



Committee: GO
Committee Review: Completed
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: Final action – vote expected

AGENDA ITEM #7A
July 29, 2025
Action

SUBJECT

Expedited Bill 16-25, Personnel – Employees’ Retirement System – Membership Requirements and Membership Group

Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

Public speakers

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The Government Operations and Fiscal Policy (GO) Committee recommended (3-0) the enactment of Expedited Bill 16-25.

DESCRIPTION/ISSUE

Expedited Bill 16-25 would:

- (1) make certain emergency communications managers eligible for retirement group E; and
- (2) generally amend the law regarding the employees’ retirement system.

SUMMARY OF KEY DISCUSSION POINTS

- Expedited Bill 16-25 is intended to correct a drafting oversight that occurred in a 2023 bill, Expedited Bill 20-23, [Microsoft Word - EBill 20-23; OPT SLT Bargaining Units – Pension and Retirement Adjustments](#). Under Expedited Bill 20-23, Emergency Communications Center (ECC) personnel, including ECC Managers II, were added to Group E of the Employees’ Retirement System. ECC Managers III, however, were unintentionally omitted from Group E.
- Expedited Bill 16-25 would add ECC Managers III to Group E eligibility, retroactive to the effective date of Expedited Bill 20-23: August 7, 2023.

This report contains:

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*The Economic Impact Statement was not available at the time of publication of this staff report. It can be found at the below address when available: [Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight- Montgomery County, Maryland \(montgomerycountymd.gov\)](#)

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M E M O R A N D U M

July 24, 2025

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Expedited Bill 16-25, Personnel – Employees’ Retirement System – Membership Requirements and Membership Group

PURPOSE: Action – Roll call vote expected

Committee Recommendation:

The Government Operations and Fiscal Policy (GO) Committee recommended (3-0) the enactment of Expedited Bill 16-25.

Expedited Bill 16-25, Personnel – Employees’ Retirement System – Membership Requirements and Membership Group, was introduced on June 17, 2025. The Lead Sponsor is the Council President at the Request of the County Executive. A public hearing on the bill occurred on July 8. On July 17, the GO Committee held a worksession and unanimously recommended the enactment of the expedited bill.

Expedited Bill 16-25 would:

- (1) make certain emergency communications managers eligible for retirement group E; and
- (2) generally amend the law regarding the employees’ retirement system.

BACKGROUND

The County Executive provided the following background information regarding Expedited Bill 16-25.

The ERS Group Code E provides a retirement benefit for employees with a position as a sworn deputy sheriff or correctional officer. Montgomery County Code 33-37 was amended effective August 7, 2023, to include certain represented employees and managers in the Emergency Communication Center (ECC) classes eligible to participate in Group E and

Group J retirement plans. The ECC MLS Manager III position was inadvertently omitted from these changes.

This proposed code change would allow ECC Manager IIIs to transfer from Retirement Code AK to EK retroactively to fully benefit from the original intent of the 2023 Code changes.

BILL SPECIFICS

The expedited bill would amend Code Section 33-37 regarding membership in Group E of the Employees' Retirement System. Group E includes correctional officers and emergency communications personnel, including Emergency Communications MLS Manager II. The bill would expand eligibility to Emergency Communications MLS Managers III.

The expanded eligibility would apply retroactively to August 7, 2023.

SUMMARY OF IMPACT STATEMENTS

Fiscal impact. According to the Office of Management and Budget (OMB), over a six-year period, Expedited Bill 16-25 could increase expenditure by up to \$355,734. The bill would add an additional job classification to pension eligibility, increasing the County contribution by \$59,289 annually.

Economic impact. Not available as of the date of this memorandum. Once available, the Economic Impact statement will appear here: [Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight- Montgomery County, Maryland.](#)

Racial equity and social justice impact. OLO "anticipates Expedited Bill 16-25 will have a positive impact on racial equity and social justice (RESJ) in the County. Black County employees would disproportionately benefit from including an additional Emergency Communication Ceter position to Group E of the County's Employees' Retirement System." OLO did not offer any recommended amendments.

Climate assessment. OLO "anticipates Expedited Bill 16-25 will have no impact on the County's contribution to addressing climate change..."

SUMMARY OF PUBLIC TESTIMONY

The Council did not receive any public testimony regarding Expedited Bill 16-25.

SUMMARY OF THE COMMITTEE WORKSESSION

At its worksession on July 17, the GO Committee discussed the purpose and operation of Expedited Bill 16-25.

The Executive has explained that Expedited Bill 16-25 is intended to correct a drafting oversight that occurred in a 2023 bill, Expedited Bill 20-23, [Microsoft Word - EBill 20-23; OPT SLT](#)

[Bargaining Units – Pension and Retirement Adjustments](#). Under Expedited Bill 20-23, Emergency Communications Center (ECC) personnel, including ECC Managers II, were added to Group E of the Employees’ Retirement System. ECC Managers III, however, were unintentionally omitted from Group E.

Expedited Bill 16-25 would add ECC Managers III to Group E eligibility, retroactive to the effective date of Expedited Bill 20-23: August 7, 2023. According to the actuarial analysis of the bill, the expected net increase in actuarial accrued liability caused by the change in eligibility will be \$550,779.

Regarding the fiscal impact of the bill, the Office of Management and Budget has stated: “Expenditures increase by approximately \$59,289.... Revenues are not impacted.”

NEXT STEP: Roll call vote on whether to enact Expedited Bill 16-25, as recommended unanimously by the GO Committee.

<u>This packet contains:</u>	<u>Circle #</u>
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Expedited Bill No. 16-25
Concerning: Personnel – Employees’
Retirement System – Membership
Requirements and Membership Group
Revised: 5/9/25 Draft No. 1
Introduced: June 17, 2025
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) make certain emergency communications managers eligible for retirement group E;
and
- (2) generally amend the law regarding the employees’ retirement system.

By amending:

Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-37

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 33-37 is amended as follows:

33-37. Membership requirements and membership groups.

