

**Senate Budget and Taxation Committee/House Appropriations Committee**  
**Senate Bill 395/House Bill 581**  
**State Employee and Retiree Health Benefits – Creditable Service**  
**February 16, 2023 Senate / February 28, 2023 House**  
**Porzia M. Purves: Written Statement**

Thank you Delegate Barnes, Chairman House Appropriations Committee and members. Thank you, Delegate Morgan, for introducing House Bill 581 and Senator Bailey for introducing Senate Bill 395 and allowing for an opportunity to provide comments on our behalf. As I understand the purpose of SB 395/HB 581 is to determine creditable service eligibility for State retiree health benefits for State employees working for Historic St. Mary's City Commission.

- I began working for HSMCC in 1987 and was a member of the State Employees Pension System, I had a break in employment from December 1989 and returned to work for HSMCC in March 1995, again as a participant in the State Employees Pension System.
- In 1997, HSMCC affiliated with St. Mary's College of Maryland (SMCM). Through the affiliation, HSMCC staff were told they were entitled to the same benefits as the staff of SMCM. This included the availability of the Optional Retirement Program for HSMCC exempt employees.
- A number of HSMCC staff elected to participate in the ORP based on this advice, including me.
- In 2008, 11 years into the affiliation, were told that HSMCC was not considered an educational institution for purposes of qualifying for the ORP, and that we were going to be forced out of the ORP and into the MSRS. After a year of debate including letters to Congressman Hoyer and the Internal Revenue Service, the determination remained that HSMCC staff must be removed from the ORP.
- In November 2008, the staff had a meeting with the HR representatives of SMCM, where we were informed that, we must go into the MSRS and that we would be lucky to be accepted because we will now be considered new employees. At that moment, we were being told the transition would be making us new employees in the State Retirement System. We were not new employees to the State, therefore why would we be considered new employees to the Retirement System. We were losing an accurate accounting of our state service.
- We asked that our ORP funds be moved over to the MSRS and again we were that would not be possible. We were also informed that we were unable to touch the funds in the ORP, meaning we could not move it around within the account to safeguard it.
- At no time during this entire process were we given any a reasonable solution to make us whole employees in the retirement system.

- The important point addressed by the current legislation is that for purposes of retiree health insurance and State subsidy for such insurance, for employees of HSMCC who were once erroneously enrolled in the ORP, years of service in both the Employees Pension System and the ORP would be combined to determine eligibility for retiree health benefits and for the retiree health benefit subsidy.