

STATE OF



**OPTIONAL RETIREMENT
PROGRAM**

**Handbook
for
RETIREE HEALTH BENEFITS**

State of Maryland Optional Retirement Program (ORP) Handbook for Retiree Health Benefits

Introduction

The State of Maryland ORP handbook for health benefits was developed to assist ORP-eligible employees and retirees of Maryland State institutions of higher education to understand the options available to them under the Optional Retirement Program.

For assistance, please contact your facility Institution Benefits Coordinator. Additional information is also available on the Department of Budget and Management's website, www.dbm.maryland.gov by selecting "State Employees" and "Health Benefits".

The information presented in this handbook is subject to legislative change and judicial interpretation and does not supersede nor restrict procedures or authority established under State statute. If there are questions of interpretation, the provisions of the State Personnel and Pensions Article of the Annotated Code of Maryland will control to resolve them.

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MARYLAND OPTIONAL RETIREMENT PROGRAM

Notes



HEALTH BENEFITS

Eligibility and Cost

The information in this section is included
in the annual Health Benefits Guide
and is supported by the
Annotated Code of Maryland

See Appendix for
Annotated Code of Maryland
§ 2-509 ORP Retirees
and
§ 2-508 State Retirees

OPTIONAL RETIREMENT PROGRAM (ORP) RETIREES (for Maryland ORP Service)

There are special rules governing your eligibility and costs for health benefits if you are a Retiree of an ORP. Current and former ORP vendors include: Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF), Fidelity Investments, AIG-Valic, American Century and ING.

Eligibility

You are eligible for health benefits with maximum, partial, or no State subsidy beginning with the first day of the month in which you receive your first periodic distribution from your Maryland ORP account if you meet one of the following criteria:

► Receipt of a periodic distribution from your Maryland ORP account directly follows the end of your employment with a Maryland State institution of higher education as an ORP participant and your ORP participation is equal to at least five years of full-time employment

► You ended service with a Maryland State institution of higher education when you were at least age 57 and had service equal to at least 10 years of full-time employment with contributions to a Maryland ORP account;

► You ended service with a Maryland State institution of higher education with service equal to at least 16 years of full-time employment with contributions to a Maryland ORP account;

Note: One year of employment at 50% of standard work hours with contributions to a Maryland ORP account provides six months of applicable ORP service. If you stop receiving a periodic distribution from your Maryland ORP account, you will no longer be eligible for health benefits.

Lump sum payments, supplemental retirement accounts, or non-Maryland State institution service do not count towards eligibility for enrollment in, or State subsidy for, Retiree health benefits.

State Subsidy Amount

NOTE: You must first be eligible (column one) in order to receive any State subsidy.

Maximum Individual/No Dependent State subsidy if you:

► Retire directly from a Maryland State institution of higher education and have service equal to at least 16 years of full-time employment with contributions to a Maryland ORP account.

Partial Individual/No Dependent State subsidy if you:

► Retire directly from a Maryland State institution of higher education and have service equal to at least five years but less than 16 years of full-time employment with contributions to a Maryland ORP account.

No Individual or Dependent State subsidy if you:

► Do not retire directly upon ending ORP service with a Maryland State institution of higher education, with the following exception:

If you are an ORP Retiree with 25 or more full years of regular State service in any branch of State government, you may be eligible for the maximum State subsidy of the coverage for you and your dependent(s), even if you do not retire directly from a Maryland State institution of higher education.

How You will Pay for Benefits

A letter explaining the payment process will be mailed to the address provided on your enrollment form along with payment coupons for the first month of coverage through the end of the plan year. (July through June for forms processed during the Open Enrollment period.)

Payments must begin with the first coupon received and are due the first of every month, with a 30-day grace period. Payments cannot be skipped.

All benefits are inactive and claims will not be processed until the Employee Benefits Division receives payment. Untimely payments result in a delay in using services and/or processing claims. Payments not postmarked within the 30-day grace period may result in the termination of your coverage and you may not be permitted to re-enroll until the next Open Enrollment period.

Payment may be made in advance to cover any or all coupons(s) received, but must be made in full monthly increments. Payment deadlines are strictly enforced.

If you do not receive payment coupons within one month of signing your enrollment form, please contact the Employee Benefits Division.

Complete a Retiree Health Benefits Enrollment Form and a State of Maryland ORP Packet, obtained from an Institution Benefits Coordinator at a Maryland State institution of higher education, the Department of Budget and Management's website, www.dbm.maryland.gov, or by mail from the Employee Benefits Division.