* * *

(f) *Membership groups and eligibility.* Any full-time or part-time employee is eligible for membership in the appropriate membership group if the employee meets all of the requirements for the group:

* * *

(4) Group E: The Chief Administrative Officer, the Executive Director of the Office of the County Council, the hearing examiners, the County Attorney and each head of a principal department or office of the County government, if appointed to that position before July 30, 1978, or a member having held that position on or before October 1, 1972. Any sworn deputy sheriff or uniformed County correctional officer in the position of Correctional Officer I, Correctional Officer II, Correctional Officer III, Correctional Dietary Officer I, Correctional Dietary Officer II, Resident Supervisor I, Resident Supervisor II, Resident Supervisor III, Correctional Supervisor-Sergeant, Correctional Dietary Supervisor, Correctional Shift Commander-Lieutenant, Correctional Unit Commander-Captain, Deputy Warden, or Warden, or the following positions in the Emergency Communications Center: Public Safety Emergency Communications Specialist I, Public Safety Emergency Communications Specialist II, Public Safety Emergency Communications Specialist III, Public Safety Emergency Communications Specialist IV, Senior Public Safety Emergency Communications Specialist, Public Safety Communications

Supervisor, Public Safety Emergency Communications Manager, or Emergency Communications MLS Manager [2] II and III. Any Group E member who has reached elective early retirement date may retain membership in Group E if the member transfers from the position which qualified the member for Group E. Any Group E member who is temporarily transferred from the position which qualified the member for Group E may retain membership in Group E as long as the temporary transfer from the Group E position does not exceed 3 years. Notwithstanding the foregoing provisions in Group E, any employee who is eligible for membership in Group E must participate in the guaranteed retirement income plan or the retirement savings plan under Article VIII if the employee:

- (A) (i) begins, or returns to, County service on or after October 1, 1994 (except as provided in the last sentence of subsection (e)(2));
- (ii) is not represented by an employee organization; and
- (iii) does not occupy a bargaining unit position; or
- (B) (i) begins County service on or after October 1, 1994; and
- (ii) is subject to the terms of a collective bargaining agreement between the County and an employee organization which requires the employee to participate in the guaranteed retirement income plan or the retirement savings plan.

* * *

Sec. 2. Expedited Effective Date. The Council declares that this Act is

55 necessary for the immediate protection of the public interest. This Act takes effect on
56 the date on which it becomes law.

57 **Sec. 3. Retroactive Application.** Emergency Communications MLS
58 Managers III are eligible for Group E membership, under Section 1 of this Act,
59 effective August 7, 2023.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

May 6, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Bill XX-25, ECC Manager III – Amendment Recommended to the ERS

The ERS Group Code E provides a retirement benefit for employees with a position as a sworn deputy sheriff or correctional officer. Montgomery County Code 33-37 was amended effective August 7, 2023, to include certain represented employees and managers in the Emergency Communication Center (ECC) classes eligible to participate in Group E and Group J retirement plans. The ECC MLS Manager III position was inadvertently omitted from these changes.

This proposed code change would allow ECC Manager IIIs to transfer from Retirement Code AK to EK retroactively to fully benefit from the original intent of the 2023 Code changes.

Enclosures: Bill XX – 25
Fiscal Impact Statement
Legislative Request Report

cc:

Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive
David Crow, Acting Executive Director, Montgomery County Employee Retirement Plan



Fiscal Impact Statement

Office of Management and Budget

Bill XX-25

OPT/SLT Bargaining Units - Pension and Retirement Adjustments - Amendment

Bill Summary This bill adds an additional job classification to pension eligibility.

Fiscal Impact Summary Expenditures increase by approximately \$59,289. The impact in FY25 will be determined by the timing of implementation of the bill. Revenues are not impacted.

Fiscal Year	2025	2026	2027	2028	2029	2030	Total
Personnel Costs	\$59,289	\$59,289	\$59,289	\$59,289	\$59,289	\$59,289	\$355,734
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$59,289	\$59,289	\$59,289	\$59,289	\$59,289	\$59,289	\$355,734
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	(\$59,289)	(\$59,289)	(\$59,289)	(\$59,289)	(\$59,289)	(\$59,289)	(\$355,734)
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis The change for an additional pension-eligible job classification is determined by the difference in the County contribution in FY25 for existing employees who will become eligible for Group E, which is estimated at \$59,289.

Staff Impact The bill requires adjustments to retirement factors that will result in changes to enrollment processes and record keeping for both the Office of Human Resources and Montgomery County Employee Retirement Plans. These changes are anticipated to be absorbed by each department's current staff.

Actuarial Analysis Actuarial analysis was performed in order to estimate the fiscal impact of the change. The actuaries measured the cost impact to the Montgomery County Employee's Retirement System with impacts calculated as of July 1, 2024 (the effective date of the most recent actuarial valuation) for FY25 contributions.

See attached actuarial analysis performed by GRS.

Information Technology Impact The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected The bill does not authorize future spending.

Ranges of revenue or expenditures that are uncertain or difficult to project The expenditure estimates for FY25 and beyond are subject to actuarial valuations performed for each budget year. Changes to underlying actuarial assumptions could have an impact on the accuracy of the initial estimates.



Contributors

Carol Jones, Montgomery County Employee Retirement Plans
Shantee Jackson, Office of Management and Budget





March 28, 2025

Ms. Jennifer Harling, Esq.
Chief Labor Relations Officer
Office of Labor Relations
Montgomery County Government
101 Monroe Street, 12th Floor
Rockville, Maryland 20850

Subject: Group A Transfers to Group E (Manager III Positions)

Dear Ms. Harling:

As requested, we have measured the cost impact to the Montgomery County Employees' Retirement System (ERS) of a proposal to allow certain members in a Manager III position, currently in Group A to transfer to Group E under the ERS. The cost impact was measured as of July 1, 2024.

The County confirmed the two employees who are eligible for the transfer.

Plan Provision Comparison

Upon transferring, members would receive the benefits in accordance with the Group E provisions for all service, including the following benefit provisions (compared to Group A provisions):

- Group E: Normal retirement eligibility at age 55 with 15 years of credited service or age 46 with 25 years of credited service;
 - Group A: Normal retirement eligibility at age 60 with five years of credited service or age 55 with 30 years of credited service;
- Group E: Early retirement eligibility at age 45 with 15 years of credited service or age 41 with 20 years of credited service;
 - Group A: Early retirement eligibility at age 50 with 15 years of credited service or age 45 with 20 years of credited service;
- Group E: Benefit payable until age 70 equal to 2.60% of average final earnings for each of the first 25 years of credited service, plus 2.25% of average final earnings for each year of credited service more than 25 years up to a maximum of 30 years, plus sick leave credits;
 - Group A: Benefit payable until Social Security Normal Retirement Age (SSNRA) equal to 2.00% of average final earnings for each year of service, up to a maximum of 36 years, plus sick leave credits;
 - SSNRA is age 67 for employees born on or after January 1, 1955.

