

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

## County Council of Howard County, Maryland

2024 Legislative Session

Legislative Day No. 10

### Bill No. 51 -2024

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

Short Title: Amendment to Howard County Retirement Plan – Creation of a Deferred Retirement Option Program for Participating Deputy Sheriffs.

Title: AN ACT amending the Howard County Retirement Plan in order to create a Deferred Retirement Option Program for Participating Deputy Sheriffs (Deputy Sheriffs DROP); defining certain terms; establishing certain deadlines; setting forth the eligibility for Deputy Sheriffs DROP to include certain employees of the Office of the Sheriff; providing for the term of Deputy Sheriff DROP participation; providing for the termination of participation in Deputy Sheriffs DROP; requiring that certain accounts be established and maintained; setting forth provisions related to the disability, death, or retirement of Deputy Sheriffs DROP participants; and generally relating to the Howard County Retirement Plan.

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Introduced and read first time \_\_\_\_\_, 2024. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Michelle Harrod, 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 \_\_\_\_\_, 2024.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

This Bill was read the third time on \_\_\_\_\_, 2024 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Michelle Harrod Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_ day of \_\_\_\_\_, 2024 at \_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2024

\_\_\_\_\_  
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  
2 County Code is amended as follows:

3 1. By amending the heading for:

4 *Title 1 – Human Resources*

5 *Section 1.438 Deferred Retirement Option Program*

6 2. By adding

7 *Section 1.438.1 Deferred Retirement Option Program for Participating Deputy*

8 *Sheriffs*

9  
10 **Title 1. Human Resources.**

11 **Subtitle 4. Howard County Retirement Plan.**

12 **Article III. Trust Fund.**

13  
14 **Section 1.438. Deferred Retirement Option Program FOR PARTICIPATING CORRECTIONS**  
15 **EMPLOYEES.**

16 (a) *Definitions.* In this section, the following words have the meanings indicated:

17 (1) *Applicable interest rate* means the assumed rate of return (net of investment  
18 expenses) on the Plan’s investments (“investment return rate”) as most recently  
19 adopted by the Committee minus 4.0%; provided that the applicable interest rate  
20 shall not be less than 1.5%. Changes to the applicable interest rate will become  
21 effective on the July 1 that next follows the adoption of the change in the investment  
22 return rate.

23 (2) *Corrections DROP* means the Deferred Retirement Option Program established  
24 under this section 1.438, pursuant to which a participating corrections employee  
25 agrees to delay receipt of retirement benefits while he or she continues to work.

26 (3) *Corrections DROP account* means the account established for a Corrections DROP  
27 participant in accordance with subsection (h) into which the retirement benefits plus  
28 interest are credited while the participant continues to work for the County.

29 (4) *Corrections DROP effective date* means July 1, 2021.

30 (5) *Corrections DROP participant* means a participating corrections employee as  
31 defined in Section 1.406(ak) who is eligible and who elects to participate in  
32 Corrections DROP.

1 (6) *Corrections DROP participation period* means the time during which a participant  
2 participates in Corrections DROP while actively employed by the County.  
3 Corrections DROP participation periods may begin on the first day of any month  
4 on or after July 1, 2021.

5 (b) *Eligibility.*

6 (1) Except as provided in paragraph (2) of this subsection (b), a Participating  
7 Corrections Employee is eligible to participate in Corrections DROP if the  
8 Participating Corrections Employee has completed at least 20 years of creditable  
9 service.

10 (2) A participating corrections employee who, on July 1, 2021 has accrued 33 or more  
11 years of creditable service may elect to enter Corrections DROP for a participation  
12 period of two years, which will begin on October 1, 2021 and end on September  
13 30, 2023.

14 (3) For purposes of this subsection, years of creditable service attributable to unused  
15 disability leave that may otherwise be credited pursuant to section 1.428(j) shall not  
16 be counted. All other years of creditable service are counted for purposes of this  
17 subsection.

