

FINAL

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2014, Legislative Day No. 1

Bill No. 2-14

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

By the County Council, January 6, 2014

Introduced and first read on January 6, 2014
Public Hearing set for and held on February 3, 2014
Bill Expires April 11, 2014

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Pensions – General Provisions

2
3 FOR the purpose of amending the provisions related to the calculation of death benefits
4 for participants serving in the military; amending provisions for locating persons
5 entitled to benefits; amending the general provisions concerning plans that apply to
6 employees and retirees to comply with IRS plan qualification rules; amending certain
7 definitions; and generally relating to pensions.

8
9 BY adding: §§ 5-1-208(c) and 5-1-401(d)
10 Anne Arundel County Code (2005, as amended)

11
12 BY repealing and reenacting, with amendments: §§ 5-1-403(a) and 5-1-405(a)
13 Anne Arundel County Code (2005, as amended)

14
15 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
16 *Maryland,* That Section(s) of the Anne Arundel County Code (2005, as amended) read as
17 follows:

18
19 **ARTICLE 5. PENSIONS**

20
21 **TITLE 1. GENERAL PROVISIONS**

22
23 **5-1-208. Actual plan service – Credited in-plan military service.**
24

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

1 (C) **Death of a participant in military service.** NOTWITHSTANDING ANY OTHER
2 PROVISION OF THE PLAN TO THE CONTRARY, IN THE CASE OF A PARTICIPANT WHO DIES
3 WHILE PERFORMING QUALIFIED MILITARY SERVICE AS DEFINED IN § 414(U) OF THE
4 INTERNAL REVENUE CODE, THE SURVIVORS OF THE PARTICIPANT SHALL BE ENTITLED
5 TO ANY ADDITIONAL SERVICE CREDIT PROVIDED UNDER THE PLAN AS IF THE
6 PARTICIPANT HAD RESUMED EMPLOYMENT ON THE DAY PRECEDING DEATH AND THEN
7 TERMINATED EMPLOYMENT ON ACCOUNT OF DEATH ON THE ACTUAL DATE OF DEATH.
8 THE DEATH BENEFITS OF A PARTICIPANT WHO DIES WHILE PERFORMING QUALIFIED
9 MILITARY SERVICE SHALL BE DETERMINED UNDER THE APPLICABLE PLAN'S PROVISIONS
10 FOR ACTIVE PARTICIPANT'S DEATH BENEFITS -- NON-LINE OF DUTY.

11
12 **5-1-401. Payment of benefits.**

13
14 (D) **Locating persons entitled to benefits.** THE PERSONNEL OFFICER SHALL MAKE A
15 REASONABLE EFFORT TO LOCATE ALL PERSONS ENTITLED TO BENEFITS UNDER A PLAN.
16 SHOULD THE PERSONNEL OFFICER BE UNABLE TO LOCATE ANY PERSON ENTITLED TO A
17 BENEFIT, SUCH BENEFIT WILL REMAIN IN THE PENSION FUND AND SHALL BE PAYABLE
18 TO SUCH PERSON AT ANY FUTURE DATE THAT SUCH PERSON IS LOCATED BY THE
19 PERSONNEL OFFICER. BEFORE THE PERSONNEL OFFICER CAN DEEM A PERSON
20 UNLOCATABLE, THE PERSONNEL OFFICER SHALL SEND A CERTIFIED LETTER TO SUCH
21 PERSON AT HIS OR HER LAST KNOWN ADDRESS ADVISING THE PERSON THAT BENEFIT
22 PAYMENTS SHALL BE SUSPENDED UNTIL THE PERSON RESPONDS TO SUCH CERTIFIED
23 LETTER.

24
25 **5-1-403. Limitation on benefits.**

26
27 (a) **Federal limits not to be exceeded.** Notwithstanding any other provision of this
28 article to the contrary, no benefit shall be payable under any of the plans if such benefit
29 would cause the plan, or any other plan maintained by the employer, to violate the
30 limitations of § 415 of the Internal Revenue Code and the regulations thereunder. For
31 purposes of applying the limits under § 415 of the Internal Revenue Code, the annual
32 increase of the § 415 limitations applies to a participant for increases that are effective
33 after the participant's severance from employment. THE LIMITATION YEAR SHALL BE
34 THE CALENDAR YEAR. SECTION 415 OF THE INTERNAL REVENUE CODE AND THE FINAL
35 TREASURY REGULATIONS ARE SPECIFICALLY INCORPORATED BY REFERENCE EFFECTIVE
36 FOR LIMITATION YEARS BEGINNING ON OR AFTER JULY 1, 2007, EXCEPT WHERE AN
37 EARLIER EFFECTIVE DATE IS OTHERWISE PROVIDED IN THE FINAL TREASURY
38 REGULATIONS.

39
40 **5-1-405. Rollover distribution.**

41
42 (a) **Definitions.** In this section, the following terms have the meanings indicated.