- Group E: Benefit payable beginning at age 70 equal to 1.65% of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 30 years plus sick leave credits, plus 2.60% of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2.25% of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 30 years, plus sick leave credits.
 - Group A: Benefit payable beginning at SSNRA (age 67) equal to 1.25% of average final earnings for pay up to the Social Security maximum covered compensation plus 2.00% of average final earnings for pay in excess of the Social Security maximum covered compensation for each year of service, up to a maximum of 36 years, plus sick leave credits; and
- Group E: Employee contributions equal to 6.75% of pay up to the Social Security Taxable Wage Base (SSTWB) plus 10.50% of pay in excess of the SSTWB.
 - Group A: Employee contributions equal to 6.00% of pay up to the Social Security Taxable Wage Base (SSTWB) plus 8.00% of pay in excess of the SSTWB.

Asset Transfer

The County Code does not specify a method to use for transferring assets from Group A to another group. Therefore, we assumed that assets attributable to each member of Group A correspond to the funded ratio for Group A. Because the combined Group A, H and GRIP funded ratio is 99.0%, assets attributable to transferring Group A members are equal to 99.0% of the liabilities under the Group A plan provisions and assumptions calculated for those members. Additional employee contributions would also be made to the new group (as shown on the next page).

Under the County Code Chapter 33-37, members who transfer from Group A or H to Group E, F, G or J (or between Groups A and H) will have their service transferred to the new group. In addition to paying the contribution rate increase as of the effective date of transfer, the transferring member must pay the additional amount of contributions that would have been paid as a member of Group E, F, G or J (or A or H) from July 1, 1970, or hire date, if later, plus interest at the rate of 6 ½% per annum to date of full payment.

On the following page is a summary of the accumulated contributions (AC) with 4% interest (in accordance with the plan provisions) based on the employees' current group (Group A) and the estimated additional AC with 6.50% interest (in accordance with the interest rate in Chapter 33-37) based on the employee contribution rates under the employees' new group (Group E).



Current Group	Group A
New Group	Group E
Number	2
Salary	\$ 310,745
Average Age	54.7
Average Credited Service	33.5
AC with 4% Interest (Group A)	\$ 389,631
Additional AC with 6.5% interest due (Group E)	97,408
Funded Ratio (combined Group A, Group H and GRIP)	99.0%
Asset Transfer Amount from Group A Based on Funded Ratio (AAL Group A * 99.0%)	\$ 1,857,986
Total Asset Transfer Amount to Group E (Asset Transfer from Group A + Additional AC)	\$ 1,955,394
Actuarial Accrued Liability (AAL) Group E - New Group	\$ 2,427,533
Actuarial Accrued Liability (AAL) Group A - Current Group	1,876,754
Estimated Increase in AAL Due to Group Transfer	550,779
Net Unfunded Liability Under Group E After Transfer (AAL Group E - Total Asset Transfer)	\$ 472,139
Net Unfunded Liability Under Group A After Transfer (Group A Asset Transfer - AAL Group A)	(18,768)
Transferring Member Funded Ratio Under Group E (Total Asset Transfer/AAL Group E)	80.6%

Please note that the estimated additional AC with interest for the new group (Group E) shown above is a rough estimate only. (We estimated that if a member with 30 years of service was required to make an additional contribution of 0.75% of pay for each of the 30 years, accumulated with 6.50% interest, the additional amount would be approximately equal to 25% of their current AC with interest.) We set the assumption of 25% based on a hypothetical projection using the historical employee contribution rates of Groups A and E, the current salary increase assumption for Group A, annual interest on the Group A contributions of 4% and annual interest on the make-up additional contribution of 6.50%. A full salary history back to each employee's hire date would be needed in order to calculate the actual additional contribution each employee would need to make in order to transfer under the provisions of County Code Chapter 33-37. (We are happy to provide an exact calculation for each member, if requested, after receiving the necessary salary history.)

Following are the historical member contribution rates on pay up to the Social Security Taxable Wage Base for Groups A and E.

	Prior to 7/1/2001	Effective 7/1/2001	Effective 7/1/2011	Effective 7/1/2012 and After
Group A	3.00%	4.00%	5.00%	6.00%
Group E	3.75%	4.75%	5.75%	6.75%



Normal Cost Comparison

The normal cost rate is the estimated annual cost of providing benefits (as a percentage of payroll) over a member's career. The County normal cost rate is equal to the total normal cost rate minus employee contribution rate.

Based on the most recent actuarial valuation as of July 1, 2024, following are the County normal cost rates for Groups A and E based on the members participating in those plans as of the valuation date. The average County normal cost rate for Group E is higher than the rate for Group A due to the retirement eligibility conditions, benefits provided and actuarial assumptions applicable to Group E compared to the Group A.

Group A	Group E
5.14%	14.78%

The following transfer scenarios are included in this letter:

Exhibit	Description
I	Cost Impact Summary of Proposed Transfer from Group A to Group E
II	Actuarial Valuation Results as of July 1, 2024 – Baseline
III	Actuarial Valuation Results as of July 1, 2024 – Transfers from Group A to Group E
IV	Actuarial Valuation Results as of July 1, 2024 – Illustrative Results After Transfers

The Appendix includes the language from County Code Chapter 33-37 which describes the transfer provisions for the Group A.

Summary of Results

The transfer of Group A members to Group E is expected to increase the County contribution requirement. Transferring employees would be required to make an additional contribution upon transferring attributable to past service. Because the Group E employee contribution rate is 0.75% of pay higher than the Group A contribution rate, this additional amount for each year of past service (with 6.50% annualized interest from the year the original contribution would have been made to the payment date) would need to be contributed by the employee under the provisions of County Code Chapter 33-37. However, this additional amount is not expected to be high enough to cover the difference in the actuarial accrued liability under Group E compared to Group A, and therefore, the transfer would create an unfunded liability. In addition to the cost associated with the unfunded liability, the ongoing cost (as measured by the County normal cost) is higher under Group E compared to Group A.

Exhibit I summarizes the impact on the actuarial accrued liability, unfunded actuarial accrued liability, funded ratio and County contribution measured based on actuarial valuation results as of July 1, 2024.

