

Introduced \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Council Action \_\_\_\_\_  
Executive Action \_\_\_\_\_  
Effective Date \_\_\_\_\_

## County Council Of Howard County, Maryland

2013 Legislative Session

Legislative Day No. **11**

### Bill No. 45 -2013

Introduced by: The Chairperson at the request of the County Executive

AN ACT amending the participant contribution percentage and retirement benefit multiplier for certain participants in the Howard County Employees Retirement Plan; making certain technical corrections; providing for the implementation of a new participant contribution percentage and retirement benefit multiplier; adding references to certain past multipliers; and generally related to the Howard County Retirement Plan.

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Introduced and read first time \_\_\_\_\_, 2013. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on \_\_\_\_\_, 2013.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

This Bill was read the third time on \_\_\_\_\_, 2013 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_ day of \_\_\_\_\_, 2013 at \_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2013

\_\_\_\_\_  
Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland that the  
2 Howard County Code is amended as follows:

3 1. By amending:

4 Title 1 – Human Resources  
5 Section 1.426 “Pick-up contributions”  
6 Subsection (a)

7  
8 2. By amending:

9 Title 1 – Human Resources  
10 Section 1.428 “Normal retirement”  
11

12 **Title 1. Human Resources.**  
13 **Subtitle 4. Retirement Plans.**  
14 **Article III. Trust Fund.**  
15

16 **Section 1.426. Pick-up contributions.**

17 Under limited circumstances described below, Participant contributions and monies from  
18 other Government Employers may be accepted by the Plan.

19 (a) *Types of Contributions/Transfers.*

20 (1) *County pick-up contributions.*

21 (i) [[Effective with the paycheck issued August 13, 1999 and in  
22 accordance with rules established by the County, each participant  
23 who is classified as a fully benefited employee shall make  
24 contributions to the plan equal to two percent of the participant's  
25 per-pay compensation.]] EFFECTIVE WITH THE FIRST PAYCHECK  
26 ISSUED AFTER DECEMBER 31, 2013, AND IN ACCORDANCE WITH  
27 RULES ESTABLISHED BY THE COUNTY, EACH PARTICIPANT, OTHER  
28 THAN AN AFSCME LOCAL 3085 EMPLOYEE OR A PARTICIPATING  
29 CORRECTIONS EMPLOYEE, SHALL MAKE CONTRIBUTIONS TO THE  
30 PLAN EQUAL TO THREE PERCENT OF HIS OR HER PER-PAY  
31 COMPENSATION.

- 1 (ii) Effective with the paycheck issued January 30, 1998, and in  
2 accordance with rules established by the County and in lieu of the  
3 contributions [[made under]] DESCRIBED IN SUBPARAGRAPHS  
4 1.426(A)(1)(I), (VII) AND (VIII) [[subsection 1.426 (a)(1)(i) or (vi)]],  
5 each participant who is classified as a participating corrections  
6 employee shall make contributions to the plan equal to eight and  
7 one-half percent of his or her per-pay compensation.
- 8 (iii) Effective with the first paycheck issued after June 30, 2011, and in  
9 accordance with rules established by the County and in lieu of the  
10 contributions [[made under subsection 1.426(a)(1)(i)]] DESCRIBED  
11 IN SUBPARAGRAPHS 1.426(A)(1)(I), (VII) AND (VIII), each participant  
12 who is classified as an AFSCME Local 3085 employee shall make  
13 contributions to the plan equal to three percent of his or her per-  
14 pay compensation. The contributions under this subparagraph (iii)  
15 shall be made only during the period when the participant is an  
16 AFSCME Local 3085 employee.
- 17 (iv) Notwithstanding subparagraphs (i), (ii) and (iii) of this paragraph,  
18 in those calendar years in which the County issues 27 paychecks,  
19 no participant contributions shall be required with respect to per-  
20 pay compensation reflected in the 27th paycheck of the calendar  
21 year.
- 22 (v) The participant contributions referred to in this paragraph shall be:  
23 a. Picked up by the employer, as described in Section  
24 414(h)(2) of the Internal Revenue Code;  
25 b. Deducted from the pay of the contributing participants as  
26 salary reduction contributions; and  
27 c. Paid by the employer to the trustees within reasonable  
28 promptness after the total of such contributions during any  
29 month has been determined, and in any event by the end of  
30 the succeeding month.

