retires directly from State service with a State disability  
32 retirement allowance.

33 (3) (i) The surviving spouse or dependent child of a deceased retiree

1 who was eligible to enroll may enroll and participate in the health insurance benefit options  
 2 established under the Program as long as the spouse or child is receiving a periodic  
 3 allowance under Division II of this article [or], the Maryland Transit Administration  
 4 Retirement Plan under § 7–206 of the Transportation Article, **OR THE BALTIMORE CITY**  
 5 **FIRE AND POLICE RETIREMENT SYSTEM.**

6 (ii) Subparagraph (i) of this paragraph does not apply to a deceased  
 7 retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit  
 8 under Division II of this article [or], a lump-sum payment of benefits under the Maryland  
 9 Transit Administration Retirement Plan under § 7–206 of the Transportation Article, **OR**  
 10 **A LUMP-SUM PAYMENT OF BENEFITS FROM THE BALTIMORE CITY FIRE AND**  
 11 **POLICE RETIREMENT SYSTEM.**

12 (4) (i) If a retiree receives a State disability retirement allowance or has  
 13 25 or more years of creditable service, the retiree or the retiree's surviving spouse or  
 14 dependent child is entitled to the same State subsidy allowed a State employee.

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

19 (iii) Notwithstanding subparagraph (ii) of this paragraph and  
 20 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State  
 21 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable  
 22 service shall be determined with respect to service as an additional employee or agent  
 23 beginning from the initial date of employment.

24 (d) (1) Notwithstanding subsections (b) and (c) of this section and §§ 2–509 and  
 25 2–509.1 of this subtitle, the State may establish separate health insurance benefit options  
 26 for retirees that differ from those for active State employees.

27 (2) Subject to § 2–509.1 of this subtitle, on or after July 1, 2011, the health  
 28 insurance benefit option for retirees shall include a prescription drug benefit that:

29 (i) has the same co-payments, coinsurance, and deductible that  
 30 apply to the prescription drug benefit for active State employees;

31 (ii) requires:

32 1. retirees who qualify for the maximum State subsidy to pay  
 33 25% of the premium for the prescription drug benefit; and

34 2. retirees who qualify for a partial State subsidy to pay 25%  
 35 of the premium for the prescription drug benefit plus the proportional additional amount  
 36 required under subsections (b)(4)(ii) and (c)(4)(ii) of this section; and

1 (iii) requires retirees to pay out-of-pocket limits equal to:

2 1. \$1,500 for the retiree only; and

3 2. \$2,000 for the retiree and the retiree's family.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
5 1, 2022.