

Introduced 4-5-2021
Public Hearing 4-19-2021
Council Action 5-3-2021
Executive Action 5-6-2021
Effective Date 7-6-2021

County Council of Howard County, Maryland

2021 Legislative Session

Legislative Day No. 6

Bill No. 27-2021

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

AN ACT amending the Howard County Retirement Plan in order to create an enhanced normal retirement benefit for Deputy Sheriffs hired on or after July 1, 2021, adding and amending certain definitions; increasing the amount of employee pick up contributions to be made by participating Deputy Sheriffs, changing the normal retirement age for participating Deputy Sheriffs and generally relating to the Howard County Retirement Plan.

Introduced and read first time April 5, 2021. Ordered posted and hearing scheduled.
By order Nichelle Howard
Theo Wimberly, Acting 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 April 19, 2021.
By order Nichelle Howard
Theo Wimberly, Acting Administrator

This Bill was read the third time on May 3, 2021 and Passed , Passed with amendments , Failed .
By order Nichelle Howard
Theo Wimberly, Acting Administrator

Sealed with the County Seal and presented to the County Executive for approval this 5 day of May, 2021 at 5:00 a.m./p.m.
By order Nichelle Howard
Theo Wimberly, Acting Administrator

Vetoed by the County Executive May 6, 2021
Calvin Ball
Calvin Ball, 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 Howard County Code is
2 amended as follows:

3 1. *By Amending Title 1. Human Resources*
4 *Subtitle 4 Howard County Pension Plans*

5 *Section 1.406 Definitions*

6 *Section 1.410. - Participating Corrections Employees and Participating Deputy*
7 *Sheriffs—Eligibility.*

8 *Section 1.426 Pick Up Contributions*

9 *Section 1.428-Normal Retirement Age*

10
11 **Title 1. Human Resources.**

12 **Subtitle 4. Howard County Pension Plans.**

13 **Article 1. Generally.**

14
15 **Section 1.406. - Definitions.**

16 The following terms, as used herein, unless a different meaning is clearly implied by the
17 context, shall have the following meanings:

18 (a) *Accrued benefit.*

19 (1) *Accrued benefit* means the benefit to which a participant is entitled, pursuant to the
20 provisions of sections 1.428—1.432, expressed as the normal form of monthly benefit
21 commencing at normal retirement date or the actuarial equivalent thereof.

22 (2) The accrued benefit as of any date preceding the participant's normal retirement date,
23 but expressed as aforesaid, shall be the monthly benefit computed pursuant to section
24 1.429, 1.431 or 1.432.

25 (3) In no event, however, shall the accrued benefit exceed the maximum limitation
26 determined, as of the date of computation, pursuant to section 1.433.

27 (4) (i) The portion of the participant's accrued benefit attributable to the participant's
28 contributions made pursuant to sections 1.426 and 1.427 shall be equal to the
29 actuarial equivalent of the participant's employee contributions benefit, expressed
30 as the normal form of monthly benefit commencing at normal retirement date.

31 (ii) The portion of the participant's accrued benefit attributable to employer
32 contributions shall be the remainder, if any, of the accrued benefit.

1 (b) *Actuarial equivalent* means a form of benefit differing in time, period or manner of
2 payment from a specific benefit provided under the plan but having the same value when
3 computed based upon the following:

4 Pre-retirement and post-retirement:

5 GAM 83 Mortality Table (blended 50 percent male, 50 percent female)

6 Eight percent per annum interest rate.

7 Cost of living adjustment:

8 Three percent per annum compounded.

9 The foregoing factors, to the extent applicable, shall be utilized (whether or not there is a specific
10 reference to this definition) whenever in the administration of the plan a calculation of actuarial
11 equivalence is to be made.

12 (c) *Actuarial reduction*.

13 (1) *Actuarial reduction* means a reduction which will cause a benefit with a starting date
14 which precedes a participant's normal retirement date to be the actuarial equivalent of
15 the benefit which would otherwise have been payable at such normal retirement date.

16 (2) However, notwithstanding any factors set forth in the definition of actuarial equivalent:

17 (i) For participants who reach a termination date on or before August 31, 2002, the
18 reduction shall be equal to one-half percent of the benefit for each month by which
19 the participant's benefit commencement date precedes the first day of the month
20 coincident with or next following the date on which the participant attains age 62;
21 and

22 (ii) For participants who reach a termination date after August 31, 2002, the reduction
23 shall be equal to one-half percent of the benefit for each month by which the
24 participant's benefit commencement date precedes the first day of the month
25 coincident with or next following:

26 a. The date on which the participant attains age 62; or

27 b. If earlier, the date on which the participant would earn 30 years of eligibility
28 service if the participant continued in employment with the County as a
29 covered individual.

30 (d) *Administrator* means the Retirement Plan Committee established pursuant to section 1.455.

1 (e) *AFSCME Local 3085 employee* means a covered individual employed by the County in a
2 job class represented by Local 3085 of the American Federation of State, County and Municipal
3 Employees.

4 (f) *Average compensation.*

5 (1) *Average compensation* means the average monthly rate of a participant's compensation,
6 equal to 1/36th of the total amount of a participant's compensation for the 36
7 consecutive full calendar months of the participant's employment which produce the
8 highest average.

9 (2) Except as provided in subsection 1.431(d), the average compensation of a participant
10 who was not employed on a full-time basis shall be calculated using the full-time
11 equivalent of the participant's compensation.

12 (3) Any calendar month during which a full-time participant was not employed on a full-
13 time basis or was on a leave of absence for all or any part of the month shall be
14 disregarded for purposes of the foregoing, and the existence of such calendar months
15 shall be ignored and shall not be counted in determining the 36 consecutive full
16 calendar months of the participant's employment which produce the highest average.

17 (4) If the participant's employment does not provide 36 consecutive full calendar months as
18 aforesaid, compensation for the participant's most recent 36 full calendar months of
19 employment will be totaled and divided by 36.

20 (5) If the participant's employment does not provide 36 full calendar months, compensation
21 for the participant's actual full months of employment will be totaled and divided by the
22 number thereof.

23 (g) *Beneficiary* means any person entitled to receive the benefits which are payable under the
24 plan upon or after the death of a participant.

25 (h) *Benefited employee.* Except as provided in paragraph (3) below, benefited employee means:

26 (1) A full-time employee of the County in the classified, Executive exempt or
27 miscellaneous exempt services; or

28 (2) A part-time employee of the County who is scheduled to work at least 50 percent of the
29 regularly-scheduled workweek for his or her position in the miscellaneous exempt
30 service.

31 (3) Benefited employee does not include:

- 1 (i) A partially benefited employee; or
- 2 (ii) An employee of the County hired after June 30, 1995 in the miscellaneous exempt
- 3 service with a Class Code of 5100, 5102, 5131, 5133, 5136, 5137, 7751 or 7752.
- 4 (4) A benefited employee shall include full-time or part-time employees of the Economic
- 5 Development Authority, the Howard County Housing Commission, and the Howard
- 6 Soil Conservation District; provided that benefited employees of the Howard County
- 7 Economic Development Authority, the Howard County Housing Commission, and the
- 8 Howard Soil Conservation District shall include only those part-time employees who
- 9 are scheduled to work at least 50 percent of the regularly scheduled workweek for their
- 10 positions.
- 11 (i) *Benefit commencement date* means the day on which the sole payment is made or the first
- 12 day of the period for which the first in a series of payments constituting the distribution of an
- 13 accrued benefit is made.
- 14 (j) *Break in service* means a calendar month with respect to which a fully benefited
- 15 employee is not credited with 1/12 of a year of creditable service on account of such fully
- 16 benefited employee's having reached his or her termination date.
- 17 (k) *Cash-out* means a distribution in settlement of a benefit otherwise payable under the plan,
- 18 and which is equal to the employee contributions benefit. Cash-out refers to a cash-out election
- 19 under subsection (c) of section 1.432 or a mandatory cash-out under subsection (d) of section
- 20 1.432.
- 21 (l) *C/L increase* means an automatic increase (without necessity of plan amendment) in a
- 22 dollar value set forth or described in the plan, for the purpose of reflecting increases in the cost
- 23 of living to the extent prescribed in or pursuant to regulations under Subsection 415(d) of the
- 24 Internal Revenue Code, but only to the extent permitted by the operative Internal Revenue Code
- 25 or regulatory provision specifically governing the dollar value in question.
- 26 (m) *Compensation*.
- 27 (1) *Compensation* means the monthly equivalent of the participant's legislated base annual
- 28 salary (including longevity payments and performance awards, to the extent paid prior
- 29 to July 30, 1999), determined without regard to:
- 30 (i) Overtime, bonuses and other extra remuneration;

1 (ii) Amounts in excess of 1/12 of the applicable dollar limit under Subsection
2 401(a)(17) of the Internal Revenue Code and regulations promulgated thereunder,
3 as adjusted by the Commissioner of the Internal Revenue Service for increases in
4 the cost of living in accordance with Subsection 401(a)(17)(B) of the Internal
5 Revenue Code;

6 (iii) Contributions, credits or benefits under this plan or under any other retirement,
7 deferred compensation, fringe benefit or employee welfare benefit plan; or

8 (iv) Direct reimbursement for expenses; provided, however, that compensation shall
9 include any amount that would have qualified as compensation but for the fact that
10 it constitutes salary reduction under any plan described in Subsection 414(h)(2),
11 457(b), 132(F) or 125 of the Internal Revenue Code.

12 (2) Notwithstanding the preceding, if a higher legislated base annual salary becomes
13 effective in the same month, such higher rate shall be used if in effect for a greater
14 number of days during the month than the rate in effect on the first day of the month.

15 (n) *Coordinator* means the specified employee of the County to whom certain administrative
16 duties may be delegated by the Administrator pursuant to subsection 1.454(d).

17 (o) *Corrections employee* means a covered individual employed by the County in one of the
18 following position classifications:

2229 Director of Corrections;

2227 Deputy Director of Corrections;

2225 Correctional Program Supervisor III;

2223 Correctional Captain;

2221 Corrections Program Supervisor II;

2219 Detention Center Nurse;

2217 Correctional Lieutenant;

2215 Correctional Specialist II;

2213 Correctional Specialist I;

2212 Correctional Technician;

2211 Correctional Sergeant;
2210 Correctional Sergeant- Dietary
2209 Correctional Supervisor I;
2207 Correctional Corporal;
2205 Correctional Officer;
2203 Probationary Correctional Officer; or
2201 Correctional Dietary Officer.

1 (p) *County* means the County of Howard, a body corporate and politic, duly organized and
2 existing under the laws of the State of Maryland.

3 (q) *Covered compensation.*

4 (1) *Covered compensation* means, for any participant as of any date, an annual amount
5 determined on the basis of the Social Security Act as in effect on the first day of the
6 plan year of determination for a participant who attained age 65 on the first day of the
7 plan year.

8 (2) This annual amount shall equal the average (without indexing) of the Social Security
9 taxable wage bases in effect for each calendar year during the 35-year period ending
10 with the last day of the calendar year in which the participant attains (or will attain) age
11 65.

12 (r) *Covered individual.*

13 (1) From the effective date through September 28, 1997, *covered individual* means:

14 (i) A benefited employee or a partially benefited employee:

15 a. Except for individuals participating in, or required as a condition of their
16 employment to participate in, the police and fire pension plan; and

17 b. Except as otherwise provided in subsection 1.407(a) of this subtitle with regard
18 to employees, who do not elect to participate in the plan;

19 (ii) Except for masters in chancery (Class Code 5615), a full-time employee in a State-
20 authorized exempt position and a part-time employee who is scheduled to work at
21 least 50 percent of the regularly scheduled workweek for such a position;

22 (iii) A benefited employee of the Howard County Economic Development Authority or
23 the Howard Soil Conservation District;

1 (iv) A member of the Howard County Council; or

2 (v) The Howard County Executive.

3 (2) Effective September 29, 1997, covered individual includes:

4 (i) A participant in the plan on September 28, 1997; or

5 (ii) A person who, on or after September 29, 1997, is or becomes:

6 a. A full-time employee in either the classified service (including a probationary
7 employee) or the Executive exempt service as described in subtitle 1 of this
8 title;

9 b. An employee in a part-time benefited position, as defined in section 1.308 of
10 this title;

11 c. An employee in a grant-funded position, as defined in section 1.307 of this
12 title;

13 d. A person who works in a State-authorized exempt position, as defined in
14 section 1.305 of this title;

15 e. A benefited employee of the Howard County Economic Development
16 Authority, the Howard County Housing Commission or the Howard Soil
17 Conservation District;

18 f. A member of the Howard County Council; or

19 g. The Howard County Executive.

20 (3) Effective September 29, 1997, covered individual does not include:

21 (i) Individuals participating in, or required as a condition of their employment to
22 participate in the police and fire plan;

23 (ii) Individuals who elected not to participate in the plan pursuant to section 1.407 of
24 this subtitle;

25 (iii) A contingent employee; or

26 (iv) A master in chancery (Class Code 1513).

27 (s) *Deferred retirement* means retirement, as described in section 1.430, which occurs after the
28 participant's normal retirement date.

29 (T) DEPUTY SHERIFF MEANS AN ELIGIBLE INDIVIDUAL EMPLOYED IN A POSITION WITH ONE OF THE
30 FOLLOWING CLASS CODES:

2405	DEPUTY SHERIFF
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2406	DEPUTY FIRST CLASS
2407	CORPORAL DEPUTY SHERIFF
2409	SERGEANT DEPUTY SHERIFF
2411	LIEUTENANT DEPUTY SHERIFF
2413	CHIEF DEPUTY SHERIFF

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[(t)](u) *Early retirement date.*

- (1) For participants who reach a termination date on or before August 31, 2002, *early retirement date* means any date occurring on or after the first date on which a participant has attained age 55 and has completed at least 15 years of eligibility service.
- (2) For participants who reach a termination date after August 31, 2002, *early retirement date* means any date occurring on or after the first date on which a participant has:
 - (i) Attained age 55 and completed at least 15 years of eligibility service; or
 - (ii) Earned 25 years of eligibility service.

