Expedited Bill No. 8-12
Concerning: Retirement Savings Plan -
Amendments
Revised: March 1, 2012 Draft No. 2
Introduced: March 6, 2012
Enacted: May 1, 2012
Executive: May 10, 2012
Effective: May 10, 2012
Sunset Date: None
Ch. 11 Laws of Mont. Co. 2012

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

(1) amend the Retirement Savings Plan to remain tax qualified under the Internal Revenue Code; and

(2) generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code Chapter 33, Personnel and Human Resources Sections 33-118 and 33-120

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

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

Sec. 1. Sections 33-118 and 33-120 are amended as follows:

33-118. Maximum annual contribution.

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(a) Annual Contribution Limitation

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- [(4)]County contributions that would be allocated to County contributions accounts of participants but for the limitations of this Section must be carried over to subsequent years and allocated in order of time to the County contributions accounts that would have received the contributions but for the limitations in this Section. However, if a participant whose County contributions are carried over is not a participant in the subsequent years, that portion of the carryover contributions attributable to the participant must be allocated to the County contribution accounts of all participants. Amounts carried over must be allocated to a suspense account that must be invested in a fund deemed prudent by the Board. Any earnings of the suspense account must be allocated ratably among the County contributions accounts of all the participants except as otherwise provided in this Section.]
- 20 (5)] (4) * * *
- 21 **[**(6)] <u>(5)</u> * *
- 22 (c) Effective July 1, 2007, all contributions made to a participant's
 23 account within 2½ months after termination of employment or within
 24 the limitation year that contains the termination from employment
 25 must be considered compensation for purposes of Internal Revenue
 26 Code Section 415, as amended.

27 33-120. Distribution of Benefit

28			* * *	
29	(g)	Direct roll	over distributions. Notwithstanding any p	rovision of this
30		Division th	at would otherwise limit a participant's ele	ction under this
31		Section, a	participant or beneficiary may elect i	n any manner
32		prescribed	by the Chief Administrative Officer at an	y time to have
33		any portion	n of an eligible rollover distribution [(as	defined in the
34		Internal Re	venue Code)] paid directly to an eligible	retirement plan
35		[(as define	ed in the Internal Revenue Code)] sp	ecified by the
36		participant	in a direct rollover. [For purposes of]	
37		As used in	this subsection[,]:	
38		(<u>1</u>) direc	t rollover [is] means a payment from	the retirement
39		savir	gs plan to the eligible retirement plan s	pecified by the
40		parti	cipant.	
41		(2) <i>eligi</i>	ole retirement plan means:	
42		<u>(A)</u>	an individual retirement account descri	bed in Internal
43			Revenue Code Section 408(a), as amended	<u>1;</u>
44		<u>(B)</u>	an individual retirement annuity described	in Internal
45			Revenue Code Section 408(b), as amended	d, (other than
46			an endowment contract);	
47		<u>(C)</u>	a qualified trust;	
48		<u>(D)</u>	an annuity plan described in Internal Reve	nue Code
49			Section 403(a), as amended;	
50		<u>(E)</u>	an eligible deferred compensation plan	<u>described</u> in
51			Internal Revenue Code Section 457(b)	, as amended,
52			which is maintained by an eligible employ	<u>ver described in </u>
53			<u>Internal</u> <u>Revenue</u> <u>Code</u> <u>Section</u> <u>45</u>	7(e)(1)(A), as
54			amended: and	

55	<u>(F)</u>	an annuity contract described in Internal Revenue Code
56		Section 403(b), as amended.
57	(<u>3</u>) <u>eligil</u>	ble rollover distribution means any distribution to a
58	partio	cipant of all or any portion of the participant's account
59	balan	ace; except:
60	<u>(A)</u>	any distribution which is one of a series of substantially
61		equal periodic payments (not less frequently than
62		annually) made:
63		(i) for the life (or life expectancy) of the employee or
64		the joint lives (or joint life expectancies) of the
65		employee and the employee's designated
66		beneficiary; or
67		(ii) for a specified period of 10 years or more; or
68	<u>(B)</u>	any distribution to the extent such distribution is required
69		under Internal Revenue Code Section 401(a)(9), as
70		amended.
71		* *
72	Sec. 2. Effe	ective Date.
73	The Council decl	ares that this legislation is necessary for the immediate
74	protection of the public	interest. This Act takes effect on the date on which it
75	becomes law. The ame	ndments to Section 33-118 in Section 1 are effective on
76	July 1, 2007.	

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78	Approved:		
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80		5/2/2012	
	Roger Berliner, President, County Council	Date	
81	Approved:		
82	Joint Largett County Educative	5/10/2012 Date	
02	Isiah Leggett, County Executive	Date	
83	This is a correct copy of Council action.		
84	Sinda M. Janer	5/11/12	
	Linda M. Lauer, Clerk of the Council	Date	