NOTE: ORP and MSRPS service cannot be combined if less than 25 years, but if an ORP retiree is eligible for retiree health benefits and State subsidy by each system independently, the percentage subsidy supported by each system may be combined. See the Scenarios - Combining Service or Subsidy section in this handbook.

SURVIVING ELIGIBLE DEPENDENT BENEFICIARIES OF DECEASED ORP RETIREES
(for Maryland ORP service)

Eligibility

You are eligible for health benefits if you are the surviving spouse or child of an eligible deceased ORP Retiree and:

- ▶ You meet the spouse or child dependent eligibility criteria for health benefits; and
- ▶ You are receiving a periodic distribution of benefits from the Retiree's Maryland ORP.

State Subsidy Amount

▶ **No State subsidy** if the Retiree had less than 25 years of Maryland State service.

▶ **Maximum State subsidy** if the Retiree had 25 or more full years of regular employment with the State in any branch of government; you may be eligible for the maximum State subsidy even if the Retiree did not retire directly from a Maryland State institution of higher education.

How You will Pay for Benefits

Same as ORP Retirees (see previous page).

Complete a Retiree Health Benefits Enrollment Form and a State of Maryland ORP Packet, obtained from an Institution Benefits Coordinator at a Maryland State institution of higher education, the Department of Budget and Management's website, www.dbm.maryland.gov, or by mail from the Employee Benefits Division.

If the beneficiary is a spouse, the spouse may cover herself/himself and any children who would be eligible dependent children of the deceased Retiree if the Retiree were still living.

If the beneficiary is a child, the child may enroll in health benefits as long as he or she meets the health benefits criteria for dependent children. When the child no longer meets the dependent eligibility requirements for children, retiree group health benefits end. Continued health benefits are available under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for up to 36 months with no State subsidy and a 2% administration fee.

Dependent beneficiaries who were enrolled in Term Life Insurance as a dependent at the time of the Retiree's death must contact the Term Life Insurance carrier within 30 days in order to convert their coverage to an individual policy for continued coverage. Plan names and phone numbers are listed in the annual Health Benefits Guide.

If an ORP Retiree or Beneficiary has a break in all coverage in the Health Benefits Program for any reason, voluntary or involuntary, documentation confirming the continuous and current receipt of a periodic distribution from the Maryland ORP must be provided to qualify for re-enrollment.

NOTE: Retirees and/or spouses of deceased ORP retirees must continuously be receiving a periodic distribution from a Maryland ORP account to maintain eligibility for Retiree health benefits. If you stop receiving a periodic distribution from your Maryland ORP account, you will no longer be eligible for health benefits. Failure to notify the Employee Benefits Division if/when you are no longer receiving a periodic distribution from your Maryland ORP account will result in your owing the State for any subsidy you received after the month in which your last Maryland ORP distribution was received.

MARYLAND STATE RETIREMENT SYSTEM RETIREES (for non-ORP State Employment)

Eligibility

You are eligible for benefits if you are a State Retiree who is currently receiving a monthly State retirement allowance and meet one of the following criteria:

- ▶ You ended State service with at least 16 year of creditable service;
- ▶ You retired directly from State service with at least five years of creditable service;
- ▶ You ended State service (deferring your retirement allowance) with at least 10 years of creditable service and within five years of normal retirement age;
- ▶ You retired from State service with a disability retirement allowance; or
- ▶ Your State service ended before July 1, 1984.

State Subsidy Amount

NOTE: You must first be eligible (column one) in order to receive any State subsidy.

Maximum State Subsidy if:

- ▶ You retire with 16 or more years of creditable service;
- ▶ You receive a disability retirement; or
- ▶ You retired from State service before July 1, 1984.

Partial State subsidy if you have at least five years of State creditable service, but less than 16. For example, if you have 10 years of State creditable service, you would receive 10/16 of the maximum State subsidy.

How You will Pay for Benefits

Premiums will be deducted from your monthly retirement allowance. If your monthly allowance does not accommodate deductions of any or all premiums, you will be billed for the premiums that were not deducted. Only whole plan premiums will be deducted. You will receive coupons for the first month no deduction was taken through the end of the plan year. Coupons for forms processed during Open Enrollment, for premiums that could not be deducted, are mailed in August for the plan year (July – June). Premium payments are due on the first day of every month, with a 30-day grace period (Exception: July premiums are due upon receipt of the coupons, with a 30-day grace period). If payment is not postmarked within the 30-day grace period, coverage in the plans for which payment was not received may be terminated and you may not be permitted to re-enroll until the next Open Enrollment Period.

