

Expedited Bill No. 7-08  
Concerning: Personnel – Retirement -  
Group F - Mandatory Retirement  
Revised: 6/24/08 Draft No. 3  
Introduced: April 8, 2008  
Enacted: June 24, 2008  
Executive: July 7, 2008  
Effective: July 1, 2008  
Sunset Date: None  
Ch. 23, Laws of Mont. Co. 2008

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

### AN EXPEDITED ACT to:

- (1) change the normal retirement date for a Group F member to 25 years of credited service regardless of age;
- (2) change the time period for a Group F member to submit written application for retirement to at least 2 weeks before the date elected;
- (3) repeal the mandatory retirement age for all members;
- (4) reestablish the Discontinued Retirement Service Program for Group F members;
- (5) change the formula for calculating the pension amount of a Group F member who retires on a normal retirement;
- (6) allow a Group F member to purchase service credit for leave without pay; and
- (7) generally amend the County retirement law.

By amending

Montgomery County Code  
Chapter 33, Personnel and Human Resources  
Sections 33-38, 33-38A, 33-41, and 33-42

<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:*

1           **Sec. 1. Section 33-38 is amended as follows:**

2   **33-38. Normal retirement date, mandatory retirement date, early retirement**  
3   **date, and trial retirement.**

4           (a) Normal retirement date.

5    \*    \*    \*

6           (5) Group F: The member must have at least:

- 7                   (A) 15 years of credited service and be at least age 55; or
- 8                   (B) 25 years of credited service [and be at least age 46].

9    \*    \*    \*

10           (b) Retirement date election. A member other than a Group F member  
11                   must submit written application for retirement at least 30 days before  
12                   the date elected. A Group F member must submit a written  
13                   application for retirement at least 14 days before the date elected. In  
14                   extenuating circumstances, the Chief Administrative Officer may  
15                   waive this requirement.

16           [(c) Mandatory retirement date. The mandatory retirement date for a group  
17                   A or H member is the first day of the month following the member's  
18                   70th birthday. The mandatory retirement date for a group B, D, E, F,  
19                   or G member is the first day of the month following the member's  
20                   60th birthday.]

21           [(d) Mandatory retirement date extension. The Chief Administrative  
22                   Officer may grant one or more one-year extensions of active  
23                   membership in accordance with the following procedures:

- 24                   (1) Request for extension may be initiated by the member, the  
25                   immediate supervisor or department head. The department  
26                   head's recommendation must be reviewed by the Chief  
27                   Administrative Officer.

28 (2) The request and all endorsements must clearly demonstrate that  
29 the extension is in the best interest of the County.

30 (3) The Chief Administrative Officer may request a certification of  
31 the medical examiner that the member is medically acceptable  
32 for continuance in the position.

33 (4) Request for an extension must be submitted at least 60 days  
34 prior to mandatory retirement date.

35 The same procedure must be followed by a member of a participating  
36 agency requesting an extension and will be subject to all requirements  
37 established by the Chief Administrative Officer.]

38 [e] (c) Early retirement date. \* \* \*

39 [f] (d) Trial retirement

- 40 (1) A trial retirement under this subsection is not available to:
- 41 [(A) a member required to retire under subsection (c);]
- 42 [(B) (A) an elected official;
- 43 [(C) (B) a non-merit appointed official;
- 44 [(D) (C) a member covered under a collective bargaining
- 45 agreement, except [for] a member of the Police
- 46 Bargaining Unit;
- 47 [(E) (D) a non-County Government employee; or
- 48 [(F) (E) a member who participates in a retirement incentive
- 49 program.

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51 **Sec. 2. Section 33-38A is amended as follows:**

52 **33-38A. Deferred Retirement Option Plans.**

53 \* \* \*

54 (a) DROP Plan for Group F members. "Discontinued Retirement Service

55 Program" or "DRSP" means the DROP program for Group F  
56 members.

57 (1) Eligibility. A Group F member who is at least [41] 46 years old  
58 and has at least [20] 25 years of credited service may participate  
59 in the DRSP.

60 (2) Application requirements. An eligible employee must apply at  
61 least 60 days before the employee becomes a participant. [The  
62 County must not approve an application for participation in the  
63 DRSP on or after March 1, 2001.] An employee may withdraw  
64 a pending application within 2 weeks after submitting the  
65 application.

66 (3) Employee participation and termination. The employee's  
67 participation in the DRSP must begin on the first day of a  
68 month that begins at least 60 days, but not more than 90 days,  
69 after the employee applied and must end [2] 3 years after the  
70 employee begins to participate or at an earlier date chosen by  
71 the employee. When the employee's participation in the  
72 program ends, the employee must stop working for the County  
73 and receive a pension benefit.

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75 (6) Pension benefits.

76 (A) Before an employee's participation begins, the employee  
77 must select a:

- 78 (i) pension payment option under Section 33-44 for  
79 the regular retirement pension payments; and  
80 (ii) pension payment distribution option for the  
81 distribution of the employee's DRSP account.

