

FINAL

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2016, Legislative Day No. 33

Bill No. 56-16

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

By the County Council, July 18, 2016

Introduced and first read on July 18, 2016
Public Hearing set for and held on September 6, 2016
Bill Expires October 21, 2016

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 modifying the participation period provisions for some participants
6 in certain Deferred Retirement Option Programs; modifying the interest earned on
7 accounts for members of certain Deferred Retirement Options Programs; modifying
8 reemployment provisions for certain retirees; providing for the application of this
9 Ordinance; and generally relating to retirement plans.
10

11 BY repealing and reenacting, with amendments: §§ 5-1-506(b); 5-1-508(c) and (d); and
12 5-1-515
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 **TITLE 1. GENERAL PROVISIONS**

21 **5-1-506. Participation period; mandatory retirement upon expiration.**
22
23

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

1 (b) **Term of participation period.** The initial term of a DROP participation period
2 is three years. The DROP participation period may be extended by no more than three
3 additional one-year terms for all participants who qualify for participation in DROP
4 under § 5-1-503. A DROP participant shall file an election for each extension on the
5 form required by the Personnel Officer no fewer than 30 days before the end of the
6 current term. Failure of a DROP participant to file a timely election for an extension
7 results in the expiration of the DROP participation period at the end of the current term.
8 A participant who is a member of the Detention Officers' and Deputy Sheriffs'
9 Retirement Plan must have the approval of the appointing authority to extend the DROP
10 participation period beyond the initial term and to continue employment with the County.
11 A PARTICIPANT OF THE POLICE SERVICE RETIREMENT PLAN WHO IS IN THE
12 CLASSIFICATION OF POLICE SERGEANT, POLICE LIEUTENANT, POLICE CAPTAIN, POLICE
13 MAJOR, POLICE DEPUTY CHIEF, OR POLICE CHIEF MUST HAVE THE APPROVAL OF THE
14 APPOINTING AUTHORITY TO EXTEND THE DROP PARTICIPATION PERIOD BEYOND THE
15 FIFTH YEAR.

16
17 **5-1-508. DROP account.**

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

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

22
23 (2) FOR MEMBERS OF THE POLICE SERVICE RETIREMENT PLAN AND THE
24 DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN, interest on amounts
25 earned in years one through [five] SIX of a member's DROP participation[:

26
27 (i)] compounded on the account balance as of the first day of each month[;

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

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

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

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

44
45 (vi) for members of the detention officers' and deputy sheriffs' retirement
46 plan, at an interest rate of .34745% which provides an effective annual yield of 4.25%.]
47 OR

48
49 (3) FOR MEMBERS OF THE FIRE SERVICE RETIREMENT PLAN, INTEREST ON
50 AMOUNTS EARNED IN YEARS ONE THROUGH FIVE OF A MEMBER'S DROP PARTICIPATION

1 COMPOUNDED ON THE ACCOUNT BALANCE AS OF THE FIRST DAY OF EACH MONTH, AT
2 AN INTEREST RATE OF .34745%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF
3 4.25%.

4
5 (d) **Limitations on interest.** No interest will be earned or credited [during the sixth
6 year of a DROP participation period or] after the expiration of any DROP participation
7 period. FOR MEMBERS OF THE FIRE SERVICE RETIREMENT PLAN, NO INTEREST WILL BE
8 EARNED OR CREDITED DURING THE SIXTH YEAR OF A DROP PARTICIPATION PERIOD.
9

10 **5-1-515. Reemployment of participant.**

11
12 (a) **Reduction in benefit.** [If] EXCEPT AS PROVIDED IN SUBSECTION (B), IF A FORMER
13 DROP participant who is receiving a retirement benefit under § 5-1-512 is reemployed in
14 any capacity by the County, the retirement benefit under § 5-1-512(a) shall be reduced
15 during the period of reemployment by \$1.00 for each \$2.00 received in salary or wages
16 from the County.