[(u)](v) *Effective date* means the effective date of the plan, which shall be July 1, 1995.

[(v)](w) *Employee contributions benefit* means the sum of the following amounts (net of any previous distributions):

- (1) The contributions made by the participant through salary reduction and picked up by the County, as described in subsection 1.426(a)(1); plus
- (2) The contributions made by the participant pursuant to section 1.427 which are not picked up by the County; plus
- (3) The contributions other than contributions comprising a participant's pick-up contributions benefit pursuant to section 1.436, plus earnings previously credited on such contributions, made by the participant, pursuant to subsection 1.426(a)(2), and picked up by another Maryland employer, all of which are thereafter transferred to the plan; plus
- (4) The contributions, plus earnings previously credited on such contributions, made by the participant, pursuant to subsection 1.427(b)(4), and not picked up by another Maryland employer, all of which are thereafter transferred to the plan; plus
- (5) Interest on the amounts described in paragraphs (1) through (4) above computed on June 30 of each year as follows and compounded annually:

1 (i) Two and one-half percent of the amount contributed during the current plan year
2 and 0.42 percent per month for any amount transferred pursuant to subsections
3 1.426(a)(2) and 1.427(b)(4) during the current plan year.

4 (ii) Five percent of any amount contributed or transferred prior to the current plan year.

5 (iii) Effective July 1, 2006, interest on the amounts described in paragraphs (1) through
6 (4) above for any participant who reached his or her termination date before
7 receiving credit for at least five years of eligibility service shall be two percent
8 computed on June 30 of each year and compounded annually, starting on the June
9 30 following the participant's termination date.

10 ~~[(w)]~~(x) *Employer* means:

11 (1) The County with respect to employees of the County;

12 (2) The Howard County Economic Development Authority with respect to employees of
13 the Authority;

14 (3) The Howard Soil Conservation District with respect to employees of the District; and

15 (4) The Howard County Housing Commission with respect to employees of the
16 Commission.

17 ~~[(x)]~~(y) *Employment commencement date* means the date on which a covered individual first
18 performs an hour of service.

19 ~~[(y)]~~(z) *Fully benefited employee* means a covered individual who is not a partially benefited
20 employee.

21 ~~[(z)]~~(aa) *Government employer* means the United States of America, the State of Maryland,
22 any political subdivision within the State of Maryland, as well as any State, Commonwealth,
23 Municipality or political subdivision within the United States of America.

24 ~~[(aa)]~~(AB) *Hour of service*.

25 (1) *Hour of service* means each hour for which an individual, in his or her capacity as a
26 covered individual, is directly or indirectly paid, or entitled to payment, for the
27 performance of duties for the County.

28 (2) Hours of service include normal working hours, paid holidays, compensatory hours,
29 disability leave and other paid leave, but not overtime hours.

30 (3) In addition, hours of service include annual leave, but not annual leave for which a
31 covered individual is paid as a result of his or her termination date.

1 (4) Hours of service also include hours for which an individual is not paid, but would be
2 entitled to payment except for a temporary furlough declared by the County.

3 ~~[(ab)]~~(AC) *Internal Revenue Code* means the Internal Revenue Code of 1986, or any provision
4 or section thereof herein specifically referred to, as such Code, provision or section may from
5 time to time be amended or replaced.

6 ~~[(ac)]~~(AD) *Leave of absence* means an absence from active service, approved in advance by the
7 employer, which does not constitute a termination of employment, and during which the covered
8 individual completes no hours of service and is not paid.

9 ~~[(ad)]~~(AE) *Maryland employer* means the State of Maryland, as well as any other political
10 subdivision within the State of Maryland.

11 ~~[(ae)]~~(AF) *Maryland Employer Retirement Plan* means a retirement plan of a Maryland
12 employer to which the provisions of title 37 of the State Personnel and Pensions Article of the
13 Annotated Code of Maryland apply.

14 ~~[(af)]~~(AG) *Maryland State Retirement Systems* means, collectively, the Employees' Retirement
15 System of the State of Maryland and the Employees' Pension System of the State of Maryland.

16 ~~[(ag)]~~ (AH) *Military service* means active military duty in the Armed Forces of the United
17 States, including initial training and call-ups to active Federal duty with the National Guard or
18 Military Reserve.

19 ~~[(ah)]~~(AI) Normal retirement date.

20 (1) Normal retirement date means the earlier of:

21 (i) The first day of the month coincident with or next following the date on which the
22 participant has completed 30 years of eligibility service; and

23 (ii) The first day of the month coincident with or next following the date on which all
24 of the following have occurred:

25 a. The participant has attained age 62;

26 b. The participant has completed at least two years of eligibility service; and

27 c. The sum of the participant's attained age in whole years and years of eligibility
28 service equals at least 67.

29 (2) *Normal retirement date* means, for a participating corrections employee OR A
30 PARTICIPATING DEPUTY SHERIFF, the earliest of:

- 1 (i) The first day of the month coincident with or next following the date on which the
2 participant has completed 30 years of eligibility service;
- 3 (ii) The first day of the month coincident with or next following the date on which all
4 of the following have occurred:
- 5 a. The participant has attained age 62;
- 6 b. The participant has completed at least two years of eligibility service; and
- 7 c. The sum of the participant's attained age in whole years and years of eligibility
8 service equals at least 67;
- 9 (iii) The date that is the later of:
- 10 a. January 1, 2003; and
- 11 b. The first day of the month coincident with or next following the date on which
12 the participant has completed 25 years of eligibility service; and
- 13 (iv) The date that is the later of:
- 14 a. July 1, 2005; and
- 15 b. The first day of the month coincident with or next following the date on which
16 the participant has completed 20 years of eligibility service.

17 ~~[[ai]]~~(AJ) *Partially benefited employee.*

18 (1) *Partially benefited employee* means a part-time employee of the County who prior to
19 July 1, 1995, was scheduled to work at least 50 percent of the regularly scheduled
20 workweek for his or her position in the miscellaneous exempt service with a Class Code
21 of 3201, 3203, 3211, 3212, 3213, 3214, 3215, 3221, 3222, 3223, 3230, 7751 or 7752.

22 (2) A partially benefited employee shall not be credited with a year of creditable service (or
23 1/12 increments thereof) for any calendar month any portion of which he or she is
24 classified as such, and a partially benefited employee shall not be credited with hours of
25 service for purposes of determining years of eligibility service.

26 ~~[[aj]]~~(AK) *Participant* means any covered individual who is currently benefitting under the
27 plan, and, where appropriate according to the context of the plan, any former covered individual
28 who is or may become (or whose beneficiaries may become) eligible to receive a benefit under
29 the plan. Effective January 1, 2009, participant includes a person receiving differential wage
30 payments as defined in Section 3401(h) of the Internal Revenue Code.

1 ~~[(ak)]~~(AL) *Participating corrections employee* means any corrections employee during the
2 period when he or she voluntarily elects participation under the provisions of subsection 1.410(a)
3 of this subtitle or meets the provisions for mandatory participation under subsection 1.410(b) of
4 this subtitle and has not had a change in employment status as described in subsection 1.410(c)
5 of this subtitle.

6 (AM) PARTICIPATING DEPUTY SHERIFF MEANS A DEPUTY SHERIFF WHOSE FIRST DAY OF
7 EMPLOYMENT AS A DEPUTY SHERIFF OCCURS AFTER JUNE 30, 2021.

8 ~~[(al)]~~(AN) *Per-pay compensation* means, for a particular paycheck, the participant's base pay
9 (including longevity payments and performance awards, to the extent paid prior to July 30,
10 1999), as reflected in such paycheck, determined without regard to:

- 11 (1) Overtime, bonuses and other extra remuneration;
 - 12 (2) Amounts in excess of the per-pay equivalent of the applicable dollar limit under Section
13 401(a)(17) of the Internal Revenue Code and regulations promulgated thereunder as of
14 the first day of the plan year;
 - 15 (3) Contributions, credits or benefits under this plan or under any other retirement, deferred
16 compensation, fringe benefit or employee welfare benefit plan; or
 - 17 (4) Direct reimbursement for expenses;
- 18 provided, however, that per-pay compensation shall include any amount that would have
19 qualified as base pay but for the fact that it constitutes salary reduction under any plan
20 described in Section 414(h)(2), 457(b) or 125 of the Internal Revenue Code.

21 ~~[(am)]~~(AO) *Per-pay Social Security taxable wage base* means, for a particular paycheck, the
22 Social Security taxable wage base in effect for the calendar year divided by 26.

23 ~~[(an)]~~(AP) *Plan* means the Howard County Retirement Plan, as set forth herein, and as
24 amended from time to time.

25 ~~[(ao)]~~(AQ) *Plan year* means the 12-month period ending on the last day of the month of June.

26 ~~[(ap)]~~(AR) *Police and Fire Pension Plan*. The Howard County Police and Fire Employees
27 Retirement Plan, as amended from time to time.

28 ~~[(aq)]~~(AS) *Reemployment commencement date* means the date on which a covered individual
29 first performs an hour of service after a period during which no hours of service were performed
30 by reason of the occurrence of the covered individual's termination date or otherwise.

1 ~~[(ar)]~~(AT) *Social Security taxable wage base* means, with respect to any calendar year, the
2 maximum amount of earnings which may be considered wages under Section 3121(a)(1) of
3 the Internal Revenue Code for purposes of the tax imposed under Section 3101(a) of the
4 Internal Revenue Code.

5 ~~[(as)]~~(AU) *Spouse* means an individual who is married to a participant. Spouse includes
6 same-sex and opposite-sex spouses except where Federal law requires a different meaning.

7 ~~[(at)]~~(AV) *Termination date* means the date of the first to occur of:
8 (1) A termination of employment by reason of resignation, discharge, mutual agreement,
9 total and permanent disability, retirement or death;
10 (2) The date on which a leave of absence expires without a return to active employment; or
11 (3) The date on which the individual ceases to be an employee of Howard County.

12 ~~[(au)]~~(AW) *Trust* means the trust fund established pursuant to the plan, maintained in
13 accordance with the terms of the trust agreement, as from time to time amended, between the
14 County and the trustees, which trust agreement constitutes a part of the plan; where appropriate
15 according to the context, the term trust shall also refer to said trust agreement.

16 ~~[(av)]~~(AX) *Trustees* means, collectively, the trustee or trustees named in the trust and such
17 successor and/or additional trustees as may be named pursuant to the terms of the trust.

18 ~~[(aw)]~~(AY) *Years of Class A creditable service* means, for a participant who has earned 12 or
19 more years of creditable service as a participating corrections employee, the participant's total
20 years of creditable service, and for a participant who has earned less than 12 years of creditable
21 service as a participating corrections employee, an amount equal to the lesser of:
22 (1) Twice the participant's years of creditable service earned as a participating corrections
23 employee; and
24 (2) The participant's total years of creditable service.

25 ~~[(ax)]~~(AZ) *Years of Class B creditable service* means an amount equal to the participant's
26 total years of creditable service less his or her years of Class A creditable service.

27 ~~[(ay)]~~(AAA) *Years of Class C creditable service* means an amount equal to the participant's
28 total years of creditable service less the sum of his or her years of Class A creditable service plus
29 his or her years of Class D creditable service.

30 ~~[(az)]~~(AAB) *Years of Class D creditable service* means an amount equal to the greater of:

1 (1) His or her years of County plan creditable service earned as of December 31, 1997
2 minus one-half of his or her years of Class A creditable service; and

3 (2) Zero years of service.

4 ~~[(aaa)]~~(AAC) *Year of County plan creditable service* means, for a participant who has elected to
5 receive credit for service under the Maryland State Retirement Systems pursuant to subsection
6 1.417(d), an amount equal to the lesser of:

7 (1) Twice the participant's years of creditable service earned with respect to service as a
8 covered individual on and after July 1, 1995; or

9 (2) The participant's total years of creditable service.

10 ~~[(aab)]~~((AAD) *Year of creditable service.*

11 (1) Subject to subsection 1.415(b) and except as provided in sections 1.413, 1.414, 1.418
12 and subsection 1.428(c), a covered individual shall be credited with 1/12 of a year of
13 creditable service for each calendar month during which he or she is classified as a full-
14 time, fully benefited employee for the entire month.

15 (2) A covered individual shall not be credited with years of creditable service (or 1/12
16 increments thereof) for any calendar month during any portion of which he is classified
17 as a partially benefited employee.

18 ~~[(aac)]~~((AAE) *Year of eligibility service.*

19 (1) *Year of eligibility service* means, subject to subsection 1.415(a) and except as provided
20 in sections 1.413, 1.414, 1.418 and 1.419, any plan year during which a covered
21 individual completes at least 900 hours of service as a fully benefited employee.

22 (2) For purposes of determining years of eligibility service, a covered individual shall not
23 be credited with hours of service as a partially benefited employee.

24 ~~[(aad)]~~((AAF) *Year of State plan creditable service* means, for a participant who has elected to
25 receive credit for service under the Maryland State Retirement Systems pursuant to subsection
26 1.417(d), an amount equal to the difference between the participant's total years of creditable
27 service and his or her years of County plan creditable service.

28
29 **Section 1.410. - Participating corrections employees AND PARTICIPATING DEPUTY**
30 **SHERIFFS—Eligibility.**

1 (a) *Voluntary Participation.* A covered individual who is a corrections employee on or
2 before December 31, 1997 may elect to become a participating corrections employee effective
3 January 1, 1998 and until the individual's termination date, or, if earlier, until he or she ceases to
4 be a corrections employee. Such election shall be irrevocable, shall be made on a written
5 application supplied by the County and shall contain an agreement to make, as a condition of the
6 individual's continued employment with the County as a corrections employee, participant
7 contributions as provided in subsection 1.426(a)(1)(ii). If an otherwise eligible corrections
8 employee fails to return the completed application to the coordinator by January 9, 1998, he or
9 she shall not be eligible to become a participating corrections employee.