Note: Retirees of a County that participates with the State Retirement System are not eligible for health benefits coverage through the State Employee and Retiree Health and Welfare Benefits Program. Certain other Retirees, such as Retirees of the Maryland Environmental Service or the University of Maryland Medical System that receive a State retirement allowance may be eligible. Contact your Institution Benefits Coordinator or the Employee Benefits Division if you think you may be eligible.

SURVIVING ELIGIBLE DEPENDENT BENEFICIARIES OF DECEASED MARYLAND STATE RETIREMENT SYSTEM RETIREES (for non-ORP State Employment)

You are eligible for benefits if you are a surviving spouse or child of a deceased State Retiree and:

- ▶ you meet the dependent eligibility criteria for health benefits; and
- ▶ you receive a monthly State retirement allowance as the surviving beneficiary of a deceased Retiree.

Beneficiaries receive the same State subsidy that the Retiree was entitled to receive. See above section.

Same as Maryland State Retirement System Retirees (see above).

Beneficiaries who were enrolled in dependent Term Life Insurance at the time of the Retiree's death must contact the Term Life Insurance carrier within 30 days to convert their coverage to an individual policy in order to continue coverage. Plan names and phone numbers are listed in the annual Health Benefits Guide.

If the beneficiary is a spouse, the spouse may cover herself/himself and any children who would be eligible dependent children of the deceased Retiree if the Retiree were still living.

If the beneficiary is a child, the child may enroll in State subsidized health benefits as long as he or she meets the health benefits criteria for dependent children. When the child no longer meets the dependent eligibility requirements for children, subsidized health benefits end. Non-subsidized benefits under COBRA are available for up to 36 months.



FREQUENTLY ASKED QUESTIONS

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Frequently Asked Questions

1. Will dependent documentation be required for dependents that were covered on the active employee policy immediately prior to retirement?

No, documentation will not be required for dependents that are currently enrolled.

2. If an employee worked at a Maryland institution of higher education as both a member of the Maryland State Retirement and Pension System (MSRPS) and the Optional Retirement Program (ORP), would he/she have to complete Forms 1, 2, 3 and 4?

Yes. Forms 1 and 2 are only for reporting service with Maryland ORP participation; any Maryland State non-ORP service in a position eligible for MSRPS participation (including non-ORP employment with Maryland State institutions of higher education) should be reported on Forms 3 and 4.

3. Why should ORP retirees verify service with State agencies (Forms 3 and 4) when agencies don't participate in the ORP? Will it increase their amount of State subsidy?

ORP retirees can combine Maryland ORP service and MSRPS service if the combined service equals 25 years or more. Service cannot be combined if the combined service equals less than 25 years. However, there is another reason for reporting any Maryland State non-ORP service in a MSRPS-eligible position (either with a State institution or a State agency). For ORP and MSRPS service that totals less than 25 years, if the individual is entitled to receive both a Maryland ORP retirement benefit and a MSRPS retirement benefit, and if each retirement system (ORP and MSRPS) independently supports health benefits participation with State subsidy, the amount of subsidy that is independently supported by each system can be combined. If all Maryland ORP and MSRPS service is reported, the retiree will receive the correct amount of State subsidy to which he/she is entitled.

Note: ORP retirees have contacted the Employee Benefits Division months (even years) after their ORP retirement began, to ask why they didn't get credit for their other State of Maryland employment. The other Maryland State service must be presented at the time of retirement in order for the Employee Benefits Division to make a timely determination.

4. If an ORP retiree did not have any Maryland State service other than ORP service, does he/she have to submit Forms 3 and 4?

No. By simply checking the statement and signing in Box C on the Checklist (Form 1, side 2 of the ORP Retiree Health Benefits Enrollment Packet), the retiree can indicate that no Maryland State service other than ORP service is being claimed and will not have to submit Forms 3 and 4.

5. On Form 1, will the exact dates of employment with ORP participation be required, or just the month and year?

If the exact date is unknown, the month and year will be acceptable.