18 (c) *Term of Corrections DROP Participation.* The term of Corrections DROP participation shall  
19 be determined by the Corrections DROP participant; provided, however, that the minimum  
20 Corrections DROP participation period is two years and the maximum Corrections DROP  
21 participation period is five years. A participant who enters Corrections DROP but does not  
22 complete the minimum participation period of two years before his or her termination date shall  
23 have his or her retirement income recalculated as if he or she never entered Corrections DROP. In  
24 such a case, the participant's Corrections DROP account will be zero dollars.

25 (d) *Application.* An eligible Participating Corrections Employee who elects to participate in  
26 Corrections DROP shall:

27 (1) Complete and submit a written election to the Coordinator on a form approved by  
28 or acceptable to the Committee, stating:

29 (i) The participant's intention to participate in Corrections DROP;

30 (ii) The date when the participant intends to begin to participate in Corrections  
31 DROP; and

1 (iii) Such other information required by the Committee to implement  
2 Corrections DROP with respect to the participant.

3 (iv) submit the application to the Coordinator between 90 and 30 days prior to  
4 the date the participant intends to begin to participate in Corrections DROP.

5 (2) A participating corrections employee who, as of July 1, 2021, has accrued 33 or  
6 more years of creditable service and elects to participate in CORRECTIONS DROP  
7 shall submit an application to the Coordinator no later than August 15, 2021.

8 (e) *Termination of Participation.* Participation in Corrections DROP terminates if the Corrections  
9 DROP participant:

10 (1) Reaches a termination date by reason of death, disability or termination of  
11 employment;

12 (2) Except as provided in subsection (B)(2), accrues 35 years of creditable service, or

13 (3) Reaches the fifth anniversary of his or her Corrections DROP participation date.

14 (f) *Termination of Corrections DROP Participation Period.*

15 (1) A Corrections DROP participant shall provide at least 18 months' written notice to  
16 the Coordinator of his or her intent to terminate employment and end the  
17 Corrections DROP participation period prior to the date he or she accrues 35 years  
18 of creditable service or reaches the fifth anniversary of his or her Corrections DROP  
19 participation date. This notice shall be irrevocable 60 days after the Coordinator  
20 receives the notice.

21 (2) *Termination of Corrections DROP participation.* the termination date of a  
22 Corrections DROP participant shall be the last day of his or her Corrections DROP  
23 participation period. The Corrections DROP participant will begin receiving a  
24 retirement benefit as of the first day of the month following the end of the  
25 Corrections DROP participation period. The termination date of a participant who  
26 fails to submit the documents requesting retirement shall be the date he or she  
27 accrues 35 years of creditable service or reaches the fifth anniversary of his or her  
28 Corrections DROP participation date.

29 (3) *Penalty for Early Termination.* A Corrections DROP participant who has  
30 completed two years of Corrections DROP participation and terminates  
31 employment prior to completion of the 18 month period provided in the notice  
32 described in subsection (f)(1) of this Section shall forfeit the interest accrued in a

1 number of previous months. The number of months of interest forfeited is equal to  
2 the lesser of (a) 12 months or (b) 18 minus the number of full calendar months  
3 actually served after written notice of intent to terminate employment and end the  
4 Corrections DROP participation period was provided to the Coordinator. If a  
5 Corrections DROP participant fails to give any notice, the interest penalty shall be  
6 12 months. There shall be no penalty under this subsection (f)(3) with respect to a  
7 Corrections DROP participant who (1) terminates Corrections DROP on the date  
8 he or she accrues 35 years of creditable service or reaches the fifth anniversary of  
9 his or her Corrections DROP participation date or (2) DIES, BECOMES DISABLED OR  
10 is subject to an involuntary termination of employment.

- 11 (4) *Extension of Participation.* A Corrections DROP participant who has declared his  
12 or her written intent to terminate employment and end his or her Corrections DROP  
13 participation may request a one-time extension of not more than six months.  
14 Approval of the extension shall be at the discretion of the County Executive or his  
15 or her designee. No extension shall extend the length of Corrections DROP  
16 participation to more than five years.

