

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

## County Council Of Howard County, Maryland

2014 Legislative Session

Legislative Day No. 7

**Bill No. 35 -2014**

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

AN ACT amending the Howard County Police and Fire Employees' Retirement Plan to make certain technical corrections; to allow Police cadets to receive credit for years of eligibility service under certain conditions; and generally relating to the Howard County Police and Fire Employees' Retirement Plan.

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Introduced and read first time \_\_\_\_\_, 2014. Ordered posted and hearing scheduled.

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

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on \_\_\_\_\_, 2014.

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

This Bill was read the third time on \_\_\_\_\_, 2014 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

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

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_ a.m./p.m.

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

Approved/Vetoed by the County Executive \_\_\_\_\_, 2014

\_\_\_\_\_  
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 1.419A "Transfer of credited service; special provisions"*

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

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

10 **Article IIA. Credited Service.**

11  
12 **Section 1.419A. Transfer of credited service; special provisions.**

13 Effective July 1, 1993 a participant may receive credit for years of eligibility service and years of  
14 creditable service for periods of employment with another Government employer under the  
15 circumstances described in this section 1.419A, provided that such service has not been  
16 transferred and recognized under sections 1.416A through 1.418A above. If such service is  
17 transferred and recognized under the plan, either:

18 (a) *Adjustment of Retirement Date.* The participant's early retirement date and normal retirement  
19 date shall be adjusted in accordance with paragraph (c) below, and/or

20 (b) *Amount of Benefit Payable to Participant.* The amount of the benefit payable to the  
21 participant pursuant to section 1.428A and the participant's accrued benefit shall be adjusted in  
22 accordance with paragraph (d) below.

23 (c) *Adjustment of Early Retirement Date and Normal Retirement Date.* For the sole purpose of  
24 calculating whether a participant has reached his or her early retirement date or normal retirement  
25 date under the plan, a participant's years of eligibility service include the following:

- 26 (1) Up to five years of eligibility service will be credited for periods of full-time  
27 employment with another Government employer provided that such periods of  
28 full-time employment are in a position classification which is comparable to one  
29 or more of the position classifications of covered employees.

1 (2) Up to two years of eligibility service will be credited for periods of full-time  
2 employment with the County in the position classification of Police Cadet  
3 [[(7755)]] or with another Government employer within the State of Maryland,  
4 provided that such periods of full-time employment are in a position classification  
5 which is comparable to Police Cadet [[(7755)]]].

6 (3) The total years of eligibility service credited under this subsection shall not exceed  
7 five years of eligibility service.

8 (d) *Adjustment of the Amount of Benefit Payable.* For the sole purpose of calculating a  
9 participant's accrued benefit and his or her retirement benefits payable under section 1.428A, any  
10 participant may irrevocably elect, within one year of performing an hour of service as a covered  
11 employee, to transfer to the plan the amount of any participant contributions made to another  
12 Government employer retirement plan under which the participant was covered, together with  
13 interest previously credited by such plan, provided that such plan permits transfer of  
14 contributions to this plan. If a participant so elects, the amount of his or her accrued benefit and  
15 the amount of retirement benefit as calculated under section 1.428A shall include an actuarial  
16 adjustment for the participant contributions which are transferred.

17 (e) *Purchase of Credited Service—Normal and Early Retirement Benefits.*

18 (1) (i) *General.* Any participant may elect, at any time after becoming a  
19 participant and prior to reaching a termination date, to receive credit for  
20 years of creditable service performed with another government employer,  
21 provided that such service has not been previously recognized under  
22 sections 1.416A through 1.418A or section 1.419A(a)—(d).

23 (II) ANY PARTICIPANT WHO HAS RECEIVED CREDIT FOR ELIGIBILITY SERVICE  
24 PURSUANT TO SUBSECTION (C)(2) OF THIS SECTION 1.419A MAY ELECT, AT  
25 ANY TIME AFTER JUNE 30, 2014 AND PRIOR TO REACHING A TERMINATION  
26 DATE, TO RECEIVE CREDIT FOR UP TO TWO YEARS OF CREDITABLE SERVICE  
27 FOR PERIODS OF FULL-TIME EMPLOYMENT WITH THE COUNTY IN THE  
28 POSITION CLASSIFICATION OF POLICE CADET.

1           (2)    *Cost of purchase.*

2           (i)     It is the intent of the County that a participant who elects to purchase  
3                    credit for service hereunder pay the full actuarial cost of the credit for  
4                    service.

