

**FINAL**

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2015, Legislative Day No. 16

Bill No. 50-15

Introduced by Mr. Walker, Chairman  
(by request of the County Executive)

By the County Council, May 12, 2015

---

Introduced and first read on May 12, 2015  
Public Hearing set for and held on June 1, 2015  
Bill Expires August 15, 2015

By Order: Elizabeth E. Jones, Administrative Officer

---

A BILL ENTITLED

1 AN ORDINANCE concerning: Deferred Retirement Option Programs – Fire Service  
2 Retirement Plan, Police Service Retirement Plan and Detention Officers’ and Deputy  
3 Sheriffs’ Retirement Plan  
4

5 FOR the purpose of adding a Deferred Retirement Option Program for certain  
6 participants of the Detention Officers’ and Deputy Sheriffs’ Retirement Plan; defining  
7 the methods and terms of participation in the Detention Officers’ and Deputy  
8 Sheriffs’ Retirement Plan Deferred Retirement Option Program; modifying the  
9 participation period provisions for participants in certain Deferred Retirement Option  
10 Programs; providing for the application of this Ordinance; and generally relating to  
11 retirement plans.  
12

13 BY repealing and reenacting, with amendments: §§ 5-1-502; 5-1-505; 5-1-506(b); 5-1-  
14 507(b); 5-1-508(b) and (c); 5-1-509(d); 5-1-510; 5-1-511; 5-1-512(a); and 5-1-515(d)  
15 Anne Arundel County Code (2005, as amended)  
16

17 BY adding: § 5-1-503(c)  
18 Anne Arundel County Code (2005, as amended)  
19

20 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*  
21 *Maryland,* That Section(s) of the Anne Arundel County Code (2005, as amended) read as  
22 follows:

---

EXPLANATION: CAPITALS indicate new matter added to existing law.  
[Brackets] indicate matter stricken from existing law.

ARTICLE 5. PENSIONS

TITLE 1. GENERAL PROVISIONS

**Subtitle 5. Deferred Retirement Option Program – Fire Service Retirement Plan, Police Service Retirement Plan and Detention Officers’ and Deputy Sheriffs’ Retirement Plan**

**5-1-502. Applicability.**

There is a Deferred Retirement Option Program in the Fire Service Retirement Plan [and], the Police Service Retirement Plan, AND THE DETENTION OFFICERS’ AND DEPUTY SHERIFFS’ RETIREMENT PLAN.

**5-1-503. Eligibility.**

**(C) Detention Officers’ and Deputy Sheriffs’ Retirement Plan.** A CATEGORY I PARTICIPANT IN THE DETENTION OFFICERS’ AND DEPUTY SHERIFFS’ RETIREMENT PLAN, A CORRECTIONAL FACILITY ADMINISTRATOR, AN ASSISTANT CORRECTIONAL FACILITY ADMINISTRATOR, AND A SUPERINTENDENT OF DETENTION FACILITIES WHO HAS ELECTED TO PARTICIPATE IN THE DETENTION OFFICERS’ AND DEPUTY SHERIFFS’ RETIREMENT PLAN IS ELIGIBLE TO PARTICIPATE IN THE DROP IF THE PARTICIPANT IS ACTIVELY EMPLOYED BY THE COUNTY IN A POSITION COVERED BY THE DETENTION OFFICERS’ AND DEPUTY SHERIFFS’ RETIREMENT PLAN AND HAS COMPLETED 20 YEARS OF ACTUAL PLAN SERVICE.

**5-1-505. Limitation on the number of participants.**

**[(a) Generally.** No more than 35 employees may begin participating in the DROP in each plan on the first day of the first month that the DROP is available.

**(b) When fewer than 35 employees participating.** Except as provided in subsection (f) or (g), if there are fewer than 35 employees participating in the DROP in a plan as of the first day of any subsequent month, the number of additional employees who may begin participating in the DROP on that day shall be limited to the number that does not cause the total number of DROP participants to exceed 39.

**(c) When more than 35 employees participating.** Except as provided in subsection (f) or (g), if there are 35 or more employees participating in the DROP in a plan as of the first day of any subsequent month, no more than four additional employees may begin participating in the DROP on that day.]

