Bill No. Concerning: Non-merit **Employees** Merit System Employees - Severance Pay - Limited Revised: 11/23/2020 Draft No. 3 Introduced: September 29, 2020 December 8, 2020 Enacted: Executive: ___ December 21, 2020 Effective: ___ March 22, 2021 Sunset Date: None Ch. 41 , Laws of Mont. Co. 2020

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson

Co-Sponsors: Councilmember Rice, Council President Katz, Councilmembers Glass and Navarro, and Council Vice President Hucker

AN ACT to:

- (1) prohibit severance pay for a County employee unless authorized by law;
- (2) prohibit severance pay for certain employees who violate the Ethics Law;
- (3) provide for certain exceptions; and
- (4) generally amend the law governing severance pay for County employees.

By amending

Montgomery County Code Chapter 1A, Structure of County Government Section 1A-104

Chapter 33, Personnel and Human Resources Section 33-140

By adding

Montgomery County Code Chapter 33, Personnel and Human Resources Section 33-26

BoldfaceHeading or defined term.UnderliningAdded to existing law by original bill.[Single boldface brackets]Deleted from existing law by original bill.

<u>Double underlining</u> *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 1A-104 and 33-140 are amended and Section 33-26 is added as follows:

1A-104. Heads of departments and principal offices; other positions designated as non-merit.

* * *

- (e) Salaries. The Executive must design a compensation system to attract and retain highly competent senior leaders as heads of departments and principal offices, and other non-merit employees in the Executive Branch. Each of these employees must be paid a salary within a salary schedule proposed by the Executive and approved by the Council in the Operating Budget of the Montgomery County Government. The salary schedule may contain a provision permitting the Executive to exceed the salary schedule established for a position for an individual employee, subject to Council approval, if the Executive finds that it is necessary to attract or retain a senior leader for a specific position. The Council must establish a salary schedule for non-merit positions in the Legislative Branch as part of the Operating Budget of the Montgomery County Government.
- (f) Severance pay. The Executive or a Councilmember must not authorize any payment of money or paid administrative leave to a non-merit employee in the Executive Branch or in the Legislative Branch upon separation from County employment unless the payment is expressly authorized by law. The Executive or a Councilmember must not enter into an employment agreement with a non-merit employee that provides for any type of severance pay for an employee who is terminated with or without cause. This subsection must not be interpreted to prohibit:
 - (1) the payout of unused leave at termination of employment;

28		<u>(2)</u>	a discontinued retirement pension authorized under Section 33-
29			45(d) or Section 33-45(e); or
30		<u>(3)</u>	severance pay under Sections 33-139 and 33-140.
31	33-140. Plan administration.		
32	(a)	The	County Executive must establish a severance pay plan in Executive
33		Regu	lations under method (2). The plan must:
34		<u>(1)</u>	prohibit severance pay for an employee who admits to or is found
35			to have violated the Ethics Law in the 12 months prior to separation
36			from County employment; and
37		<u>(2)</u>	qualify as a severance pay plan under Section 457 of the Internal
38			Revenue Code.
39			* * *
40	33-26. Seve	<u>erance</u>	pay limits.
41	The Executive must not authorize any payment of money or paid administrative		
42	leave to a merit employee upon separation from County employment unless the		
43	payment is expressly authorized by law. This Section must not be interpreted		
44	to prohibit:		
45	<u>(a)</u>	the p	ayout of unused leave at termination of employment;
46	<u>(b)</u>	<u>a</u> dise	continued retirement pension authorized under Section 33-45(d); or
47	<u>(c)</u>	sever	rance pay under Sections 33-139 and 33-140.
48	Sec.	2. Tra	ansition.
49	The	amend	lments in Section 1 must apply to any County employee who
50	separates from County employment on or after the date this Act takes effect.		

Tom Hucker, President, County Council

Approved:

12/9/2020

Date

12/21/2020

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Approved:

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