6. Is the ORP Enrollment Packet only to be used by the University System of Maryland?

No, the ORP Enrollment Packet is to be used by all Maryland ORP retirees. Maryland State institutions of higher education include the following: University System of Maryland, Baltimore City Community College, Morgan State University, St. Mary's College, and the Maryland Higher Education Commission.

7. Can the surviving spouse of an ORP retiree continue their health benefits coverage upon the retiree's death?

As long as the surviving spouse is receiving a periodic distribution from the deceased retiree's Maryland ORP account, the surviving spouse can enroll in health benefits by submitting a Retiree Health Benefits Enrollment Form along with Form 5, Verification of Maryland ORP Retirement to confirm that he/she receives a periodic distribution from the Maryland ORP. The beneficiary would receive the same portion of subsidy, if any, that the deceased retiree received for dependent coverage. If the surviving spouse has already been confirmed by the Employee Benefits Division as a joint annuitant on a dual life annuity, Form 5 is not required; the beneficiary must only submit a Retiree Health Benefits Enrollment Form.

8. Can an ORP retiree who is receiving 10-year periodic distribution from the Maryland ORP participation in retiree health benefits?

Yes, as long as the retiree meets the criteria for participation in retiree health benefits, but only for the duration in which a periodic distribution is received. If distributions are set up to end in 10 years, health benefits eligibility will also end in 10 years.

9. If an individual's Maryland ORP service with contributions is equal to 16 years of full-time service, will he/she get the maximum State subsidy for the individual portion of premiums?

An ORP retiree with service equal to 16 years of full-time service will only receive the maximum subsidy for the individual portion of premiums if the retirement directly follows his/her ORP service with a Maryland State institution of higher education. An individual who takes a deferred ORP retirement and ended his/her ORP service with a Maryland State institution of higher education with at least 16 but less than 25 years of full-time service will be eligible to participate in retiree health benefits in the month he/she receives the first periodic distribution from his/her Maryland ORP account; however, no State subsidy will be provided even for the individual portion of premiums.

10. What is the State subsidy for a retiree who has 16 years of combined ORP and non-ORP service and only needs individual coverage?

COMAR does not speak about combining ORP and State service for enrollees with less than 25 years of service as an employee of the State. A retiree with less than 25 years of State service who retires from more than one system (i.e., his/her Maryland ORP account and a MSRPS retirement) and is eligible for a health benefits subsidy under both §2-508 and §2-509, each independently of the other, may combine the State subsidy that is independently supported by each system.

11. Does time during a sabbatical count?

Yes, the time would be pro-rated based on the percentage of pay received while on sabbatical.

12. If an employee works through January, but does not receive the first periodic retirement check until March, is this considered a direct retirement?

Yes, the retirement would be considered a "direct retirement" if the first periodic distribution is received within 60 days of ending ORP service with a Maryland State institution. However, retiree health benefits cannot begin until the month in which you receive your first periodic distribution. In the scenario above, retiree health benefits would become available on March 1st. If active employee health benefits end on January 31st, the only option for coverage between January 31st and March 1st would be under the Consolidated Omnibus Budget Reconciliation Act (COBRA) with no State subsidy and a 2% administrative fee.



**COMBINING
SERVICE or SUBSIDY**

Scenarios

Worksheet

Combining Service or Subsidy

The rules, laws and regulations governing participation and State subsidy in the Program are charted below and are applied to several scenarios on the following pages; SPP §2-509 for the Optional Retirement Program (ORP) and SPP §2-508 for the State Retirement and Pension System (MSRPS). In addition to the information charted below:

- If ORP and MSRPS service totals 25 years or more, service from both systems can be combined;
- ORP and MSRPS service cannot be combined if the total is less than 25 years; however, if Program participation with State subsidy is supported independently by more than one system, the percentage of maximum State subsidy independently supported by each system can be combined.

