Montgomery County Council

Committee: GO
Committee Review: At a future date
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: To receive testimony – no vote expected

AGENDA ITEM #8
September 15, 2026
Public Hearing

SUBJECT

Expedited Bill 32-26, Employees' Retirement System – Survivor Benefits – Death During Line of Duty – Expanded Eligibility to Groups E and J

Lead Sponsors: Councilmembers Luedtke, Glass, and Katz

Co-Sponsors: Councilmember Evans, Council Vice-President Balcombe, Councilmembers Jawando, Stewart, Friedson, and Mink, Council President Fani-Gonzalez, and Councilmember Sayles

EXPECTED ATTENDEES

Public speakers.

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Receive testimony.

DESCRIPTION/ISSUE

Expedited Bill 32-26 would:

(1) increase death benefits to spouses, domestic partners, and children of Group E and Group J members whose deaths are service-connected; and

(2) generally amend the law regarding the employees' retirement system, including pension benefits and other benefits available to survivors upon service-connected deaths.

<u>This report contains</u>:

Agenda Item #8
September 15, 2026
Public Hearing

M E M O R A N D U M

September 10, 2026

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Expedited Bill 32-26, Employees' Retirement System – Survivor Benefits – Death During Line of Duty – Expanded Eligibility to Groups E and J

PURPOSE: Public Hearing – receive testimony

Expedited Bill 32-26, Employees' Retirement System – Survivor Benefits – Death During Line of Duty – Expanded Eligibility to Groups E and J, was introduced on July 21, 2026. The Lead Sponsors are Councilmembers Luedtke, Glass, and Katz. The Co-sponsors are Councilmember Evans, Council Vice-President Balcombe, Councilmembers Jawando, Stewart, Friedson, and Mink, Council President Fani-Gonzalez, and Councilmember Sayles.

Expedited Bill 32-26 would:

(1) increase death benefits to spouses, domestic partners, and children of Group E and Group J members whose deaths are service-connected; and
(2) generally amend the law regarding the employees' retirement system, including pension benefits and other benefits available to survivors upon service-connected deaths.

BACKGROUND

On December 9, 2025, the Council enacted the "HERO Act": Council Bill 35-25, which increased survivor benefits available when police officers or firefighters (i.e., members of retirement groups F or G) are killed in the line of duty. *See* Montgomery County Council - Legislative Information Management System – bill details

The purpose of Expedited Bill 32-26 is to make those same survivor benefits available when deputy sheriffs, correctional officers, or certain emergency communications center personnel (i.e., members of retirement groups E or J) are killed in the line of duty.

BILL SPECIFICS

Expedited Bill 32-26 would expand upon existing survivor benefits when a Group E or J member is killed in the line of duty. The survivor would have the ability to select between three options:

- the benefits the spouse would have received if the member had been receiving a service-connected disability pension on the date of the member's death and had selected a joint and survivor pension option of 100 percent of the amount payable to the member;

- the benefits the spouse would have received if the member had terminated employment on the day before the date of death with exactly 25 years of total credited service, as described in Section 33-41, and had elected a 100 percent joint and survivor pension option; or

- if the member died after becoming eligible to vest or retire, the benefits that would have been payable if the member had vested or retired immediately before death and had elected a 100-percent joint and survivor pension option.

The benefit selected by the survivor would become payable upon the date the member died. In addition, the benefit would be required to be paid beginning on the first of the month following the date the member died.

The death benefits available through the retirement system under the County Code are in addition to any death benefits available to surviving spouses and children under collectively bargained agreements.

Expedited Bill No. 32-26
Concerning: Employees' Retirement System – Survivor Benefits – Death During Line of Duty – Expanded Eligibility to Groups E and J
Revised: 7/21/26 Draft No. 2
Introduced: July 21, 2026
Expires: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. _____, Laws of Mont. Co.