10 (b) *Mandatory Participation.*

11 (1) An individual who becomes a corrections employee after December 31, 1997 shall
12 become a participating corrections employee on the date he or she first performs an hour
13 of service as a corrections employee.

14 (2) AN INDIVIDUAL WHO BECOMES A DEPUTY SHERIFF AFTER JUNE 30, 2021 SHALL BECOME A
15 PARTICIPATING DEPUTY SHERIFF ON THE DATE HE OR SHE FIRST PERFORMS AN HOUR OF
16 SERVICE AS A DEPUTY SHERIFF.

17 (c) *Change of Employment Status.*

18 (1) A PARTICIPATING corrections employee OR A PARTICIPATING DEPUTY SHERIFF who,
19 because of a change in position classification, remains a covered individual but ceases to
20 be a corrections employee OR A DEPUTY SHERIFF, will cease to be either a participating
21 corrections employee OR A PARTICIPATING DEPUTY SHERIFF as of the date of the change.

22 ~~[[such]]~~ SUCH a covered individual:

23 ~~[[(1)]]~~ (I) Will no longer make the contributions described in subsection 1.426(a) of this
24 subtitle;

25 ~~[[(2)]]~~ (II) Will not be subject to the special normal retirement date for participating
26 corrections employees AND PARTICIPATING DEPUTY SHERIFFS in section 1.428(B); and

27 ~~[[(3)]]~~ (III) Will be subject to the benefit calculations of subsection 1.428(A), (c) or (d), as
28 applicable.

29 (2) IF A COVERED INDIVIDUAL RETIRES ~~ON OR AFTER JULY 1, 2021~~ WITHIN 5 YEARS AFTER A
30 CHANGE IN POSITION CLASSIFICATION THAT OCCURRED ON OR AFTER JULY 1, 2021 AND
31 PURSUANT TO WHICH THE ELIGIBLE INDIVIDUAL BECOMES A PARTICIPATING CORRECTIONS

1 EMPLOYEE OR A PARTICIPATING DEPUTY SHERIFF, THE BENEFITS PAYABLE WITH RESPECT TO
2 THE YEARS OF CREDITABLE SERVICE EARNED PRIOR TO THE DATE OF THE CHANGE IN
3 POSITION CLASSIFICATION MAY NOT BE GREATER THAN THE BENEFITS THAT WOULD HAVE
4 BEEN PAYABLE WITH RESPECT TO THAT SERVICE IF THE INDIVIDUAL HAD NOT BECOME A
5 PARTICIPATING CORRECTIONS EMPLOYEE OR A PARTICIPATING DEPUTY SHERIFF.

6 (3) HISTORICAL PROVISION. THE BENEFITS PAYABLE TO A COVERED INDIVIDUAL WHO
7 RETIRED BEFORE JULY 1, 2021 AFTER A CHANGE IN POSITION CLASSIFICATION TO OR FROM
8 A PARTICIPATING CORRECTIONS EMPLOYEE SHALL BE DETERMINED IN THE MANNER
9 DESCRIBED IN SECTION 1.419.

10 (d) *Reemployment.*

11 (1) A corrections employee who, after reaching a termination date, is rehired by the County
12 as a corrections employee after December 31, 1997 will be subject to the provisions of
13 subsection (b) of this section 1.410.

14 (2) A DEPUTY SHERIFF WHO, AFTER REACHING A TERMINATION DATE, IS REHIRED AS A DEPUTY
15 SHERIFF AFTER JUNE 30, 2021 WILL NOT BE SUBJECT TO THE PROVISIONS OF SUBSECTION
16 (B) OF THIS SECTION 1.410 IF AND ONLY IF THE DEPUTY SHERIFF WAS SUBJECT TO THE
17 PROVISIONS OF SUBSECTION (B) OF THIS SECTION 1.410 PRIOR TO HIS OR HER TERMINATION
18 DATE .

19
20 **Title 1. Human Resources.**

21 **Subtitle 4. Howard County Pension Plans.**

22 **Article III. Trust Fund.**

23
24 **Section 1.426. - Pick-up contributions.**

25 Under limited circumstances described below, participant contributions and monies from
26 other Government employers may be accepted by the plan.

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

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

29 (i) Effective with the first paycheck issued after December 31, 2013, and in
30 accordance with rules established by the county, each participant, other than an
31 AFSCME Local 3085 employee or a participating corrections employee, shall

1 make contributions to the plan equal to three percent of his or her per-pay
2 compensation.

3 (ii) Effective with the paycheck issued January 30, 1998, and in accordance with rules
4 established by the County and in lieu of the contributions described in
5 subparagraphs 1.426(a)(1)(i), (vii) and (viii), each participant who is classified as a
6 participating corrections employee shall make contributions to the plan equal to
7 eight and one-half percent of his or her per-pay compensation.

8 (iii) Effective with the first paycheck issued after June 30, 2011, and in accordance
9 with rules established by the County and in lieu of the contributions described in
10 subparagraphs 1.426(a)(1)(i), (vii) and (viii), each participant who is classified as
11 an AFSCME Local 3085 employee shall make contributions to the plan equal to
12 three percent of his or her per-pay compensation. The contributions under this
13 subparagraph (iii) shall be made only during the period when the participant is an
14 AFSCME Local 3085 employee.

15 (IV) IN LIEU OF THE CONTRIBUTIONS DESCRIBED IN SUBPARAGRAPHS 1.426(A)(1)(I), (II)
16 AND (III), EACH PARTICIPATING DEPUTY SHERIFF HIRED AFTER JUNE 30, 2021 SHALL
17 MAKE CONTRIBUTIONS TO THE PLAN EQUAL TO EIGHT AND ONE-HALF PERCENT OF HIS
18 OR HER PER-PAY COMPENSATION.

19 ([[iv]]V) Notwithstanding subparagraphs (i), (ii), [[and]] (iii) AND (IV) of this
20 paragraph, in those calendar years in which the County issues 27 paychecks, no
21 participant contributions shall be required with respect to per-pay compensation
22 reflected in the 27th paycheck of the calendar year.

23 ([[v]]vi) The participant contributions referred to in this paragraph shall be:

- 24 a. Picked up by the employer, as described in Section 414(h)(2) of the Internal
25 Revenue Code;
- 26 b. Deducted from the pay of the contributing participants as salary reduction
27 contributions; and
- 28 c. Paid by the employer to the trustees [[within]] WITH reasonable promptness
29 after the total of such contributions during any month has been determined, and
30 in any event by the end of the succeeding month.

1 ([[vi]]VII) The contributions made pursuant to this paragraph (1) shall be made a part of
2 the participant's employee contributions benefit, that is, a part of his or her accrued
3 benefit.

4 ([[vii]]VIII) Effective with the paycheck issued July 21, 1995 and continuing through
5 the paycheck issued July 30, 1999, in accordance with rules established by the
6 County, each participant who is classified as a fully benefited employee shall make
7 contributions to the plan equal to the sum of:

8 a. Two percent of the participant's per-pay compensation; and

9 b. Two percent of the participant's per-pay compensation which exceeds the
10 applicable per-pay Social Security taxable wage base.

11 (b) *Suspension of Contributions.*

12 (1) A participant's salary reduction contributions shall be automatically suspended for any
13 payroll period during which the participant is not a covered individual or during which
14 he or she is on a leave of absence; provided, however, that a participant's salary
15 reduction contributions shall be continued for any payroll period during which the
16 participant is receiving differential wage payments as defined in Section 3401(h) of the
17 Internal Revenue Code.

18 (2) The salary reduction contributions pursuant to subsection 1.426(a)(1)(ii) of a participant
19 who is a participating corrections employee OR A PARTICIPATING DEPUTY SHERIFF shall
20 no longer be required for any period after which the participant has received credit for
21 20 years of creditable service, and the participant's salary reduction contributions
22 pursuant to subsection 1.426(a)(1)(ii) OR 1.426(A)(1)(IV) shall be suspended as of the
23 last day of the payroll period that includes such date.

24 (c) *Withdrawals of Pick-Up Contributions.*

25 (1) The employee contributions benefit shall be returned to a participant who has reached
26 his or her termination date as provided in subsection (c) and (d) of section 1.432.

27 (2) A cash-out shall constitute full payment of all benefits due to such participant under the
28 plan.

29 (d) *Forfeiture of Remaining Accrued Benefit.* In the event of a cash-out to a participant pursuant
30 to subsection (c) or (d) of section 1.432, then, subject to restoration provided in subsection

1 1.408(d), the entire remaining portion of his or her accrued benefit shall be forfeited by the
2 participant.

3 (e) *Vesting of Pick-Up Contributions.* Notwithstanding any provisions of this plan to the
4 contrary, participant contributions, picked up either by the employer or by other Maryland
5 employers and made or transferred to the plan, shall be fully vested at all times.

6 (f) *Payment of Benefits.* Subject to the limitations described in subsections (c) and (d) of section
7 1.432, the benefits purchased from the participant's contributions shall be payable at the same
8 time, in the same manner, and, in the event of the participant's death, to the same beneficiary or
9 beneficiaries, as is the remainder of the participant's accrued benefit.

10 (g) *Plan Termination.* In the event of a termination of the plan, distribution to each participant of
11 the portion of his or her accrued benefit attributable to the participant's contributions picked up
12 by the employer shall, notwithstanding any other provision of section 1.469, be treated as a
13 priority distribution ahead of any other distribution to participants based upon the remainder of
14 the trust, other than those attributable to contributions made pursuant to section 1.427.

15

16 **Section 1.428. - Normal retirement.**

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

21 (a) *Current Provision—Amount of Monthly Retirement Income—Participant Who Reaches a*
22 *Termination Date On or After January 1, 2014.*

23 (1) Subject to subsection (j) of this section and section 1.408(d) of this subtitle, and subject
24 to the limitations set forth in section 1.433 of this subtitle, the amount of the monthly
25 retirement income of an employee who:

26 (i) Is not an AFSCME Local 3085 employee, ~~[[or]]~~ a participating corrections
27 employee OR A PARTICIPATING DEPUTY SHERIFF; and

28 (ii) Who reaches a termination date on or after January 1, 2014 shall be equal to the
29 sum of paragraphs (iii) and (iv) of this subsection where:

30 (iii) Equals:

31 a. 1.66 percent of the participant's average compensation;

1 b. Multiplied by the participant's years of creditable service earned after June 30,
2 2012; and

3 (iv) Equals:

4 a. 1.55 percent of the employee's participant's average compensation;

5 b. Multiplied by the participant's years of creditable service earned prior to July
6 1, 2012.

7 (2) For purposes of this subsection (a), (i) a participant's years of creditable service earned
8 prior to July 1, 2012 will include creditable service earned on account of military
9 service, transferred service or purchased service if the actual dates of service occurred
10 prior to July 1, 2012 and (ii) a participant's years of creditable service earned after June
11 30, 2012 will include creditable service earned on account of military service,
12 transferred service or purchased service if the actual dates of service occurred after June
13 30, 2012.

14 (3) Notwithstanding paragraphs (1) and (2) above, the benefit attributable to years of
15 creditable service earned prior to July 1, 2012 as an AFSCME Local 3085 employee by
16 a participant described in this subsection (a) shall be calculated by multiplying 1.66
17 percent of his or her average compensation times such years of creditable service.

18 (b) *Current Provision*—Amount of Monthly Retirement Income Participant Who is a
19 PARTICIPATING DEPUTY SHERIFF OR A Participating Corrections Employee [[and]] WHO Reaches
20 a Termination Date On or After June 30, 2005. Subject to subsection (j) of this section and
21 section 1.408(d) of this subtitle, and subject to the limitations set forth in section 1.433 of this
22 subtitle, the amount of the monthly retirement income of A PARTICIPATING DEPUTY SHERIFF OR a
23 participating corrections employee who reaches a termination date on or after June 30, 2005,
24 shall be equal to the sum of paragraphs (1) and (2) where:

25 (1) Equals:

26 (i) Two and one-half percent of the participant's average compensation;

27 (ii) Multiplied by the participant's years of creditable service to a maximum of 20 years
28 of creditable service; and

29 (2) Equals:

30 (i) One percent of the participant's average compensation;

1 (ii) Multiplied by the participant's years of creditable service in excess of 20 years of
2 creditable service (but not in excess of 30 years of creditable service).

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

9 (1) Equals:

10 (i) 1.66 percent of the participant's average compensation;

11 (ii) Multiplied by the participant's years of creditable service earned as an AFSCME
12 Local 3085 employee; and

13 (2) Equals:

14 (i) 1.55 percent of the employee's participant's average compensation;

15 (ii) Multiplied by the participant's years of creditable service other than his or her years
16 of creditable service earned as an AFSCME Local 3085 employee. For purposes of
17 this subsection (c), all years of creditable service earned prior to July 1, 2011 by a
18 participant who was an AFSCME Local 3085 employee on June 30, 2011 will be
19 considered years of creditable service as an AFSCME Local 3085 employee.

20 (d) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Became a*
21 *Corrections Employee After December 31, 1997 and Reached a Termination Date Between July*
22 *30, 1999 and June 30, 2005.* Subject to subsection (j) of this section and section 1.408(d) of this
23 subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the amount of the
24 monthly retirement income of a participant who earned his or her first hour of service as a
25 corrections employee after December 31, 1997 and who reached a termination date between July
26 30, 1999 and June 30, 2005 shall be equal to the sum of paragraphs (1) and (2) of this subsection
27 where:

28 (1) Equals:

29 (i) Two percent of the participant's average compensation;

30 (ii) Multiplied by the participant's years of creditable service as a participating
31 corrections employee, to a maximum of 30 year[s] of creditable service; and

1 (2) Equals:

2 (i) 1.55 percent of the participant's average compensation.

3 (ii) Multiplied by the participant's years of creditable service (if any) not earned as a
4 corrections employee.