Considerations and Disclosures

The analysis was performed at the request of Montgomery County ("County") and is intended for use by the County and those designated by the County. This analysis may be provided to parties other than the County only in its entirety and only with the permission of the County.



The actuarial assumptions used in this analysis are the same as those used in the actuarial valuation of the Montgomery County Employees' Retirement System as of July 1, 2024. Changes to assumptions (such as decreasing the investment return assumption) will impact the cost impact in this letter.

We amortized the change in unfunded liability over a 20-year period for Groups A and E, which is consistent with the current funding policy.

If any of the provisions, underlying data or assumptions used in this analysis appear to be incorrect or unreasonable, please let us know as soon as possible so we can update the analysis.

Future actuarial measurements may differ significantly from the current measurements presented in this cost analysis due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions, contribution amounts or applicable law.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training and Processes Team, who developed and maintain the model.

To the best of our knowledge, the information contained in this analysis is accurate and fairly presents the actuarial position of the Montgomery County Employees' Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Amy Williams and Alex Rivera are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

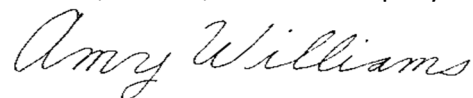
This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

Please let us know if you have any questions or would like to discuss the results of this analysis further.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Amy Williams, ASA, EA, MAAA, FCA
Senior Consultant



Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant



Cost Impact Summary of Proposed Transfer from Group A to Group E

	Combined Groups A, H, GRIP	Valuation as of July 1, 2024							
		Non-Public Safety			Public Safety				Total
		Group A	Group H	Group J	Group E	Group F	Group G	GRIP	
		Actuarial Accrued Liability (AAL)							
Total Actuarial Accrued Liability									
Baseline	\$ 1,930,312,983	\$ 912,348,638	\$ 685,090,673	\$ 73,105,346	\$ 489,126,280	\$ 1,484,036,244	\$ 1,312,270,476	\$ 332,873,672	\$ 5,288,851,329
Transfer	1,928,436,229	910,471,884	685,090,673	73,105,346	491,553,813	1,484,036,244	1,312,270,476	332,873,672	5,289,402,108
Change in Total Actuarial Accrued Liability									
Transfer	\$ (1,876,754)			\$ -	\$ 2,427,533	\$ -	\$ -		\$ 550,779
		Unfunded Actuarial Accrued Liability (UAAL)							
Net Unfunded Actuarial Accrued Liability									
Baseline	\$ 9,909,672			\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524		\$ 188,461,068
Transfer	9,890,904			(5,987,418)	13,929,614	35,055,815	136,025,524		188,914,439
Change in Unfunded Actuarial Accrued Liability									
Transfer	\$ (18,768)			\$ -	\$ 472,139	\$ -	\$ -		\$ 453,371
		Actuarial Value of Assets Funded Ratio (AVA Funded Ratio)							
AVA Funded Ratio									
Baseline	99.0%			108.2%	97.2%	97.6%	89.6%		96.3%
Transfer	99.0%			108.2%	97.2%	97.6%	89.6%		96.3%
Change in AVA Funded Ratio									
Transfer	0.0%			0.0%	0.0%	0.0%	0.0%		0.0%
		Estimated Fiscal Year 2026 County Contribution (Dollars)							
Fiscal Year 2026 County Contribution Dollar									
Baseline	\$ 21,054,091			\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787		\$ 90,659,860
Transfer	21,041,079			1,098,267	8,139,737	21,915,279	38,524,787		90,719,149
Change in Fiscal Year 2026 County Contribution (\$)									
Transfer	\$ (13,012)			\$ -	\$ 72,301	\$ -	\$ -		\$ 59,289

The estimated increase in the fiscal year 2026 County contribution of \$59,289 is based on an increase in the County normal cost contribution of \$26,273 and an increase in the unfunded liability contribution of \$33,016.



