Bill No. 21-26
Concerning: Employee Retirement System - Savings and Benefits - Amendments
Revised: 6/9/2026 Draft No. 2
Introduced: May 5, 2026
Enacted: July 21, 2026
Executive: August 3, 2026
Effective: November 2, 2026
Sunset Date: None
Ch. 20, Laws of Mont. Co. 2026

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

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

AN ACT to:

(1) add correctional health nurses to retirement Group E, effective June 30, 2029;
(2) remove retirement Groups E and J age requirement for normal retirement when 25 years of service are met;
(3) increase employee and employer contributions for employees that participate in the Guaranteed **[[**Income**]]** Retirement Income Plan (GRIP);
(4) increase employee and employer contributions for Group I members participating in the Retirement Savings Plan (RSP);
(5) reopen GRIP enrollment for specified members of the OPT and SLT bargaining unit for a limited time;
(6) provide post-retirement Cost-of-Living Adjustment (COLA) to GRIP;
(7) provide a one-time limited irrevocable opportunity to purchase credited service years for specified Emergency Communications Center (ECC) employees in Groups E and J; and
(8) generally amend the employee retirement system and benefits.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-37, 33-38, 33-39, 33-40, 33-41, 33-44, 33-116, and 33-117

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

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

Sec. 1. Sections 33-37, 33-38, 33-39, 33-40, 33-41, 33-44, 33-116 and 33-117 are amended, as follows:

33-37. Membership Requirement 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 II and III, or, effective June 30, 2029, any correctional health nurse in the position of Correctional Health Nurse I or Correctional Health Nurse II. 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.

* * *

(k) *Eligibility for the guaranteed retirement income plan.*

* * *

(10) Effective July 1, 2026, members of the OPT or SLT collective bargaining unit of the County government who were hired prior to July 1, 2015, and who previously elected or defaulted to the retirement savings plan prior to the guaranteed **[[**income**]]** retirement income plan being made the default retirement election in 2015, will be given a one-time, irrevocable opportunity to elect to terminate participation in the retirement savings plan and participate in the guaranteed retirement income plan. An employee who makes this election must have his or her retirement savings plan account balance transferred to the guaranteed retirement income plan. The amount transferred into the guaranteed retirement income plan must become the participant's initial guaranteed retirement income plan account balance. An employee who does not make this election must continue to participate in the retirement savings plan. The County and United Food and Commercial Workers (UFCW), Local 1994, Municipal and County Government Employees Organization (MCGEO) will jointly determine the timeline for communication, election, and implementation no later than August 1, 2026; with notice being sent to bargaining unit members no later than September 30, 2026; and with election to switch to guaranteed retirement income plan submitted no later

<u>than December 31, 2026.</u>

* * *

33-38. Normal retirement date, mandatory retirement date, early retirement date, and trial retirement.

(a) Normal retirement date. The normal retirement date is the first day of the month elected by a member after the member meets the years of service and age requirements for the applicable membership group. For normal retirement:

* * *

(4) Group E: The member must have at least:

(A) 15 years of credited service and be at least age 55; or

(B) 25 years of credited service **[**and be**]** at **[**least**]** any age **[**46**]**.

* * *

(8) Group J: The member must have at least:

(A) 15 years of credited service and be at least age 55; or

(B) 25 years of credited service **[**and be**]** at **[**least**]** any age **[**46**]**.

* * *

33-39. Member Contributions and Credited Interest.

(a) Member contributions. Each member of the retirement system must contribute a portion of the member's regular earnings through regular payroll deductions.

* * *

(4) Member contributions to the guaranteed retirement income plan.

(A) A non-public safety employee member in the guaranteed retirement income plan must contribute 4**[**%**]** <u>percent</u> of regular earnings less than or equal to the Social Security wage base and 8**[**%**]** <u>percent</u> of regular earnings that exceed the Social Security wage base. For service beginning the first full pay period after December 31, 2026, a non-public safety employee member in the guaranteed retirement income plan must contribute 5 percent of regular earnings less than or equal to the Social Security wage base and 9 percent of regular earnings that exceed the Social Security wage base. For service beginning the first full pay period after December 31, 2027, a non-public safety employee member in the guaranteed retirement income plan must contribute 6 percent of regular earnings less than or equal to the Social Security wage base and 10 percent of regular earnings that exceed the Social Security wage base.