5 (e) *Historical Provisions—Amount of Monthly Retirement Income—Participant Who Elected to*
6 *Become a Participating Corrections Employee as of January 1, 1998 and Reached a*
7 *Termination Date Between July 30, 1999 and June 30, 2005.* Subject to subsection (j) of this
8 section and subsection 1.408(d) of this subtitle, and subject to the limitations set forth in section
9 1.433 of this subtitle, the amount of the monthly retirement income of a corrections employee
10 who elected to become a participating corrections employee as of January 1, 1998 and who
11 reached a termination date between July 30, 1999 and June 30, 2005 pursuant to subsection
12 1.410(a) of this subtitle shall be equal to the sum of paragraphs (1) and (2) where:

13 (1) Equals:

14 (i) 1.55 percent of the participant's average compensation;

15 (ii) Multiplied by the participant's years of Class B creditable service and

16 (2) Equals:

17 (i) Two percent of the participant's average compensation;

18 (ii) Multiplied by the participant's years of Class A creditable service.

19 (f) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Became a*
20 *Covered Individual After June 30, 1995 and Reached a Termination Prior to July 30, 1999.*
21 Subject to subsection (j) of this section and subsection 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 became a covered individual after June 30, 1995 and who reached a
24 termination date prior to July 30, 1999 shall be equal to:

25 (1) The sum of 1.3 percent of the participant's average compensation and one-half percent
26 of the participant's average compensation that exceeded 1/12 of his or her covered
27 compensation;

28 (2) Multiplied by the participant's years of creditable service.

29 (g) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Has Elected*
30 *to Receive Service Under The Maryland State Retirement Systems and Reached a Termination*
31 *Prior to July 30, 1999.* Subject to subsection (j) of this section and subsection 1.408(d) of this

1 subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the amount of the
2 monthly retirement income of a participant who has elected to receive credit for service under
3 the Maryland State Retirement Systems pursuant to subsection 1.417(d) of this subtitle and who
4 reached a termination date prior to July 30, 1999 shall be equal to the sum of paragraphs (i) and
5 (2) of this subsection, where:

6 (1) Equals:

7 (i) The sum of 0.8 percent of the participant's average compensation and 0.7 percent of
8 the participant's average compensation that exceeded 1/12 of his or her covered
9 compensation;

10 (ii) Multiplied by the participant's years of state plan creditable service, and

11 (2) Equals:

12 (i) The sum of 1.3 percent of the participant's average compensation and one-half
13 percent of the participant's average compensation that exceeded 1/12 of his or her
14 covered compensation;

15 (ii) Multiplied by the participant's years of County plan creditable service.

16 (h) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Elected to*
17 *Become a Participating Corrections Employee as of January 1, 1998 and Reached a*
18 *Termination Date Prior to July 30, 1999.* Subject to subsection (j) of this section and subsection
19 1.408(d) of this subtitle, and subject to the limitations set forth in section 1.433 of this subtitle,
20 the amount of the monthly retirement income of a corrections employee who elected to become a
21 participating corrections employee as of January 1, 1998 pursuant to subsection 1.410(a) of this
22 subtitle shall be equal to the sum of paragraphs (1), (2) and (3), where:

23 (1) Equals:

24 (i) The sum of 0.8 percent of the participant's average compensation and 0.7 percent
25 of the participant's average compensation that exceeded 1/12 of his or her covered
26 compensation;

27 (ii) Multiplied by the participant's years of Class C creditable service; and

28 (2) Equals:

29 (i) The sum of 1.3 percent of the participant's average compensation and one-half
30 percent of the participant's average compensation that exceeded 1/12 of his or her
31 covered compensation;

(ii) Multiplied by the participant's years of Class D creditable service; and

(3) Equals:

(i) Two percent of the participant's average compensation;

(ii) Multiplied by the participant's years of Class A creditable service.

(i) *Historical provision—Amount of monthly retirement income—Participant who reached a termination date on or after July 30, 1999 and prior to January 1, 2014.* Subject to subsection (j) of this section and section 1.408(d) of this subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the amount of the monthly retirement income of a participant who reaches a termination date on or after July 30, 1999 shall be equal to:

(1) 1.55 percent of the participant's average compensation;

(2) Multiplied by the participant's years of creditable service.

(j) *Unused disability leave.*

(1) For purposes of determining the amount of the participant's retirement benefit payable pursuant to sections 1.428—1.432, and for purposes of determining the amount of a surviving spouse annuity benefit pursuant to subsection 1.439(b), the participant shall receive additional years of creditable service for unused disability leave.

(2) Such unused disability leave shall be credited at the rate of 1/12 of a year of creditable service for each 22 days of unused disability leave accrued by the participant as of his or her termination date.

(3) If, after crediting unused disability leave in multiples of 22 days, 11 or more days remain uncredited, the participant shall receive an additional 1/12 of a year of creditable service.

(4) Generally, the benefit attributable to years of creditable service for unused disability leave for a participating corrections employee shall be calculated by multiplying two percent of his or her average compensation times such years of creditable service. However, where a participating corrections employee receives a monthly benefit calculated under subsection 1.428(d) of this subtitle, the benefit attributable to his or her years of creditable service for unused disability leave shall be calculated by multiplying one percent of his or her average compensation times such years of creditable service.

(5) The benefit attributable to years of creditable service for unused disability leave for a participant who reaches his or her termination date as an AFSCME Local 3085

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

- 3 (6) The benefit attributable to years of creditable service for unused disability leave for a
4 participant, other than an AFSCME Local 3085 employee or a participating corrections
5 employee, who reaches his or her termination date on or after January 1, 2014 shall be
6 calculated by multiplying 1.66 percent of his or her average compensation times such
7 years of creditable service.

8
9 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that***
10 ***this Act shall become effective 61 days after its enactment.***

Amendment 1 to Council Bill No. 27-2021

BY: The Chairperson at the request
of the County Executive

Legislative Day 7
Date: May 3, 2021

Amendment No. 1

(This amendment corrects provisions to comply with Federal Tax Law related to the reemployment of sheriffs so that they may not change contributions upon rehire.)

- 1 On page 15, in line 29, strike "ON OR AFTER JULY 1, 2021".
- 2
- 3 On page 15, in line 30, after "CLASSIFICATION" insert "THAT OCCURRED ON OR AFTER JULY 1,
- 4 2021 AND".
- 5
- 6 On page 16, in line 15, strike "NOT".
- 7
- 8 On page 16, in line 16 after "1.410" insert "IF AND ONLY IF THE DEPUTY SHERIFF WAS SUBJECT TO
- 9 THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION 1.410 PRIOR TO HIS OR HER TERMINATION
- 10 DATE".

I certify this is a true copy of

Amendment 1 to CB 27-2021

passed on May 3, 2021

Michelle O'Leary
Council Administrator

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on

May 10, 2021

Michelle Harrod
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2021.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2021.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2021.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2021.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2021.

Michelle Harrod, Administrator to the County Council

Introduced _____

Public Hearing _____

Council Action _____

Executive Action _____

Effective Date _____

County Council of Howard County, Maryland

2021 Legislative Session

Legislative Day No. 6

Bill No. 27-2021

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

AN ACT amending the Howard County Retirement Plan in order to create an enhanced normal retirement benefit for Deputy Sheriffs hired on or after July 1, 2021, adding and amending certain definitions; increasing the amount of employee pick up contributions to be made by participating Deputy Sheriffs, changing the normal retirement age for participating Deputy Sheriffs and generally relating to the Howard County Retirement Plan.

Introduced and read first time _____, 2021. Ordered posted and hearing scheduled.

By order _____
Theo Wimberly, Acting 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 _____, 2021.

By order _____
Theo Wimberly, Acting Administrator

This Bill was read the third time on _____, 2021 and Passed _____, Passed with amendments _____, Failed _____.

By order _____
Theo Wimberly, Acting Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2021 at ___ a.m./p.m.

By order _____
Theo Wimberly, Acting Administrator

Approved/Vetoed by the County Executive _____, 2021

Calvin Ball, 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 Howard County Code is**
2 **amended as follows:**

- 3 1. *By Amending Title 1, Human Resources*
4 *Subtitle 4 Howard County Pension Plans*

5 *Section 1.406 Definitions*

6 *Section 1.410. - Participating Corrections Employees and Participating Deputy*
7 *Sheriffs—Eligibility.*

8 *Section 1.426 Pick Up Contributions*

9 *Section 1.428-Normal Retirement Age*

10
11 **Title 1. Human Resources.**

12 **Subtitle 4. Howard County Pension Plans.**

13 **Article 1. Generally.**

14
15 **Section 1.406. - Definitions.**

16 The following terms, as used herein, unless a different meaning is clearly implied by the
17 context, shall have the following meanings:

18 (a) *Accrued benefit.*

- 19 (1) *Accrued benefit* means the benefit to which a participant is entitled, pursuant to the
20 provisions of sections 1.428—1.432, expressed as the normal form of monthly benefit
21 commencing at normal retirement date or the actuarial equivalent thereof.
- 22 (2) The accrued benefit as of any date preceding the participant's normal retirement date,
23 but expressed as aforesaid, shall be the monthly benefit computed pursuant to section
24 1.429, 1.431 or 1.432.
- 25 (3) In no event, however, shall the accrued benefit exceed the maximum limitation
26 determined, as of the date of computation, pursuant to section 1.433.
- 27 (4) (i) The portion of the participant's accrued benefit attributable to the participant's
28 contributions made pursuant to sections 1.426 and 1.427 shall be equal to the
29 actuarial equivalent of the participant's employee contributions benefit, expressed
30 as the normal form of monthly benefit commencing at normal retirement date.
- 31 (ii) The portion of the participant's accrued benefit attributable to employer
32 contributions shall be the remainder, if any, of the accrued benefit.

1 (b) *Actuarial equivalent* means a form of benefit differing in time, period or manner of
2 payment from a specific benefit provided under the plan but having the same value when
3 computed based upon the following:

4 Pre-retirement and post-retirement:

5 GAM 83 Mortality Table (blended 50 percent male, 50 percent female)

6 Eight percent per annum interest rate.

7 Cost of living adjustment:

8 Three percent per annum compounded.

9 The foregoing factors, to the extent applicable, shall be utilized (whether or not there is a specific
10 reference to this definition) whenever in the administration of the plan a calculation of actuarial
11 equivalence is to be made.

12 (c) *Actuarial reduction*.

13 (1) *Actuarial reduction* means a reduction which will cause a benefit with a starting date
14 which precedes a participant's normal retirement date to be the actuarial equivalent of
15 the benefit which would otherwise have been payable at such normal retirement date.

16 (2) However, notwithstanding any factors set forth in the definition of actuarial equivalent:

17 (i) For participants who reach a termination date on or before August 31, 2002, the
18 reduction shall be equal to one-half percent of the benefit for each month by which
19 the participant's benefit commencement date precedes the first day of the month
20 coincident with or next following the date on which the participant attains age 62;
21 and

22 (ii) For participants who reach a termination date after August 31, 2002, the reduction
23 shall be equal to one-half percent of the benefit for each month by which the
24 participant's benefit commencement date precedes the first day of the month
25 coincident with or next following:

26 a. The date on which the participant attains age 62; or

27 b. If earlier, the date on which the participant would earn 30 years of eligibility
28 service if the participant continued in employment with the County as a
29 covered individual.

30 (d) *Administrator* means the Retirement Plan Committee established pursuant to section 1.455.

1 (e) *AFSCME Local 3085 employee* means a covered individual employed by the County in a
2 job class represented by Local 3085 of the American Federation of State, County and Municipal
3 Employees.

4 (f) *Average compensation.*

5 (1) *Average compensation* means the average monthly rate of a participant's compensation,
6 equal to 1/36th of the total amount of a participant's compensation for the 36
7 consecutive full calendar months of the participant's employment which produce the
8 highest average.

9 (2) Except as provided in subsection 1.431(d), the average compensation of a participant
10 who was not employed on a full-time basis shall be calculated using the full-time
11 equivalent of the participant's compensation.

12 (3) Any calendar month during which a full-time participant was not employed on a full-
13 time basis or was on a leave of absence for all or any part of the month shall be
14 disregarded for purposes of the foregoing, and the existence of such calendar months
15 shall be ignored and shall not be counted in determining the 36 consecutive full
16 calendar months of the participant's employment which produce the highest average.

17 (4) If the participant's employment does not provide 36 consecutive full calendar months as
18 aforesaid, compensation for the participant's most recent 36 full calendar months of
19 employment will be totaled and divided by 36.

20 (5) If the participant's employment does not provide 36 full calendar months, compensation
21 for the participant's actual full months of employment will be totaled and divided by the
22 number thereof.

23 (g) *Beneficiary* means any person entitled to receive the benefits which are payable under the
24 plan upon or after the death of a participant.

25 (h) *Benefited employee.* Except as provided in paragraph (3) below, benefited employee means:

26 (1) A full-time employee of the County in the classified, Executive exempt or
27 miscellaneous exempt services; or

28 (2) A part-time employee of the County who is scheduled to work at least 50 percent of the
29 regularly-scheduled workweek for his or her position in the miscellaneous exempt
30 service.

31 (3) Benefited employee does not include:

1 (i) A partially benefited employee; or

2 (ii) An employee of the County hired after June 30, 1995 in the miscellaneous exempt
3 service with a Class Code^{*} of 5100, 5102, 5131, 5133, 5136, 5137, 7751 or 7752.

4 (4) A benefited employee shall include full-time or part-time employees of the Economic
5 Development Authority, the Howard County Housing Commission, and the Howard
6 Soil Conservation District; provided that benefited employees of the Howard County
7 Economic Development Authority, the Howard County Housing Commission, and the
8 Howard Soil Conservation District shall include only those part-time employees who
9 are scheduled to work at least 50 percent of the regularly scheduled workweek for their
10 positions.

11 (i) *Benefit commencement date* means the day on which the sole payment is made or the first
12 day of the period for which the first in a series of payments constituting the distribution of an
13 accrued benefit is made.

14 (j) *Break in service* means a calendar month with respect to which a fully benefited
15 employee is not credited with 1/12 of a year of creditable service on account of such fully
16 benefited employee's having reached his or her termination date.

