

FINAL

AMENDED
December 19, 2016

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2016, Legislative Day No. 39

Bill No. 86-16

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

By the County Council, November 21, 2016

Introduced and first read on November 21, 2016
Public Hearing set for and held on December 19, 2016
Public Hearing on AMENDED BILL set for and held on January 3, 2017
Bill Expires February 24, 2017

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

- 1 AN ORDINANCE concerning: Pensions – Employees’ Retirement Plan – Participation
2 and Service
3
4 FOR the purpose of modifying the participation and election provisions for participants in
5 the Employees’ Retirement Plan; repealing expired provisions for certain tier one
6 employees; modifying the date by which an election may be made; prohibiting
7 modifications after a certain date; and generally relating to pensions.
8
9 BY repealing and reenacting, with amendments: § 5-3-201
10 Anne Arundel County Code (2005, as amended)
11
12 BY repealing: § 5-3-203
13 Anne Arundel County Code (2005, as amended)
14
15 BY renumbering and repealing and reenacting, with amendments: § 5-3-204 to be § 5-3-
16 203
17 Anne Arundel County Code (2005, as amended)
18
19 BY renumbering: §§ 5-3-205 and 5-3-206 to be §§ 5-3-204 and 5-3-205, respectively
20 Anne Arundel County Code (2005, as amended)
21

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.
Underlining indicates amendments to bill.
~~Strikeover~~ indicates matter stricken from bill by amendment.

1 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
2 *Maryland,* That § 5-3-203 of the Anne Arundel County Code (2005, as amended) is
3 hereby repealed.

4
5 SECTION 2. *And be it further enacted,* That §§ 5-3-205 and 5-3-206 of the Anne
6 Arundel County Code (2005, as amended) are hereby renumbered to be §§ 5-3-204 and
7 5-3-205, respectively.

8
9 SECTION 3. *And be it further enacted,* That Section(s) of the Anne Arundel County
10 Code (2005, as amended) read as follows:

11
12 **ARTICLE 5. PENSIONS**

13
14 **TITLE 3. EMPLOYEES' RETIREMENT PLAN**

15
16 **5-3-201. Participation and election.**

17
18 **{(a)Election.** [Except as provided in subsection (b), an] AN employee shall make an
19 IRREVOCABLE election on the date of hire or, if later, on the date of attaining eligibility to
20 be a participant, to be either a tier one employee or a tier two employee. On the failure of
21 an employee to make an election, the employee shall be a tier two employee.

22
23 **{(b) [Tier one employees.** An employee who is hired at any time from July 1, 2002
24 to June 30, 2004, and who is a member of Local 582 of the American Federation of State,
25 County, and Municipal Employees AFL-CIO (affiliated with Maryland Public
26 Employees' Council 67) shall be a tier one employee.

27
28 **(c)]Employees hired prior to February 25, 2002.** An employee hired before
29 February 25, 2002, who had the opportunity to make an election to be a participant in this
30 plan but did not do so may elect to become a participant at any time and, as provided by
31 this plan, receive purchased service for any eligible employment.]

32
33 **[5-3-203. Election by tier one employees.**

34
35 **(a) Election to become a tier two employee.** Before July 1, 2002, a participant who
36 is a tier one employee may elect to transfer and become a tier two employee, subject to
37 all provisions of this title applicable to tier two employees. The election shall be made in
38 the form and manner required by the Personnel Officer.

39
40 **(b) Transfer effective date.** The transfer shall take effect at the beginning of the next
41 pay period following receipt by the Personnel Officer of the employee's completed
42 election form.

43
44 **(c) Accumulated contributions.** As soon as practicable after a participant has made
45 an election under this section, the Board shall pay to the participant from the pension
46 fund an amount equal to 100% of accumulated contributions.

47
48 **(d) Transfer irrevocable.** An election made by a tier one employee to transfer and
49 become a tier two employee on or after October 9, 2000 is irrevocable and may not be

1 changed.

2
3 (e) **No elections after June 30, 2002.** A participant who is a tier one employee may
4 not make an election under this section after June 30, 2002, to transfer and become a tier
5 two employee.]

6
7 **[5-3-204]5-3-203. Election by tier two employees.**

8
9 (a) **Election to become tier one employee.** A participant who is a tier two employee
10 may elect to transfer and become a tier one employee, subject to all provisions of this title
11 applicable to tier one employees.

12
13 (b) **Election date.** The election shall be made by [the later of December 31, 2001 or]
14 the fifth anniversary of the date of hire for an employee hired [on or after December 4,
15 1996] ON OR BEFORE DECEMBER 31, 2016.

16
17 (C) **No elections after December 31, 2016.** A PARTICIPANT WHO IS HIRED AFTER
18 DECEMBER 31, 2016 AND ELECTS TO BECOME A TIER TWO EMPLOYEE MAY NOT MAKE AN
19 ELECTION UNDER THIS SECTION TO TRANSFER AND BECOME A TIER ONE EMPLOYEE.