- 1 (vi) The contributions made pursuant to this paragraph (1) shall be  
2 made a part of the participant's employee contributions benefit,  
3 that is, a part of his or her accrued benefit.
- 4 (vii) Effective with the paycheck issued July 21, 1995 and continuing  
5 through the paycheck issued July 30, 1999, in accordance with  
6 rules established by the County, each participant who is classified  
7 as a fully benefited employee shall make contributions to the plan  
8 equal to the sum of:
- 9 a. Two percent of the participant's per-pay compensation; and
  - 10 b. Two percent of the participant's per-pay compensation  
11 which exceeds the applicable per-pay Social Security  
12 taxable wage base.

13

14 **Section 1.428. Normal retirement.**

15 A participant who retires on his or her normal retirement date shall be entitled to receive  
16 a monthly retirement income, beginning with the first day of the month coincident with  
17 or next following his or her normal retirement date and continuing for the remainder of  
18 the participant's life.

19 (a) *Current Provision—Amount of Monthly Retirement Income—Participant Who*  
20 *Reaches a Termination Date On or After [[July 30, 1999]] JANUARY 1, 2014.* [[Subject to  
21 subsection (i) of this section and section 1.408(d) of this subtitle, and subject to the  
22 limitations set forth in section 1.433 of this subtitle, the amount of the monthly retirement  
23 income of a participant who reaches a termination date on or after July 30, 1999 shall be  
24 equal to:

- 25 (1) 1.55 percent of the participant's average compensation;
- 26 (2) Multiplied by the participant's years of creditable service.

27 Notwithstanding the foregoing, the amount of the monthly retirement income of a  
28 participant who reaches a termination date following a normal or early retirement date  
29 and between July 30, 1999 and July 30, 2000 shall be calculated under the provisions of  
30 the plan in effect prior to July 30, 1999 if such calculation would result in a greater  
31 monthly benefit to the participant.]]

1 (1) SUBJECT TO SUBSECTION (J) OF THIS SECTION AND SECTION 1.408(D) OF THIS  
2 SUBTITLE, AND SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 1.433  
3 OF THIS SUBTITLE, THE AMOUNT OF THE MONTHLY RETIREMENT INCOME OF  
4 AN EMPLOYEE WHO (I) IS NOT AN AFSCME LOCAL 3085 EMPLOYEE OR A  
5 PARTICIPATING CORRECTIONS EMPLOYEE AND (II) WHO REACHES A  
6 TERMINATION DATE ON OR AFTER JANUARY 1, 2014, SHALL BE EQUAL TO  
7 THE SUM OF PARAGRAPHS (III) AND (IV) OF THIS SUBSECTION WHERE:

8 (III) EQUALS:

9 A. 1.66 PERCENT OF THE PARTICIPANT'S AVERAGE  
10 COMPENSATION;

11 B. MULTIPLIED BY THE PARTICIPANT'S YEARS OF CREDITABLE  
12 SERVICE EARNED AFTER JUNE 30, 2012; AND

13 (IV) EQUALS:

14 A. 1.55 PERCENT OF THE EMPLOYEE'S PARTICIPANT'S AVERAGE  
15 COMPENSATION;

16 B. MULTIPLIED BY THE PARTICIPANT'S YEARS OF CREDITABLE  
17 SERVICE EARNED PRIOR TO JULY 1, 2012.

18 (2) FOR PURPOSES OF THIS SUBSECTION (A), (I) A PARTICIPANT'S YEARS OF  
19 CREDITABLE SERVICE EARNED PRIOR TO JULY 1, 2012 WILL INCLUDE  
20 CREDITABLE SERVICE EARNED ON ACCOUNT OF MILITARY SERVICE,  
21 TRANSFERRED SERVICE OR PURCHASED SERVICE IF THE ACTUAL DATES OF  
22 SERVICE OCCURRED PRIOR TO JULY 1, 2012 AND (II) A PARTICIPANT'S YEARS  
23 OF CREDITABLE SERVICE EARNED AFTER JUNE 30, 2012 WILL INCLUDE  
24 CREDITABLE SERVICE EARNED ON ACCOUNT OF MILITARY SERVICE,  
25 TRANSFERRED SERVICE OR PURCHASED SERVICE IF THE ACTUAL DATES OF  
26 SERVICE OCCURRED AFTER JUNE 30, 2012.