17 (k) *Cash-out* means a distribution in settlement of a benefit otherwise payable under the plan,
18 and which is equal to the employee contributions benefit. Cash-out refers to a cash-out election
19 under subsection (c) of section 1.432 or a mandatory cash-out under subsection (d) of section
20 1.432.

21 (l) *C/L increase* means an automatic increase (without necessity of plan amendment) in a
22 dollar value set forth or described in the plan, for the purpose of reflecting increases in the cost
23 of living to the extent prescribed in or pursuant to regulations under Subsection 415(d) of the
24 Internal Revenue Code, but only to the extent permitted by the operative Internal Revenue Code
25 or regulatory provision specifically governing the dollar value in question.

26 (m) *Compensation*.

27 (1) *Compensation* means the monthly equivalent of the participant's legislated base annual
28 salary (including longevity payments and performance awards, to the extent paid prior
29 to July 30, 1999), determined without regard to:

30 (i) Overtime, bonuses and other extra remuneration;

1 (ii) Amounts in excess of 1/12 of the applicable dollar limit under Subsection
2 401(a)(17) of the Internal Revenue Code and regulations promulgated thereunder,
3 as adjusted by the Commissioner of the Internal Revenue Service for increases in
4 the cost of living in accordance with Subsection 401(a)(17)(B) of the Internal
5 Revenue Code;

6 (iii) Contributions, credits or benefits under this plan or under any other retirement,
7 deferred compensation, fringe benefit or employee welfare benefit plan; or

8 (iv) Direct reimbursement for expenses; provided, however, that compensation shall
9 include any amount that would have qualified as compensation but for the fact that
10 it constitutes salary reduction under any plan described in Subsection 414(h)(2),
11 457(b), 132(F) or 125 of the Internal Revenue Code.

12 (2) Notwithstanding the preceding, if a higher legislated base annual salary becomes
13 effective in the same month, such higher rate shall be used if in effect for a greater
14 number of days during the month than the rate in effect on the first day of the month.

15 (n) *Coordinator* means the specified employee of the County to whom certain administrative
16 duties may be delegated by the Administrator pursuant to subsection 1.454(d).

17 (o) *Corrections employee* means a covered individual employed by the County in one of the
18 following position classifications:

2229 Director of Corrections;

2227 Deputy Director of Corrections;

2225 Correctional Program Supervisor III;

2223 Correctional Captain;

2221 Corrections Program Supervisor II;

2219 Detention Center Nurse;

2217 Correctional Lieutenant;

2215 Correctional Specialist II;

2213 Correctional Specialist I;

2212 Correctional Technician;

- 2211 Correctional Sergeant;
- 2210 Correctional Sergeant- Dietary
- 2209 Correctional Supervisor I;
- 2207 Correctional Corporal;
- 2205 Correctional Officer;
- 2203 Probationary Correctional Officer; or
- 2201 Correctional Dietary Officer.

1 (p) *County* means the County of Howard, a body corporate and politic, duly organized and
2 existing under the laws of the State of Maryland.

3 (q) *Covered compensation.*

4 (1) *Covered compensation* means, for any participant as of any date, an annual amount
5 determined on the basis of the Social Security Act as in effect on the first day of the
6 plan year of determination for a participant who attained age 65 on the first day of the
7 plan year.

8 (2) This annual amount shall equal the average (without indexing) of the Social Security
9 taxable wage bases in effect for each calendar year during the 35-year period ending
10 with the last day of the calendar year in which the participant attains (or will attain) age
11 65.

12 (r) *Covered individual.*

13 (1) From the effective date through September 28, 1997, *covered individual* means:

14 (i) A benefited employee or a partially benefited employee:

15 a. Except for individuals participating in, or required as a condition of their
16 employment to participate in, the police and fire pension plan; and

17 b. Except as otherwise provided in subsection 1.407(a) of this subtitle with regard
18 to employees, who do not elect to participate in the plan;

19 (ii) Except for masters in chancery (Class Code 5615), a full-time employee in a State-
20 authorized exempt position and a part-time employee who is scheduled to work at
21 least 50 percent of the regularly scheduled workweek for such a position;

22 (iii) A benefited employee of the Howard County Economic Development Authority or
23 the Howard Soil Conservation District;

1 (iv) A member of the Howard County Council; or

2 (v) The Howard County Executive.

3 (2) Effective September 29, 1997, covered individual includes:

4 (i) A participant in the plan on September 28, 1997; or

5 (ii) A person who, on or after September 29, 1997, is or becomes:

6 a. A full-time employee in either the classified service (including a probationary
7 employee) or the Executive exempt service as described in subtitle 1 of this
8 title;

9 b. An employee in a part-time benefited position, as defined in section 1.308 of
10 this title;

11 c. An employee in a grant-funded position, as defined in section 1.307 of this
12 title;

13 d. A person who works in a State-authorized exempt position, as defined in
14 section 1.305 of this title;

15 e. A benefited employee of the Howard County Economic Development
16 Authority, the Howard County Housing Commission or the Howard Soil
17 Conservation District;

18 f. A member of the Howard County Council; or

19 g. The Howard County Executive.

20 (3) Effective September 29, 1997, covered individual does not include:

21 (i) Individuals participating in, or required as a condition of their employment to
22 participate in the police and fire plan;

23 (ii) Individuals who elected not to participate in the plan pursuant to section 1.407 of
24 this subtitle;

25 (iii) A contingent employee; or

26 (iv) A master in chancery (Class Code 1.13).

27 (s) *Deferred retirement* means retirement, as described in section 1.430, which occurs after the
28 participant's normal retirement date.

29 (T) DEPUTY SHERIFF MEANS AN ELIGIBLE INDIVIDUAL EMPLOYED IN A POSITION WITH ONE OF THE
30 FOLLOWING CLASS CODES:

2405	DEPUTY SHERIFF
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2406	DEPUTY FIRST CLASS
2407	CORPORAL DEPUTY SHERIFF
2409	SERGEANT DEPUTY SHERIFF
2411	LIEUTENANT DEPUTY SHERIFF
2413	CHIEF DEPUTY SHERIFF

1
2 ~~[(t)]~~(u) *Early retirement date.*

3 (1) For participants who reach a termination date on or before August 31, 2002, *early*
4 *retirement date* means any date occurring on or after the first date on which a
5 participant has attained age 55 and has completed at least 15 years of eligibility service.

6 (2) For participants who reach a termination date after August 31, 2002, *early retirement*
7 *date* means any date occurring on or after the first date on which a participant has:

- 8 (i) Attained age 55 and completed at least 15 years of eligibility service; or
9 (ii) Earned 25 years of eligibility service.

10 ~~[(u)]~~(v) *Effective date* means the effective date of the plan, which shall be July 1, 1995.

11 ~~[(v)]~~(w) *Employee contributions benefit* means the sum of the following amounts (net of any
12 previous distributions):

- 13 (1) The contributions made by the participant through salary reduction and picked up by the
14 County, as described in subsection 1.426(a)(1); plus
15 (2) The contributions made by the participant pursuant to section 1.427 which are not
16 picked up by the County; plus
17 (3) The contributions other than contributions comprising a participant's pick-up
18 contributions benefit pursuant to section 1.436, plus earnings previously credited on
19 such contributions, made by the participant, pursuant to subsection 1.426(a)(2), and
20 picked up by another Maryland employer, all of which are thereafter transferred to the
21 plan; plus
22 (4) The contributions, plus earnings previously credited on such contributions, made by the
23 participant, pursuant to subsection 1.427(b)(4), and not picked up by another Maryland
24 employer, all of which are thereafter transferred to the plan; plus
25 (5) Interest on the amounts described in paragraphs (1) through (4) above computed on
26 June 30 of each year as follows and compounded annually:

1 (i) Two and one-half percent of the amount contributed during the current plan year
2 and 0.42 percent per month for any amount transferred pursuant to subsections
3 1.426(a)(2) and 1.427(b)(4) during the current plan year.

4 (ii) Five percent of any amount contributed or transferred prior to the current plan year.

5 (iii) Effective July 1, 2006, interest on the amounts described in paragraphs (1) through
6 (4) above for any participant who reached his or her termination date before
7 receiving credit for at least five years of eligibility service shall be two percent
8 computed on June 30 of each year and compounded annually, starting on the June
9 30 following the participant's termination date.

10 ~~[(w)]~~(x) *Employer* means:

11 (1) The County with respect to employees of the County;

12 (2) The Howard County Economic Development Authority with respect to employees of
13 the Authority;

14 (3) The Howard Soil Conservation District with respect to employees of the District; and

15 (4) The Howard County Housing Commission with respect to employees of the
16 Commission.

17 ~~[(x)]~~(y) *Employment commencement date* means the date on which a covered individual first
18 performs an hour of service.

19 ~~[(y)]~~(z) *Fully benefited employee* means a covered individual who is not a partially benefited
20 employee.

21 ~~[(z)]~~(aa) *Government employer* means the United States of America, the State of Maryland,
22 any political subdivision within the State of Maryland, as well as any State, Commonwealth,
23 Municipality or political subdivision within the United States of America.

24 ~~[(aa)]~~(AB) *Hour of service*.

25 (1) *Hour of service* means each hour for which an individual, in his or her capacity as a
26 covered individual, is directly or indirectly paid, or entitled to payment, for the
27 performance of duties for the County.

28 (2) Hours of service include normal working hours, paid holidays, compensatory hours,
29 disability leave and other paid leave, but not overtime hours.

30 (3) In addition, hours of service include annual leave, but not annual leave for which a
31 covered individual is paid as a result of his or her termination date.

1 (4) Hours of service also include hours for which an individual is not paid, but would be
2 entitled to payment except for a temporary furlough declared by the County.

3 ~~[[ab]](AC) *Internal Revenue Code* means the Internal Revenue Code of 1986, or any provision
4 or section thereof herein specifically referred to, as such Code, provision or section may from
5 time to time be amended or replaced.~~

6 ~~[[ac]](AD) *Leave of absence* means an absence from active service, approved in advance by the
7 employer, which does not constitute a termination of employment, and during which the covered
8 individual completes no hours of service and is not paid.~~

9 ~~[[ad]](AE) *Maryland employer* means the State of Maryland, as well as any other political
10 subdivision within the State of Maryland.~~

11 ~~[[ae]](AF) *Maryland Employer Retirement Plan* means a retirement plan of a Maryland
12 employer to which the provisions of title 37 of the State Personnel and Pensions Article of the
13 Annotated Code of Maryland apply.~~

14 ~~[[af]](AG) *Maryland State Retirement Systems* means, collectively, the Employees' Retirement
15 System of the State of Maryland and the Employees' Pension System of the State of Maryland.~~

16 ~~[[ag]](AH) *Military service* means active military duty in the Armed Forces of the United
17 States, including initial training and call-ups to active Federal duty with the National Guard or
18 Military Reserve.~~

19 ~~[[ah]](AI) *Normal retirement date*.~~

20 (1) Normal retirement date means the earlier of:

21 (i) The first day of the month coincident with or next following the date on which the
22 participant has completed 30 years of eligibility service; and

23 (ii) The first day of the month coincident with or next following the date on which all
24 of the following have occurred:

25 a. The participant has attained age 62;

26 b. The participant has completed at least two years of eligibility service; and

27 c. The sum of the participant's attained age in whole years and years of eligibility
28 service equals at least 67.

29 (2) *Normal retirement date* means, for a participating corrections employee OR A
30 PARTICIPATING DEPUTY SHERIFF, the earliest of:

- 1 (i) The first day of the month coincident with or next following the date on which the
2 participant has completed 30 years of eligibility service;
- 3 (ii) The first day of the month coincident with or next following the date on which all
4 of the following have occurred:
- 5 a. The participant has attained age 62;
 - 6 b. The participant has completed at least two years of eligibility service; and
 - 7 c. The sum of the participant's attained age in whole years and years of eligibility
8 service equals at least 67;
- 9 (iii) The date that is the later of:
- 10 a. January 1, 2003; and
 - 11 b. The first day of the month coincident with or next following the date on which
12 the participant has completed 25 years of eligibility service; and
- 13 (iv) The date that is the later of:
- 14 a. July 1, 2005; and
 - 15 b. The first day of the month coincident with or next following the date on which
16 the participant has completed 20 years of eligibility service.

17 ~~[[(ai)]]~~ (AJ) *Partially benefited employee.*

18 (1) *Partially benefited employee* means a part-time employee of the County who prior to
19 July 1, 1995, was scheduled to work at least 50 percent of the regularly scheduled
20 workweek for his or her position in the miscellaneous exempt service with a Class Code
21 of 3201, 3203, 3211, 3212, 3213, 3214, 3215, 3221, 3222, 3223, 3230, 7751 or 7752.

22 (2) A partially benefited employee shall not be credited with a year of creditable service (or
23 1/12 increments thereof) for any calendar month any portion of which he or she is
24 classified as such, and a partially benefited employee shall not be credited with hours of
25 service for purposes of determining years of eligibility service.

26 ~~[[(aj)]]~~ (AK) *Participant* means any covered individual who is currently benefitting under the
27 plan, and, where appropriate according to the context of the plan, any former covered individual
28 who is or may become (or whose beneficiaries may become) eligible to receive a benefit under
29 the plan. Effective January 1, 2009, participant includes a person receiving differential wage
30 payments as defined in Section 3401(h) of the Internal Revenue Code.

1 [[(ak)]](AL) *Participating corrections employee* means any corrections employee during the
2 period when he or she voluntarily elects participation under the provisions of subsection 1.410(a)
3 of this subtitle or meets the provisions for mandatory participation under subsection 1.410(b) of
4 this subtitle and has not had a change in employment status as described in subsection 1.410(c)
5 of this subtitle.

6 (AM) PARTICIPATING DEPUTY SHERIFF MEANS A DEPUTY SHERIFF WHOSE FIRST DAY OF
7 EMPLOYMENT AS A DEPUTY SHERIFF OCCURS AFTER JUNE 30, 2021.