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Luedtke, Glass, and Katz
Co-Sponsors: Councilmember Evans, Council Vice-President Balcombe, Councilmembers Jawando, Stewart, Friedson, and Mink, Council President Fani-Gonzalez, and Councilmember Sayles

AN EXPEDITED ACT to:
(1) increase death benefits to spouses, domestic partners, and children of Group E and Group J members whose deaths are service-connected; and
(2) generally amend the law regarding the employees' retirement system, including pension benefits and other benefits available to survivors upon service-connected deaths.

By amending
Chapter 33, Personnel and Human Resources
Section 33-46

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. Section 33-46 is amended as follows:

33-46. Death benefits and designation of beneficiaries.

* * *

(b) *Spouse's, or domestic partner's, and children's benefits of a member whose death is service connected.*

* * *

(2) Except as provided under paragraph (4) of this subsection (b), the Chief Administrative Officer must pay death benefits to the spouse or domestic partner and child of a Group F, [or] Group G, Group E, or Group J member as if the member had been receiving a service-connected disability pension on the date of the member's death and had selected a joint and survivor pension option of 100 percent of the amount payable to the member, if:

(A) the Group F, [or] Group G, Group E, or Group J member died while employed by the County; and

(B) the employing department, a beneficiary, or another person submits satisfactory proof to the Chief Administrative Officer that the member's death:

(i) resulted from injuries the employee received in the line of duty or was directly attributable to the inherent hazards of the duties the employee performed; and

(ii) was not due to the employee's willful negligence.

(3) Except as provided under paragraph (4) of this subsection (b), the Chief Administrative Officer must pay a benefit to the spouse or domestic partner and children of a Group G member who dies on

or after July 1, 2004, [or] of a Group F member who dies on or after January 1, 2025, or of a Group E or J member who dies on or after July 1, 2026, under the conditions stated in paragraph (2) of subsection (b) as if the member had died while receiving a service connected disability retirement benefit of at least 70 percent of the member's final earnings.

(4) *Group F, [or] Group G, Group E, or Group J – Line of duty death benefits for surviving spouses or domestic partners and children.*

(A) Within 60 days of the death of a Group F, [or] Group G, Group E, or Group J member under the conditions stated under paragraph (2) of subsection (b), the surviving spouse or domestic partner and children may elect to receive:

(i) upon the death of a Group F member, the benefit the spouse or domestic partner and children would have received if the member had terminated employment on the day before the date of death with exactly 25 years of total credited service, as described in Section 33-41, and had elected a 100 percent joint and survivor pension option;

(ii) upon the death of a Group G member, the benefit the spouse or domestic partner and children would have received if the member had terminated employment on the day before the date of death with exactly 20 years of total credited service, as described in Section 33-41, and had elected a 100 percent joint and survivor pension option;

(iii) upon the death of a Group E or J member, the benefit the spouse or domestic partner and children would have received if the member had terminated employment on the day before the date of death with exactly 25 years of total credited service, as described in Section 33-41, at an age of at least 46, and had elected a 100 percent joint and survivor pension option;

[(iii)**]** (iv) the benefit under paragraph (2) of this subsection (b); or

[(iv)**]** (v) if the member died after becoming eligible to vest or retire, the benefit under subsection (e) of this section.

(B) The Chief Administrative Officer must process the election under subparagraph (A) of this paragraph immediately upon receipt of the election.

(C) The benefit under subparagraph (A) of this paragraph:

(i) becomes payable upon the date the Group F, **[**or**]** Group G, Group E, or Group J member died; and

(ii) must be paid beginning on the first of the month following the date the County receives the election of benefit under subparagraph (A) of this paragraph.

* * *

(e) *Spouse's, or domestic partner's, and children's benefits when an active member eligible for vesting or retirement dies*.