20
21 [(c)](D) **Election form and manner.** The election shall be made in the form and
22 manner required by the Personnel Officer. The transfer shall take effect at the beginning
23 of the next pay period following receipt by the Personnel Officer of the employee's
24 completed election form.

25
26 [(d)](E) **Election regarding service.** A participant who makes an election under this
27 section shall also make an election regarding treatment of the participant's service as a
28 tier two employee. The participant may elect to take:

29
30 (1) a full tier one retirement benefit as provided in subsection [(e)](F); or

31
32 (2) an actuarial reduction of a full tier one retirement benefit as provided in
33 subsection [(f)](G).

34
35 [(e)](F) **Repayment of contributions.**

36
37 (1) A participant who elects a full tier one retirement benefit under subsection
38 [(d)(1)](E)(1) shall repay the employee contributions that were not made while the
39 participant was a tier two employee. The amount of the repayment shall be determined as
40 of the date of transfer from tier two to tier one and be equal to 4% of the participant's
41 annual basic pay on the date of transfer multiplied by the number of years of service as a
42 tier two employee on the date of transfer, computed to the nearest one-twelfth of a year.

43
44 (2) The participant may elect to make the repayment by making a lump sum
45 payment or by making installment payments through payroll deductions, including 6%
46 interest per year on the unpaid balance, for a period not to exceed five years.

47
48 (3) The election as to method of repayment shall be made at the time the

1 participant elects to transfer from tier two to tier one.

2

3 (4) The participant shall complete all repayments by the date of termination of
4 employment. If not repaid in full, any retirement benefit to which the participant is
5 entitled shall be reduced by an amount actuarially equivalent to the remaining unpaid
6 employee contributions, plus interest from the date of transfer to the actual date of
7 retirement at the rate of 6% per year.

8

9 (5) The actuarially equivalent amount of the remaining unpaid employee
10 contributions shall be determined based on the following factors:

11

12 (i) an actuarially assumed rate of interest of 6% per year, less a 2.1%
13 actuarial adjustment for cost-of-living; and

14

15 (ii) the 1983 Group Annuity Mortality Table (blended 50% male and 50%
16 female).

17

18 **[(f)](G) Actuarial reduction.**

19

20 (1) A participant who elects to take an actuarial reduction under subsection
21 [(d)(2)](E)(2) shall receive a reduced retirement benefit, with the reduction equal to the
22 actuarially equivalent amount of the employee contributions that were not made while the
23 participant was a tier two employee.

24

25 (2) The employee contributions shall be calculated as 4% of the participant's
26 annual basic pay on the date of transfer multiplied by the number of years of service as a
27 tier two employee on the date of transfer, computed to the nearest one-twelfth of a year,
28 plus interest from the date of transfer to the actual date of retirement at the rate of 6% per
29 year.

30

31 (3) The actuarially equivalent amount of the employee contributions shall be
32 determined based on the following factors:

33

34 (i) an actuarially assumed rate of interest of 6% per year, less a 2.1%
35 actuarial adjustment for cost-of-living; and

36

37 (ii) the 1983 Group Annuity Mortality Table (blended 50% male and 50%
38 female).

39

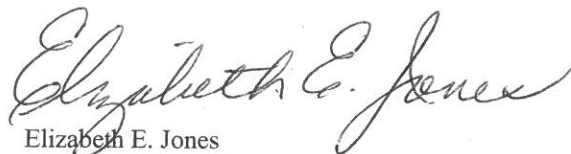
40 **[(g)](H) Transfer irrevocable.** Notwithstanding any other provision of this title, an
41 election made by a tier two employee to transfer and become a tier one employee under
42 this section is irrevocable and may not be changed.

43

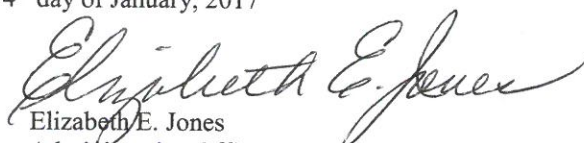
44 SECTION 4. *And be it further enacted,* That the provisions of this Ordinance shall
45 take effect 45 days from the date it becomes law.

READ AND PASSED this 3rd day of January, 2017


By Order:


Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for his approval this 4th day of January, 2017

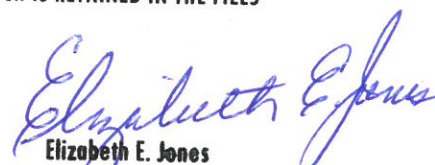

Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this 4th day of January, 2017


Steven R. Schuh
County Executive

EFFECTIVE DATE: February 18, 2017

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.
86-16. THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.


Elizabeth E. Jones
Administrative Officer