**(A) Generally.** EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND (C), THE NUMBER OF EMPLOYEES WHO MAY BEGIN PARTICIPATING IN THE DROP IN A PLAN SHALL BE LIMITED TO FOUR NEW EMPLOYEES PARTICIPATING IN EACH DROP PLAN AS OF THE FIRST DAY OF ANY MONTH.

**(B) Police Officers, Police Officers First Class, and Police Corporals.** THE NUMBER OF EMPLOYEES IN THE CLASSIFICATION OF POLICE OFFICER, POLICE OFFICER FIRST CLASS OR POLICE CORPORAL WHO MAY BEGIN PARTICIPATING IN THE DROP SHALL BE LIMITED TO 20 PER CALENDAR QUARTER UP TO A LIMIT OF 64 PARTICIPANTS IN EACH

1 FISCAL YEAR.

2  
3 (C) **Police Sergeants.** EMPLOYEES IN THE CLASSIFICATION OF POLICE SERGEANT  
4 WHO MAY BEGIN PARTICIPATING IN THE DROP SHALL HAVE NO LIMIT ON THE NUMBER  
5 OF NEW PARTICIPANTS WHO MAY BEGIN PARTICIPATING ON THE FIRST DAY OF ANY  
6 MONTH.

7  
8 (d) **Selection by Seniority.** If the application of this section requires the number of  
9 participants to be limited, participants shall be selected by seniority as determined by the  
10 Personnel Officer on the basis of the amount of actual plan service of the applicants; the  
11 Personnel Officer shall establish a waiting list for participation in the DROP; and the  
12 applicants who are not selected shall be placed on a waiting list without having to reapply  
13 to participate in the DROP.

14  
15 (e) **Waiting list.** Applicants on the waiting list described in subsection (d) have the  
16 right of "first refusal" for DROP participation in the order of their seniority, provided:

17  
18 (1) applicants who refuse participation if offered in subsequent months shall be  
19 removed from the waiting list and must reapply in order to participate in the DROP; and

20  
21 (2) in subsequent months, applicants not on the waiting list shall be selected ahead  
22 of applicants on the waiting list who have less seniority.

23  
24 [(f) **Exemptions.** The limitations described in subsection (b) and (c) shall not apply to  
25 employee in the classification of police sergeant, police officer, police officer first class,  
26 or police corporal. The number of additional employees in the classification of police  
27 officer, police officer first class, and police corporal who may begin participating in the  
28 DROP shall be limited to 20 per calendar quarter up to a limit of 64 new participants in  
29 each fiscal year.]

30  
31 **5-1-506. Participation period; mandatory retirement upon expiration.**

32  
33 (b) **Term of participation period.** The initial term of a DROP participation period is  
34 three years. [For participants who are employees represented by the International  
35 Association of Firefighters, Local 1563 the DROP participation period may be extended  
36 by no more than two additional one-year terms, and the] THE DROP participation period  
37 may be extended by no more than three additional one-year terms for all [other]  
38 participants who qualify for participation in DROP under § 5-1-503. A DROP participant  
39 shall file an election for each extension on the form required by the Personnel Officer no  
40 fewer than 30 days before the end of the current term. Failure of a DROP participant to  
41 file a timely election for an extension results in the expiration of the DROP participation  
42 period at the end of the current term. A PARTICIPANT WHO IS A MEMBER OF THE  
43 DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN MUST HAVE THE  
44 APPROVAL OF THE APPOINTING AUTHORITY TO EXTEND THE DROP PARTICIPATION  
45 PERIOD BEYOND THE INITIAL TERM AND TO CONTINUE EMPLOYMENT WITH THE  
46 COUNTY.

47  
48 **5-1-507. Status during participation.**

49

1       **(b) Fire Service Retirement Plan, Police Service Retirement Plan or Detention**  
2 **Officers' and Deputy Sheriffs' Retirement Plan.** A DROP participant is a participant  
3 in the Fire Service Retirement Plan [or], the Police Service Retirement Plan, OR THE  
4 DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN under the conditions  
5 described in the respective plan, except that a DROP participant is not required to make  
6 the employee contributions required under § 5-4-103(b) [and], § 5-5-103(b), OR § 5-6-  
7 103(B) during the DROP participation period.