(1) A surviving spouse, domestic partner, or child who is the designated beneficiary of a member who died after becoming eligible to vest or retire, may elect within 60 days after the member's death a benefit equal to the yearly amount of benefits that would have been payable if the member had vested or retired immediately before death and had elected a 100 percent joint and survivor pension option. The payments must begin on the member's normal retirement date if the member was eligible for vesting, or immediately if the member was eligible for retirement.

(2) If the designated beneficiary who would receive a death benefit under paragraph (1) dies before the death benefit payments begin and the member designated a contingent beneficiary, the death benefit under subsection (a) must be paid to the contingent beneficiary designated by the member (or to a person designated by the beneficiary if the member left no enforceable contingent beneficiary designation).

* * *

Sec. 2. Effective Date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Sec. 3. Construction. This Act must not be construed to: (1) offset, diminish, or alter death benefits provided under a collectively bargained agreement; or (2) reopen a collectively bargained agreement.

Fiscal Impact Statement

Office of Management and Budget

Bill 32-26	**Employees' Retirement System - Survivor Benefits - Death During Line of Duty - Expanded Eligibility to Groups E and J**
Bill Summary	Expedited Bill 32-26 expands existing death benefits to surviving spouses, domestic partners, and children of Group E and Group J members of the Montgomery County Employees' Retirement System (ERS) whose deaths are service-connected. The bill adds an option for survivors to receive a pension as if the member had exactly 25 years of credited service, and clarifies deadlines for electing survivor benefit options and the timing of benefit payments. Bill 32-25 (the "HERO Act") previously increased death benefits for Group F and Group G; Expedited Bill 32-26 extends these enhanced benefits to Group E and Group J. The bill takes effect immediately upon becoming law.
Fiscal Impact Summary	Current death benefit provisions for surviving spouses, domestic partners, and children of Group E and Group J members offer two options payable under the plan. The bill adds a third option and will have an impact on the benefit recipient based on the benefit election, but the difference in impact of those choices on the Montgomery County ERS is anticipated to be minimal for each option. No impact on County revenues is expected.

Fiscal Year	2027	2028	2029	2030	2031	2032	Total
Personnel Costs	$0	$0	$0	$0	$0	$0	$0
Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Impact	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis	The bill enhances survivor benefit provisions to surviving spouses, domestic partners, and children of Group E and Group J members and specifies when benefit election may be made and would become payable. The bill also adds a requirement for when the benefit must be paid. The resulting changes in death benefits are estimated to have minimal financial impact to the Montgomery County ERS due to a low incidence rate of line of duty deaths and the cost impact reflecting only the difference between existing benefit options.
Staff Impact	The bill is not expected to impact staff time or duties.
Actuarial Analysis	To assess the potential fiscal effects of the expanded survivor benefits, an actuarial analysis was required to quantify the cost impact to the Montgomery County ERS. The actuaries measured the financial impact, calculated as of July 1, 2025 (the effective date of the most recent actuarial valuation) for FY27 contributions. All Group E and Group J members were included in the actuarial analysis because the legislation does

	not distinguish between represented and non-represented employees. The attached actuarial analysis was performed by Gabriel, Roeder, Smith & Company (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	Future expenditure estimates will depend on annual actuarial valuation results. Changes to underlying actuarial assumptions could have an impact on the accuracy of the initial estimates.
Contributors	Shantee Jackson, Office of Management and Budget Yan Yan, Retirement Administration Division, Department of Finance

P: 312.456.9800 | www.grsconsulting.com

August 11, 2026

Ms. Jennifer Harling, Esq.
Chief Labor Relations Officer
Office of Labor Relations
Montgomery County Government
Rockville, Maryland 20850

Subject: Estimated Financial Impact of Expedited Bill 32-26, Employees' Retirement System – Survivor Benefits – Death During Line of Duty – Expanded Eligibility to Groups E and J

Dear Ms. Harling:

As requested, we have reviewed the potential cost impact to the Montgomery County Employees' Retirement System (ERS) of a proposal to change benefit provisions for survivors of current and future Group E and J members.