Maryland ORP - with Contributions		State Retirement - Creditable Service	
Maryland ORP Service requirements to be eligible for Program participation, in accordance with SPP §2-509:		MSRPS Service requirements to be eligible for Program participation, in accordance with SPP §2-508:	
Direct Retirement	Deferred Retirement	Direct Retirement	Deferred Retirement
<ul style="list-style-type: none"> • Equal to at least five years of full-time service with ORP contributions. 	<ul style="list-style-type: none"> • Equal to at least 16 years of full-time service with ORP contributions; <li style="text-align: center;">or • Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions. 	<ul style="list-style-type: none"> • At least five years of creditable service; <li style="text-align: center;">or • A Disability Retirement. 	<ul style="list-style-type: none"> • Ended State service with at least 16 years of creditable service; <li style="text-align: center;">or • Ended State service within five years of normal retirement age, with at least 10 years of creditable service; <li style="text-align: center;">or • A Disability Retirement.
If ORP eligibility requirements above are met for Program participation, State subsidy is determined as follows:		If MSRPS eligibility requirements above are met for Program participation, State subsidy is determined as follows:	
<ul style="list-style-type: none"> • Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Retiree coverage, but <u>No subsidy for Dependent coverage.</u></i> • Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Retiree coverage, but <u>No subsidy for Dependent coverage.</u></i> • Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Retiree and Dependent coverage.</i> 	<ul style="list-style-type: none"> • Service equal to less than 25 years of full-time service: <i><u>No subsidy for Retiree or Dependent coverage.</u></i> • Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Retiree coverage and Dependent coverage.</i> 	<ul style="list-style-type: none"> • At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Retiree and Dependent coverage.</i> • At least 16 years of creditable service: <i>Maximum subsidy for Retiree and Dependent coverage.</i> • A Disability Retirement: <i>Maximum subsidy for Retiree and Dependent coverage.</i> 	<ul style="list-style-type: none"> • At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Retiree and Dependent coverage.</i> • At least 16 years of creditable service: <i>Maximum subsidy for Retiree and Dependent coverage.</i> • A Disability Retirement: <i>Maximum subsidy for Retiree and Dependent coverage.</i>

Note regarding a Deferred ORP Retirement:

- No State Subsidy for retiree or dependents if total State service is less than 25 years of full-time service (ORP service and State service can be combined if the total service equals 25 years or more).

SCENARIO 1:

An individual worked for a Maryland State institution of higher education in a full-time position for six years while participating in the ORP system and ended employment with the institution without retiring. He returned to State Service for 12 years as a regular State employee with participation in the State Employees' Pension System (EPS) and retired directly from the EPS.

Maryland ORP Retirement		MSRPS Retirement	
<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>(n/a)</u> with <u>6</u> years of Service	<input checked="" type="checkbox"/> Direct Retirement with <u>12</u> years of Creditable Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input checked="" type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <i>No subsidy for Individual or Dependent coverage.</i>	<input checked="" type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems cannot be combined, since the total service is less than 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	None (not eligible for participation)	None (not eligible for participation)
Supported by MSRPS	12/16 th of maximum amount	12/16 th of maximum amount
Combined subsidy	n/a	n/a

SCENARIO 2:

An individual worked for a State agency for 12 years as a participant in the State Employees' Pension System and ended State service at age 59. He subsequently began full-time employment with a Maryland State institution of higher education as an ORP participant for five years before ending his Maryland ORP service and immediately receiving a periodic distribution from his Maryland ORP account as well as a deferred EPS retirement.

Maryland ORP Retirement		MSRPS Retirement	
<input checked="" type="checkbox"/> Direct Retirement with <u>5</u> years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Service	<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>59</u> with <u>12</u> years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input checked="" type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input checked="" type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input checked="" type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <u>No subsidy for Individual or Dependent coverage.</u>	<input type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input checked="" type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems cannot be combined, since the total service is less than 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	5/16 th of maximum amount	None
Supported by MSRPS	12/16 th of maximum amount	12/16 th of maximum amount
Combined subsidy	17/16 th (maximum amount for 16/16 th or more)	12/16 th of maximum amount

SCENARIO 3

An individual worked full-time for 12 years with a Maryland State institution of higher education as an ORP participant and ended service with the Maryland State institution of higher education at age 59 but did not begin receiving a periodic distribution from the Maryland ORP at that time. He subsequently began employment with another State agency and worked eight years while a participant in the State Employees' Pension System before retiring directly from that position.

Maryland ORP Retirement		MSRPS Retirement	
<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>59</u> with <u>12</u> years of Service	<input checked="" type="checkbox"/> Direct Retirement with <u>8</u> years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input checked="" type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input checked="" type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input checked="" type="checkbox"/> Service equal to less than 25 years of full-time service: <i><u>No subsidy for Individual or Dependent coverage.</u></i>	<input checked="" type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems cannot be combined, since the total service is less than 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	None	None
Supported by MSRPS	8/16 th of maximum amount	8/16 th of maximum amount
Combined subsidy	n/a	n/a

SCENARIO 4

An individual participated in the ORP for 16 years while working full-time for a Maryland State institution of higher education. He left the State institution but did not immediately begin receiving a periodic distribution from the Maryland ORP. He subsequently worked for nine years with another State agency as a member of the State Employees' Pension System and retired directly from State service.

