

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2012 Legislative Session

Legislative Day No. # 5

Bill No. 15 -2012

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

AN ACT amending the Howard County Police and Fire 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 Police and Fire Employees' Retirement Plan.

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 1.435A "Cost of living adjustments"*

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

9 **Subtitle 4A. Police and Fire Employees' Retirement Plan.**

10 **Article 3A. Trust Fund.**

11
12 **Section 1.435A. 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 1.433A, the monthly retirement income,
15 as otherwise computed pursuant to section 1.428A, of any participant shall be subject to the cost of
16 living adjustment described in this section.

17 (b) *Computation of Cost-of-Living Adjustment.*

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

23 (i) The numerator of which is the consumer price index (as defined in (c) below)
24 as of such valuation date; and

25 (ii) The denominator of which is the LESSER OF THE NUMERATOR OR THE [[said]]
26 consumer price index (as defined in (c) below) as of the immediately
27 preceding valuation date.

28 (2) Provided, however, no such cost of living adjustment shall cause a participant's
29 monthly retirement income to exceed an amount equal to the participant's monthly

1 retirement income as of his or her benefit commencement date compounded at the
2 annual rate of two percent as of each of the valuation dates (including the valuation
3 date for which the adjustment is being made) which have occurred subsequent to his
4 or her benefit commencement date.

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

6 (1) The consumer price index to be used is the index for [[all urban consumers (CPI-U, -
7 Baltimore area average, all items (1967=100),]] “ALL URBAN CONSUMERS (CPI-U)
8 WASHINGTON-BALTIMORE, DC-MD-VA-WV – ALL ITEMS – NOVEMBER 1996 = 100”
9 published by the Bureau of Labor Statistics; and the [[CPI-U]] CONSUMER PRICE
10 INDEX as of any valuation date means the index reading on the last day of
11 [[February]] MARCH preceding such valuation date.

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

16 (d) *Monthly Disability and Survivor Benefits Subject to Cost-of-Living Adjustments.* All disability or
17 survivor benefits payable pursuant to sections 1.431A and 1.440A (but only if payable in the form of
18 a monthly income) shall be granted the cost of living adjustments provided in this section.

19
20
21
22 **Section 2. And Be It Further Enacted** by the County Council of Howard County, Maryland that
23 *this Act shall become effective 61 days after its enactment.*