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KENNY SCHUBERT
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February 25, 2024

SB 349 - State Prescription Drug Benefits – Retirees

Dear Chairman Guzzone and Distinguished Members of the Budget and Taxation Committee,

The Maryland State Fraternal Order of Police **SUPPORTS** Senate Bill 349 - **State Prescription Drug Benefits – Retirees.**

Effective December 31, 2024, the State intends to discontinue prescription drug benefits for Medicare-eligible retirees, Medicare-eligible spouses or surviving spouses of a retiree, and a Medicare-eligible dependent child or surviving dependent child of a retiree. **SB 349** will make it so that this new policy will only apply to a retiree who began State service on or after July 1, 2011.

The 2011 Pension Reform bill initially sought this change to retirees who qualified for Medicare Part D coverage to take effect in 2019. Delays, due to legal action, have brought us to now where the State is again attempting to negatively affect many retirees now that they are free from the legal challenges to this law. At issue though to the FOP, is that this law does not consider when the retiree was hired or what the terms of their benefits package that they agreed to were when they were hired. Prior to the 2011 Pension reform bill, employees were hired with the promise of specific pension and health benefits for life. This included the Prescription plan. To remove the benefit that was promised we feel is a breach of that contract and a disservice to those that have faithfully served the State and fulfilled their obligations to qualify for those lifetime benefits. For those hired after the Pension Reform of 2011, while we don't agree with this change, understand that these employees would have known or been told to expect the changes that they now face.

A second issue that will now be compounded without passage of **SB 349** is that the State, did not have some Law Enforcement Officers pay into social security while they were actively employed. They will now fall prey to the windfall elimination provision (WEP) and have a smaller social security benefit than other State retirees that did have jobs that the State had pay into social security. This difference will cause hardship and a differing consequence to different retirees across that State making for an unfair and different benefit for each retiree group. All at a time when they are living on fixed incomes and increase to their mandatory expenses can have detrimental effects. For many retirees, if **SB 349** is not enacted, the change alone will bring higher costs for their prescriptions and will also come at a time when they are receiving smaller social security benefits than other retirees due to the WEP.

On behalf of the more than 20,000 Courageous Men and Women of the Maryland Fraternal Order of Police we thank you for your support and ask for your **FAVORABLE** vote on **Senate Bill 349 - State Prescription Drug Benefits – Retirees.**

Angelo L. Consoli Jr,
2nd Vice President, FOP, Maryland State Lodge
President, FOP Lodge 89, Prince George's County