5           (ii)    The participant's election to purchase service shall include an election by  
6                    the participant of an assumed retirement date (the "assumed retirement  
7                    date") upon which the cost to purchase service will be based.

8           (iii)   The cost of the purchase equals the present value of the participant's  
9                    projected accrued benefit including the credit for the service purchased  
10                   hereunder and calculated on the basis of the participant's assumed  
11                   retirement date, less the present value of the participant's projected accrued  
12                   benefit without the service credit purchased hereunder.

13          (iv)    Present value will be determined using the interest, post-retirement  
14                    mortality, post-retirement benefit increase and pay increase assumptions  
15                    most recently adopted by the Committee, except that the interest  
16                    assumption will be net of investment expenses and the actuary will use the  
17                    unisex version of the mortality table used to determine post-retirement  
18                    mortality.

19          (3)    *Methods of payment for purchased service.*

20           The participant's election to purchase credit for service shall also include an  
21           election of the method by which the participant will purchase the credit for  
22           service.

23          (i)     The participant may pay over to the plan the amounts calculated pursuant  
24                    to subsection (ii) hereof by either:

25                   a.     A lump sum cash payment to the plan;

26                   b.     A rollover from another employer's qualified retirement plan;

27                   c.     Following the effective date of section 1.426A(a)(3), periodic  
28                    installment payments by payroll deduction; or

29                   d.     Effective May 1, 2004, the participant may also purchase credit for

1 service through one or more of the following methods:

- 2 1. A rollover from an individual retirement account to the  
3 extent permitted under Section 408(d)(3) of the Internal  
4 Revenue Code;
- 5 2. A rollover or direct trustee-to-trustee transfer from a  
6 deferred compensation plan established by a Governmental  
7 employer pursuant to Section 457(b) of the Internal  
8 Revenue Code to the extent provided for by Sections  
9 457(e)(16) and 457(e)(17) of the Internal Revenue Code;
- 10 3. A direct trustee-to-trustee transfer from a tax deferred  
11 annuity established pursuant to Section 403(b) of the  
12 Internal Revenue Code to the extent provided for by section  
13 403(b)(13) of the Internal Revenue Code; or

- 14 (ii) If the participant chooses to purchase the credit in whole or in part by  
15 periodic installment payments, such a purchase shall be pursuant to a  
16 binding, irrevocable payroll deduction authorization between the County  
17 and the participant which provides for the number of deductions and the  
18 dollar amount of each deduction.
- 19 (iii) Notwithstanding the foregoing, the participant's election of the method of  
20 payment for purchased service may be modified by the County to the  
21 extent necessary to conform to Section 415 of the Internal Revenue Code.

22 (4) *Retirement before or after assumed retirement date.*

- 23 (i) If a participant reaches a termination date on a date other than the  
24 participant's assumed retirement date, but after the participant's normal  
25 retirement date, the credit for service purchased by the participant will be  
26 adjusted so that the amount of credit purchased equals the amount that  
27 would have been purchased (based on the participant's actual  
28 contributions) if the actual termination date had been used (rather than the  
29 assumed retirement date) for purposes of calculating the cost of the

1 service.

2 (ii) If the adjustment increases the amount of credit purchased over the credit  
3 which would have been awarded if the participant terminated employment  
4 on the assumed retirement date, the excess will be used to provide an  
5 additional monthly benefit to the participant.

6 (5) *Participant elects return of payments.* If a participant reaches a termination date  
7 after having been credited with at least five years of eligibility service and prior to  
8 his normal retirement date, the participant, or the participant's beneficiary, may  
9 elect to receive a return of the payments made pursuant to this section 1.419A(e)  
10 plus interest at the rate specified in (2) hereof, in the form of either:

11 (i) A lump sum payment; or

12 (ii) A monthly benefit equivalent to a lump sum payment, with the  
13 equivalence to be determined pursuant to the factors set forth in (2) hereof.

14 (6) *Mandatory return of payments.* If a participant reaches a termination date before  
15 having been credited with five years of eligibility service, the participant, or the  
16 participant's beneficiary, shall receive a return of the payments made pursuant to  
17 this section 1.419A(e) plus interest at the rate specified in (2) hereof, in the form  
18 of a lump sum payment.

19  
20 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland that  
21 *this Act shall apply beginning with the first pay date after July 1, 2014.*

22  
23 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland that  
24 *this Act shall become effective 61 days after its enactment.*