Maryland ORP Retirement		MSRPS Retirement	
<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>(n/a)</u> with <u>16</u> years of Service	<input checked="" type="checkbox"/> Direct Retirement with <u>9</u> years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input checked="" type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input checked="" type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <i><u>No subsidy for Individual or Dependent coverage.</u></i>	<input checked="" type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input checked="" type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems can be combined, since the combined service totals at least 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	Maximum amount (25 years of State service)	Maximum amount (25 years of State service)
Supported by MSRPS	9/16 th of maximum amount	9/16 th of maximum amount
Combined subsidy	n/a (already maximum for combined service)	n/a (already maximum for combined service)

SCENARIO 5

An individual worked for five years with a Maryland State institution of higher education while participating in the State Employees' Pension System. He left that position for another full-time position with the same State institution and participated in the Maryland ORP. After six years, he ended service with the Maryland institution and immediately began receiving a periodic distribution from the Maryland ORP as well as a deferred EPS retirement.

Maryland ORP Retirement		MSRPS Retirement	
<input checked="" type="checkbox"/> Direct Retirement with <u>6</u> years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Service	<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>(n/a)</u> with <u>5</u> years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input checked="" type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input checked="" type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <u>No subsidy for Individual or Dependent coverage.</u>	<input type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems cannot be combined, since the total service is less than 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	6/16 th of maximum amount	None
Supported by MSRPS	None (not eligible for participation)	None (not eligible for participation)
Combined subsidy	n/a	n/a

SCENARIO 6

An individual worked for five years as a State employee while participating in the State Employees' Pension System. He left that position for a position with a Maryland State institution of higher education as a participant in the Maryland ORP. He worked for 20 years at the State institution before retiring directly from the Maryland ORP.

Maryland ORP Retirement		MSRPS Retirement	
<input checked="" type="checkbox"/> Direct Retirement with <u>20</u> years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Service	<input type="checkbox"/> Direct Retirement with _____ years of Service	<input checked="" type="checkbox"/> Deferred Retirement at age <u>(n/a)</u> with <u>5</u> years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input checked="" type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
State subsidy for Eligible ORP Retirees		State subsidy for Eligible MSRPS Retirees	
<input type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <u>No subsidy for Individual or Dependent coverage.</u>	<input type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input checked="" type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

Combining Service: Service from both systems can be combined, since the combined service totals at least 25 years.

Combining State subsidy:

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Supported by ORP	Maximum amount (25 years of State service)	Maximum amount (25 years of State service)
Supported by MSRPS	n/a (not eligible for participation)	n/a (not eligible for participation)
Combined subsidy	n/a	n/a

Eligibility and State Subsidy Worksheet

Use the worksheet below to find out if will be eligible to enroll in health benefits upon retirement.

ORP and MSRPS service can only be combined if the total service is 25 years or more. If you have ORP and MSRPS service that totals less than 25 years, if Program participation with State subsidy is independently supported by each system, the percentage of maximum State subsidy independently supported by each system can be combined.

Maryland ORP Retirement		MSRPS Retirement	
<input type="checkbox"/> Direct Retirement with _____ years of Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Service	<input type="checkbox"/> Direct Retirement with _____ years of Creditable Service	<input type="checkbox"/> Deferred Retirement at age _____ with _____ years of Creditable Service
Requirements for Program Participation		Requirements for Program Participation	
<input type="checkbox"/> Service equal to at least five years of full-time service with ORP contributions.	<input type="checkbox"/> Service equal to at least 16 years of full-time service with ORP contributions; or <input type="checkbox"/> Ended service with a Maryland State institution of higher education when at least age 57 with service equal to at least 10 years of full-time service with ORP contributions.	<input type="checkbox"/> At least five years of creditable service; or <input type="checkbox"/> Disability Retirement.	<input type="checkbox"/> Ended State service with at least 16 years of creditable service; or <input type="checkbox"/> Ended State service within five years of normal retirement age, with at least 10 years of creditable service; or <input type="checkbox"/> Disability Retirement.
If you will be eligible to enroll in retiree health benefits, choose the applicable description below to find out if you will receive any State subsidy for retiree health benefits.		If you will be eligible to enroll in retiree health benefits, choose the applicable description below to find out the portion of State subsidy you will receive.	
<input type="checkbox"/> Service equal to at least five, but less than 16 years of full-time service: <i>Pro-rated subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to less than 25 years of full-time service: <u>No subsidy for Individual or Dependent coverage.</u>	<input type="checkbox"/> At least five, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 10, but less than 16 years of creditable service: <i>Pro-rated subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 16, but less than 25 years of full-time service: <i>Maximum subsidy for Individual coverage, but <u>No subsidy for Dependent coverage.</u></i>	<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual coverage and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> At least 16 years of creditable service: <i>Maximum subsidy for Individual and Dependent coverage.</i>
<input type="checkbox"/> Service equal to at least 25 years of full-time service (can be combined with MSRPS service): <i>Maximum subsidy for Individual and Dependent coverage.</i>		<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>	<input type="checkbox"/> Disability Retirement: <i>Maximum subsidy for Individual and Dependent coverage.</i>

