

# HOUSE BILL 581

P6

3lr2249  
CF SB 395

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By: **Delegates T. Morgan, Crosby, and M. Morgan**

Introduced and read first time: February 3, 2023

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health Benefits – Creditable Service – Historic St.**  
3 **Mary’s City Commission**

4 FOR the purpose of requiring the inclusion of certain State service while an individual was  
5 employed by the Historic St. Mary’s City Commission for the purpose of determining  
6 eligibility for State retiree health benefits for a retiree of the Historic St. Mary’s City  
7 Commission; and generally relating to retiree health benefits.

8 BY repealing and reenacting, without amendments,

9 Article – State Personnel and Pensions

10 Section 2–508(a)(1), (2)(i), and (3)(i)1. and (b)(1), (2), and (4)(i) and 20–101(d), (m),  
11 (dd), and (ll)

12 Annotated Code of Maryland

13 (2015 Replacement Volume and 2022 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – State Personnel and Pensions**

17 2–508.

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

19 (2) “Creditable service” means:

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

22 (3) (i) “Retiree” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

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

21                                   (4)   (i)    If a retiree receives a State disability retirement allowance or has  
22 16 or more years of creditable service, the retiree or the retiree's surviving spouse or  
23 dependent child is entitled to the same State subsidy allowed a State employee.

24 20-101.

25                                   (d)   "Allowance" means a benefit that is payable in equal monthly installments for  
26 the life of the recipient, except as otherwise provided for an optional form of an allowance  
27 under § 21-403 of this article.

28                                   (m)   "Creditable service" means the service credit of a member that is recognized  
29 for computing a benefit under this Division II.

30                                   (dd)  "Participating employer" means the employer of an individual who, because of  
31 the employment relationship, is eligible for membership in a State system.

1 (ll) (1) “Retirement allowance” means an allowance that is payable at the time  
2 of separation from employment with a participating employer.

3 (2) “Retirement allowance” includes:

4 (i) a service retirement allowance; and

5 (ii) a disability retirement allowance.

6 (3) “Retirement allowance” does not include a vested allowance.

7 SECTION 2. AND BE IT FURTHER ENACTED, That:

8 (a) (1) In this subsection, “Optional Retirement Program” means the Optional  
9 Retirement Program under Title 30 of the State Personnel and Pensions Article.

10 (2) This section applies to a retiree who:

11 (i) receives a retirement allowance from the Employees’ Pension  
12 System;

13 (ii) was employed by the Historic St. Mary’s City Commission, with  
14 employment beginning on or after July 1, 1995;

15 (iii) was enrolled in the Optional Retirement Program while  
16 employed by the Historic St. Mary’s City Commission; and

17 (iv) was disenrolled from the Optional Retirement Program and  
18 enrolled in the Employees’ Pension System while employed by the Historic St. Mary’s City  
19 Commission.

20 (b) To determine eligibility for health insurance benefits under § 2–508 of the  
21 State Personnel and Pensions Article for an individual described under subsection (a) of  
22 this section:

23 (1) the calculation of years of creditable service shall include the  
24 individual’s employment by the Historic St. Mary’s City Commission while enrolled in the  
25 Optional Retirement Program; and

26 (2) the individual shall be considered as having begun service as an  
27 employee of the State on or before June 30, 2011.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
29 1, 2023.