Actuarial Valuation Results as of July 1, 2024 – Baseline

	Combined Groups A, H, GRIP	Valuation as of July 1, 2024							
		Non-Public Safety		Public Safety				GRIP	Total
		Group A	Group H	Group J	Group E	Group F	Group G		
Active Members									
Number	3,647	148	239	124	586	1,069	1,255	3,260	6,681
Average Age	49.8	60.2	60.9	49.0	41.9	40.6	38.7	48.5	45.5
Average Credited Service	10.2	30.7	29.9	12.6	8.9	14.8	12.5	7.8	11.3
Total Base Payroll	\$ 333,810,973	\$ 19,302,001	\$ 24,378,396	\$ 13,682,761	\$ 51,821,329	\$ 119,911,162	\$ 125,453,459	\$ 290,130,576	\$ 644,679,684
Contribution Basis Payroll:									
For Normal Cost	\$ 316,893,793	\$ 17,494,478	\$ 21,802,623	\$ 12,674,432	\$ 48,858,352	\$ 115,492,201	\$ 121,135,320	\$ 277,596,692	\$ 615,054,098
For Amortization of Unfunded Liability*	332,289,870	17,780,898	24,378,396	13,682,761	51,821,329	119,911,162	125,453,459	290,130,576	643,158,581
DRSP/DROP Members									
Number					18	40	56		114
Total Base Payroll					\$ 2,279,182	\$ 5,510,726	\$ 7,929,943		\$ 15,719,851
Total Benefits					1,131,584	3,420,422	4,629,063		9,181,069
Terminated Vested Members									
Number	769	15	17	4	26	43	18	737	860
Total Benefits (non-GRIP)	\$ 386,015	\$ 253,015	\$ 133,000	\$ 31,964	\$ 222,831	\$ 525,170	\$ 186,612		\$ 1,352,593
Retired Members and Beneficiaries									
Number								16	6,858
Total Benefits								\$ 291,703	\$ 322,571,322
Total Membership								4,013	14,513
Actuarial Accrued Liability									
Active Members	\$ 449,763,438	\$ 88,515,535	\$ 98,398,878	\$ 45,582,523	\$ 153,664,870	\$ 552,059,374	\$ 511,948,174	\$ 262,849,025	\$ 1,713,018,379
DRSP/DROP Members					16,980,317	51,148,438	70,289,158		138,417,913
Terminated Vested Members	71,208,302	2,687,787	1,265,389	147,785	952,079	2,416,433	639,932	67,255,126	75,364,531
Retired Members and Beneficiaries	1,409,341,243	821,145,316	585,426,406	27,375,038	317,529,014	878,411,999	729,393,212	2,769,521	3,362,050,506
Total	1,930,312,983	912,348,638	685,090,673	73,105,346	489,126,280	1,484,036,244	1,312,270,476	332,873,672	5,288,851,329
Actuarial Value of Assets	\$ 1,911,115,352			\$ 79,092,764	\$ 475,668,805	\$ 1,448,980,429	\$ 1,176,244,952		\$ 5,091,102,302
Unfunded Actuarial Accrued Liability	\$ 19,197,631			\$ (5,987,418)	\$ 13,457,475	\$ 35,055,815	\$ 136,025,524		\$ 197,749,027
Outside Agency Non-GRIP Unfunded Liability	9,287,959			-	-	-	-		9,287,959
Net Unfunded Actuarial Accrued Liability	9,909,672			(5,987,418)	13,457,475	35,055,815	136,025,524		188,461,068
Funded Ratio (Actuarial Value of Assets)	99.0%			108.2%	97.2%	97.6%	89.6%		96.3%
Annual Gross Normal Cost									
Benefits	\$ 33,000,791	\$ 1,776,941	\$ 2,233,650	\$ 2,379,020	\$ 10,200,645	\$ 26,806,632	\$ 33,422,129	\$ 28,990,200	\$ 105,809,217
Expenses of Administration	934,700	183,953	204,493	94,730	319,347	1,147,291	1,063,932	546,254	3,560,000
Total	33,935,491	1,960,894	2,438,143	2,473,750	10,519,992	27,953,923	34,486,061	29,536,454	109,369,217
Amortization of Unfunded Liability ¹	\$ 654,795	\$ 35,038	\$ 48,039	\$ (518,499)	\$ 846,603	\$ 1,778,496	\$ 13,020,030	\$ 571,718	\$ 15,781,425
Annual Contribution Requirement:									
County Portion	\$ 21,054,091	\$ 934,911	\$ 1,174,811	\$ 1,098,267	\$ 8,067,436	\$ 21,915,279	\$ 38,524,787	\$ 18,944,369	\$ 90,659,860
Employee Portion	13,536,195	1,061,021	1,311,371	856,984	3,299,159	7,817,140	8,981,304	11,163,803	34,490,782
Total	34,590,286	1,995,932	2,486,182	1,955,251	11,366,595	29,732,419	47,506,091	30,108,172	125,150,642
Non-Public Safety/Public Safety/GRIP County Portion			\$ 2,109,722				\$ 69,605,769	\$ 18,944,369	
*Excludes Non-GRIP Payroll from Outside Agencies									
Outside Agency UAL Payroll		\$ 1,521,103							

¹ Amortization bases established prior to the July 1, 2015 actuarial valuation were recombined into a single amortization base equal to the total unfunded liability as of July 1, 2015. Beginning July 1, 2023, the amortization of the current and future unfunded liability for the non-Public Safety groups A, H, and GRIP was amortized over a 20-year closed period. Beginning July 1, 2015, amortization of the current and future unfunded liability will occur over separate closed 20-year amortization periods for each of the Public Safety groups (Groups E, F, G and J).



Actuarial Valuation Results as of July 1, 2024 – Transfers from Group A to Group E

Group A Members Transfer All Service to Group E						
	Before Transfer			After Transfer		
	Group A			Group E		Difference
Active Members						
Number		2		2		-
Average Age		54.7		54.7		0.0
Average Credited Service		33.5		33.5		0.0
Total Base Payroll	\$	310,745		\$	310,745	\$ -
Contribution Basis Payroll:						
For Normal Cost	\$	286,599		\$	263,115	\$ (23,484)
Actuarial Accrued Liability						
Active Members	\$	1,876,754		\$	2,427,533	\$ 550,779
DRSP/DROP Members						
Terminated Vested Members						
Retired Members and Beneficiaries						
Total		1,876,754		2,427,533		550,779
Annual Gross Normal Cost						
Benefits	\$	25,832	(9.01%)	\$	52,669	(20.02%) \$ 26,837
Expenses of Administration		3,009	(1.05%)		3,009	(1.14%) -
Total		28,841	(10.06%)		55,678	(21.16%) 26,837
Annual Gross Normal Cost						
County Portion	\$	11,645	(4.06%)	\$	37,918	(14.41%) \$ 26,273
Employee Portion		17,196	(6.00%)		17,760	(6.75%) 564
Total		28,841	(10.06%)		55,678	(21.16%) 26,837

The portion of the normal cost attributable to administrative expenses is the same percentage of payroll assumption used in the actuarial valuation as of July 1, 2024 for Group A.



Actuarial Valuation Results as of July 1, 2024 – Illustrative Results After Transfer from Group A to Group E