8 [[(al)]](AN) *Per-pay compensation* means, for a particular paycheck, the participant's base pay
9 (including longevity payments and performance awards, to the extent paid prior to July 30,
10 1999), as reflected in such paycheck, determined without regard to:

- 11 (1) Overtime, bonuses and other extra remuneration;
 - 12 (2) Amounts in excess of the per-pay equivalent of the applicable dollar limit under Section
13 401(a)(17) of the Internal Revenue Code and regulations promulgated thereunder as of
14 the first day of the plan year;
 - 15 (3) Contributions, credits or benefits under this plan or under any other retirement, deferred
16 compensation, fringe benefit or employee welfare benefit plan; or
 - 17 (4) Direct reimbursement for expenses;
- 18 provided, however, that per-pay compensation shall include any amount that would have
19 qualified as base pay but for the fact that it constitutes salary reduction under any plan
20 described in Section 414(h)(2), 457(b) or 125 of the Internal Revenue Code.

21 [[(am)]](AO) *Per-pay Social Security taxable wage base* means, for a particular paycheck, the
22 Social Security taxable wage base in effect for the calendar year divided by 26.

23 [[(an)]](AP) *Plan* means the Howard County Retirement Plan, as set forth herein, and as
24 amended from time to time.

25 [[(ao)]](AQ) *Plan year* means the 12-month period ending on the last day of the month of June.

26 [[(ap)]](AR) *Police and Fire Pension Plan*. The Howard County Police and Fire Employees
27 Retirement Plan, as amended from time to time.

28 [[(aq)]](AS) *Reemployment commencement date* means the date on which a covered individual
29 first performs an hour of service after a period during which no hours of service were performed
30 by reason of the occurrence of the covered individual's termination date or otherwise.

1 [[ar]](AT) *Social Security taxable wage base* means, with respect to any calendar year, the
2 maximum amount of earnings which may be considered wages under Section 3121(a)(1) of
3 the Internal Revenue Code for purposes of the tax imposed under Section 3101(a) of the
4 Internal Revenue Code.

5 [[as]](AU) *Spouse* means an individual who is married to a participant. Spouse includes
6 same-sex and opposite-sex spouses except where Federal law requires a different meaning.

7 [[at]](AV) *Termination date* means the date of the first to occur of:
8 (1) A termination of employment by reason of resignation, discharge, mutual agreement,
9 total and permanent disability, retirement or death;
10 (2) The date on which a leave of absence expires without a return to active employment; or
11 (3) The date on which the individual ceases to be an employee of Howard County.

12 [[au]](AW) *Trust* means the trust fund established pursuant to the plan, maintained in
13 accordance with the terms of the trust agreement, as from time to time amended, between the
14 County and the trustees, which trust agreement constitutes a part of the plan; where appropriate
15 according to the context, the term trust shall also refer to said trust agreement.

16 [[av]](AX) *Trustees* means, collectively, the trustee or trustees named in the trust and such
17 successor and/or additional trustees as may be named pursuant to the terms of the trust.

18 [[aw]](AY) *Years of Class A creditable service* means, for a participant who has earned 12 or
19 more years of creditable service as a participating corrections employee, the participant's total
20 years of creditable service, and for a participant who has earned less than 12 years of creditable
21 service as a participating corrections employee, an amount equal to the lesser of:
22 (1) Twice the participant's years of creditable service earned as a participating corrections
23 employee; and
24 (2) The participant's total years of creditable service.

25 [[ax]](AZ) *Years of Class B creditable service* means an amount equal to the participant's
26 total years of creditable service less his or her years of Class A creditable service.

27 [[ay]](AAA) *Years of Class C creditable service* means an amount equal to the participant's
28 total years of creditable service less the sum of his or her years of Class A creditable service plus
29 his or her years of Class D creditable service.

30 [[az]](AAB) *Years of Class D creditable service* means an amount equal to the greater of:

1 (1) His or her years of County plan creditable service earned as of December 31, 1997
2 minus one-half of his or her years of Class A creditable service; and

3 (2) Zero years of service.

4 ~~[[(aaa)]]~~ (AAC) *Year of County plan creditable service* means, for a participant who has elected to
5 receive credit for service under the Maryland State Retirement Systems pursuant to subsection
6 1.417(d), an amount equal to the lesser of:

7 (1) Twice the participant's years of creditable service earned with respect to service as a
8 covered individual on and after July 1, 1995; or

9 (2) The participant's total years of creditable service

10 ~~[[(aab)]]~~ (AAD) *Year of creditable service.*

11 (1) Subject to subsection 1.415(b) and except as provided in sections 1.413, 1.414, 1.418
12 and subsection 1.428(c), a covered individual shall be credited with 1/12 of a year of
13 creditable service for each calendar month during which he or she is classified as a full-
14 time, fully benefited employee for the entire month.

15 (2) A covered individual shall not be credited with years of creditable service (or 1/12
16 increments thereof) for any calendar month during any portion of which he is classified
17 as a partially benefited employee.

18 ~~[[(aac)]]~~ (AAE) *Year of eligibility service.*

19 (1) *Year of eligibility service* means, subject to subsection 1.415(a) and except as provided
20 in sections 1.413, 1.414, 1.418 and 1.419, any plan year during which a covered
21 individual completes at least 900 hours of service as a fully benefited employee.

22 (2) For purposes of determining years of eligibility service, a covered individual shall not
23 be credited with hours of service as a partially benefited employee.

24 ~~[[(aad)]]~~ (AAF) *Year of State plan creditable service* means, for a participant who has elected to
25 receive credit for service under the Maryland State Retirement Systems pursuant to subsection
26 1.417(d), an amount equal to the difference between the participant's total years of creditable
27 service and his or her years of County plan creditable service.

28
29 **Section 1.410. - Participating corrections employees AND PARTICIPATING DEPUTY**
30 **SHERIFFS—Eligibility.**

1 (a) *Voluntary Participation.* A covered individual who is a corrections employee on or
2 before December 31, 1997 may elect to become a participating corrections employee effective
3 January 1, 1998 and until the individual's termination date, or, if earlier, until he or she ceases to
4 be a corrections employee. Such election shall be irrevocable, shall be made on a written
5 application supplied by the County and shall contain an agreement to make, as a condition of the
6 individual's continued employment with the County as a corrections employee, participant
7 contributions as provided in subsection 1.426(a)(1)(ii). If an otherwise eligible corrections
8 employee fails to return the completed application to the coordinator by January 9, 1998, he or
9 she shall not be eligible to become a participating corrections employee.

10 (b) *Mandatory Participation.*

11 (1) An individual who becomes a corrections employee after December 31, 1997 shall
12 become a participating corrections employee on the date he or she first performs an hour
13 of service as a corrections employee.

14 (2) AN INDIVIDUAL WHO BECOMES A DEPUTY SHERIFF AFTER JUNE 30, 2021 SHALL BECOME A
15 PARTICIPATING DEPUTY SHERIFF ON THE DATE HE OR SHE FIRST PERFORMS AN HOUR OF
16 SERVICE AS A DEPUTY SHERIFF.

17 (c) *Change of Employment Status.*

18 (1) A PARTICIPATING corrections employee OR A PARTICIPATING DEPUTY SHERIFF who,
19 because of a change in position classification, remains a covered individual but ceases to
20 be a corrections employee OR A DEPUTY SHERIFF, will cease to be either a participating
21 corrections employee OR A PARTICIPATING DEPUTY SHERIFF as of the date of the change.

22 [[such]] SUCH a covered individual:

23 [[(1)]] (I) Will no longer make the contributions described in subsection 1.426(a) of this
24 subtitle;

25 [[(2)]] (II) Will not be subject to the special normal retirement date for participating
26 corrections employee AND PARTICIPATING DEPUTY SHERIFFS in section 1.428(B); and

27 [[(3)]] (III) Will be subject to the benefit calculations of subsection 1.428(A), (c) or (d), as
28 applicable.

29 (2) IF A COVERED INDIVIDUAL RETIRES ON OR AFTER JULY 1, 2021 WITHIN 5 YEARS AFTER A
30 CHANGE IN POSITION CLASSIFICATION PURSUANT TO WHICH THE ELIGIBLE INDIVIDUAL
31 BECOMES A PARTICIPATING CORRECTIONS EMPLOYEE OR A PARTICIPATING DEPUTY SHERIFF,

1 THE BENEFITS PAYABLE WITH RESPECT TO THE YEARS OF CREDITABLE SERVICE EARNED
2 PRIOR TO THE DATE OF THE CHANGE IN POSITION CLASSIFICATION MAY NOT BE GREATER
3 THAN THE BENEFITS THAT WOULD HAVE BEEN PAYABLE WITH RESPECT TO THAT SERVICE IF
4 THE INDIVIDUAL HAD NOT BECOME A PARTICIPATING CORRECTIONS EMPLOYEE OR A
5 PARTICIPATING DEPUTY SHERIFF.

6 (3) HISTORICAL PROVISION. THE BENEFITS PAYABLE TO A COVERED INDIVIDUAL WHO
7 RETIRED BEFORE JULY 1, 2021 AFTER A CHANGE IN POSITION CLASSIFICATION TO OR FROM
8 A PARTICIPATING CORRECTIONS EMPLOYEE SHALL BE DETERMINED IN THE MANNER
9 DESCRIBED IN SECTION 1.419.

10 (d) *Reemployment.*

11 (1) A corrections employee who, after reaching a termination date, is rehired by the County
12 as a corrections employee after December 31, 1997 will be subject to the provisions of
13 subsection (b) of this section 1.410.

14 (2) A DEPUTY SHERIFF WHO, AFTER REACHING A TERMINATION DATE, IS REHIRED AS A DEPUTY
15 SHERIFF AFTER JUNE 30, 2021 WILL NOT BE SUBJECT TO THE PROVISIONS OF SUBSECTION
16 (B) OF THIS SECTION 1.410.

17
18 **Title 1. Human Resources.**

19 **Subtitle 2. Howard County Pension Plans.**

20 **Article III. Trust Fund.**

21
22 **Section 1.426. - Pick-up contributions.**

23 Under limited circumstances described below, participant contributions and monies from
24 other Government employers may be accepted by the plan.

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

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

27 (i) Effective with the first paycheck issued after December 31, 2013, and in
28 accordance with rules established by the county, each participant, other than an
29 AFSCME Local 3085 employee or a participating corrections employee, shall
30 make contributions to the 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 accordance with rules
2 established by the County and in lieu of the contributions described in
3 subparagraphs 1.426(a)(1)(i), (vii) and (viii), each participant who is classified as a
4 participating corrections employee shall make contributions to the plan equal to
5 eight and one-half percent of his or her per-pay compensation.
- 6 (iii) Effective with the first paycheck issued after June 30, 2011, and in accordance
7 with rules established by the County and in lieu of the contributions described in
8 subparagraphs 1.426(a)(1)(i), (vii) and (viii), each participant who is classified as
9 an AFSCME Local 3085 employee shall make contributions to the plan equal to
10 three percent of his or her per-pay compensation. The contributions under this
11 subparagraph (iii) shall be made only during the period when the participant is an
12 AFSCME Local 3085 employee.
- 13 (IV) IN LIEU OF THE CONTRIBUTIONS DESCRIBED IN SUBPARAGRAPHS 1.426(A)(1)(I), (II)
14 AND (III), EACH PARTICIPATING DEPUTY SHERIFF HIRED AFTER JUNE 30, 2021 SHALL
15 MAKE CONTRIBUTIONS TO THE PLAN EQUAL TO EIGHT AND ONE-HALF PERCENT OF HIS
16 OR HER PER-PAY COMPENSATION.
- 17 ([[iv]]V) Notwithstanding subparagraphs (i), (ii), [[and]] (iii) AND (IV) of this
18 paragraph, in those calendar years in which the County issues 27 paychecks, no
19 participant contributions shall be required with respect to per-pay compensation
20 reflected in the 27th paycheck of the calendar year.
- 21 ([[v]]VI) The participant contributions referred to in this paragraph shall be:
- 22 a. Picked up by the employer, as described in Section 414(h)(2) of the Internal
23 Revenue Code;
 - 24 b. Deducted from the pay of the contributing participants as salary reduction
25 contributions; and
 - 26 c. Paid by the employer to the trustees [[within]] WITH reasonable promptness
27 after the total of such contributions during any month has been determined, and
28 in any event by the end of the succeeding month.
- 29 ([[vi]]VII) The contributions made pursuant to this paragraph (1) shall be made a part of
30 the participant's employee contributions benefit, that is, a part of his or her accrued
31 benefit.

1 ([[vii]]viii) Effective with the paycheck issued July 21, 1995 and continuing through
2 the paycheck issued July 30, 1999, in accordance with rules established by the
3 County, each participant who is classified as a fully benefited employee shall make
4 contributions to the plan equal to the sum of:

- 5 a. Two percent of the participant's per-pay compensation; and
- 6 b. Two percent of the participant's per-pay compensation which exceeds the
7 applicable per-pay Social Security taxable wage base.

8 (b) *Suspension of Contributions.*

9 (1) A participant's salary reduction contributions shall be automatically suspended for any
10 payroll period during which the participant is not a covered individual or during which
11 he or she is on a leave of absence; provided, however, that a participant's salary
12 reduction contributions shall be continued for any payroll period during which the
13 participant is receiving differential wage payments as defined in Section 3401(h) of the
14 Internal Revenue Code.

15 (2) The salary reduction contributions pursuant to subsection 1.426(a)(1)(ii) of a participant
16 who is a participating corrections employee OR A PARTICIPATING DEPUTY SHERIFF shall
17 no longer be required for any period after which the participant has received credit for
18 20 years of creditable service, and the participant's salary reduction contributions
19 pursuant to subsection 1.426(a)(1)(ii) OR 1.426(A)(1)(IV) shall be suspended as of the
20 last day of the payroll period that includes such date.