27 (3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) ABOVE, THE BENEFIT  
28 ATTRIBUTABLE TO YEARS OF CREDITABLE SERVICE EARNED PRIOR TO JULY  
29 1, 2012 AS AN AFSCME LOCAL 3085 EMPLOYEE BY A PARTICIPANT  
30 DESCRIBED IN THIS SUBSECTION (A) SHALL BE CALCULATED BY

1 MULTIPLYING 1.66 PERCENT OF HIS OR HER AVERAGE COMPENSATION TIMES  
2 SUCH YEARS OF CREDITABLE SERVICE.

3 (b) *Current Provision—Amount of Monthly Retirement Income Participant Who is a*  
4 *Participating Corrections Employee and Reaches a Termination Date On or After June*  
5 *30, 2005.* Subject to subsection [(i)](j) of this section and section 1.408(d) of this  
6 subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the  
7 amount of the monthly retirement income of a participating corrections employee who  
8 reaches a termination date on or after June 30, 2005 shall be equal to the sum of  
9 paragraphs (1) and (2) where:

10 (1) Equals:

- 11 (i) Two and one-half percent of the participant's average  
12 compensation;
- 13 (ii) Multiplied by the participant's years of creditable service to a  
14 maximum of 20 years of creditable service; and

15 (2) Equals:

- 16 (i) One percent of the participant's average compensation;
- 17 (ii) Multiplied by the participant's years of creditable service in excess  
18 of 20 years of creditable service (but not in excess of 30 years of  
19 creditable service).

20 (c) *Current Provision—Amount of Monthly Retirement Income—AFSCME Local 3085*  
21 *Employee Who Reaches a Termination Date On or After June 30, 2011.* Subject to  
22 subsection [(i)](j) of this section and section 1.408(d) of this subtitle, and subject to the  
23 limitations set forth in section 1.433 of this subtitle, the amount of the monthly retirement  
24 income of an AFSCME Local 3085 employee who reaches a termination date on or after  
25 June 30, 2011 shall be equal to the sum of paragraphs (1) and (2) of this subsection  
26 where:

27 (1) Equals:

- 28 (i) 1.66 percent of the participant's average compensation;
- 29 (ii) Multiplied by the participant's years of creditable service earned as  
30 an AFSCME Local 3085 employee; and

31 (2) Equals:

- 32 (i) 1.55 percent of the employee's participant's average compensation;
- 33 (ii) Multiplied by the participant's years of creditable service other  
34 than his or her years of creditable service earned as an AFSCME

1 Local 3085 employee. For purposes of this subsection (c), all years  
2 of creditable service earned prior to July 1, 2011 by a participant  
3 who was an AFSCME Local 3085 employee on June 30, 2011 will  
4 be considered years of creditable service as an AFSCME Local  
5 3085 employee.

6 (d) *Historical Provision—Amount of Monthly Retirement Income—Participant Who*  
7 *Became a Corrections Employee After December 31, 1997 and Reached a Termination*  
8 *Date Between July 30, 1999 and June 30, 2005.* Subject to subsection [(i)](j) of this  
9 section and section 1.408(d) of this subtitle, and subject to the limitations set forth in  
10 section 1.433 of this subtitle, the amount of the monthly retirement income of a  
11 participant who earned his or her first hour of service as a corrections employee after  
12 December 31, 1997 and who reached a termination date between July 30, 1999 and June  
13 30, 2005 shall be equal to the sum of paragraphs (1) and (2) of this subsection where:

14 (1) Equals:

- 15 (i) Two percent of the participant's average compensation;
- 16 (ii) Multiplied by the participant's years of creditable service as a  
17 participating corrections employee, to a maximum of 30 year[s] of  
18 creditable service; and

19 (2) Equals:

- 20 (i) 1.55 percent of the participant's average compensation.
- 21 (ii) Multiplied by the participant's years of creditable service (if any)  
22 not earned as a corrections employee.