	Combined Groups A, H, GRIP	Valuation as of July 1, 2024							
		Non-Public Safety		Public Safety				GRIP	Total
		Group A	Group H	Group J	Group E	Group F	Group G		
Active Members									
Number	3,645	146	239	124	588	1,069	1,255	3,260	6,681
Average Age	49.8	60.3	60.9	49.0	42.0	40.6	38.7	48.5	45.5
Average Credited Service	10.2	30.7	29.9	12.6	9.0	14.8	12.5	7.8	11.3
Total Base Payroll	\$ 333,500,228	\$ 18,991,256	\$ 24,378,396	\$ 13,682,761	\$ 52,132,074	\$ 119,911,162	\$ 125,453,459	\$ 290,130,576	\$ 644,679,684
Contribution Basis Payroll:									
For Normal Cost	\$ 316,607,194	\$ 17,207,879	\$ 21,802,623	\$ 12,674,432	\$ 49,121,467	\$ 115,492,201	\$ 121,135,320	\$ 277,596,692	\$ 615,030,614
For Amortization of Unfunded Liability*	331,979,125	17,470,153	24,378,396	13,682,761	52,132,074	119,911,162	125,453,459	290,130,576	643,158,581
DRSP/DROP Members									
Number					18	40	56		114
Total Base Payroll					\$ 2,279,182	\$ 5,510,726	\$ 7,929,943		\$ 15,719,851
Total Benefits					1,131,584	3,420,422	4,629,063		9,181,069
Terminated Vested Members									
Number	769	15	17	4	26	43	18	737	860
Total Benefits (non-GRIP)	\$ 386,015	\$ 253,015	\$ 133,000	\$ 31,964	\$ 222,831	\$ 525,170	\$ 186,612		\$ 1,352,593
Retired Members and Beneficiaries									
Number								16	6,858
Total Benefits								\$ 291,703	\$ 322,571,322
Total Membership								4,013	14,513
Actuarial Accrued Liability									
Active Members	\$ 447,886,684	\$ 86,638,781	\$ 98,398,878	\$ 45,582,523	\$ 156,092,403	\$ 552,059,374	\$ 511,948,174	\$ 262,849,025	\$ 1,713,569,158
DRSP/DROP Members					16,980,317	51,148,438	70,289,158		138,417,913
Terminated Vested Members	71,208,302	2,687,787	1,265,389	147,785	952,079	2,416,433	639,932	67,255,126	75,364,531
Retired Members and Beneficiaries	1,409,341,243	821,145,316	585,426,406	27,375,038	317,529,014	878,411,999	729,393,212	2,769,521	3,362,050,506
Total	1,928,436,229	910,471,884	685,090,673	73,105,346	491,553,813	1,484,036,244	1,312,270,476	332,873,672	5,289,402,108
Actuarial Value of Assets	\$ 1,909,257,366			\$ 79,092,764	\$ 477,624,199	\$ 1,448,980,429	\$ 1,176,244,952		\$ 5,091,199,710
Unfunded Actuarial Accrued Liability	\$ 19,178,863			\$ (5,987,418)	\$ 13,929,614	\$ 35,055,815	\$ 136,025,524		\$ 198,202,398
Outside Agency Non-GRIP Unfunded Liability	9,287,959			-	-	-	-		9,287,959
Net Unfunded Actuarial Accrued Liability	9,890,904			(5,987,418)	13,929,614	35,055,815	136,025,524		188,914,439
Funded Ratio (Actuarial Value of Assets)	99.0%			108.2%	97.2%	97.6%	89.6%		96.3%
Annual Gross Normal Cost									
Benefits	\$ 32,974,959	\$ 1,751,109	\$ 2,233,650	\$ 2,379,020	\$ 10,253,314	\$ 26,806,632	\$ 33,422,129	\$ 28,990,200	\$ 105,836,054
Expenses of Administration	931,691	180,944	204,493	94,730	322,356	1,147,291	1,063,932	546,254	3,560,000
Total	33,906,650	1,932,053	2,438,143	2,473,750	10,575,670	27,953,923	34,486,061	29,536,454	109,396,054
Amortization of Unfunded Liability ¹	\$ 653,428	\$ 34,386	\$ 47,984	\$ (518,499)	\$ 880,986	\$ 1,778,496	\$ 13,020,030	\$ 571,058	\$ 15,814,441
Annual Contribution Requirement:									
County Portion	\$ 21,041,079	\$ 922,614	\$ 1,174,756	\$ 1,098,267	\$ 8,139,737	\$ 21,915,279	\$ 38,524,787	\$ 18,943,709	\$ 90,719,149
Employee Portion	13,518,999	1,043,825	1,311,371	856,984	3,316,919	7,817,140	8,981,304	11,163,803	34,491,346
Total	34,560,078	1,966,439	2,486,127	1,955,251	11,456,656	29,732,419	47,506,091	30,107,512	125,210,495
Non-Public Safety/Public Safety/GRIP County Portion			\$ 2,097,370				\$ 69,678,070	\$ 18,943,709	
*Excludes Non-GRIP Payroll from Outside Agencies									
Outside Agency UAL Payroll		\$ 1,521,103							

¹ Amortization bases established prior to the July 1, 2015 actuarial valuation were recombined into a single amortization base equal to the total unfunded liability as of July 1, 2015. Beginning July 1, 2023, the amortization of the current and future unfunded liability for the non-Public Safety groups A, H, and GRIP was amortized over a 20-year closed period. Beginning July 1, 2015, amortization of the current and future unfunded liability will occur over separate closed 20-year amortization periods for each of the Public Safety groups (Groups E, F, G and J).



Language from Montgomery County Code Section Article III, Division 2, Chapter 33-37 regarding group transfers

(g) Transfer from one group to another. A member who elects to transfer from one membership group to another as a result of amendments to this Article must transfer by December 31, 1978, or forfeit this option. However, under paragraph 4, a group D member may transfer to group F at any time before the member's retirement date. Additional contributions made as a result of the transfer must not be treated as picked-up contributions.

(1) Transfers from Group A to Group E, F, G, H, or J. Whenever a group A member transfers to a position which is qualified for membership in group E, F, G, H, or J, the retirement service credits earned as a group A member must be used for the purpose of qualifying for retirement. Except for the contribution rate increase as of the effective date of transfer, there will be no additional charges levied on any member who is transferred prior to July 1, 1970. Any member who transfers after July 1, 1970, in addition to paying the contribution rate increase as of the effective date of transfer, must pay the additional amount of contributions that would have been paid as a member of group E, F, G, H, or J from July 1, 1970, or hire date, if later, plus interest at the rate of 6 ½ percent per annum to date of full payment.

Benefit Provisions as of July 1, 2024

1. Social Security Wage Base

For any particular year, the maximum amount of earnings creditable for benefit computation purposes under the Old Age, Survivors and Disabilities Insurance Program established by the Federal Social Security Act.

Year	Social Security Taxable Wage Base
2011	\$106,800
2012	\$110,100
2013	\$113,700
2014	\$117,000
2015	\$118,500
2016	\$118,500
2017	\$127,200
2018	\$128,400
2019	\$132,900
2020	\$137,700
2021	\$142,800
2022	\$147,000
2023	\$160,200
2024	\$168,600

2. Social Security Maximum Compensation Level

The maximum dollar amount of earnings upon which Social Security benefits are based, assuming:
 (1) an employee's annual compensation is at least as great as the taxable wage base each year, for a 35-year period through the year in which the employee attains Social Security Retirement Age,
 (2) the employee remained in covered employment during each calendar year, and (3) the taxable wage base stays level from date of retirement to Social Security Retirement Age.

3. Social Security Retirement Age

Age 65 for employees born prior to January 1, 1938.

Age 66 for employees born on or after January 1, 1938, and prior to January 1, 1955.

Age 67 for employees born on or after January 1, 1955.

4. Regular Earnings

Gross pay for actual hours worked, excluding overtime.