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(B) [Pension benefits will] A pension benefit must not be paid to the employee while the employee participates in the program, but [will] must be deposited in a DRSP account established for the participant by the County. The participant must receive the account balance and the County must close the account within 60 days after the [employee's participation] employee stops participating in the program [ends]. Subject to any requirements of the Internal Revenue Code and other applicable law, the employee may roll over the account balance into an eligible retirement plan.

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(9) DRSP account distribution options. [An employee] A member may [elect to] have the balance of the DRSP account distributed as a lump sum or an annuity, or [to] have some or all paid directly to an eligible retirement plan as a direct rollover distribution. To the extent feasible, as determined by the Chief Administrative Officer, [an employee] a member alternatively may [choose to] receive the account balance as periodic payments calculated and distributed as an addition to the [employee's] member's regular retirement benefit. If the [employee] member dies before the balance of the DRSP account is distributed, the beneficiary may [elect to] receive distribution of the balance [according to] under any option described in this paragraph.

[(10) Termination of program for Group F members. The DRSP Plan program for Group F members must end on March 1, 2003.]

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**Sec. 3. Section 33-41 is amended as follows:**

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**33-41. Credited service.**

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(m) Purchase of service credits for periods of leave without pay. A Group F member who is on leave without pay[[, unrelated to disciplinary action,]] may buy service credits at their full actuarial cost, in a lump sum or on an extended basis, for up to one year of that leave. A member must not buy service credits for a period of leave without pay in connection with an act for which the member was charged with a felony unless the charge is resolved by other than a finding of guilty.

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[(m)] (n) Payment for purchase of service credits.

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[(n)] (o) Limitation on purchase of credited service. Except as required by state or federal law, an elected officials' participant may not be granted or permitted to purchase credited service for any purpose under the elected officials' plan.

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[(o)] (p) Despite any other provision in this Section, a member must not transfer or purchase credited service for membership in a defined contribution or capital accumulation plan or in a plan with both defined contribution and defined benefit elements.

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**Sec. 4. Section 33-42 is amended as follows:**

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

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(b) Amount of pension at normal retirement date.

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(1) Pension amount for an Optional Retirement Plan member.

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(C) For a Group F member who is a member of the optional plan and retires on a normal retirement, the annual pension must equal 2.4% [percent] of average final earnings multiplied by years of credited service, up to a maximum of [30] 36 years, [plus] including sick leave credits. Years of credited service of less than one full year must be prorated. [[Sick leave credits used for years in excess of 30 years must be credited at 2% [percent] of average final earnings.]] The maximum benefit with the application of sick leave credits must not exceed [76 percent] 86.4% of average final earnings.

\* \* \*

(2) Pension amount for an Integrated Retirement Plan member.

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(D) For a Group F member in the integrated retirement plan who retires on a normal retirement, the annual pension must be computed as follows:

(i) From date of retirement to the month of attainment of Social Security retirement age: 2.4% [[percent]] of average final earnings multiplied by years of credited service up to a maximum of [30] 36 years, [plus] including sick leave credits. Credited service of less than one full year must be prorated. [[Sick leave credits used for years in excess of 30 years must be credited at 2% [percent] of average final earnings.]] The maximum benefit with the application of sick leave credits must not exceed

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[76 percent] 86.4% of average final earnings.

- (ii) From the month the member reaches Social Security normal retirement age: 1.65% ~~[[percent]]~~ of average final earnings up to the maximum of ~~[[30]]~~ 36 years, including sick leave credits, ~~[[and~~ 1.25 percent of average final earnings for years in excess of 30 years, credited with sick leave,~~]]~~ up to the Social Security maximum covered compensation in effect on the date of retirement, plus 2.4% ~~[[percent]]~~ of average final earnings above the Social Security maximum covered compensation in effect on the date of retirement, multiplied by years of credited service up to a maximum of ~~[[30]]~~ 36 years, ~~[[plus]]~~ including sick leave credits. Years of credited service of less than one full year must be prorated. ~~[[Sick leave credits used for years in excess of 30 years must be credited at 2 percent of average final earnings above the Social Security maximum covered compensation in effect on the date of retirement.]]~~ The County must increase this initial amount by the cost-of-living adjustments provided under Section 33-44(c) for the period from the member's date of retirement to the month in which the member reaches Social Security retirement age.

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**Sec. 5. Expedited Effective Date.**



190 The Council declares that this legislation is necessary for the immediate  
191 protection of the public interest. This Act takes effect on July 1, 2008.

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193 *Approved:*

194 Michael J. Knapp 26 JUNE 08

195 Michael J. Knapp, President, County Council Date

196 *Approved:*

197 Isiah Leggett July 7, 2008

198 Isiah Leggett, County Executive Date

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

200 Linda M. Lauer July 7, 2008

201 Linda M. Lauer, Clerk of the Council Date