Based on the line of duty death plan provisions, we estimate Expedited Bill 32-26 will result in a minimal impact to Groups E and J of the Montgomery County ERS.

Expedited Bill 32-26 would expand upon the existing death benefits so that the surviving spouse would have the ability to select between three options:

1. The benefits the spouse would have received if the member had been receiving a service-connected disability pension on the date of the member's death and had selected a joint and survivor pension option of 100% of the amount payable to the member;
2. The benefits the spouse would have received if the member had terminated employment on the day before the date of death with exactly 25 years of credited service and had elected a 100% joint and survivor pension option; or
3. If the member died after becoming eligible to vest or retire, the benefits that would have been payable if the member had vested or retired immediately before death and had elected a 100% joint and survivor pension option.

It is our understanding that option 3 is a current benefit provision of Group E and J. (See a summary of current benefit provisions in the Appendix.)

Under option 1, the benefit would be equal to 70% of the member's ***final earnings*** for total disability, reduced for the 100% joint and survivor option. We understand that ***there is not*** a benefit reduction at age 70 (the integration age for retirement benefits under the plan) for service-connected disability benefits.

Under option 2, the benefit under Group E would be equal to 65% and under Group J would be equal to 62.5% of the member's ***average final earnings*** until the integration age, reduced for the 100% joint and survivor option. The benefit would reduce at the integration age.

120 North LaSalle Street | Suite 1350 | Chicago, Illinois 60602-3495

Under option 3, the benefit would be equal to a percentage of the member's ***average final earnings*** based on the plan formula, reduced for the 100% joint and survivor option. Average final earnings is equal to the highest average of regular annual earnings for a consecutive 36-month period. ***There is*** a benefit reduction at age 70 (the integration age for retirement benefits under the plan) for retirement benefits.

There are two aspects of the benefits under option 1 that are more favorable than options 2 and 3:

1. The benefits under option 1 are based on final earnings (which we expect is higher than average final earnings over a 36-month period); and
2. We understand that the benefits under option 1 do not reduce at age 70, comparable to under options 2 and 3 that would reduce at age 70.

Following is a summary of the benefit accrual rates applicable for retirement benefits payable before and after the integration age of 70 and for pay up to and in excess of the Social Security Covered Compensation (SSCC) amount.

		Pre-Age 70	Post-Age 70	
Group	**Years of Service**	**Rates**	**Up to SSCC**	**In Excess of SSCC**
Group E/J	Up to 25	2.60%/2.50%	1.65%	2.60%/2.50%
Group E/J	25-30*	2.25%/2.00%	1.65%	2.25%/2.00%

**Plus sick leave credits.*

The survivor of a member with more than 25 years of service at the date of life of duty death may initially receive a higher benefit under option 3 than option 1.

Following is a summary of the percentage of average final earnings that would be used to calculate the member's benefit (before application of the joint and survivor factor) under option 3 and option 2 (with 25 years) and assuming earnings are less than the SSCC. A member's accrued benefit would be slightly more than 70% of average final earnings (which may be lower than final earnings under option 1) with 27.25 years for Group E and would equal 70% of average final earnings with 28.75 years for Group J. In addition, the benefit would be lower beginning at age 70 under option 3.

	Percentage of Average Final Earnings		
Years (Including Sick Leave)	**Pre-Age 70**		**Post-Age 70**
	Group E	**Group J**	**Groups E and J**
23	59.80%	57.50%	37.95%
25	65.00%	62.50%	41.25%
27.25	70.06%	67.00%	44.96%
28.75	73.44%	70.00%	47.44%
30	76.25%	72.50%	49.50%
31	78.50%	74.50%	51.15%
32	80.75%	76.50%	52.80%

Based on the benefit provisions of the benefits provided to surviving spouses of members who die in the line of duty, we believe that option 1 will provide higher benefits over a survivor's lifetime than the other benefits in most cases. Higher benefits could be paid under option 3 if the member has accrued more than 28 or 29 years of service (including years of sick leave credit) and the benefits received before the integration age are high enough to offset the lower amounts paid after the integration age.