43
44 (1) "Eligible rollover distribution" has the meaning given such term in §
45 401(a)(31)(C) of the Internal Revenue Code and [includes only that portion of a
46 distribution that would be includible in gross income if not rolled over] MEANS ANY
47 DISTRIBUTION OF ALL OR ANY PORTION OF THE BALANCE TO THE CREDIT OF THE
48 DISTRIBUTE, EXCEPT:

49
50 (i) ANY DISTRIBUTION THAT IS ONE OF A SERIES OF SUBSTANTIALLY EQUAL
51 PERIODIC PAYMENTS, NOT LESS FREQUENT THAN ANNUAL, MADE FOR THE LIFE OR LIFE
52 EXPECTANCY OF THE DISTRIBUTE OR THE JOINT LIVES OR JOINT LIFE EXPECTANCIES OF
53 THE DISTRIBUTE AND THE DISTRIBUTE'S DESIGNATED BENEFICIARY, OR FOR A
54 SPECIFIED PERIOD OF TEN (10) YEARS OR MORE;

1 (II) ANY DISTRIBUTION TO THE EXTENT SUCH DISTRIBUTION IS REQUIRED
2 UNDER § 401(A)(9) OF THE INTERNAL REVENUE CODE;

3
4 (III) THE PORTION OF ANY DISTRIBUTION THAT IS NOT INCLUDIBLE IN GROSS
5 INCOME; AND

6
7 (IV) ANY PORTION OF A DISTRIBUTION WHICH IS A HARDSHIP DISTRIBUTION.
8

9 (2) "Eligible retirement plan" has the meaning given such term in § 401(a)(31)(D)
10 of the Internal Revenue Code and currently means:

11
12 (i) an individual retirement account described in § 408(a) of the Internal
13 Revenue Code[.];

14
15 (ii) an individual retirement annuity described in § 408(b) of the Internal
16 Revenue Code [(other than an endowment contract),];

17
18 (iii) an annuity plan described in § 403(a) of the Internal Revenue Code[.];

19
20 (iv) an annuity contract described in § 403(b) of the Internal Revenue Code[.];

21
22 (v) an eligible plan [under] DESCRIBED IN § 457(b) of the Internal Revenue
23 Code which is maintained by a state, political subdivision of a state, or any agency or
24 instrumentality of a state or political subdivision of a state and which agrees to separately
25 account for amounts transferred into such plan from this plan[, or];

26
27 (vi) a qualified trust that is a defined contribution plan described in § 401(a)
28 of the Internal Revenue Code, the terms of which permit the acceptance of direct
29 rollovers[.]; AND

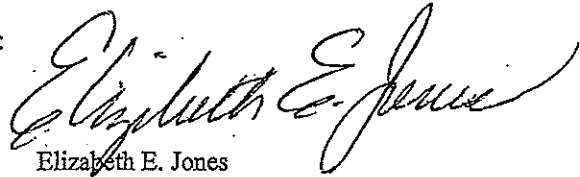
30
31 (VII) A ROTH IRA DESCRIBED IN § 408A OF THE INTERNAL REVENUE CODE,
32 PROVIDED THAT THE REQUIREMENTS OF § 408A AND THE TREASURY REGULATIONS
33 ISSUED THEREUNDER ARE SATISFIED.

34
35 (3) "DISTRIBUTTEE" INCLUDES THE PARTICIPANT AND THE PARTICIPANT'S
36 SURVIVING SPOUSE. IN ADDITION, "DISTRIBUTTEE" INCLUDES THE PARTICIPANT'S
37 SPOUSE OR FORMER SPOUSE WHO IS THE ALTERNATE PAYEE UNDER A DOMESTIC
38 RELATIONS ORDER, WHICH MEETS THE REQUIREMENTS OF § 414(P)(1)(A)(I) OF THE
39 INTERNAL REVENUE CODE, WITH RESPECT TO THE PAYEE'S INTEREST UNDER THE PLAN.
40 FOR DISTRIBUTIONS TO ELIGIBLE RETIREMENT PLANS DESCRIBED IN PARAGRAPH (2)(I)
41 AND (II) OF THIS SUBSECTION. THE TERM "DISTRIBUTTEE" ALSO INCLUDES THE
42 PARTICIPANT'S SURVIVING NON-SPOUSE BENEFICIARY WHO IS A DESIGNATED
43 BENEFICIARY WITHIN THE MEANING OF § 401(A)(9)(E) OF THE INTERNAL REVENUE CODE.
44

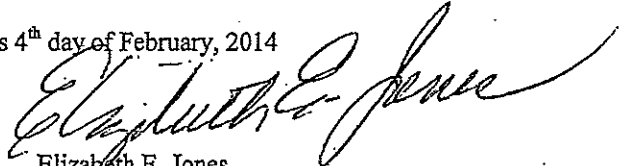
45 SECTION 2. *And be it further enacted,* That this Ordinance shall take effect 45 days
46 from the date it becomes law.

READ AND PASSED this 3rd day of February, 2014

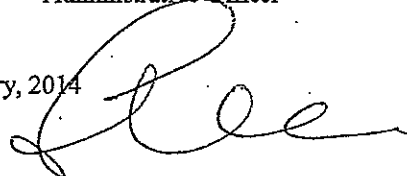
By Order:


Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for her approval this 4th day of February, 2014

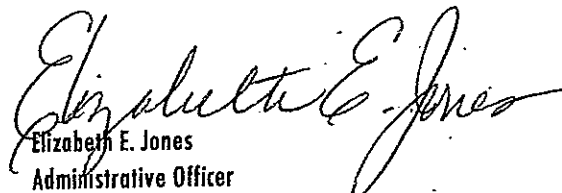

Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this 12th day of February, 2014


Laura Neuman
County Executive

EFFECTIVE DATE: March 29, 2014

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.
2-14 THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.


Elizabeth E. Jones
Administrative Officer