

Expedited Bill No. 17-03
Concerning: Personnel – Retirement –
Corrective Amendments
Revised: 5/30/03 Draft No. 2
Introduced: June 3, 2003
Enacted: July 1, 2003
Executive: July 10, 2003
Effective: July 10, 2003
Sunset Date: None
Ch. 13, Laws of Mont. Co. 2003

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) make certain technical corrections to County employee retirement laws; and
- (2) generally amend County law regarding the employee retirement system.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-42, 33-44, 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 unaffected by bill.

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

1 **Section 1. Sections 33-42, 33-44, 33-118, and 33-120 are amended as**
 2 **follows:**

3 **33-42. Amount of pension at normal retirement date or early retirement**
 4 **date.**

5 * * *

6 (h) *Maximum annual contribution to elected officials' plan.*

7 * * *

8 (6) *Multiple plan participation.* This paragraph applies only for
 9 [plan] limitation years ending before January 1, 2000. Regardless
 10 of paragraph (1), the otherwise permissible annual benefits for
 11 any participant in the elected officials' plan who also participates
 12 in another qualified plan sponsored by the County or a
 13 participating agency that is a defined benefit plan must be further
 14 adjusted to the extent necessary to prevent disqualification of the
 15 plans under Section 415 of the Internal Revenue Code. Section
 16 415 imposes the following additional limitations on the benefits
 17 payable to a participant in the elected officials' plan who also
 18 may be participating in another qualified plan of the county or
 19 any participating agency that is a defined benefit plan:

20 * * *

21 **33-44. Pension payment options and cost-of-living adjustments.**

22 * * *

23 (p) *Limitations Under Internal Revenue Code.* Distributions under a
 24 plan must be subject to the limitations of Section 401(a)(9) of the
 25 Internal Revenue Code, including the incidental death benefit
 26 rules under Section 401(a)(9)(G) of the Internal Revenue Code,

27 in accordance with any proposed or final regulations under
28 Section 401 (a)(9) of the Internal Revenue Code.

29 * * *

30 **33-118. Maximum annual contribution.**

31 (a) *Contribution limitations.*

32 (1) Notwithstanding any other provision in this Division, to the
33 extent required under the Internal Revenue Code, the annual
34 additions described in this Section that are allocated in any [plan]
35 limitation year to the retirement accounts of any participant must
36 not exceed the lesser of:

37 (A) \$30,000, effective January 1, 1995, or \$40,000, [(the
38 "dollar limitations")] effective January 1, 2002, (the
39 "dollar limitation"); or

40 (B) 25 percent of the participant's compensation as defined
41 below, or 100 percent of the participant's compensation
42 [(the "percentage limitation")], effective January 1, 2002,
43 (the "percentage limitation").

44 * * *

45 (3) In this Section, for purposes of applying Section 415 of the
46 Internal Revenue Code, "compensation" has the same meaning as
47 provided in Treasury Regulation Section 1.415-2(d)(1), including
48 amounts contributed at the election of the participant that are not
49 includible in the gross income of the participant, under Sections
50 402(g)(3), 125, [and] 457, and (effective January 1, 2001) 132
51 (f)(4) of the Internal Revenue Code.

52 * * *

3 **33-120. Distribution of benefit.**

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(l) *Limitations of Internal Revenue Code Section 401(a)(9).*
Distributions under a plan must be subject to the limitations of
Section 401(a)(9) of the Internal Revenue Code, including the
incidental death benefit rules in Section 401(a)(9)(G) of the
Internal Revenue Code. in accordance with any proposed or final
regulations under Section 401(a)(9) of the Internal Revenue
Code.


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Sec. 2. Expedited 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 when it becomes
law.

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67 *Approved:*

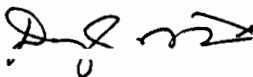
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Michael L. Subin, President, County Council

7/3/03

Date

69 *Approved:*

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Douglas M. Duncan, County Executive

July 10, 2003

Date

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

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Mary A. Edgar, CMC, Clerk of the Council

July 11, 2003
Date