There was one line of duty death in Group G in 2017 and one line of duty death in Group E in 2019. There have not been any line of duty deaths in Group J.

There is a low incidence rate for line of duty death benefits for correctional officers. Based on information from the U.S. National Institutes of Health's National Library of Medicine (NIH/NLM) for the period 1999 through 2008, there were 113 correctional officer fatalities reported in the United States (the fatality rate was 2.7 per 100,000 FTEs). On average, 11 work-related fatalities were reported per year. https://pmc.ncbi.nlm.nih.gov/articles/PMC4699466/

There were 0 line of duty deaths for Law Enforcement Officers in Maryland in 2025.
https://nleomf.org/wp-content/uploads/2026/01/2025-EOY-Fatality-Report-RGB_FINAL.pdf

GRS estimates minimal financial impact to the Montgomery County ERS as a result of line of duty survivor benefits under Expedited Bill 32-26 for the following reasons:

1. There is a low incidence rate of line of duty deaths.
2. The increase in costs is expected to be the difference between option 1 benefits and option 3 benefits (which are currently available under the plan).

The actuarial accrued liability as of July 1, 2025 for Groups E and J of the Montgomery County Employee's Retirement System is about $520 million and $83 million, respectively.

Exhibit I summarizes key actuarial assumptions used for Groups E and J in the July 1, 2025 actuarial valuation. The Appendix summarizes the key benefit provisions of Groups E and J of the Montgomery County Employee's Retirement System.

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.

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.

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

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

Alex Rivera

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

July 1, 2025 Actuarial Valuation Assumptions
Applicable to Groups E and J

The assumed rate of price inflation is 2.50%.

The assumed COLA is as follows:

	Assumed COLA
100% of CPI, benefit attributable to pre-7/1/2011 service	2.50%
60% of CPI, benefit attributable to pre-7/1/2011 service	1.50%
100% of CPI up to 3%, 60% of change in excess of 3%*, benefit attributable to pre-7/1/2011 service	2.45%
100% of CPI**, benefit attributable to service on or after 7/1/2011	2.20%

Assumed COLA for Group G members (for total benefit) is assumed to be 2.45%.

**Capped at 7.50%.*
***Capped at 2.50%.*

The following groups have a COLA equal to 60% of the increase in CPI:

- Unrepresented Non-Public Safety Enrolled 7/1/78 and after-retired before 11/1/01
- Certain Sheriffs and Inspectors Enrolled 7/1/78 and after-retired prior to 11/1/01
- Represented Non-Public Safety Enrolled 7/1/78 and after-retired prior to 11/1/01
- Sheriffs/Corrections Enrolled 7/1/78 and after-retired prior to 11/1/01
- Fire Enrolled 7/1/78 and after-retired prior to 3/1/00
- Police Enrolled 7/1/78 and after-retired prior to 3/1/00

The assumed rate of investment return used was 7.50%, net of expenses, annually.

The mortality assumptions are as follows:

To provide a margin for future mortality improvements, generational mortality improvements from 2010 using projection scale MP-2021 was used.

Type	Assumption
Post-retirement non-disabled	Pub-2010 Healthy Retiree Mortality Table*, sex distinct
Post-retirement disabled	Pub-2010 Disabled Retiree Mortality Table*, sex distinct
Pre-retirement non-service connected	Pub-2010 Employee Mortality Table*, sex distinct
Pre-retirement service connected	No current assumption

*Group E assumes the mortality tables for Safety Employees and Group J assumes the mortality tables for General Employees.