23 (e) *Historical Provisions—Amount of Monthly Retirement Income—Participant Who*  
24 *Elected to Become a Participating Corrections Employee as of January 1, 1998 and*  
25 *Reached a Termination Date Between July 30, 1999 and June 30, 2005.* Subject to  
26 subsection [(i)](j) of this section and subsection 1.408(d) of this subtitle, and subject to  
27 the limitations set forth in section 1.433 of this subtitle, the amount of the monthly  
28 retirement income of a corrections employee who elected to become a participating  
29 corrections employee as of January 1, 1998 and who reached a termination date between  
30 July 30, 1999 and June 30, 2005 pursuant to subsection 1.410(a) of this subtitle shall be  
31 equal to the sum of paragraphs (1) and (2) where:

- 1           (1)    Equals:
- 2                   (i)    1.55 percent of the participant's average compensation;
- 3                   (ii)   Multiplied by the participant's years of Class B creditable service
- 4                            and
- 5           (2)    Equals:
- 6                   (i)    Two percent of the participant's average compensation;
- 7                   (ii)   Multiplied by the participant's years of Class A creditable service.

8   (f) *Historical Provision—Amount of Monthly Retirement Income—Participant Who*

9   *Became a Covered Individual After June 30, 1995 and Reached a Termination Prior to*

10 *July 30, 1999.* Subject to subsection [(i)] (J) of this section and subsection 1.408(d) of

11 this subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the

12 amount of the monthly retirement income of a participant who became a covered

13 individual after June 30, 1995 and who reached a termination date prior to July 30, 1999

14 shall be equal to:

- 15           (1)    The sum of 1.3 percent of the participant's average compensation and one-
- 16                   half percent of the participant's average compensation that exceeded 1/12
- 17                            of his or her covered compensation;
- 18           (2)    Multiplied by the participant's years of creditable service.

19   (g) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Has*

20 *Elected to Receive Service Under The Maryland State Retirement Systems and Reached a*

21 *Termination Prior to July 30, 1999.* Subject to subsection [(i)] (J) of this section and

22 subsection 1.408(d) of this subtitle, and subject to the limitations set forth in section

23 1.433 of this subtitle, the amount of the monthly retirement income of a participant who

24 has elected to receive credit for service under the Maryland State Retirement Systems

25 pursuant to subsection 1.417(d) of this subtitle and who reached a termination date prior

26 to July 30, 1999 shall be equal to the sum of paragraphs (i) and (2) of this subsection,

27 where:

- 28           (1)    Equals:
- 29                   (i)    The sum of 0.8 percent of the participant's average compensation
- 30                            and 0.7 percent of the participant's average compensation that
- 31                            exceeded 1/12 of his or her covered compensation;



- 1 (ii) Multiplied by the participant's years of state plan creditable  
2 service, and
- 3 (2) Equals:
- 4 (i) The sum of 1.3 percent of the participant's average compensation  
5 and one-half percent of the participant's average compensation that  
6 exceeded 1/12 of his or her covered compensation;
- 7 (ii) Multiplied by the participant's years of County plan creditable  
8 service.

9 (h) *Historical Provision—Amount of Monthly Retirement Income—Participant Who*  
10 *Elected to Become a Participating Corrections Employee as of January 1, 1998 and*  
11 *Reached a Termination Date Prior to July 30, 1999.* Subject to subsection [(i)] (J) of  
12 this section and subsection 1.408(d) of this subtitle, and subject to the limitations set forth  
13 in section 1.433 of this subtitle, the amount of the monthly retirement income of a  
14 corrections employee who elected to become a participating corrections employee as of  
15 January 1, 1998 pursuant to subsection 1.410(a) of this subtitle shall be equal to the sum  
16 of paragraphs (1), (2) and (3), where:

- 17 (1) Equals:
- 18 (i) The sum of 0.8 percent of the participant's average compensation  
19 and 0.7 percent of the participant's average compensation that  
20 exceeded 1/12 of his or her covered compensation;
- 21 (ii) Multiplied by the participant's years of Class C creditable service;  
22 and
- 23 (2) Equals:
- 24 (i) The sum of 1.3 percent of the participant's average compensation  
25 and one-half percent of the participant's average compensation that  
26 exceeded 1/12 of his or her covered compensation;
- 27 (ii) Multiplied by the participant's years of Class D creditable service;  
28 and
- 29 (3) Equals:
- 30 (i) Two percent of the participant's average compensation;
- 31 (ii) Multiplied by the participant's years of Class A creditable service.

1 (i) *HISTORICAL PROVISION—AMOUNT OF MONTHLY RETIREMENT INCOME—PARTICIPANT WHO*  
2 *REACHED A TERMINATION DATE ON OR AFTER JULY 30, 1999 AND PRIOR TO JANUARY 1, 2014.*  
3 SUBJECT TO SUBSECTION (J) OF THIS SECTION AND SECTION 1.408(D) OF THIS SUBTITLE,  
4 AND SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 1.433 OF THIS SUBTITLE, THE  
5 AMOUNT OF THE MONTHLY RETIREMENT INCOME OF A PARTICIPANT WHO REACHES A  
6 TERMINATION DATE ON OR AFTER JULY 30, 1999 SHALL BE EQUAL TO:

- 7 (1) 1.55 PERCENT OF THE PARTICIPANT'S AVERAGE COMPENSATION;
- 8 (2) MULTIPLIED BY THE PARTICIPANT'S YEARS OF CREDITABLE SERVICE.

9 ~~[[i]]~~(j) *Unused disability leave.*

- 10 (1) For purposes of determining the amount of the participant's retirement  
11 benefit payable pursuant to sections 1.428—1.432, and for purposes of  
12 determining the amount of a surviving spouse annuity benefit pursuant to  
13 subsection 1.439(b), the participant shall receive additional years of  
14 creditable service for unused disability leave.
- 15 (2) Such unused disability leave shall be credited at the rate of 1/12 of a year  
16 of creditable service for each 22 days of unused disability leave accrued  
17 by the participant as of his or her termination date.
- 18 (3) If, after crediting unused disability leave in multiples of 22 days, 11 or  
19 more days remain uncredited, the participant shall receive an additional  
20 1/12 of a year of creditable service.
- 21 (4) Generally, the benefit attributable to years of creditable service for unused  
22 disability leave for a participating corrections employee shall be calculated  
23 by multiplying two percent of his or her average compensation times such  
24 years of creditable service. However, where a participating corrections  
25 employee receives a monthly benefit calculated under subsection 1.428(d)  
26 of this subtitle, the benefit attributable to his or her years of creditable  
27 service for unused disability leave shall be calculated by multiplying one  
28 percent of his or her average compensation times such years of creditable  
29 service.
- 30 (5) The benefit attributable to years of creditable service for unused disability  
31 leave for a participant who reaches his or her termination date as an

1 AFSCME Local 3085 employee on or after June 30, 2011 shall be  
2 calculated by multiplying 1.66 percent of his or her average compensation  
3 times such years of creditable service.

4 (6) THE BENEFIT ATTRIBUTABLE TO YEARS OF CREDITABLE SERVICE FOR  
5 UNUSED DISABILITY LEAVE FOR A PARTICIPANT, OTHER THAN AN AFSCME  
6 LOCAL 3085 EMPLOYEE OR A PARTICIPATING CORRECTIONS EMPLOYEE,  
7 WHO REACHES HIS OR HER TERMINATION DATE ON OR AFTER JANUARY 1,  
8 2014 SHALL BE CALCULATED BY MULTIPLYING 1.66 PERCENT OF HIS OR HER  
9 AVERAGE COMPENSATION TIMES SUCH YEARS OF CREDITABLE SERVICE.

10

11 *Section 2. And Be It Further Enacted by the County Council of Howard County,*  
12 *Maryland, that this Act shall become effective 61 days after its enactment.*