21 (c) *Withdrawals of Pick-Up Contributions.*

22 (1) The employee contributions benefit shall be returned to a participant who has reached
23 his or her termination date as provided in subsection (c) and (d) of section 1.432.

24 (2) A cash-out shall constitute full payment of all benefits due to such participant under the
25 plan.

26 (d) *Forfeiture of Remaining Accrued Benefit.* In the event of a cash-out to a participant pursuant
27 to subsection (c) or (d) of section 1.432, then, subject to restoration provided in subsection
28 1.408(d), the entire remaining portion of his or her accrued benefit shall be forfeited by the
29 participant.

1 (e) *Vesting of Pick-Up Contributions.* Notwithstanding any provisions of this plan to the
2 contrary, participant contributions, picked up either by the employer or by other Maryland
3 employers and made or transferred to the plan, shall be fully vested at all times.

4 (f) *Payment of Benefits.* Subject to the limitations described in subsections (c) and (d) of section
5 1.432, the benefits purchased from the participant's contributions shall be payable at the same
6 time, in the same manner, and, in the event of the participant's death, to the same beneficiary or
7 beneficiaries, as is the remainder of the participant's accrued benefit.

8 (g) *Plan Termination.* In the event of a termination of the plan, distribution to each participant of
9 the portion of his or her accrued benefit attributable to the participant's contributions picked up
10 by the employer shall, notwithstanding any other provision of section 1.469, be treated as a
11 priority distribution ahead of any other distribution to participants based upon the remainder of
12 the trust, other than those attributable to contributions made pursuant to section 1.427.

13
14 **Section 1.428. - Normal retirement.**

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

19 (a) *Current Provision—Amount of Monthly Retirement Income—Participant Who Reaches a*
20 *Termination Date On or After January 1, 2014.*

21 (1) Subject to subsection (j) of this section and section 1.408(d) of this subtitle, and subject
22 to the limitations set forth in section 1.433 of this subtitle, the amount of the monthly
23 retirement income of an employee who:

24 (i) Is not an AFSCME Local 3085 employee, ~~[[or]]~~ a participating corrections
25 employee OR A PARTICIPATING DEPUTY SHERIFF; and

26 (ii) Who reaches a termination date on or after January 1, 2014 shall be equal to the
27 sum of paragraphs (iii) and (iv) of this subsection where:

28 (iii) Equals:

29 a. 1.66 percent of the participant's average compensation;

30 b. Multiplied by the participant's years of creditable service earned after June 30,
31 2012; and

1 (iv) Equals:

2 a. 1.55 percent of the employee's participant's average compensation;

3 b. Multiplied by the participant's years of creditable service earned prior to July
4 1, 2012.

5 (2) For purposes of this subsection (a), (i) a participant's years of creditable service earned
6 prior to July 1, 2012 will include creditable service earned on account of military
7 service, transferred service or purchased service if the actual dates of service occurred
8 prior to July 1, 2012 and (ii) a participant's years of creditable service earned after June
9 30, 2012 will include creditable service earned on account of military service,
10 transferred service or purchased service if the actual dates of service occurred after June
11 30, 2012.

12 (3) Notwithstanding paragraphs (1) and (2) above, the benefit attributable to years of
13 creditable service earned prior to July 1, 2012 as an AFSCME Local 3085 employee by
14 a participant described in this subsection (a) shall be calculated by multiplying 1.66
15 percent of his or her average compensation times such years of creditable service.

16 (b) *Current Provision*—Amount of Monthly Retirement Income Participant Who is a
17 PARTICIPATING DEPUTY SHERIFF OR A Participating Corrections Employee [[and]] WHO Reaches
18 a Termination Date On or After June 30, 2005. Subject to subsection (j) of this section and
19 section 1.408(d) of this subtitle, and subject to the limitations set forth in section 1.433 of this
20 subtitle, the amount of the monthly retirement income of A PARTICIPATING DEPUTY SHERIFF OR a
21 participating corrections employee who reaches a termination date on or after June 30, 2005,
22 shall be equal to the sum of paragraphs (1) and (2) where:

23 (1) Equals:

24 (i) Two and one-half percent of the participant's average compensation;

25 (ii) Multiplied by the participant's years of creditable service to a maximum of 20 years
26 of creditable service; and

27 (2) Equals:

28 (i) One percent of the participant's average compensation;

29 (ii) Multiplied by the participant's years of creditable service in excess of 20 years of
30 creditable service (but not in excess of 30 years of creditable service).

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

7 (1) Equals:

8 (i) 1.66 percent of the participant's average compensation;

9 (ii) Multiplied by the participant's years of creditable service earned as an AFSCME
10 Local 3085 employee; and

11 (2) Equals:

12 (i) 1.55 percent of the employee's participant's average compensation;

13 (ii) Multiplied by the participant's years of creditable service other than his or her years
14 of creditable service earned as an AFSCME Local 3085 employee. For purposes of
15 this subsection (c), all years of creditable service earned prior to July 1, 2011 by a
16 participant who was an AFSCME Local 3085 employee on June 30, 2011 will be
17 considered years of creditable service as an AFSCME Local 3085 employee.

18 (d) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Became a*
19 *Corrections Employee After December 31, 1997 and Reached a Termination Date Between July*
20 *30, 1999 and June 30, 2005.* Subject to subsection (j) of this section and section 1.408(d) of this
21 subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the amount of the
22 monthly retirement income of a participant who earned his or her first hour of service as a
23 corrections employee after December 31, 1997 and who reached a termination date between July
24 30, 1999 and June 30, 2005 shall be equal to the sum of paragraphs (1) and (2) of this subsection
25 where:

26 (1) Equals:

27 (i) Two percent of the participant's average compensation;

28 (ii) Multiplied by the participant's years of creditable service as a participating
29 corrections employee, to a maximum of 30 year[s] of creditable service; and

30 (2) Equals:

31 (i) 1.55 percent of the participant's average compensation.

1 (ii) Multiplied by the participant's years of creditable service (if any) not earned as a
2 corrections employee.

3 (e) *Historical Provisions—Amount of Monthly Retirement Income—Participant Who Elected to*
4 *Become a Participating Corrections Employee as of January 1, 1998 and Reached a*
5 *Termination Date Between July 30, 1999 and June 30, 2005.* Subject to subsection (j) of this
6 section and subsection 1.408(d) of this subtitle, and subject to the limitations set forth in section
7 1.433 of this subtitle, the amount of the monthly retirement income of a corrections employee
8 who elected to become a participating corrections employee as of January 1, 1998 and who
9 reached a termination date between July 30, 1999 and June 30, 2005 pursuant to subsection
10 1.410(a) of this subtitle shall be equal to the sum of paragraphs (1) and (2) where:

11 (1) Equals:

12 (i) 1.55 percent of the participant's average compensation;

13 (ii) Multiplied by the participant's years of Class B creditable service and

14 (2) Equals:

15 (i) Two percent of the participant's average compensation;

16 (ii) Multiplied by the participant's years of Class A creditable service.

17 (f) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Became a*
18 *Covered Individual After June 30, 1995 and Reached a Termination Prior to July 30, 1999.*
19 Subject to subsection (j) of this section and subsection 1.408(d) of this subtitle, and subject to the
20 limitations set forth in section 1.433 of this subtitle, the amount of the monthly retirement
21 income of a participant who became a covered individual after June 30, 1995 and who reached a
22 termination date prior to July 30, 1999 shall be equal to:

23 (1) The sum of 1 percent of the participant's average compensation and one-half percent
24 of the participant's average compensation that exceeded 1/12 of his or her covered
25 compensation;

26 (2) Multiplied by the participant's years of creditable service.

27 (g) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Has Elected*
28 *to Receive Service Under The Maryland State Retirement Systems and Reached a Termination*
29 *Prior to July 30, 1999.* Subject to subsection (j) of this section and subsection 1.408(d) of this
30 subtitle, and subject to the limitations set forth in section 1.433 of this subtitle, the amount of the
31 monthly retirement income of a participant who has elected to receive credit for service under

1 the Maryland State Retirement Systems pursuant to subsection 1.417(d) of this subtitle and who
2 reached a termination date prior to July 30, 1999 shall be equal to the sum of paragraphs (i) and
3 (2) of this subsection, where:

4 (1) Equals:

5 (i) The sum of 0.8 percent of the participant's average compensation and 0.7 percent of
6 the participant's average compensation that exceeded 1/12 of his or her covered
7 compensation;

8 (ii) Multiplied by the participant's years of state plan creditable service, and

9 (2) Equals:

10 (i) The sum of 1.3 percent of the participant's average compensation and one-half
11 percent of the participant's average compensation that exceeded 1/12 of his or her
12 covered compensation;

13 (ii) Multiplied by the participant's years of County plan creditable service.

14 (h) *Historical Provision—Amount of Monthly Retirement Income—Participant Who Elected to*
15 *Become a Participating Corrections Employee as of January 1, 1998 and Reached a*
16 *Termination Date Prior to July 30, 1999.* Subject to subsection (j) of this section and subsection
17 1.408(d) of this subtitle, and subject to the limitations set forth in section 1.433 of this subtitle,
18 the amount of the monthly retirement income of a corrections employee who elected to become a
19 participating corrections employee as of January 1, 1998 pursuant to subsection 1.410(a) of this
20 subtitle shall be equal to the sum of paragraphs (1), (2) and (3), where:

21 (1) Equals:

22 (i) The sum of 0.8 percent of the participant's average compensation and 0.7 percent
23 of the participant's average compensation that exceeded 1/12 of his or her covered
24 compensation;

25 (ii) Multiplied by the participant's years of Class C creditable service; and

26 (2) Equals:

27 (i) The sum of 1.3 percent of the participant's average compensation and one-half
28 percent of the participant's average compensation that exceeded 1/12 of his or her
29 covered compensation;

30 (ii) Multiplied by the participant's years of Class D creditable service; and

31 (3) Equals:

1 (i) Two percent of the participant's average compensation;

2 (ii) Multiplied by the participant's years of Class A creditable service.

3 (i) *Historical provision—Amount of monthly retirement income—Participant who reached a*
4 *termination date on or after July 30, 1999 and prior to January 1, 2014.* Subject to subsection (j)
5 of this section and section 1.408(d) of this subtitle, and subject to the limitations set forth in
6 section 1.433 of this subtitle, the amount of the monthly retirement income of a participant who
7 reaches a termination date on or after July 30, 1999 shall be equal to:

8 (1) 1.55 percent of the participant's average compensation;

9 (2) Multiplied by the participant's years of creditable service.

10 (j) *Unused disability leave.*

11 (1) For purposes of determining the amount of the participant's retirement benefit payable
12 pursuant to sections 1.428—1.432, and for purposes of determining the amount of a
13 surviving spouse annuity benefit pursuant to subsection 1.439(b), the participant shall
14 receive additional years of creditable service for unused disability leave.

15 (2) Such unused disability leave shall be credited at the rate of 1/12 of a year of creditable
16 service for each 22 days of unused disability leave accrued by the participant as of his
17 or her termination date.

18 (3) If, after crediting unused disability leave in multiples of 22 days, 11 or more days
19 remain uncredited, the participant shall receive an additional 1/12 of a year of creditable
20 service.

21 (4) Generally, the benefit attributable to years of creditable service for unused disability
22 leave for a participating corrections employee shall be calculated by multiplying two
23 percent of his or her average compensation times such years of creditable service.
24 However, where a participating corrections employee receives a monthly benefit
25 calculated under subsection 1.428(d) of this subtitle, the benefit attributable to his or her
26 years of creditable service for unused disability leave shall be calculated by multiplying
27 one percent of his or her average compensation times such years of creditable service.

28 (5) The benefit attributable to years of creditable service for unused disability leave for a
29 participant who reaches his or her termination date as an AFSCME Local 3085
30 employee on or after June 30, 2011 shall be calculated by multiplying 1.66 percent of
31 his or her average compensation times such years of creditable service.

1 (6) The benefit attributable to years of creditable service for unused disability leave for a
2 participant, other than an AFSCME Local 3085 employee or a participating corrections
3 employee, who reaches his or her termination date on or after January 1, 2014 shall be
4 calculated by multiplying 1.66 percent of his or her average compensation times such
5 years of creditable service.

6
7 *Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that*
8 *this Act shall become effective 61 days after its enactment.*

BOLTON PARTNERS

January 27, 2016

Lonnie R. Robbins
 Chief Administrative Officer
 Howard County Government
 3430 Courthouse Drive
 Ellicott City, MD 21043

Re: *Howard County Retirement Plan –
 Analysis of changing benefits for certain
 Sheriff's department employees*

Dear Lonnie:

We have completed our actuarial study to place certain sworn employees of the Sheriff's Department under the "Corrections" benefit provisions including an increase in the employee contribution rate to the Corrections rate of 8.5% of compensation. Without any further increases in employee contributions, the annual County cost will increase. We also made an approximation of the amount by which employee contributions would need to increase for the Sheriff's in order to make the benefit improvements cost neutral to the County.

The chart below shows the increase in the annual County contribution under two scenarios: (1) the "Corrections" benefit formula applies to all service, and (2) the "Corrections" benefit formula applies to future service only. We assume that the employee contribution rate increase would always be prospective and the normal retirement age change would always be retroactive. This means that even the "future service only" benefit formula change would immediately change a person's Normal Retirement age (even though they would only get 1.55% and 1.66% accruals for past service).

As requested, we calculated the cost of the benefit change by amortizing the increase in the unfunded liability over 9, 15, 20, 25, 30 and 40 year amortization periods.

Increase in County Contribution

Change applies to:	Amortization Period					
	9	15	20	25	30	40
All service	\$687,000	\$484,000	\$410,000	\$367,000	\$340,000	\$308,000
Future service only	\$229,000	\$142,000	\$110,000	\$92,000	\$80,000	\$66,000

The increase in the County contribution shown above assumes the benefit changes and the increase in employee contributions occur immediately. If the Sheriff's Department and the County choose to delay the implementation of both the benefit changes and the increase in

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employee contributions several years (e.g., 1/1/2019), the County's contribution will increase at the time the change is implemented and will be approximately the same amount.

