

Expedited Bill No. 12-08
Concerning: Personnel – Retirement – Retirement Incentive Program
Revised: May 9, 2008 Draft No. 3
Introduced: April 8, 2008
Enacted: May 14, 2008
Executive: May 21, 2008
Effective: May 21, 2008
Sunset Date: None
Ch. 13, 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) provide a retirement incentive program for certain members of the employees' retirement system; and
- (2) generally amend the law regarding the employees' retirement system.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-42

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:

1 **Sec. 1. Section 33-42 is amended as follows:**

2 **33-42. Amount of pension at normal retirement date or early retirement date.**

3 * * *

4 (j) Retirement Incentive Program.

5 (1) Eligibility.

6 (A) A Group A or H member may participate in the
7 Retirement Incentive Program if the member is eligible
8 for normal retirement as of July 1, 2008 or if the member
9 is eligible for early retirement and within two years of
10 meeting the criteria for normal retirement as of July 1,
11 2008.

12 (B) ~~[[Elected]]~~ An elected or appointed ~~[[officials are]]~~
13 official is not eligible to participate.

14 (C) A member who wishes to participate must notify the
15 Office of Human Resources in writing by May ~~[[1]]~~ 21,
16 2008. ~~[[Members]]~~ Any member chosen to participate
17 must complete all required forms and retire as of July 1,
18 2008.

19 (D) ~~[[Members]]~~ Any member employed by a participating
20 ~~[[agencies are]]~~ agency is not eligible to participate.

21 (E) A member who retires on a disability retirement under
22 Section 33-43 or a discontinued service retirement under
23 Section 33-45(d) is not eligible to participate.

24 (2) Early Retirement Reduction.

25 (A) A member who is eligible for early retirement and within
26 one year of meeting the criteria for normal retirement

27 [[will]] must not have any early retirement reduction
 28 applied to the member's pension benefit.

29 (B) A member who is eligible for early retirement and within
 30 two years of meeting the criteria for normal retirement
 31 [[will]] must have an early retirement reduction factor of
 32 [[two percent (2%)]] 2% applied to the member's
 33 pension benefit.

34 (3) Additional Retirement Benefit. In addition to a member's
 35 pension benefit calculated under this Section, the member
 36 [[will]] must receive an additional \$25,000 retirement benefit.
 37 The member may elect to receive the additional \$25,000
 38 retirement benefit as follows:

39 (A) [[Upon]] When the [[member's retirement]] member
 40 retires, the additional \$25,000 retirement benefit [[will]]
 41 must be paid:

42 (i) to the member in one lump sum;
 43 (ii) as a direct rollover to an eligible retirement plan
 44 (as defined in the Internal Revenue Code); or
 45 (iii) a combination of (i) and (ii);

46 (B) Beginning on the member's retirement date, 12 monthly
 47 installment payments [[will]] must be paid:

48 (i) to the member;
 49 (ii) as a direct rollover to an eligible retirement plan
 50 (as defined in the Internal Revenue Code); or
 51 (iii) a combination of (i) and (ii); or

52 (C) as an additional retirement benefit paid over the
53 member's lifetime in the pension option elected by the
54 member under Section 33-44.

55 (4) Cost of Living. Cost of living adjustments do not apply to this
56 benefit. [[No]] A cost of living [[adjustments calculated]]
57 adjustment under [[subsection]] Section 33-44(c) [[will]] must
58 not include the \$25,000 additional retirement benefit.

59 (5) Approval. The Chief Administrative Officer must approve a
60 request to participate in the program from a member employed
61 [[by]] in the Executive Branch. The Council Staff Director
62 must approve a request to participate in the program from a
63 member employed [[by]] in the Legislative Branch. If more
64 than [[twenty percent (20%)]] 20% of members eligible to
65 participate in the Executive Branch, [[both]] either Countywide
66 [[and]] or by department, [[request]] apply to participate in the
67 program, the Chief Administrative Officer may limit the
68 number of [[members, both]] participants, either on a
69 Countywide [[and]] or department basis. If more than 20% of
70 members eligible to participate in the Legislative Branch apply
71 to participate in the program, the Council Staff Director may
72 limit the number of participants. The Chief Administrative
73 Officer and the Council Staff Director [[will]] must base any
74 [[limitations]] limits on the number of participants on years of
75 service with the County. Years of service with the County
76 [[does]] must not include service with a participating agency,
77 purchased service, or sick leave.

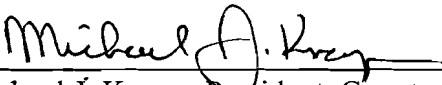
78 (6) Survivor Benefit. If a member elects to receive the additional
79 retirement benefit over a 12 month period and the member dies
80 before receiving all 12 payments, the remaining payments
81 [[will]] must not be paid.

82 **Sec. 2. Expedited Effective Date.**

83 The Council declares that this legislation is necessary for the immediate
84 protection of the public interest. This act takes effect on the date it becomes
85 law.


86 *Approved:*

87

88  15 MAY 08

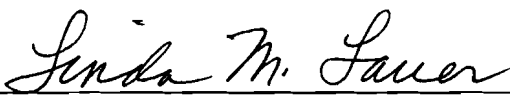
Michael J. Knapp, President, County Council Date

89 *Approved:*

90  21 MAY 08

Isiah Leggett, County Executive Date

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

92  5/22/08

Linda M. Lauer, Clerk of the Council Date