

Postretirement Health Benefits Trust Fund; altering the amount and the manner in which certain payments may be made from the Postretirement Health Benefits Trust Fund; repealing certain provisions that require assets of the Postretirement Health Benefits Trust Fund to be transferred to the General Fund under certain circumstances; authorizing the Board of Trustees of the State Retirement and Pension System to adopt a trust document and regulations; altering the membership of the Blue Ribbon Commission to Study Retiree Health Care Funding Options; requiring the State Retirement Agency to request certain documentation from the Internal Revenue Service; and generally relating to the Postretirement Health Benefits Trust Fund.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 34–101 and 34–201
 Annotated Code of Maryland
 (2004 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – State Personnel and Pensions

34–101.

(a) There is a Postretirement Health Benefits Trust Fund.

(b) The Postretirement Health Benefits Trust Fund shall be established as a tax-exempt trust, in accordance with § 115 of the Internal Revenue Code or other applicable federal statute.

(c) The purpose of the Postretirement Health Benefits Trust Fund is to assist the State in financing the postretirement health insurance subsidy, as specified in § 2–508 of this article.

(d) Beginning in fiscal year 2008, **THE FOLLOWING FUNDS SHALL BE DEPOSITED INTO THE POSTRETIREMENT HEALTH BENEFITS TRUST FUND:**

(1) any subsidy received by the State that is provided to employers as a result of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or similar federal subsidy received as a result of the State's prescription drug program[, shall be deposited into the Postretirement Health Benefits Trust Fund]; **AND**