



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

AGENDA ITEM#13A  
February 6, 2024  
**Action**

## SUBJECT

Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments

Lead Sponsor: Councilmember Katz

Co-Sponsors: Councilmembers Jawando, Luedtke, Albornoz, Council Vice-President Stewart, Councilmembers Sayles, Mink, Balcombe, Council President Friedson, and Councilmember Fani-González

## EXPECTED ATTENDEES

N/A

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The Government Operations and Fiscal Policy (GO) Committee recommended (3-0) the enactment of Expedited Bill 46-23 as introduced.
- The Council is expected to hold a roll call vote on whether to enact Expedited Bill 46-23, as recommended by the GO Committee.

## DESCRIPTION/ISSUE

Expedited Bill 46-23 would:

- (1) extend from January 4, 2024, to August 7, 2024, the deadline for eligible County employees enrolled in Groups E and J of the Employees' Retirement System to elect to purchase credited years of service with their existing Retirement Savings Plan or Guaranteed Retirement Income Plan balances; and
- (2) generally amend the law regarding the Employees' Retirement System.

## **This report contains:**

Staff Report	Pages 1 - 3
Bill 46-23	© 1
Fiscal Impact Statement	© 5
Economic Impact Statement	© 6
Racial Equity and Social Justice Impact Statement	© 8
Climate Assessment	© 10
<a href="#">Link to Enacted Bill 20-23</a>	
<a href="#">Link to Final Action Staff Report for Bill 20-23</a>	

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**MEMORANDUM**

February 1, 2024

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments

PURPOSE: Action – roll call vote expected

<b>COMMITTEE RECOMMENDATION:</b>	<b>Enact Expedited Bill 46-23 as introduced</b>
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Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments, sponsored by Lead Sponsor Councilmember Katz and Co-sponsored by Councilmembers Jawando, Luedtke, Albornoz, Council Vice-President Stewart, Councilmembers Sayles, Mink, Balcombe, Council President Friedson, and Councilmember Fani-González, was introduced on December 12, 2023. A public hearing was held on January 16, 2024 and a Government Operations and Fiscal Policy (GO) Committee worksession was held on January 18, 2024.

Expedited Bill 46-23 would:

- (1) extend from January 4, 2024, to August 7, 2024, the deadline for eligible County employees enrolled in Groups E and J of the Employees’ Retirement System to elect to purchase credited years of service with their existing Retirement Savings Plan or Guaranteed Retirement Income Plan balances; and
- (2) generally amend the law regarding the Employees’ Retirement System.

**BACKGROUND/PURPOSE**

On August 7, 2023, Expedited Bill 20-23 took effect to implement certain provisions of the Memorandum of Agreement between the Montgomery County Government and the Municipal & County Government Employees Organization, UFCW, Local 1994 (MCGEO). Under the expedited bill, certain classes of employees became eligible to participate in the Group E and Group J retirement plans.

Specifically, the following job classes for employees working in the Emergency Communications Center became eligible for pension benefits: 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.

Under the expedited bill, the newly eligible employees had 150 days in which to make a one-time purchase of credited service with their existing guaranteed retirement income plan or retirement savings plan balances. The 150-day deadline expired on January 4, 2024.

The purpose of Expedited Bill 46-23 is to extend that 150-day deadline until August 7, 2024. This would allow newly eligible employees a longer period of time in which to make the election.

### **BILL DESCRIPTION**

Expedited Bill 46-23 would extend from January 4, 2024, to August 7, 2024, the deadline for certain newly eligible County employees enrolled in Groups E and J of the Employees' Retirement System to elect to purchase credited years of service with their existing Retirement Savings Plan or Guaranteed Retirement Income Plan balances.

The bill would apply retroactively to January 4, 2024, in order to provide for an uninterrupted extension of the time to make the elections to purchase credited service under the pension plans.

### **SUMMARY OF IMPACT STATEMENTS**

**Fiscal impact.** The Office of Management and Budget “The bill is not expected to impact County expenditures or revenues.”

**Racial equity and social justice.** The Office of Legislative Oversight (OLO) anticipates Expedited Bill 46-23 will have a minimal impact on RESJ in the County. Extending the timeframe for eligible employees to elect to purchase credited years of service with their existing retirement plan balances is unlikely to meaningfully impact racial inequities and disparities in retirement.

**Climate assessment.** The Office of Legislative Oversight (OLO) anticipates Expedited Bill 46-23 will have no impact on the County's contribution to addressing climate change as it is proposing the extension of a deadline for a County retirement program.

