

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2024, Legislative Day No. 19

Bill No. 85-24

Introduced by Ms. Pickard

By the County Council, October 21, 2024

Introduced and first read on October 21, 2024
Public Hearing set for November 18, 2024
Bill Expires on January 24, 2025

By Order: Kaley Schultze, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Pensions – General Provisions – Purchased Service
2 Credits – Fire Service Retirement Plan and Police Service Retirement Plan

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4 FOR the purpose of allowing participants in the Fire Service Retirement Plan and Police
5 Service Retirement Plan hired after a certain date to purchase service credit for prior
6 participation in certain plans; establishing the conditions for and methods of purchasing
7 service credits; providing for the calculation and applicability of purchased service
8 credits; and generally relating to pensions.

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10 BY adding: § 5-1-212
11 Anne Arundel County Code (2005, as amended)

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13 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
14 That § 5-1-212 of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 5. PENSIONS

TITLE 1. GENERAL PROVISIONS

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20 **5-1-212. Purchased service credits - fire service retirement plan and police service**
21 **retirement plan.**

22
23 **(A) Conditions for purchasing service credits.** PARTICIPANTS IN THE FIRE SERVICE
24 RETIREMENT PLAN AND THE POLICE SERVICE RETIREMENT PLAN HIRED ON OR AFTER THE
25 EFFECTIVE DATE OF BILL NO. 85-24 MAY PURCHASE SERVICE CREDITS FROM PRIOR
26 EMPLOYMENT IF:

EXPLANATION: CAPITALS indicate new matter added to existing law.
[[Brackets]] indicate matter deleted from existing law.
Captions and taglines in **bold** in this bill are catchwords and are not law.

1 (1) THE SERVICE CREDITS ARE FROM THE EMPLOYER IMMEDIATELY PRIOR TO THE
2 COUNTY;

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4 (2) ANY BREAK IN SERVICE WITH THE IMMEDIATELY PRIOR EMPLOYER DOES NOT
5 EXCEED 30 DAYS;

6
7 (3) THE PARTICIPANT PARTICIPATED IN A FIRE OR POLICE DEFINED BENEFIT
8 RETIREMENT PLAN WITH THE IMMEDIATELY PRIOR EMPLOYER; AND

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10 (4) THE IMMEDIATELY PRIOR EMPLOYER WAS THE STATE OF MARYLAND OR A
11 POLITICAL SUBDIVISION OF THE STATE OF MARYLAND.

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13 **(B) Methods of purchasing service credits.**

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15 (1) THE PARTICIPANT MAY PURCHASE SERVICE CREDITS FOR UP TO FIVE YEARS OF
16 PRIOR SERVICE AT THE RATE OF TWO TIMES THE CONTRIBUTION RATE FOR THE
17 PARTICIPANT'S COUNTY FIRE OR POLICE PLAN, AS APPLICABLE, MULTIPLIED BY THE
18 PARTICIPANT'S ANNUAL BASIC PAY AT THE TIME OF HIRE MULTIPLIED BY THE NUMBER
19 OF YEARS OF SERVICE CREDITS TO BE PURCHASED.

20
21 (2) THE PARTICIPANT MUST REQUEST TO PURCHASE THE PRIOR SERVICE CREDITS
22 WITHIN 45 DAYS OF THE DATE OF HIRE, AND THE REQUEST MUST BE APPROVED BY THE
23 PERSONNEL OFFICER.

24
25 (3) AT THE ELECTION OF THE PARTICIPANT, THE AMOUNT CALCULATED UNDER
26 PARAGRAPH (1) MAY BE PAID:

27
28 (I) IN A LUMP SUM WITHIN 90 DAYS OF THE APPROVAL OF THE
29 REQUEST TO PURCHASE PRIOR SERVICE CREDITS;

30
31 (II) THROUGH BI-WEEKLY AFTER-TAX PAYROLL DEDUCTIONS OVER A PERIOD
32 OF UP TO THREE YEARS; OR

33
34 (III) THROUGH A COMBINATION OF A PARTIAL LUMP SUM PAYMENT MADE
35 WITHIN 90 DAYS OF THE APPROVAL OF THE REQUEST TO PURCHASE PRIOR SERVICE
36 CREDITS AND PAYROLL DEDUCTIONS, AS APPROVED BY THE PERSONNEL OFFICER.

37
38 (4) PAYMENTS TOWARD PRIOR SERVICE CREDITS SHALL BE TREATED AS
39 EMPLOYEE CONTRIBUTIONS TO THE PLAN.

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41 **(C) Effect of purchased service credits.**

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43 (1) PRIOR SERVICE CREDITS ARE NOT ACTUAL PLAN SERVICE OR TRANSFERRED
44 SERVICE AND ARE NOT USED TO CALCULATE A PARTICIPANT'S VESTING IN A PLAN OR
45 RETIREMENT DATE.

46
47 (2) PRIOR SERVICE CREDITS ARE CALCULATED AS AN ADDITIONAL RETIREMENT
48 BENEFIT AT THE RATE OF 2% PER YEAR EVEN IF THE RESULTING PENSION BENEFIT
49 EXCEEDS 70% OF THE FINAL AVERAGE BASIC PAY.

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51 SECTION 2. *And be it further enacted,* That all references in this Ordinance to “the
52 effective date of Bill No. 85-24”, or words to that that effect, shall, upon codification, be
53 replaced with the actual date on which this Ordinance takes effect under Section 307 of the
54 County Charter as certified by the Administrative Officer to the County Council.

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56 SECTION 3. *And be it further enacted,* That this Ordinance shall take effect 45 days
57 from the date it becomes law.