17 (g) *Status during Participation.*

- 18 (1) *Plan participant:* A Corrections DROP participant will remain a participant in the  
19 Plan until the last day of his or her Corrections DROP participation period.
- 20 (2) *Application of Cost of Living Adjustments:* During the Corrections DROP  
21 participation period, the monthly retirement income of Corrections DROP  
22 participants, which is accumulated in their Corrections DROP Accounts, will not  
23 be subject to cost of living adjustments under Section 1.435.
- 24 (3) A Corrections DROP participant will not accrue credit for years of creditable  
25 service during the period of Corrections DROP participation.
- 26 (4) A Corrections DROP participant's compensation during the Corrections DROP  
27 participation period shall not be used to increase the Corrections DROP  
28 participant's average compensation.
- 29 (5) During the period of a Corrections DROP participant's participation in Corrections  
30 DROP, the Corrections DROP participant shall continue to be eligible to participate  
31 in any health and welfare plan or deferred compensation plan, and receive any other  
32 benefits otherwise available to County employees who are Corrections Employees

1 and shall continue to be subject to the personnel laws, regulations and policies  
2 applicable to Corrections Employees.

3 (h) *Corrections DROP Account.*

4 (1) As of the effective date of participation in Corrections DROP, the Coordinator shall  
5 establish and maintain a Corrections DROP account for each Corrections DROP  
6 participant. The Corrections DROP account is maintained solely for purposes of  
7 accounting for the Corrections DROP participant's benefit from Corrections DROP.  
8 The Committee shall be under no obligation to segregate funds from the trust for  
9 the participant's Corrections DROP account.

10 (2) During the period of the Corrections DROP participant's participation in  
11 Corrections DROP, the Coordinator shall credit each month the following amounts  
12 to the Corrections DROP participant's Corrections DROP account:

13 (i) The Corrections DROP participant's monthly retirement income determined  
14 pursuant to section 1.428, as of the participant's Corrections DROP  
15 participation date without the adjustment for unused disability leave  
16 pursuant to subsection 1.428(j) , and without adjustment for cost of living  
17 increases provided to retirees under section 1.435 of this Subtitle.

18 (ii) Interest on the amount described in sub-paragraph a in accordance with the  
19 following rules:

20 a. Interest compounded monthly, but with an effective annual rate  
21 equal to the applicable interest rate will be applied to the balance of  
22 the Corrections DROP account as of the last day of each month  
23 during the Corrections DROP participation period.

24 b. No interest will be applied to additions to the account made during  
25 the current calendar month.

26 (3) *Statement of account balance.* At least once a year, the Coordinator shall provide  
27 to a *Corrections DROP participant* a statement of the account balance credited to  
28 the *Corrections DROP account* as described in paragraph (2).

29 (i) *Disability during Corrections DROP participation.* If during the period of a Corrections DROP  
30 participant's participation in Corrections DROP, the participant reaches a termination date by  
31 reason of total and permanent disability in accordance with section 1.431, the participant,

1 individually, or by a representative if the participant is unable to make an election due to the  
2 disability, may elect to receive one of the following benefits:

3 (1) The benefit calculated pursuant to section 1.431, based upon the participant's actual  
4 years of creditable service, if applicable, and average compensation earned through  
5 the termination date and calculated as if the Corrections DROP participant had not  
6 elected to participate in Corrections DROP. A Corrections DROP participant who  
7 elects the benefit provided for in this subsection (i)(1) will forfeit his or her  
8 Corrections DROP account; or

9 (2) The sum of:

10 (i) The balance of the participant's Corrections DROP account as of the  
11 participant's termination date, paid in the form described in subsection  
12 1.438(k)(2) a. or 1.438(k)(2) b., plus

13 (ii) The monthly benefit calculated pursuant to section 1.431, based upon the  
14 participant's actual years of creditable service, if applicable and average  
15 compensation earned through the day before he or she became a Corrections  
16 DROP participant.