*   *   *

33-40. Employer contributions.

*   *   *

(e) Guaranteed Retirement Income Plan.

(1) Each pay period, the County must credit to each non-public safety member's guaranteed retirement income plan account an amount equal to 6 percent for service beginning on the first pay period after June 30, 2011 and 8 percent for service beginning on the first pay period after June 30, 2012 and 9 percent for service beginning the first full pay period after December 31, 2026 and 10 percent for service beginning the first full pay period after December 31, 2027 of the member's regular earnings. Interest must be credited at an annual rate of 7.25 percent on the County contribution credits. If the annual 7.25 percent interest rate does not comply with applicable law, the third segment rate described in Internal

Revenue Code Section 430(h)(2)(G) or any successor provision must apply. Interest must be credited to a member's guaranteed retirement income plan account balance on a monthly basis as of the last day of the month.

* * *

33-41 Credited service.

* * *

(r) Positions added to Group E eligibility.

(1) Notwithstanding subsection (a)(2), an employee in the position of 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 who was hired on or before July 1, 2023, and who was participating in the guaranteed retirement income plan or the retirement savings plan prior to eligibility in Group E may:

(A) make a one-time irrevocable election to purchase credited service with their entire existing guaranteed retirement income plan or retirement savings plan balances up to and including August 7, 2024, in accordance with an actuarial determination of the value transferred; **[**or**]**

(B) retain guaranteed retirement income plan or retirement savings plan balances, will no longer participate in the guaranteed retirement income plan or retirement savings plan, and will enter Group E with a credited service balance of 0 years, unless the employee is otherwise eligible to purchase other service credits provided for in this section**[.]**; or

(C) Those employees who were in the retirement savings plan (RSP) or GRIP benefit plans prior to August 8, 2023 shall have a one-time irrevocable opportunity to purchase any additional credited service years, up to their matching years of service from their hire date with County government, at a price of the full actuarial cost, plus a 7.5 percent risk share, with the actuarial cost determined in accordance with Section 33-44(o)(1) for the mandatory integrated plan. Employees may purchase the service on an after-tax basis over a period of time not exceeding 5 years. If an employee uses a payment plan, they must pay an additional 6.5 percent interest per year. The reduction of the payment plan interest rate is intended exclusively for the ECC group specified in this subsection. The County must notify affected employees of their option to purchase no later than August 1, 2026. Affected employees must submit their request to purchase by October 1, 2026. Individual cost projections, to include but not limited to payment options and payment amount to purchase years of credited service, must be provided no later than December 31, 2026. An employee's final decision to purchase must be submitted no later than March 1, 2027.

(2) Eligible employees who elect to purchase credited service under this subsection may not apply any years of service while a member

of the guaranteed retirement income plan or the retirement savings plan for the purposes of calculating years of service under either the optional retirement plan or the integrated retirement plan.

(3) Eligibility for early or normal retirement will be based upon the credited service at the time the employee enters Group E plus any credited service purchased by the employee.

(4) The vesting provisions in subsection (a)(2) will apply to employees listed in subsection (r)(1) regardless of whether they elect to purchase service credit under this subsection.

(s) *Positions added to Group J eligibility.*

(1) Notwithstanding subsection (a)(2), a County member who was hired on or before July 1, 2023, and who was participating in the guaranteed retirement income plan or the retirement savings plan prior to Group J eligibility, and who becomes Group J eligible after July 1, 2023 may:

(A) make a one-time irrevocable election to purchase credited service with their entire existing guaranteed retirement income plan or retirement savings plan balances up to and including August 7, 2024, in accordance with an actuarial determination of the value transferred; **[or]**

(B) retain guaranteed retirement income plan or retirement savings plan balances, will no longer participate in the guaranteed retirement income plan or retirement savings plan, and will enter Group J with a credited service balance of 0 years, unless the employee is otherwise eligible to purchase other service credits provided for in this section**[.]**<u>;</u> <u>or</u>