Benefit Provisions as of July 1, 2025

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	Year	Social Security Taxable Wage Base
2011	$106,800	2021	$142,800
2012	110,100	2022	147,000
2013	113,700	2023	160,200
2014	117,000	2024	168,600
2015	118,500	2025	176,100
2016	118,500		
2017	127,200		
2018	128,400		
2019	132,900		
2020	137,700		

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, (3) the taxable wage base stays level from date of retirement to Social Security Retirement Age.

Following are the 2025 Covered Compensation levels published by the Internal Revenue Service for select ages.

Calendar Year of Birth	Calendar Year of Social Security Retirement Age	2025 Unrounded Covered Compensation Table
1955	2022	$ 91,884
1956	2023	95,172
1957	2024	98,616
1958	2025	102,180
1959	2026	105,684

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, E, J or H 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. Average Final Earnings

For members enrolled on or before June 30, 1978, average final earnings are equal to the regular earnings for the 12-month period immediately preceding retirement, or any consecutive 12-month period, if greater.

For members enrolled on or after July 1, 1978, average final earnings are equal to the average of regular annual earnings for the 36-month period immediately preceding retirement, or any consecutive 36-month period, if greater.

6. Benefits

A. Normal Retirement Date:

Age and Service Requirement:

- Group E, J: Age 55 and 15 years of credited service, or age 46 and 25 years of credited service.

B. Benefit Amount:

1. Optional non-integrated plan:

Group E, J: 2.4% of average final earnings for each of the first 25 years of credited service, plus 2% 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% of average final earnings.

2. Integrated plans:

   a. From date of retirement to Social Security Retirement Age (age 70 for Group E, G, and J members beginning with retirements on or after July 1, 2024 and age 70 for Group F members beginning with retirements on or after August 7, 2023):

- Group E: 2.6% 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. (Prior to August 8, 2023, 2.4% of average final earnings for each of the first 25 years of credited service, plus 2% 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).

- Group J: 2.5% of average final earnings for each of the first 25 years of credited service, plus 2% 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 7, 2023: 2.4% of average final earnings for each of the first 25 years of credited service, plus 2% 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, G, and J members beginning with retirements on or after July 1, 2024 and age 70 for Group F members beginning with retirements on or after August 7, 2023):

- Group E: 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 2.6% 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. Sick leave credits used for years in excess of 25 years is credited at 2.25% of average final earnings above Social Security maximum covered compensation. (Prior to August 8, 2023, 1.65% 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% of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2% 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% of average final earnings above Social Security maximum covered compensation.

- Group J: 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 2.5% of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2% 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% of average final earnings above Social Security maximum covered compensation. (Prior to August 7, 2023: 1.65% 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% of average final earnings above Social Security maximum covered compensation for each of the first 25 years, and 2% 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% of average final earnings above Social Security maximum covered compensation.

7. Disability Pension

   A. Non-service-connected disability retirement:

      Age and service requirement: Five years of credited service.

      Amount: The greater of the accrued benefit under normal retirement or 33⅓% of final earnings.

   B. Service-connected disability retirement:

      Age and service requirement: None

      Benefit amount:

      1. For total incapacity: The greater of the accrued benefit under normal retirement or 70% of final earnings.

8. Death Benefits

   A. Non service-connected:

      Eligibility: None.

      Benefit amount:

      1. Return of member contributions with interest;

         plus

      2. 50% of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member on August 15, 1965.

         or

      3. Alternate death benefits listed under (C.) below.

   B. Service-connected:

      Eligibility requirement: None

Benefit amount:

1. The spouse* will receive a benefit equal to 25% of the member's final earnings, with a minimum of $250.00 per month. The child will receive a benefit equal to 5% of the member's final earnings with a minimum of $50.00 per month to age 21 or life if disabled;

   plus
2. 50% of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member on August 15, 1965;

   or
3. Alternate death benefits listed under (C.) below.

4. For Group F and Group G members: If the member dies while performing duties for the County, the plan will pay death benefits to the spouse or domestic partner and child as if they were receiving a service-connected disability at the 70% minimum benefit level at the time of death and had elected the 100% joint and survivor option.