	State subsidy for Individual Coverage	State subsidy for Dependent Coverage
Independently Supported by ORP Service		
Independently Supported by MSRPS Service		
Combined ORP subsidy and MSRPS subsidy		



DEFINITIONS

DEFINITIONS

Creditable Service

service credited toward the SPP Division II allowance; Division II plans are generally the Maryland State Retirement and Pension System plans. SPP §2-508(a)(2).

Deferred ORP Retirement

receiving a periodic distribution from a Maryland ORP account that did not begin directly upon ending service with a Maryland State institution of higher education.

Direct ORP Retirement

receiving a periodic distribution from a Maryland ORP account that began directly upon ending service with a Maryland State institution of higher education (generally within 60 days).

Maryland State institutions of higher education

University System of Maryland, Baltimore City Community College, Morgan State University, St. Mary's College, and the Maryland Higher Education Commission

Maryland State Retirement and Pension System Retiree

a former State employee who is receiving a retirement allowance through the Maryland State Retirement and Pension System under SPP Division II SPP §2-508(a)(3)

Maryland State Service

employment with the State of Maryland while eligible for participation with the Maryland State Retirement and Pension System under Title 22 or Title 23 of the Annotated Code of Maryland, State Personnel and Pensions Article (or another specifically listed Maryland State Retirement and Pension System plan); SPP §2-508(a)(4)(i)

ORP Retiree

a former employee of a Maryland State institution of higher education who is receiving a periodic distribution from a Maryland ORP account.

Periodic Distribution

Periodic payments, received no less frequently than annually, from a Maryland ORP account for a specified period of time. Periodic payments may be based on a participant's life expectancy; however, if payments end, health insurance eligibility also ends.

State Subsidy

the portion of health benefit premiums paid on the Retiree's behalf by the State of Maryland; ORP retirees receive either maximum, pro-rated, or no State subsidy for the individual retiree's portion of the premiums and either maximum or no State subsidy for the dependent portion of the premiums. *(For more information on State Subsidy, see Optional Retirement Program (ORP) Retirees, Eligibility and State Subsidy Amount, on page 5 of this handbook.)*



ANNOTATED CODE OF MARYLAND

Personnel and Pensions

Subtitle 5. Health and Welfare Benefits Program

§ 2-509 ORP Retirees

§ 2-508 State Retirees

ANNOTATED CODE OF MARYLAND
Personnel and Pensions

The following information is copied from the Annotated Code of Maryland, Personnel and Pensions Article, Subtitle 5, HEALTH AND WELFARE BENEFITS PROGRAM

In this handbook, the order has been reversed so that information pertaining to Optional Retirement Program (ORP) retirees that is found in § 2-509 has been placed before information pertaining to State Retirement and Pension System retirees that is found in § 2-508.

The following information pertains to Optional Retirement Program retirees:

§ 2-509. Same - Employees with optional retirement.

(a) *Who may enroll.* -

(1) Subject to paragraph (2) of this subsection, an individual may enroll and participate in the health insurance benefit options established under the Program if the individual retired under an optional program under Title 30 of this article and:

(i) ended service with a State institution of higher education with at least 10 years of service and was at least age 57;

(ii) ended service with a State institution of higher education with at least 16 years of service; or

(iii) retired directly from and had at least 5 years of service with a State institution of higher education with a periodic distribution of benefits on or after July 1, 1984.