Increase in Employee Contribution Rate for the County's cost to stay neutral

Instead of increasing the County's contribution and raising the employee contribution rate from 3% to 8.5% of payroll, the employee contribution rate could be raised more. The following shows what the total employee contribution rate would need to be in order to keep the County's contribution unchanged.

Change applies to:	Amortization Period					
	9	15	20	25	30	40
All service	33.3%	26.0%	23.3%	21.8%	20.8%	19.6%
Future service only	16.8%	13.6%	12.5%	11.8%	11.4%	10.9%

While we are able to calculate the rates in the prior chart, there are several important factors to consider including:

- In the case of an "All Service" change, we would be asking new hires to pay for some of the benefits for current employees, particularly those who retire soon. This is most true under the longer amortization approach. To not require new hires to pay more than 8.5% simply increases the cost for current employees.
- Even if new hires paid 8.5%, the cost to the County would increase for these members just as new Corrections employees cost the County more than general employees.
- Even under the "future service only" option, the current funding method allocates a considerable amount of the cost of the benefit change to the actuarial liability and some to the Normal Cost. One thing this implies is that the 16.8% to 10.9% cost for the future service only benefit improvement is the correct impact in year one but the cost will gradually drift up if you use the longer than a 9-year amortization period since new hires have an approximately 16.8% of pay employee Normal Cost. This same issue applies even if the County pays for some of the increase.
- If employees were to pay for all of the cost increase, in theory the cost could decline after the amortization period. However, until that time, even the new hires would have to pay the higher contribution rate and something above 8.5% after that date.
- In part to simplify the calculation, we assumed that contribution refunds would continue to be based on the 8.5% employee contribution rate.

Amortization Periods

In 2014, the Conference of Consulting Actuaries Public Plans Community (CCA PPC) prepared a white paper entitled *Actuarial Funding Policies and Practices for Public Pension Plans*. The paper discusses actuarial cost methods, asset smoothing methods and amortization policy. The

CCA PPC discusses various methods and policies and categorizes them in various categories such as Model, Acceptable, Non-recommended and Unacceptable.

The Model amortization period for an active plan amendment is the lesser of the future working lifetime of active employees, or 15 years. The future working lifetime in the Howard County plan is approximately 9 years. The plan improvements made in 2013 were amortized over 9 years. Thus, we would recommend following Model practice but this is not an actuarial decision.

As requested, we have provided the increase in County contributions under periods in excess of 9 years. The CCA PPC white paper categorizes periods in excess of 9 years but less than or equal to 25 years as Acceptable, with Conditions which means some rationale should ideally be provided for using a period in this range. Amortization periods of 26 to 30 years are Non-recommended while periods over 30 years are Unacceptable.

Plan Provisions

The County's pension plan for general employees is called the Howard County Retirement Plan. Within that plan there are two major groups: the Corrections Employees and All Other. The employees of the Sheriff's Department are currently covered by under the "All Other" provisions. The Corrections employees have:

- Earlier normal retirement ages (e.g. "20 and out")
- Better benefit accruals (e.g. 2.5% for each of the first 20 years vs. the current 1.66% for "All Others")
- Higher Employee contributions (8.5% of pay vs. 3.0% for "All Others")

In this study, we assumed all Corrections provisions will apply to the applicable Sheriff's Department employees.

Data, Methods and Assumptions

The data, methods and assumptions used for this study are the same as those used in our July 1, 2014 actuarial valuation of the Howard County Retirement Plan dated February 26, 2015. Forty-eight employees with job codes of 2405, 2407, 2409, 2411 or 2413 were assumed to be impacted by the change. They had an average age of 54.41 and average service of 10.95 years as of 7/1/2014. The total payroll (rate of pay as of 7/1/2014) for these 48 employees was approximately \$2.7 million. The total payroll for all employees as of 7/1/2014 was approximately \$100.2 million. As of 7/1/2015, there were 52 employees with a total rate of pay as of 7/1/2015 of \$3.0 million, an increase over 2014 of a little over 10%. We have adjusted the expected increase in the County's contribution to take into account the increased payroll.

When calculating the cost of the benefit change, we amortize the increase in the unfunded liability over a period of years. Model actuarial practice is to amortize the change in unfunded liability over the approximate average future working lifetime of current members which is approximately 9 years. As requested, we also calculated the cost of the benefit change using 15, 20, 25, 30 and 40 year amortization periods.

Lonnie R. Robbins
January 27, 2016
Page 4

Like a similar study we prepared in 2014, we have focused on the impact on the County's contribution rate. If you wish more information (e.g. impact on GASB 68 results or change in funded ratio) please let us know.

Actuarial certification

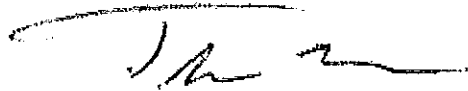
This letter has been prepared for Howard County for the purposes of estimating the impact of a benefit improvement for certain employees in the Sheriff's department. It is neither intended nor necessarily suitable for other purposes. Bolton Partners is not responsible for the consequences of any other use.

We used the assumptions, data and methods shown in the 7/1/2014 actuarial valuation except where noted otherwise. I am a credentialed actuary and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter. I am currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Please call if you have any questions.

Sincerely,

BOLTON PARTNERS, INC.



Thomas B. Lowman, FSA, EA

Cc: John Peterson

Amendment 1 to Council Bill No. 27-2021

BY: The Chairperson at the request
of the County Executive

Legislative Day 7
Date: May 3, 2021

Amendment No. 1

(This amendment corrects provisions to comply with Federal Tax Law related to the reemployment of sheriffs so that they may not change contributions upon rehire.)

- 1 On page 15, in line 29, strike “ON OR AFTER JULY 1, 2021”.
- 2
- 3 On page 15, in line 30, after “CLASSIFICATION” insert “THAT OCCURRED ON OR AFTER JULY 1,
- 4 2021 AND”.
- 5
- 6 On page 16, in line 15, strike “NOT”.
- 7
- 8 On page 16, in line 16 after “1.410” insert “IF AND ONLY IF THE DEPUTY SHERIFF WAS SUBJECT TO
- 9 THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION 1.410 PRIOR TO HIS OR HER TERMINATION
- 10 DATE”.

BOLTON PARTNERS

January 27, 2016

Lonnie R. Robbins
 Chief Administrative Officer
 Howard County Government
 3430 Courthouse Drive
 Ellicott City, MD 21043

Re: *Howard County Retirement Plan –
 Analysis of changing benefits for certain
 Sheriff's department employees*

Dear Lonnie:

We have completed our actuarial study to place certain sworn employees of the Sheriff's Department under the "Corrections" benefit provisions including an increase in the employee contribution rate to the Corrections rate of 8.5% of compensation. Without any further increases in employee contributions, the annual County cost will increase. We also made an approximation of the amount by which employee contributions would need to increase for the Sheriff's in order to make the benefit improvements cost neutral to the County.

The chart below shows the increase in the annual County contribution under two scenarios: (1) the "Corrections" benefit formula applies to all service, and (2) the "Corrections" benefit formula applies to future service only. We assume that the employee contribution rate increase would always be prospective and the normal retirement age change would always be retroactive. This means that even the "future service only" benefit formula change would immediately change a person's Normal Retirement age (even though they would only get 1.55% and 1.66% accruals for past service).

As requested, we calculated the cost of the benefit change by amortizing the increase in the unfunded liability over 9, 15, 20, 25, 30 and 40 year amortization periods.

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employee contributions several years (e.g., 1/1/2019), the County's contribution will increase at the time the change is implemented and will be approximately the same amount.

Increase in Employee Contribution Rate for the County's cost to stay neutral

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- In the case of an "All Service" change, we would be asking new hires to pay for some of the benefits for current employees, particularly those who retire soon. This is most true under the longer amortization approach. To not require new hires to pay more than 8.5% simply increases the cost for current employees.
- Even if new hires paid 8.5%, the cost to the County would increase for these members just as new Corrections employees cost the County more than general employees.
- Even under the "future service only" option, the current funding method allocates a considerable amount of the cost of the benefit change to the actuarial liability and some to the Normal Cost. One thing this implies is that the 16.8% to 10.9% cost for the future service only benefit improvement is the correct impact in year one but the cost will gradually drift up if you use the longer than a 9-year amortization period since new hires have an approximately 16.8% of pay employee Normal Cost. This same issue applies even if the County pays for some of the increase.
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The Model amortization period for an active plan amendment is the lesser of the future working lifetime of active employees, or 15 years. The future working lifetime in the Howard County plan is approximately 9 years. The plan improvements made in 2013 were amortized over 9 years. Thus, we would recommend following Model practice but this is not an actuarial decision.

As requested, we have provided the increase in County contributions under periods in excess of 9 years. The CCA PPC white paper categorizes periods in excess of 9 years but less than or equal to 25 years as Acceptable, with Conditions which means some rationale should ideally be provided for using a period in this range. Amortization periods of 26 to 30 years are Non-recommended while periods over 30 years are Unacceptable.

Plan Provisions

The County's pension plan for general employees is called the Howard County Retirement Plan. Within that plan there are two major groups: the Corrections Employees and All Other. The employees of the Sheriff's Department are currently covered by under the "All Other" provisions. The Corrections employees have:

- Earlier normal retirement ages (e.g. "20 and out")
- Better benefit accruals (e.g. 2.5% for each of the first 20 years vs. the current 1.66% for "All Others")
- Higher Employee contributions (8.5% of pay vs. 3.0% for "All Others")

In this study, we assumed all Corrections provisions will apply to the applicable Sheriff's Department employees.

Data, Methods and Assumptions

The data, methods and assumptions used for this study are the same as those used in our July 1, 2014 actuarial valuation of the Howard County Retirement Plan dated February 26, 2015. Forty-eight employees with job codes of 2405, 2407, 2409, 2411 or 2413 were assumed to be impacted by the change. They had an average age of 54.41 and average service of 10.95 years as of 7/1/2014. The total payroll (rate of pay as of 7/1/2014) for these 48 employees was approximately \$2.7 million. The total payroll for all employees as of 7/1/2014 was approximately \$100.2 million. As of 7/1/2015, there were 52 employees with a total rate of pay as of 7/1/2015 of \$3.0 million, an increase over 2014 of a little over 10%. We have adjusted the expected increase in the County's contribution to take into account the increased payroll.

When calculating the cost of the benefit change, we amortize the increase in the unfunded liability over a period of years. Model actuarial practice is to amortize the change in unfunded liability over the approximate average future working lifetime of current members which is approximately 9 years. As requested, we also calculated the cost of the benefit change using 15, 20, 25, 30 and 40 year amortization periods.

Lonnie R. Robbins
January 27, 2016
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Like a similar study we prepared in 2014, we have focused on the impact on the County's contribution rate. If you wish more information (e.g. impact on GASB 68 results or change in funded ratio) please let us know.

Actuarial certification

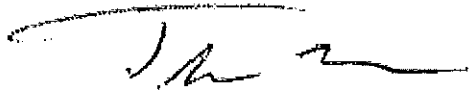
This letter has been prepared for Howard County for the purposes of estimating the impact of a benefit improvement for certain employees in the Sheriff's department. It is neither intended nor necessarily suitable for other purposes. Bolton Partners is not responsible for the consequences of any other use.

We used the assumptions, data and methods shown in the 7/1/2014 actuarial valuation except where noted otherwise. I am a credentialed actuary and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter. I am currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Please call if you have any questions.

Sincerely,

BOLTON PARTNERS, INC.



Thomas B. Lowman, FSA, EA

Cc: John Peterson

Office of the County Auditor
Auditor's Analysis

Council Bill No. 27-2021

Introduced: April 5, 2021

Auditor: Owen Clark

Fiscal Impact:

This legislation will only have a fiscal impact to the extent that eligible employees are sworn in after the change goes into effect on July 1, 2021.

The County's actuary has determined this benefit change will result in a cost increase of approximately 11.1 percent of each participating employee's annual salary. Based on this estimate and personnel information provided by the Administration, we expect a:

- \$39,877 increase in Fiscal Year 2022 if all eight vacant Deputy Sheriff positions are filled. However, this cost would increase for any employee turnover that results in another position being filled in FY 2022.
- \$450,319 annual increase once all Deputy Sheriffs are participating in the amended retirement plan based on current salaries. However, these costs will likely increase by the time all personnel have turned over. **Please note, this is more than the Administration's revised total cost estimate of \$410,441 because it excluded the FY 2022 expected cost increase from its estimated total increase.**

Purpose:

The purpose of this legislation is to make changes to the Howard County Sheriff's retirement plan that will take effect starting July 1, 2021. Most notably, it will amend the retirement benefits of participating Deputy Sheriff employees to be aligned with those benefits received by Department of Corrections employees. A summary of all the proposed changes includes:

- Amending retirement benefits to provide participating Deputy Sheriff employees a normal retirement date after 20 years of service, 8.5 percent employee contributions, and increased annual benefit accruals.
- Requiring new Corrections and Deputy Sheriff employees to participate in their respective retirement plan tier at least five years before they can receive retirement benefits as if they participated in the tier their entire tenure with the County. Otherwise, their benefits will be determined based on the amount of time they spent participating in each benefit plan tier while employed by the County.

- Precluding current and retired Corrections employees from being impacted by the change in the above point.
- Keeping the plan in line with IRS guidance, which would prevent Deputy Sheriff employees from changing pension tiers if they are rehired.

Other Comments:

The Administration has indicated an amendment is pending for Section 1.410(d)(2) of the Howard County Code. It will address an unintended consequence of the current text that prevents terminated Deputy Sheriff employees that were sworn in after July 1, 2021, from continuing participation in the proposed Deputy Sheriff benefit tier when they are rehired.

The amendment will clarify two things:

- An employee who was a member of the old benefit tier who terminates and is rehired would remain a member of the old tier, and
- A new member of the new proposed tier, effective July 1, 2021, who terminates and is rehired would remain a member of the new proposed benefit tier.