C. Alternative death benefits:

Eligibility: Member was eligible for vesting or retirement.

Benefit amount:

1. Spouse* or child may elect to receive the amount that would have been paid had the member elected to receive a 100% joint and survivor pension; plus

2. 50% of average final earnings if the member was a member of the Employees' Retirement System on or before December 31, 1966, and was a Maryland State plan member at August 15, 1965.

** Domestic partners who meet the requirements for domestic partnership are also eligible.*

9. <u>Post-Retirement Increases</u>

Optional non-integrated plan: Annual adjustment to the benefit equal to 100% 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%.

Optional integrated plan: Annual adjustment to the benefit equal to 100% 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%.

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% of CPI increase, limited to 5%. However, if over age 65 or disabled, then the maximum limit of 5% 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% of the change in Consumer Price Index for the Washington Metro Area up to 3%, plus 60% of any change in Consumer Price Index greater than 3%, not to exceed a total of 7.5% for years and months of credited service before July 1, 2011. The maximum 7.5% 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%.

Effective for the COLA increases granted to Group G members after December 31, 2023: Annual adjustment to the benefit equal to 100% of the change in Consumer Price Index for the Washington Metro Area up to 3%, plus 60% of any change in Consumer Price Index greater than 3%, not to exceed a total of 5% for all years and months of credited service.

Following are the recent COLA increases granted July 1.

COLA Granted July 1	100% of CPI, Pre-7/1/2011 Service	100% of CPI up to 3%, 60% of Change in Excess of 3%, Pre-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%	3.478%	2.500%	2.278%
2022	7.518%	5.711%	2.500%	4.511%
2023	3.053%	3.032%	2.500%	1.832%
2024	3.289%	3.174%	2.500%	1.974%
2025	1.867%	1.867%	1.867%	1.120%

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%.

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% 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% 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% 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% 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% on the purchased service.

10. <u>Deferred Retirement Option Plan (DROP) for Group E</u> *(effective 7/1/2015)*

A. Eligibility for DROP entry:

Any group E and J uniformed correctional officers or sworn deputy sheriffs who are at least 55 years old and have at least 15 years of credited service or have attained age 46 and 25 years of credited service may participate in the DROP plan.

B. Exit from DROP:

The first day of any month not to exceed 36 months.

C. The DROP account is:

- A member-directed account outside the System's usual investment;
- Credited with the investment gains and losses of the chosen investments; and
- Credited with the monthly benefits that the member would have received if the member had retired at DROP entry.

Upon exit from DROP, the member can receive the DROP account as a lump sum payment or as actuarially equivalent monthly benefits.

D. Post-DROP monthly benefit:

The amount the participant would have received at DROP entry with post-retirement increases for the period in DROP.

E. Disability while in DROP:

Non-Service Connected: The member will receive a pension benefit calculated as if they retired with a non-service connected disability on the date they exited DROP and their DROP account.

Service Connected Disability: The member can elect (i) their DROP account and the post-DROP monthly benefit or (ii) a disability benefit calculated as if the member had never entered DROP.

F. Death while in DROP:

The beneficiary will receive the greater of (i) the death benefit that the beneficiary would have received if the member had died at DROP entry with post-retirement increases plus the DROP account or (ii) the death benefit calculated as if the member had never entered DROP.

G. Member Contributions:

Members do not contribute while in DROP.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

Expedited Bill 32-26: Employees' Retirement System - Survivor Benefits - Death During Line of Duty - Expanded Eligibility to Groups E and J

Summary

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 32-26 would have a minimal impact on racial equity and social justice (RESJ) in the County. Black community members would disproportionately benefit from the proposed extension of survivor benefits. However, since it is rare for County employees to die in the line of duty, any increases in death benefits resulting from this Bill would likely be minimal.

