

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	<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:

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

33-118. Maximum annual contribution.

(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.]

(5)] (4) * * *

[(6)] (5) * * *

(c) Effective July 1, 2007, all contributions made to a participant's account within 2½ months after termination of employment or within the limitation year that contains the termination from employment must be considered compensation for purposes of Internal Revenue Code Section 415, as amended.

33-120. Distribution of Benefit

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(g) *Direct rollover distributions.* Notwithstanding any provision of this Division that would otherwise limit a participant's election under this Section, a participant or beneficiary may elect in any manner prescribed by the Chief Administrative Officer at any time to have any portion of an eligible rollover distribution [(as defined in the Internal Revenue Code)] paid directly to an eligible retirement plan [(as defined in the Internal Revenue Code)] specified by the participant in a direct rollover. [For purposes of]

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As used in this subsection[,]:

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(1) *direct rollover* [is] means a payment from the retirement savings plan to the eligible retirement plan specified by the participant.

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(2) *eligible retirement plan* means:

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(A) an individual retirement account described in Internal Revenue Code Section 408(a), as amended;

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(B) an individual retirement annuity described in Internal Revenue Code Section 408(b), as amended, (other than an endowment contract);

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(C) a qualified trust;

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(D) an annuity plan described in Internal Revenue Code Section 403(a), as amended;

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(E) an eligible deferred compensation plan described in Internal Revenue Code Section 457(b), as amended,

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which is maintained by an eligible employer described in

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Internal Revenue Code Section 457(e)(1)(A), as

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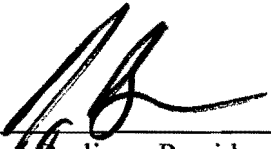

amended; and

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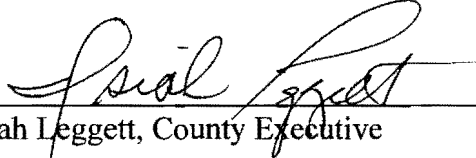
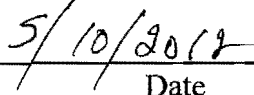
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Roger Berliner, President, County Council Date

81 *Approved:*

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Isiah Leggett, County Executive Date

83 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date