

SENATE BILL 632

P6
HB 1294/22 – APP

3lr0674

By: **Senator Mautz**

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

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 2022 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;

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 IF THE EMPLOYEE:**

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

13 **2. RECEIVES 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) (I) “State service” means service with the State by:

7 [(i)] 1. an employee while a member of the Employees’
8 Retirement System or the Employees’ Pension System under Title 22 or Title 23 of this
9 article;

10 [(ii)] 2. a member of the Judges’ Retirement System under Title
11 27 of this article;

12 [(iii)] 3. a teacher while a member of the Teachers’ Retirement
13 System or Teachers’ Pension System under Title 22 or Title 23 of this article;

14 [(iv)] 4. a correctional officer, while a member of the Correctional
15 Officers’ Retirement System under Title 25 of this article;

16 [(v)] 5. an employee of the Medical System Corporation, as
17 defined in § 13–301 or § 13–401 of the Education Article, while a member of the Employees’
18 Retirement System of the State of Maryland or the Employees’ Pension System of the State
19 of Maryland under Title 22 or Title 23 of this article;

20 [(vi)] 6. a State Police officer while a member of the State Police
21 Retirement System under Title 24 of this article;

22 [(vii)] 7. a law enforcement officer while a member of the Law
23 Enforcement Officers’ Pension System under Title 26 of this article; or

24 [(viii)] 8. an employee while a member of the Maryland Transit
25 Administration Plan under § 7–206 of the Transportation Article.

26 (II) “STATE SERVICE” INCLUDES SERVICE BY AN EMPLOYEE OF
27 THE BWI AIRPORT FIRE AND RESCUE DEPARTMENT WHILE A MEMBER OF THE
28 BALTIMORE CITY FIRE AND POLICE RETIREMENT SYSTEM IF THE EMPLOYEE
29 BEGAN EMPLOYMENT WITH THE BWI AIRPORT FIRE AND RESCUE DEPARTMENT
30 BEFORE OCTOBER 1, 1993.

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

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

- 6 (i) ended State service with at least 10 years of creditable service
7 and within 5 years before the age at which a vested retirement allowance normally would
8 begin;
- 9 (ii) ended State service with at least 16 years of creditable service;
- 10 (iii) ended State service on or before June 30, 1984;
- 11 (iv) retired directly from State service with a State retirement
12 allowance on or after July 1, 1984, and had at least 5 years of creditable service;
- 13 (v) retired directly from State service with a State disability
14 retirement allowance on or after July 1, 1984; or
- 15 (vi) retired directly from State service in the Judges' Retirement
16 System at the mandatory retirement age required by Article IV, § 3 of the Maryland
17 Constitution with less than 5 years of creditable service.

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

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

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

33 (ii) In all other cases, if a retiree has at least 5 years of creditable

1 service, the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of
2 the State subsidy allowed a State employee for each year of the retiree's creditable service
3 up to 16 years.

4 (iii) Notwithstanding subparagraph (ii) of this paragraph and
5 subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State
6 Racing Commission, for the purposes of determining a retiree's State subsidy, creditable
7 service shall be determined with respect to service as an additional employee or agent
8 beginning from the initial date of employment or January 1, 1986, whichever is later.

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

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

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

19 (ii) This subsection does not apply to:

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

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

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

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

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

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

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

32 (3) (i) The surviving spouse or dependent child of a deceased retiree
33 who was eligible to enroll may enroll and participate in the health insurance benefit options
34 established under the Program as long as the spouse or child is receiving a periodic

1 allowance under Division II of this article [or], the Maryland Transit Administration
 2 Retirement Plan under § 7–206 of the Transportation Article, **OR THE BALTIMORE CITY**
 3 **FIRE AND POLICE RETIREMENT SYSTEM.**

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

10 (4) (i) If a retiree receives a State disability retirement allowance or has
 11 25 or more years of creditable service, the retiree or the retiree’s surviving spouse or
 12 dependent child is entitled to the same State subsidy allowed a State employee.

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

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

22 (d) (1) Notwithstanding subsections (b) and (c) of this section and §§ 2–509 and
 23 2–509.1 of this subtitle, the State may establish separate health insurance benefit options
 24 for retirees that differ from those for active State employees.

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

27 (i) has the same co–payments, coinsurance, and deductible that
 28 apply to the prescription drug benefit for active State employees;

29 (ii) requires:

30 1. retirees who qualify for the maximum State subsidy to pay
 31 25% of the premium for the prescription drug benefit; and

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

35 (iii) requires retirees to pay out–of–pocket limits equal to:

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

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

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2023.