(2) (i) For purposes of this subsection only, years of service shall be calculated as follows:

1. except as provided in subparagraph (ii) of this paragraph, a year of service means a period of 12 months during which an employee was a participant in an optional retirement program under Title 30 of this article and the participant's employer made contributions to the participant's account in the Program; or

2. if an employee's work year is an academic year of at least 9 but less than 12 months, a year of service means a period equal to the academic year during which an employee was a participant in an optional retirement program under Title 30 of this article and the participant's employer made contributions to the participant's account in the Program.

(ii) To determine eligibility for health insurance benefits under this section, each year of service shall be multiplied by the participant's percentage of full-time employment for that year of service.

(3) The surviving spouse or dependent child of a deceased individual who was eligible to enroll may enroll and participate in the health insurance benefit options established under the Program as long as the spouse or child is receiving a periodic distribution of benefits under an optional retirement program under Title 30 of this article.

(b) *State subsidy.* -

(1) An enrollee under this section who was in service with a State institution of higher education at the time of the retirement is entitled to the same State subsidy allowed a retiree under § 2-508 of this subtitle. However, except as provided in paragraph (2) of this subsection, the subsidy shall apply only to the costs of coverage for the enrollee and may not apply to any additional costs of coverage for the enrollee's spouse or children.

(2) If the enrollee has 25 or more years of service as an employee of the State in the Executive, Legislative, or Judicial Branch of government, the enrollee or the enrollee's surviving spouse or dependent child is entitled to the same State subsidy allowed a retiree with 16 or more years of creditable service under § 2-508(c)(1) of this subtitle.

The following information pertains to State Retirement and Pension System retirees:

§ 2-508. Same – Retirees

(a) *Definitions.* -

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

(2) "Creditable service" means:

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

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

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

(iv) service while a member of the Maryland Transit Administration Retirement Plan under § 7-206 of the Transportation Article.

(3) (i) "Retiree" means:

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

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

3. a former employee of the Maryland Transit Administration who receives a Maryland Transit Administration retirement allowance under § 7-206 of the Transportation Article.

ii) "Retiree" does not include:

1. a member of the faculty or staff of a community college;

2. a teacher or a staff member employed by a county board of education; or

3. an individual who retired under an optional program under Title 30 of this article.

(4) "State service" means service with the State by:

(i) an employee while a member of the Employees' Retirement System or the Employees' Pension System under Title 22 or Title 23 of this article;

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

(iii) a teacher while a member of the Teachers' Retirement System or Teachers' Pension System under Title 22 or Title 23 of this article;

(iv) a correctional officer, while a member of the Correctional Officers' Retirement System under Title 25 of this article;

(v) an employee of the Medical System Corporation, as defined in § 13-301 or § 13-401 of the Education Article while a member of the Employees' Retirement System of the State of Maryland or the Employees' Pension System of the State of Maryland under Title 22 or Title 23 of this article;

(vi) a State Police officer while a member of the State Police Retirement System under Title 24 of this article;

(vii) a law enforcement officer while a member of the Law Enforcement Officers' Pension System under Title 26 of this article; or

(viii) an employee while a member of the Maryland Transit Administration Plan under § 7-206 of the Transportation Article.

(b) *Participation in health insurance benefit options; applicability.* -

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

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

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

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

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

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

(2) (i) The surviving spouse or dependent child of a deceased retiree who was eligible to enroll may enroll and participate in the health insurance benefit options established under the Program as long as the spouse or child is receiving a periodic allowance under Division II of this article or the Maryland Transit Administration Retirement Plan under §7-206 of the Transportation Article.

(ii) Subparagraph (i) of this paragraph does not apply to a deceased retiree's spouse or dependent child who receives an Option 1, Option 4, or Option 7 benefit under Division II of this article or a lump-sum payment of benefits under the Maryland Transit Administration Retirement Plan under § 7-206 of the Transportation Article.

(c) *State subsidy entitlement.* -

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

(2) In all other cases, if a retiree has at least 5 years of creditable service, the retiree or the retiree's surviving spouse or dependent child is entitled to 1/16 of the State subsidy allowed a State employee for each year of the retiree's creditable service up to 16 years.

(3) Notwithstanding paragraph (2) of this subsection and subsection (a)(4)(i) of this section, if a retiree is an additional employee or agent of the State Racing Commission, for the purposes of determining a retiree's State subsidy, creditable service shall be determined with respect to service as an additional employee or agent beginning from the initial date of employment or January 1, 1986, whichever is later.