8  
9 **5-1-508. DROP account.**

10  
11       **(b) Retirement benefits.** The Personnel Officer shall determine the annual  
12 retirement benefit under § 5-4-203 [or], § 5-5-203, OR § 5-6-203 to which a DROP  
13 participant is entitled as of the first day of the DROP participation period. The retirement  
14 benefit includes adjustments for any changes under Title 7 applicable to the retirement  
15 benefit and excludes service and salary during the DROP participation period for  
16 purposes of calculating the entitlement to and amount of the retirement benefit.

17  
18       **(c) Account balance.** The account balance credited to a DROP participant includes:

19  
20           (1) the amount of the retirement benefit determined under subsection (b); and

21  
22           (2) interest on amounts earned in years one through five of a member's DROP  
23 participation:

24  
25                   (i) compounded on the account balance as of the first day of each month;

26  
27                   (ii) for members of the Police Service Retirement Plan whose DROP  
28 participation began prior to July 1, 2009, at an interest rate of 0.6434%, which provides  
29 an effective annual yield of 8%;

30  
31                   (iii) for members of the Police Service Retirement Plan whose DROP  
32 participation began after June 30, 2009, at an interest rate of .34745%, which provides an  
33 effective annual yield of 4.25%;

34  
35                   (iv) for members of the Fire Service Retirement Plan whose DROP  
36 participation began prior to July 1, 2010, at an interest rate of 0.6434%, which provides  
37 an effective annual yield of 8%;[ and]

38  
39                   (v) for members of the Fire Service Retirement Plan whose DROP  
40 participation began after June 30, 2010, at an interest rate of .34745%, which provides an  
41 effective annual yield of 4.25%[.]; AND

42  
43                   (VI) FOR MEMBERS OF THE DETENTION OFFICERS' AND DEPUTY SHERIFFS'  
44 RETIREMENT PLAN, AT AN INTEREST RATE OF .34745% WHICH PROVIDES AN EFFECTIVE  
45 ANNUAL YIELD OF 4.25%.

46  
47 **5-1-509. Early withdrawal from participation.**

1 (d) **Withdrawal before end of participation period.** A DROP participant whose  
2 participation ends prior to the end of the DROP participation period because of a  
3 termination of employment, ineligibility to participate in the plan for any reason, or an  
4 election to withdraw under subsection (b):

5  
6 (1) forfeits any entitlement to the DROP benefit under § 5-1-512(b); and

7  
8 (2) if otherwise eligible, shall have a retirement benefit determined under § 5-4-  
9 203 [or], § 5-5-203, OR § 5-6-203 that includes service and salary during the DROP  
10 participation period for purposes of calculating the entitlement to and amount of the  
11 retirement benefit and that is reduced by an amount actuarially equivalent to the  
12 employee contributions not made during the DROP participation period.

13  
14 **5-1-510. Disability during participation.**

15  
16 (a) **Permitted.** A DROP participant may apply for a disability pension under § 5-4-  
17 206 [or], § 5-5-205, OR § 5-6-207 during the DROP participation period.

18  
19 (b) **Effect of disability pension.** If a DROP participant receives a disability pension:

20  
21 (1) the benefit under § 5-4-206 [or], § 5-5-205, OR § 5-6-207 includes service and  
22 salary during the DROP participation period for purposes of calculating the amount of the  
23 benefit and is reduced by an amount actuarially equivalent to the employee contributions  
24 not made during the DROP participation period; and

25  
26 (2) the participant forfeits any entitlement to the DROP benefit under § 5-1-  
27 512(b).

28  
29 **5-1-511. Death during participation.**

30  
31 (a) **Generally.** If a DROP participant dies during the DROP participation period, the  
32 beneficiary or beneficiaries of the participant as described in § 5-1-514 are entitled to a  
33 death benefit under § 5-4-207 [or], § 5-5-206, § 5-6-208, OR § 5-6-209.

34  
35 (b) **Death result of active duty.** If the death occurs as the direct result of the active  
36 performance of duties as described in § 5-4-207(a) [or], § 5-5-206(a), OR § 5-6-208, the  
37 death benefit includes service and salary during the DROP participation period for  
38 purposes of calculating the amount of the benefit and is reduced by the actuarial  
39 equivalent of the employee contributions not made during the DROP participation period.

