

FINAL

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2013, Legislative Day No. 35

Bill No. 64-13

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

By the County Council, July 15, 2013

Introduced and first read on July 15, 2013
Public Hearing set for and held on September 3, 2013
Bill Expires October 18, 2013

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

1 AN EMERGENCY ORDINANCE concerning: County Pension and Retirement Plans
2
3 FOR the purpose of changing the eligibility for participation in the Deferred Retirement
4 Option Plan (DROP); changing the participation period and interest payments in the
5 Deferred Retirement Option Plan (DROP); making certain technical changes; making this
6 Ordinance an emergency measure; and generally relating to pensions.
7
8 BY repealing and reenacting, with amendments: §§ 5-1-503; 5-1-506(b); and 5-1-508(c)
9 Anne Arundel County Code (2005, as amended)
10
11 BY renumbering: § 5-1-508(d) to be § 5-1-508(e)
12 Anne Arundel County Code (2005, as amended)
13
14 BY adding: § 5-1-508(d)
15 Anne Arundel County Code (2005, as amended)
16
17 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
18 That § 5-1-508(d) of the Anne Arundel County Code (2005, as amended) is hereby
19 renumbered to be § 5-1-508(e).
20
21 SECTION 2. *And be it further enacted,* That Section(s) of the Anne Arundel County
22 Code (2005, as amended) read as follows:

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

ARTICLE 5 PENSIONS

TITLE 1. GENERAL PROVISIONS

5-1-503. Eligibility

(a) **Fire Service Retirement Plan.** [Except as provided in subsection (b), a] A participant in the Fire Service Retirement Plan is eligible to participate in the DROP if the participant is actively employed by the County in a position covered by the plan and has completed 20 years of actual plan service.

[(b) **Fire Service Retirement Plan after January 1, 2015.** After January 1, 2015, an employee in the classification of Fire Battalion Chief will not be eligible to participate in DROP.

(c) [(B) **Police Service Retirement Plan.** A participant in the Police Service Retirement Plan is eligible to participate in the DROP if the participant is actively employed by the County in a position covered by this plan and has completed 20 years of actual plan service.

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

(b) **Term of participation period.** The initial term of a DROP participation period is three years. FOR PARTICIPANTS WHO ARE EMPLOYEES REPRESENTED BY THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1563 [The] THE DROP participation period may be extended by no more than two additional one-year terms, AND THE DROP PARTICIPATION PERIOD MAY BE EXTENDED BY NO MORE THAN THREE ADDITIONAL ONE-YEAR TERMS FOR ALL OTHER PARTICIPANTS WHO QUALIFY FOR PARTICIPATION IN DROP UNDER §5-1-503. A DROP participant shall file an election for each extension on the form required by the Personnel Officer no fewer than 30 days before the end of the current term. Failure of a DROP participant to file a timely election for an extension results in the expiration of the DROP participation period at the end of the current term.

5-1-508. DROP account.

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

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

(2) interest on [that amount] AMOUNTS EARNED IN YEARS ONE THROUGH FIVE OF A MEMBER'S DROP PARTICIPATION:

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

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

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

4
5 (iv) for members of the Fire Service RETIREMENT Plan whose DROP participation
6 began prior to July 1, 2010, at an interest rate of 0.6434%, which provides [and] AN effective
7 annual yield of 8%; AND

8
9 (v) for members of the Fire Service RETIREMENT Plan whose DROP participation
10 began after June 30, 2010, at an interest rate of .34745%, which provides an effective annual
11 yield of 4.25%[; and

12
13 (vi) credited to the DROP participant from the beginning to the expiration of the
14 DROP participation period].

15
16 (D) **Limitations on interest.** NO INTEREST WILL BE EARNED OR CREDITED DURING THE
17 SIXTH YEAR OF A DROP PARTICIPATION PERIOD OR AFTER THE EXPIRATION OF ANY DROP
18 PARTICIPATION PERIOD.

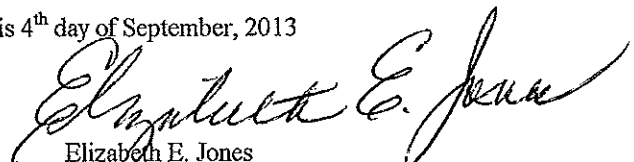
19
20 SECTION 3. *And be it further enacted,* That this Ordinance is hereby declared to be an
21 emergency ordinance and necessary for the immediate preservation of the public peace,
22 health, safety, welfare, and property, and being passed by the affirmative vote of five members
23 of the County Council, the same shall take effect from the date it becomes law.

24
READ AND PASSED this 3rd day of September, 2013


By Order:


Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for her approval this 4th day of September, 2013

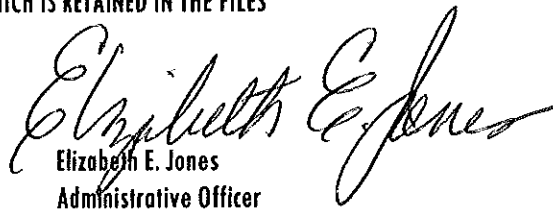

Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this 13th day of September, 2013


Laura Neuman
County Executive

EFFECTIVE DATE: September 13, 2013

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.
64-13, THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.


Elizabeth E. Jones
Administrative Officer