Imputed Compensation for FY2010 only (effective July 1, 2009):

- Regular earnings for a Group A or E member who is employed on July 1, 2009, includes amounts as if the member had received an increase of 4.5% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution.

5. Benefits

A. Normal Retirement Date:

Age and Service Requirement:

Group A: Age 60 and five years of credited service, or age 55 and 30 years of credited service *(after June 30, 2002, age 60 and five years of credited service, or age 50 and 30 years of credited service for members who are Police Telecommunicators).*

Group E: Age 55 and 15 years of credited service, or age 51 and 30 years of credited service.

B. Benefit Amount:

1. Optional non-integrated plan:

Group A: 2 percent of average final earnings multiplied by years of credited service, up to a maximum of 36 years, plus sick leave credits.

Group E: 2.4 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits. Sick leave credit in excess of 25 years is credited at 2 percent of average final earnings.

2. Integrated plans:

- a. From date of retirement to Social Security Retirement Age (age 70 for Group E members beginning with retirements on or after July 1, 2024):

Group A: 2 percent of average final earnings multiplied by years of credited service, up to a maximum of 36 years, plus sick leave credits.

Group E: 2.6 percent of average final earnings for each of the first 25 years of credited service, plus 2.25 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 30 years, plus sick leave credits. (Prior to August 8, 2023, 2.4 percent of average final earnings for each of the first 25 years of credited service, plus 2 percent of average final earnings for each year of credited service more than 25 years up to a maximum of 31 years, plus sick leave credits).

- b. From attainment of Social Security Retirement Age (age 70 for Group E members beginning with retirements on or after July 1, 2024):

Group A: 1.25 percent of average final earnings up to Social Security maximum covered compensation plus 2 percent of average final earnings above Social Security maximum covered compensation, multiplied by years of credited service up to 36 years, plus sick leave credits.

Group E: 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 30 years plus sick leave credits, plus 2.6 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2.25 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 30 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2.25 percent of average final earnings above Social Security maximum covered compensation. (Prior to August 8, 2023, 1.65 percent of average final earnings up to Social Security maximum covered compensation for each year of credited service up to a maximum of 31 years plus sick leave credits, plus 2.4 percent of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2 percent of average final earnings above Social Security maximum covered compensation for each year of credited service after 25 years up to a maximum of 31 years, plus sick leave credits. Sick leave credits used for years in excess of 25 years is credited at 2 percent of average final earnings above Social Security maximum covered compensation.

6. Post-Retirement Increases

Optional non-integrated plan: Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area for years and months of credited service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Optional integrated plan: Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area for years and months of credited service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Mandatory integrated plan:

- Participants who enrolled on or after July 1, 1978, and retired before November 1, 2001 – Annual adjustment to the benefit equal to 60 percent of CPI increase, limited to 5 percent. However, if over age 65 or disabled, then the maximum limit of 5 percent does not apply.
- Participants who enrolled on or after July 1, 1978, and retired on or after November 1, 2001 – Annual adjustment to the benefit equal to 100 percent of the change in Consumer Price Index for the Washington Metro Area up to 3 percent, plus 60 percent of any change in Consumer Price Index greater than 3 percent, not to exceed a total of 7.5 percent for years and months of credited service before July 1, 2011. The maximum 7.5 percent does not apply to disability retirees or retirees over age 65 for years of service before July 1, 2011. For years and months of credited service after June 30, 2011, any adjustment will not exceed 2.5 percent.

Following are the recent COLA increases granted July 1.

COLA Granted July 1	100% of CPI, pre 7/1/2011 service	100% of CPI, capped at 2.5%, post 7/1/2011 service	100% of CPI, Capped at 2.5%, Post- 7/1/2011 Service	60% of CPI
2020	-0.088%	-0.088%	-0.088%	-0.053%
2021	3.797%	2.500%	2.500%	2.278%
2022	7.518%	2.500%	2.500%	4.511%
2023	3.053%	3.032%	2.500%	1.832%
2024	3.289%	3.174%	2.500%	1.974%

Disability Benefits:

For a disability occurring after June 30, 2011, as determined by the Disability Review Panel, any post-retirement adjustment of the disability retirement benefit will not exceed 2.5 percent.

Sick Leave:

For purposes of applying any post-retirement adjustment, any sick leave will be credited as years and months of service as of the date of retirement. For participants who retire after July 1, 2011, any post-retirement adjustment will not exceed 2.5 percent on any sick leave credited as years and months of service.

DRSP Participants:

Effective July 1, 2011, any additional sick leave credited as years and months of service at DRSP exit is subject to the 2.5 percent post-retirement adjustment limit.

DROP Participants:

Effective July 1, 2011, any additional sick leave credited as years and months of service at DROP exit is subject to the 2.5 percent post-retirement adjustment limit.

Transferred Service:

For purposes of applying any post-retirement adjustment, any transferred service will be credited as years and months of service as of the date a properly completed application is filed with the Benefits Team. For applications to transfer service credit filed after June 30, 2011, any post-retirement adjustment will not exceed 2.5 percent on the transferred service.

Purchased Service:

For purposes of applying any post-retirement adjustment, any purchased service will be credited as years and months of service as of the date a properly completed application is filed with the Benefits Team. For applications to purchase service credit filed after June 30, 2011, any post-retirement adjustment will not exceed 2.5 percent on the purchased service.

Legislative Request Report
Bill No. XX-25
Amendment to the County Code 33-37

DESCRIPTION:	Change the ERS to allow for Emergency Communication Center MLS Manager III positions to be eligible for transfer to the Group E retirement plan.
PROBLEM:	The Manager III position was inadvertently omitted from changes to County Code 33-37, which became effective August 7, 2023.
GOALS AND OBJECTIVES:	The proposed code change would be to allow for the job class of employees working in the ECC as Manager III to transfer from Retirement Code AK to EK retroactively to fully benefit from the original intent of the August 7, 2023 changes to the Code.
COORDINATION:	MCERP and the Office of Labor Relations
FISCAL IMPACT:	\$59,289
ECONOMIC IMPACT:	Office of Legislative Oversight
RACIAL EQUITY AND SOCIAL JUSTICE IMPACT:	Office of Legislative Oversight
EVALUATION:	To be done.
EXPERIENCE ELSEWHERE:	Unknown
SOURCE OF INFORMATION:	David Crow, Acting Executive Director, Montgomery County Employee Retirement Plans
APPLICATION WITHIN MUNICIPALITIES:	N/A
PENALTIES:	N/A