40  
41 (c) **Death not result of active duty.** If the death does not occur as a direct result of  
42 the active performance of duties, the death benefit under § 5-4-207(b) [or], § 5-5-206(b),  
43 OR § 5-6-209 excludes service and salary during the DROP participation period for  
44 purposes of calculating the amount of the benefit and is not reduced by an amount  
45 actuarially equivalent to the employee contributions not made during the DROP  
46 participation period.

47

1 (d) **Beneficiaries.** If a DROP participant dies during the DROP participation period,  
2 the beneficiary or beneficiaries of the participant as described in § 5-1-514 are entitled to  
3 a lump sum payment in cash of the account balance credited to the DROP participant as  
4 described by § 5-1-508(c) as of the date of the death of the participant.

5  
6 **5-1-512. Retirement benefits of participants.**

7  
8 (a) **Generally.** On the first day of the month following expiration of the DROP  
9 participation period and the DROP participant's termination from County employment,  
10 the participant is entitled to receive the first payment of an annual retirement benefit  
11 under § 5-4-203 [or], § 5-5-203, OR 5-6-203:

12  
13 (1) determined as if the participant had retired on the first day of the DROP  
14 participation period, using final average basic pay and credited service as of that day,  
15 except that credited service from disability leave accrued or used during the DROP  
16 participation period shall be included in the determination of the benefit; and

17  
18 (2) adjusted by any changes under Title 7 that would have been applicable to the  
19 benefit since the first day of the DROP participation period.

20  
21 **5-1-515. Reemployment of participant.**

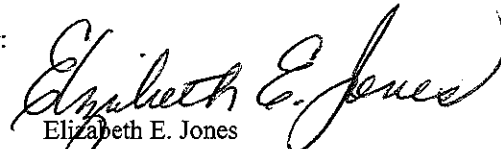
22  
23 (d) **Reemployment terminated because of death.** If the reemployment of the  
24 former DROP participant is terminated because of the death of the former participant, the  
25 death shall be considered to have occurred after the date of retirement of the former  
26 DROP participant and death benefits shall be paid under § 5-4-207 [or], § 5-5-206, § 5-6-  
27 208, OR § 5-6-209, as appropriate, provided service and salary during the period of  
28 reemployment may not be used to change the amount of the death benefits and the death  
29 benefits shall be adjusted by any changes under Title 7 that would have been applicable  
30 to the retirement benefit of the former participant during the period of reemployment.

31  
32 SECTION 2. *And be it further enacted,* That the provisions of this Ordinance shall  
33 be applicable on or after July 1, 2015.

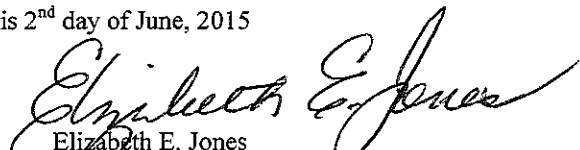
34  
35 SECTION 3. *And be it further enacted,* That the provisions of this Ordinance shall  
36 take effect 45 days from the date it becomes law.

READ AND PASSED this 1<sup>st</sup> day of June, 2015

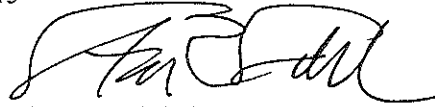
By Order:

  
Elizabeth E. Jones  
Administrative Officer

PRESENTED to the County Executive for his approval this 2<sup>nd</sup> day of June, 2015

  
Elizabeth E. Jones  
Administrative Officer

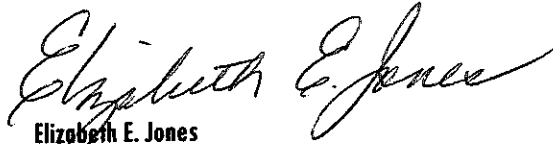
APPROVED AND ENACTED this 7 day of June, 2015



Steven R. Schuh  
County Executive

EFFECTIVE DATE: July 23, 2015

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.  
50-15 THE ORIGINAL OF WHICH IS RETAINED IN THE FILES  
OF THE COUNTY COUNCIL.



Elizabeth E. Jones  
Administrative Officer