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 essential 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 32-26

A surviving spouse or child of a Group G member County employee who died in the line of duty is entitled to survivor benefits. These benefits were recently expanded with the passage of Bill 32-25 in December 2025.[3] Group G employees include paid firefighters, fire officers, and rescue service personnel.[4]

The purpose of Expedited Bill 32-26 is to extend the same survivor benefits to spouses, domestic partners, and children of Group E and J members who die in the line of duty. Group E and J members include deputy sheriffs, correctional officers, and certain emergency communications center personnel. If enacted, Bill 32-26 would allow surviving family members to select between three options for survivor benefits.[5]

Expedited Bill 32-26 was introduced by the County Council on July 21, 2026.

Anticipated RESJ Impacts

To consider the anticipated impact of Bill 32-26 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?

County employees who are Group E or J members would benefit from additional options for survivor benefits. As shown in Table A (Appendix), human resources data suggests Black people are overrepresented among Group E and J employees. Therefore, Black community members would disproportionately benefit from the proposed extension of survivor benefits. However, since it is rare for County employees to die in the line of duty, any increases in survivor benefits that result from this Bill would likely be minimal. The fiscal impact statement from the Office of Management and Budget (OMB) confirms Bill 32-26 is expected to have a minimal financial impact to the County.[6] Therefore, OLO anticipates Bill 32-26 would have a minimal impact on RESJ in the County.

RECOMMENDED AMENDMENTS

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[7] OLO anticipates Bill 32-26 would have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. 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 Active Employees in Retirement Groups E and J by Race and Ethnicity (Actual)[8]

Race or ethnicity	Group E and J Employees (N=742)	County population
Asian	4.2	15.3
Black	44.6	18.3
Native American	0.7	0.1
Pacific Islander	-	0.0
White	25.7	39.5
Latinx	12.9	21.0

Source: OLO analysis of 2026 unpublished Office of Human Resources data and Table DP05, 2024 ACS 5-Year Estimates, Census Bureau.

[1] Definition of racial equity and social justice adopted from M. Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] Action Staff Report for Expedited Bill 32-25, Montgomery County Council, Action December 9, 2025.
[4] "Summary Description for Sworn Fire Personnel in Retirement Group G," Montgomery County Employee Retirement Plans, August 2023.
[5] Introduction Staff Report for Bill 32-26, Montgomery County Council, Introduced July 21, 2026.
[6] Fiscal Impact Statement for Bill 32-26, Office of Management and Budget.
[7] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[8] Race is not inclusive of Latinx origin for data points in Table A.

Climate Assessment

Office of Legislative Oversight

EXPEDITED BILL 32-26: EMPLOYEES' RETIREMENT SYSTEM – SURVIVOR BENEFITS – DEATH DURING LINE OF DUTY – EXPANDED ELIGIBILITY TO GROUPS E AND J

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 32-26 will have no impact on the County's contribution to addressing climate change as it is proposing changes to survivor benefits for certain County employees.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 32-26

Currently, a surviving spouse or child of a Group G member County employee who died in the line of duty is entitled to death benefits. Group G employees include paid firefighters, fire officers, and rescue service personnel.[1]

Expedited Bill 32-26 would expand eligibility of death benefits to include spouses, domestic partners, and children of Group E and J members. Group E and J members include deputy sheriffs, correctional officers, and certain emergency communications center personnel.[2]

Expedited Bill 32-26 was introduced by the County Council on July 21, 2026.[3]

ANTICIPATED IMPACTS

As the Bill is proposing changes to survivor benefits for certain County employees, OLO anticipates Expedited Bill 32-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[4] OLO does not offer recommendations or amendments as Expedited Bill 32-26 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 and community climate resilience.

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 increase the County's community climate 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] Montgomery County Council, Bill 32-25, Employees' Retirement System - Survivor Benefits - Death During Line of Duty, Enacted December 9, 2025

[2] Montgomery County Council, Introduction Staff Report for Bill 32-26E, Introduced July 21, 2026.

[3] Ibid.

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