

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

## County Council Of Howard County, Maryland

2012 Legislative Session

Legislative Day No. # 5

### Bill No. 14 -2012

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

AN ACT amending the Howard County Employees' Retirement Plan to ensure that a cost of living adjustment can never be negative; to correct the name of a certain index; and generally relating to the Howard County Employees' Retirement Plan.

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Introduced and read first time \_\_\_\_\_, 2012. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Stephen LeGendre, 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 \_\_\_\_\_, 2012.

By order \_\_\_\_\_  
Stephen LeGendre, Administrator

This Bill was read the third time on \_\_\_\_\_, 2012 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Stephen LeGendre, Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_\_ day of \_\_\_\_\_, 2012 at \_\_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Stephen LeGendre, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2012

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

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

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

3  
4 By amending:

5 Title 1- Human Resources

6 Section 1.435 "Cost of living adjustments"

7  
8 **Title 1. Human Resources.**

9 **Subtitle 4. Retirement Plan.**

10 **Article 3. Trust Fund.**

11  
12 **Section 1.435. Cost of living adjustments.**

13 (a) *Monthly Retirement Income Subject to Cost of Living Adjustment.* Notwithstanding the  
14 foregoing, but subject to the limitations set forth in section 1.433, the monthly retirement income of a  
15 participant who has reached his or her benefit commencement date, as otherwise computed pursuant  
16 to section 1.428, 1.429, 1.430, 1.431, 1.432, or 1.437 (whichever is applicable), shall be subject to  
17 the cost of living adjustment described in this section 1.435.

18 (b) *Computation of Cost of Living Adjustment.*

19 (1) As of each July 1 (hereafter referred to as the "valuation date") which occurs during  
20 the period beginning on the first valuation date occurring at least 12 months  
21 subsequent to the participant's benefit commencement date and ending on the date of  
22 death, the participant's then monthly retirement income shall be multiplied by a  
23 fraction:

24 (i) The numerator of which is the consumer price index (as defined in subsection  
25 (c) of this section) as of such valuation date; and

26 (ii) The denominator of which is the LESSER OF THE NUMERATOR OR THE  
27 consumer price index (as defined in subsection (c) of this section) as of the  
28 immediately preceding valuation date;

29 (2) Provided, however, that no such cost of living adjustment shall cause a participant's

1 monthly retirement income to exceed an amount equal to the participant's monthly  
2 retirement income as of his or her benefit commencement date compounded at the  
3 annual rate of three percent as of each of the valuation dates (including the valuation  
4 date for which the adjustment is being made) which have occurred subsequent to his  
5 or her benefit commencement date.

6 (c) *Definition of Consumer Price Index.*

7 (1) The consumer price index to be used is the index for [[all urban consumers (CPI-U,  
8 Washington-Baltimore DC-MD-VA-WV average), all items (1996=100),]] “ALL  
9 URBAN CONSUMERS (CPI-U) WASHINGTON-BALTIMORE, DC-MD-VA-WV – ALL  
10 ITEMS – NOVEMBER 1996 = 100” published by the Bureau of Labor Statistics; and the  
11 [[CPI-U]] CONSUMER PRICE INDEX as of any valuation date means the index reading  
12 on the last day of March preceding such valuation date.

13 (2) In the event the Bureau of Labor Statistics abandons publication of the [[CPI-U,]]  
14 INDEX FOR “ALL URBAN CONSUMERS (CPI-U) WASHINGTON-BALTIMORE, DC-MD-  
15 VA-WV – ALL ITEMS – NOVEMBER 1996 = 100” the County shall adopt any other  
16 index which, in its judgment, provides an accurate measure of cost-of-living changes.

17 (d) *Monthly Survivor Benefits Subject to Cost of Living Adjustments.* All survivor benefits payable  
18 pursuant to section 1.439 (but only if payable in the form of a monthly income) shall be granted the  
19 cost of living adjustments provided in this section 1.435.

20  
21 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that***  
22 ***this Act shall become effective 61 days after its enactment.***