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED BILL 16-25: PERSONNEL – EMPLOYEES’ RETIREMENT SYSTEM – MEMBERSHIP REQUIREMENTS AND MEMBERSHIP GROUP

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 16-25 will have a positive impact on racial equity and social justice (RESJ) in the County. Black County employees would disproportionately benefit from including an additional Emergency Communications Center position to Group E of the County’s Employees’ Retirement System. This would help reduce inequities in retirement outcomes experienced by Black, Indigenous, and other People of Color.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF EXPEDITED BILL 16-25

The Employees’ Retirement System (ERS) is one of five retirement plans offered to County employees.³ The ERS is a defined benefit plan, which provides a fixed, pre-established benefit to employees at retirement.⁴ The ERS is comprised of several plans that are open to employees in certain positions.⁵ Specifically, Group E is open to sworn deputy sheriffs and uniformed correctional officers.⁶

In July 2023, the Council enacted Expedited Bill 20-23.⁷ Among other changes, this Bill added eligibility for certain Emergency Communication Center (ECC) positions to Group E of the ERS.⁸ If enacted, Bill 16-25 would also include the ECC Management Leadership Service (MLS) Manager III position as an eligible position for this plan. This position was inadvertently omitted from the changes in 2023.⁹

The Council introduced Expedited Bill 16-25 on behalf of the County Executive on June 17, 2025.

This RESJIS builds on the one for Expedited Bill 20-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments, which OLO published in May 2023.¹⁰ Please refer to this RESJIS for background on retirement and racial equity.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 16-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

RESJ Impact Statement

Expedited Bill 16-25

OLO anticipates Bill 16-25 will have a positive impact on RESJ in the County. This Bill would include an additional ECC position in Group E of the County's ERS. As shown in Table A (Appendix), Black people are overrepresented among ECC personnel. Asian people, and to a lesser extent, Latinx and White people are underrepresented. The disproportionate benefit to Black County employees would help reduce inequities in retirement outcomes experienced by BIPOC.¹¹

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹² OLO anticipates Expedited Bill 16-25 will have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

APPENDIX

Table A. Percent of ECC Employees by Race and Ethnicity

Race or ethnicity ¹³	ECC Employees	County Adult Population
Asian	5.8	15.9
Black	23.3	17.7
White	40.0	43.4
Latinx	14.2	18.6

Sources: OLO Analysis of Unpublished Office of Human Resources Data as of May 6, 2022 and [Table P4, 2020 Decennial Census, Census Bureau](#).

¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools](#).

² Ibid.

³ [About Montgomery County Employee Retirement Plans, Montgomery County Employee Retirement Plans](#).

⁴ [Defined Benefit Plan, Internal Revenue Service, Updated June 5, 2025](#).

⁵ [Refer to menu under 'Employees' Retirement System \(ERS\)' and 'ERS Plan Benefits and County Code' in Active Employees, Montgomery County Employee Retirement Plans](#).

⁶ ["Summary Description: Sheriffs and Public Safety Correctional Officers in Retirement Group E," Montgomery County Employee Retirement Plans, August 2023](#).

⁷ [Bill 20-23E - OPT/SLT Bargaining Units – Pension and Retirement Adjustments, Legislative Information Management System \(LIMS\)](#).

⁸ [Action Staff Report for Expedited Bill 20-23, Montgomery County Council, Action July 25, 2023](#).

⁹ [Introduction Staff Report for Expedited Bill 16-25, Montgomery County Council, Introduced June 17, 2025](#).

¹⁰ [RESJIS for Expedited Bill 20-23, Office of Legislative Oversight, May 3, 2023](#).

¹¹ Ibid.

RESJ Impact Statement

Expedited Bill 16-25

¹² [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

¹³ Race is not inclusive of Latinx origin for this data point.

Climate Assessment

Office of Legislative Oversight

EXPEDITED PERSONNEL – EMPLOYEES’ RETIREMENT BILL 16-25: SYSTEM – MEMBERSHIP REQUIREMENTS AND MEMBERSHIP GROUP

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 16-25 will have no impact on the County’s contribution to addressing climate change as it is proposing changes to retirement plans for certain County employees.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 16-25

The Employees’ Retirement System (ERS) is one of five retirement plans offered to County employees.¹ The ERS is a defined benefit plan, which provides a fixed, pre-established benefit to employees at retirement.² The ERS is comprised of several plans that are open to employees in certain positions.³ Specifically, Group E is open to sworn deputy sheriffs and uniformed correctional officers.⁴

In July 2023, the Council enacted Expedited Bill 20-23.⁵ This Bill added eligibility for certain Emergency Communication Center (ECC) positions in the Group E ERS plan, among other changes.⁶ If enacted, Bill 16-25 would also include the ECC Management Leadership Service (MLS) Manager III position as an eligible position for this plan. This position was inadvertently omitted from the changes in 2023.⁷

The Council introduced Expedited Bill 16-25 on behalf of the County Executive on June 17, 2025.

ANTICIPATED IMPACTS

As the bill is proposing changes to retirement plans for certain County employees, OLO anticipates Expedited Bill 16-25 will have no impact on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁸ OLO does not offer recommendations or amendments as Expedited Bill 16-25 is likely to have no impact on the County’s contribution to addressing climate change,

including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [About Montgomery County Employee Retirement Plans, Montgomery County Employee Retirement Plans.](#)

² [Defined Benefit Plan, Internal Revenue Service, Updated June 5, 2025.](#)

³ [Refer to menu under 'Employees' Retirement System \(ERS\)' and 'ERS Plan Benefits and County Code' in Active Employees, Montgomery County Employee Retirement Plans.](#)

⁴ ["Summary Description: Sheriffs and Public Safety Correctional Officers in Retirement Group E," Montgomery County Employee Retirement Plans, August 2023.](#)

⁵ [Bill 20-23E - OPT/SLT Bargaining Units – Pension and Retirement Adjustments, Legislative Information Management System \(LIMS\).](#)

⁶ [Action Staff Report for Expedited Bill 20-23, Montgomery County Council, Action July 25, 2023.](#)

⁷ [Introduction Staff Report for Expedited Bill 16-25, Montgomery County Council, Introduced June 17, 2025.](#)

⁸ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022