17
18 (B) **When benefits not reduced.**

19
20 (1) THE RETIREMENT BENEFIT OF A FORMER DROP PARTICIPANT WHO IS A
21 MEMBER OF THE POLICE SERVICE RETIREMENT PLAN MAY NOT BE REDUCED IF THE
22 EMPLOYEE IS:

23
24 (I) RETIRED FROM THE COUNTY AS A CLASSIFIED EMPLOYEE; AND

25
26 (II) REEMPLOYED BY THE COUNTY AS AN EMPLOYEE OF THE SHERIFF OR THE
27 STATE'S ATTORNEY IN A POSITION THAT REQUIRES THE EMPLOYEE TO BE CERTIFIED AS
28 A POLICE OFFICER BY THE POLICE TRAINING COMMISSION IF THE EMPLOYEE WAS
29 CERTIFIED AS A POLICE OFFICER BY THE POLICE TRAINING COMMISSION AT THE TIME
30 THE EMPLOYEE RETIRED.

31
32 (2) AN EMPLOYEE UNDER SUBSECTION (B)(1) DOES NOT ACCRUE A NEW PENSION
33 BENEFIT DURING THE PERIOD OF REEMPLOYMENT.

34
35 [(b)] (C) **Adjustments.** The reduced benefit described in subsection (a) shall be
36 adjusted by any changes under Title 7 applicable to benefits under the plan during the
37 period of reemployment.

38
39 [(c)] (D) **Termination of reemployment for any reason other than death.** If the
40 reemployment of the former DROP participant is terminated for any reason other than the
41 death of the former participant, including voluntary termination or disability, the
42 reduction in benefits described in subsection (a) shall cease, provided service and salary
43 during the period of reemployment may not be used to change the amount of the benefit
44 and the participant's benefit under § 5-1-512(a) shall be adjusted by any changes under
45 Title 7 that would have been applicable to the benefit during the period of reemployment.
46

47 [(d)] (E) **Reemployment terminated because of death.** If the reemployment of the
48 former DROP participant is terminated because of the death of the former participant, the
49 death shall be considered to have occurred after the date of retirement of the former
50 DROP participant and death benefits shall be paid under § 5-4-207, § 5-5-206, § 5-6-208,

1 or § 5-6-209, as appropriate, provided service and salary during the period of
2 reemployment may not be used to change the amount of the death benefits and the death
3 benefits shall be adjusted by any changes under Title 7 that would have been applicable
4 to the retirement benefit of the former participant during the period of reemployment.

5

6 [(e)] (F) **DROP benefit payment not affected.** The reemployment may not affect the
7 payment of the DROP benefit under § 5-1-512(b).

8

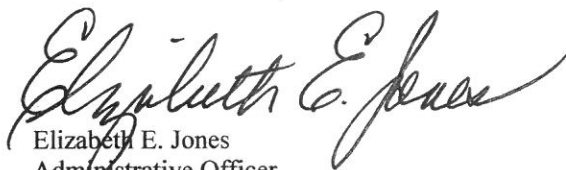
9 SECTION 2. *And be it further enacted,* That the provisions of this Ordinance shall
10 be retroactive to July 1, 2016.

11

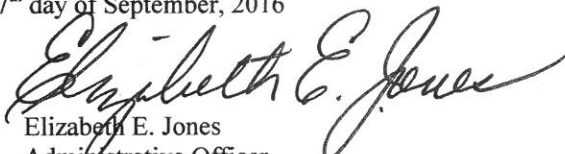
12 SECTION 3. *And be it further enacted,* That the provisions of this Ordinance shall
13 take effect 45 days from the date it becomes law.

READ AND PASSED this 6th day of September, 2016


By Order:


Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for his approval this 7th day of September, 2016

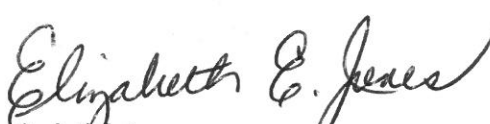

Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this 9th day of September, 2016


Steven R. Schuh
County Executive

EFFECTIVE DATE: October 24, 2016

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.
56-16 . THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.


Elizabeth E. Jones
Administrative Officer