(C) Emergency Communication Center Employees currently in Groups J and K who were in the RSP or GRIP benefit plans prior to August 8, 2023, shall have a one-time irrevocable opportunity to purchase any credited service years up to their matching years of service from their hire date with County government at a price of the full actuarial cost, plus a 7.5 percent risk share, with the actuarial cost determined in accordance with Sec. 33-44 (o)(1) for the mandatory integrated plan. Employees may purchase the service on an after-tax basis over a period of time not exceeding 5 years. If an employee uses a payment plan, they must pay an additional 6.5 percent interest per year. The reduction of the payment plan interest rate is intended exclusively for the ECC group specified in this subsection. The County must notify affected employees of their option to purchase no later than August 1, 2026. Affected employees must submit their request to purchase by October 1, 2026. Individual cost projections, to include but not limited to payment options and payment amount to purchase years of credited service, must be provided to affected employees no later than December 31, 2026. An employee's final decision to purchase must be submitted no later than March 1, 2027.

(2) Eligible employees who elect to purchase credited service under this subsection may not apply any years of service while a member of the guaranteed retirement income plan or the retirement savings plan for the purposes of calculating years of service under either the optional retirement plan or the integrated retirement plan.

(3) Eligibility for early or normal retirement will be based upon the credited service at the time the employee enters Group J plus any credited service purchased by the employee.

(4) The vesting provisions in subsection (a)(2) will apply to employees listed in subsection (s)(1) regardless of whether they elect to purchase service credit under this subsection.

33-44. Pension payment options and cost of living adjustments.

* * *

(g) Distributions from the Guaranteed Retirement Income Plan. A participant who receives a contribution under Section 33-42A must not receive a distribution until the participant attains the Social Security retirement age. Any other participant may receive a distribution when the participant terminates County employment. A participant may elect a distribution from the guaranteed retirement income plan of a participant's vested guaranteed retirement income plan account balance as follows:

* * *

(2) Annuity Method of Distribution.

<u>(A)</u> <u>Payment</u> <u>Election.</u> A participant may elect to receive the participant's guaranteed retirement income plan account balance paid in:

[(A)**]** <u>(i)</u> a single life annuity payable to the participant during the life of that participant; or

[(B)**]** <u>(ii)</u> a joint and survivor annuity payable to the participant over the participant's lifetime and, at the participant's death, payable to the designated beneficiary (spouse, domestic partner, or children only) who survives. Payments must be made for the designated beneficiary's lifetime in the amount payable to the participant or another amount elected by the participant, but not less than 10 percent of the amount payable to the participant.

(B) Participants who elect a single life annuity or a joint and survivor Annuity shall receive a post-retirement Cost-of-Living Adjustment (COLA) based upon changes in Washington-Arlington-Alexandria Consumer Price Index, up to 2.5 percent annually. The COLA does not apply to retirees in the Retirement Savings Plan who elect the transfer to employees' retirement system, annuity option under, Section 33-120(f)(4).

33-116. Participant Contributions.

(a) Percent of participant contributions.

(1) (A) Group I. Each participant in Group I must contribute, through regular payroll deductions, 4 percent of regular earnings less than or equal to the Social Security wage base and 8 percent of regular earnings that exceed the Social Security wage base. For service beginning the first full pay period after December 31, 2026, each Group I participant must contribute 5 percent of regular earnings less than or equal to the Social Security wage base and 9 percent of regular earnings that exceed the Social Security wage base. For service beginning the first full pay period after December 31, 2027, each Group I participant must contribute 6 percent of regular earnings less than or equal to the Social Security wage base and 10 percent of regular earnings that exceed the Social Security wage base.

*   *   *

Sec. 33-117. Employer contributions

(a) *Amount of employer contributions.*

(1) Group I participants. The County must contribute to the retirement savings plan in quarterly installments, on behalf of each Group I participant, an amount equal to 6 percent for service beginning on the first pay period after June 30, 2011, **[**and**]** 8 percent for service beginning on the first pay period after June 30, 2012, 9 percent for service beginning on the first full pay period after December 31, 2026, and 10 percent for service beginning on the first full pay period after December 31, 2027 of that participant's regular earnings while a Group I participant during a plan year.

*   *   *

Approved:

July 21, 2026

Natali Fani-González, President, County Council — Date

Approved:

August 3, 2026

Marc Elrich, County Executive — Date

This is a correct copy of Council action.

August 3, 2026

Sara R. Tenenbaum, Clerk of the Council — Date