**Economic impact.** The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 46-23 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

### **SUMMARY OF PUBLIC TESTIMONY**

At the public hearing, Mr. Renne, President of the Municipal and County Government Employees Organization, testified in favor of the bill.

## SUMMARY OF THE COMMITTEE WORKSESSION

The Committee discussed the need for the extension under the bill in order to provide employees with additional time to make their retirement election. Mr. Hartman, Director of Strategic Partnerships for the County Executive, participated in the discussion in support of the bill. The Committee voted unanimously to recommend the enactment of the expedited bill as originally introduced.

**NEXT STEP:** Roll call vote on whether to enact Expedited Bill 46-23, as recommended (3-0) by the GO Committee.

### This packet contains:

Expedited Bill 46-23  
Fiscal Impact Statement  
Economic Impact Statement  
Racial Equity and Social Justice Impact Statement  
Climate Assessment  
[Link to Enacted Bill 20-23](#)  
[Link to Final Action Staff Report for Bill 20-23](#)

### Circle #

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Expedited Bill No. 46-23  
Concerning: OPT/SLT Bargaining Units – Pension and Retirement Adjustments  
Revised: 12/12/2023 Draft No. 2  
Introduced: December 12, 2023  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Councilmember Katz  
Co-Sponsors: Councilmembers Jawando, Luedtke, and Albornoz, Council Vice-President Stewart,  
Councilmembers Sayles, Mink, and Balcombe, Council President Friedson, and Councilmember  
Fani-González

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**AN EXPEDITED ACT** to:

- (1) extend from January 4, 2024, to August 7, 2024, the deadline for eligible County employees enrolled in Groups E and J of the Employees’ Retirement System to elect to purchase credited years of service with their existing Retirement Savings Plan or Guaranteed Retirement Income Plan balances; and
- (2) generally amend the law regarding the Employees’ Retirement System.

By amending:

Montgomery County Code  
Chapter 33, Personnel and Human Resources  
Section 33-41

<b>Boldface</b>	<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:*



26 of 0 years, unless the employee is otherwise eligible to  
 27 purchase other service credits provided for in this section.

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

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

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

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

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

45 (A) make a one-time irrevocable election to purchase credited  
 46 service with their entire existing guaranteed retirement  
 47 income plan or retirement savings plan balances [within 150  
 48 days of Group J eligibility] up to and including August 7,  
 49 2024, in accordance with an actuarial determination of the  
 50 value transferred; or

51 (B) retain guaranteed retirement income plan or retirement  
52 savings plan balances, will no longer participate in the  
53 guaranteed retirement income plan or retirement savings  
54 plan, and will enter Group J with a credited service balance  
55 of 0 years, unless the employee is otherwise eligible to  
56 purchase other service credits provided for in this section.

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

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

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

68 \* \* \*

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

72 **Sec. 3. Retroactive Application.** This Bill applies retroactively to January 4,  
73 2024, in order to provide for an uninterrupted extension of the time to make the  
74 elections described in Sec. 1.

# Fiscal Impact Statement

Office of Management and Budget

## Bill 46-23

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

### Bill Summary

Expedited Bill 46-23 extends the deadline for eligible County employees enrolled in Groups E and J of the Employees' Retirement System to elect to purchase credited years of service.

### Fiscal Impact Summary

The bill is not expected to impact County expenditures or revenues.

Fiscal Year	2024	2025	2026	2027	2028	2029	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 extends the deadline for eligible County employees enrolled in Groups E and J of the Employees' Retirement System to elect to purchase credited years of service and has no impact on County expenditures or revenues.

### Staff Impact

The bill is not expected to impact staff time or duties.

### Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

### 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.

### Contributors

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



# Economic Impact Statement

Montgomery County, Maryland

## Expedited Bill 46-23

## OPT/SLT Bargaining Units – Pension and Retirement Adjustments

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 46-23 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators.

### BACKGROUND AND PURPOSE OF EXPEDITED BILL 46-23

In August 2023, Expedited Bill 20-23 took effect and made certain County employees eligible to participate in Group E and Group J retirement plans. The Bill established a 150 day deadline in which newly eligible employees would be able to elect to purchase credited years of service with their existing retirement plans.<sup>1</sup>

Expedited Bill 46-23 would extend the deadline for eligible County employees to elect to purchase credited years of service with their existing retirement plans, from January 4, 2024 to August 7, 2024. This would allow a longer period of time for newly eligible employees to make the election.<sup>2</sup>

Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments was introduced by the County Council on December 12, 2023.

### INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess the impacts of Expedited Bill 46-23 on County-based private organizations and residents in terms of the Council’s priority economic indicators and whether the Bill would likely result in a net positive or negative impact on overall economic conditions in the County.<sup>3</sup> The fiscal impact statement determined that the Bill would have no impacts on County expenditures. For this reason, OLO anticipates that the Bill would have insignificant impacts on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

### VARIABLES

Not applicable

### IMPACTS

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<sup>1</sup> “Introduction Staff Report on Expedited Bill 46-23.”

<sup>2</sup> Ibid.

<sup>3</sup> Montgomery County Code, Sec. 2-81B, Economic Impact Statements.

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

## DISCUSSION ITEMS

Not applicable

## WORKS CITED

[“Introduction Staff Report on Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments.”](#)  
Montgomery County Council, December 12, 2023.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements.](#)

## CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. 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.

## CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## EXPEDITED OPT/SLT BARGAINING UNITS – PENSION AND BILL 46-23: RETIREMENT ADJUSTMENTS

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 46-23 will have a minimal impact on RESJ in the County. Extending the timeframe for eligible employees to elect to purchase credited years of service with their existing retirement plan balances is unlikely to meaningfully impact racial inequities and disparities in retirement.

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### PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.<sup>2</sup>

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### PURPOSE OF EXPEDITED BILL 46-23

In August 2023, Expedited Bill 20-23 took effect and made certain County employees eligible to participate in Group E and Group J of the County's Employees' Retirement System. The Bill established a 150-day deadline in which newly eligible employees could elect to purchase credited years of service with their existing retirement plan balances.<sup>3</sup>

Expedited Bill 46-23 would extend the deadline for eligible County employees to elect to purchase credited years of service with their existing retirement plan balances from January 4, 2024 to August 7, 2024. This would provide a longer time period for newly eligible employees to make the election.<sup>4</sup>

Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments, was introduced by the County Council on December 12, 2023.

In May 2023, OLO published a RESJIS for Expedited Bill 20-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments.<sup>5</sup> Please refer to this RESJIS for background on retirement and racial equity.

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### ANTICIPATED RESJ IMPACTS

OLO anticipates Bill 46-23 will have a minimal impact on RESJ in the County. Extending the timeframe for eligible employees to elect to purchase credited years of service with their existing retirement plan balances is unlikely to meaningfully impact racial inequities and disparities in retirement.

# RESJ Impact Statement

## Expedited Bill 46-23

### 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.<sup>6</sup> OLO anticipates Expedited Bill 46-23 will have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

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### 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.

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### CONTRIBUTIONS

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

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<sup>1</sup> Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

<sup>2</sup> Ibid.

<sup>3</sup> [Introduction Staff Report for Expedited Bill 46-23](#), Montgomery County Council, Introduced December 12, 2023.

<sup>4</sup> Ibid.

<sup>5</sup> [RESJ Impact Statement for Bill 20-23](#), Office of Legislative Oversight, May 3, 2023.

<sup>6</sup> Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

# Climate Assessment

Office of Legislative Oversight

## Expedited OPT/SLT Bargaining Units – Pension and Bill 46-23: Retirement Adjustments

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 46-23 will have no impact on the County's contribution to addressing climate change as it is proposing the extension of a deadline for a County retirement program.

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### BACKGROUND AND PURPOSE OF EXPEDITED BILL 46-23

In August 2023, Expedited Bill 20-23 took effect and made certain County employees eligible to participate in Group E and Group J retirement plans. The Bill established a 150 day deadline in which newly eligible employees would be able to elect to purchase credited years of service with their existing retirement plans.<sup>1</sup>

Expedited Bill 46-23 would extend the deadline for eligible County employees to elect to purchase credited years of service with their existing retirement plans, from January 4, 2024 to August 7, 2024. This would allow a longer period of time for newly eligible employees to make the election.<sup>2</sup>

Expedited Bill 46-23, OPT/SLT Bargaining Units – Pension and Retirement Adjustments was introduced by the County Council on December 12, 2023.

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### ANTICIPATED IMPACTS

As the bill proposes the extension of a deadline for a County retirement program, OLO anticipates it 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 adaptive capacity.

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### RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>3</sup> OLO does not offer recommendations or amendments as Expedited Bill 46-23 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 adaptive 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.

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## 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 adaptive 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.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> [Introduction Staff Report for Expedited Bill 46-23, OPT/SLT Bargaining Units - Pension and Retirement Adjustments](#), Montgomery County Council, Introduced December 12, 2023

<sup>2</sup> Ibid.

<sup>3</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022