17 (j) *Death during Corrections DROP participation.*

18 (1) If during the period of a Corrections DROP participant's participation in  
19 Corrections DROP, the participant reaches a termination date by reason of death,  
20 one of the following benefits will be paid:

21 (i) The participant's beneficiary will receive:

22 a. The general benefit described in subsection 1.439(a)(1), plus

23 b. One hundred percent of the balance of the participant's Corrections  
24 DROP account as of the Corrections DROP participant's termination  
25 date, paid in the form described in subsection 1.438(k)(2)a. or  
26 1.438(k)(2)b., or

27 (ii) The participant's surviving spouse or surviving children, as applicable, will  
28 receive:

29 a. One hundred percent of the balance of the participant's Corrections  
30 DROP account as of the Corrections DROP participant's termination  
31 date, paid in the form described in subsection 1.438(k)(2)a. or  
32 1.438(k)(2)b., plus

1                   b.       The monthly benefit determined pursuant to subsection 1.439(a)(2)  
2   or 1.439(b) based upon the participant's actual years of creditable  
3   service and average compensation earned through the date of death  
4   and calculated as if the Corrections DROP participant had not  
5   elected to participate in Corrections DROP.

6                   (iii)   Benefits will be paid to the Corrections DROP participant's surviving  
7   spouse or surviving children only to the extent the requirements of  
8   subsections 1.439(a)(2) and 1.439(b)(2) or 1.439(b)(3) are met. If the  
9   requirements of subsections 1.439(a)(2) and 1.439(b)(2) or 1.439(b)(3) are  
10    not met, the Corrections DROP participant's surviving spouse or surviving  
11    children, as applicable, will receive the benefit described in subsection  
12    (j)(1).

13   (k) *Retirement Benefits of Corrections DROP Participants.* On the first day of the month  
14   following the Corrections DROP participant's termination date, the Corrections DROP participant,  
15   or the Corrections DROP participant's beneficiary, if the participant has died before benefits  
16   commence, shall be entitled to receive the following benefits under the Plan:

17               (1)   *Monthly Income.* A monthly retirement income determined in accordance with  
18   section 1.428 or 1.442, adjusted for unused disability leave, pursuant to subsection  
19   1.428(j).

20  
21               (2)   *Corrections DROP Payment.* The amount accrued in the participant's Corrections  
22   DROP account, determined in accordance with subsection (h) at the end of the  
23   Corrections DROP participant's participation period, in the form of:

24                   (i)   An eligible rollover distribution, pursuant to section 1.444; or

25                   (ii)   A lump sum distribution, reduced by any withholding taxes remitted to the  
26   Internal Revenue Service or other taxing authority; or

27                   (iii)   An additional annuity in the normal form of monthly benefit specified in  
28   section 1.428 if the participant's monthly income is payable in the normal  
29   form of monthly benefit specified in section 1.428; or

30                   (iv)   An additional annuity in the form of monthly benefit elected by the  
31   Corrections DROP participant in accordance with section 1.442 with  
32   respect to the Corrections DROP participant's monthly income.



1  
2 **SECTION 1.438.1. DEFERRED RETIREMENT OPTION PROGRAM FOR PARTICIPATING DEPUTY**  
3 **SHERIFFS.**

4 (A) *DEFINITIONS.* IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:

5 (1) *APPLICABLE INTEREST RATE* MEANS THE ASSUMED RATE OF RETURN (NET OF  
6 INVESTMENT EXPENSES) ON THE PLAN’S INVESTMENTS (“INVESTMENT RETURN  
7 RATE”) AS MOST RECENTLY ADOPTED BY THE COMMITTEE MINUS 4.0%; PROVIDED  
8 THAT THE APPLICABLE INTEREST RATE SHALL NOT BE LESS THAN 1.5%. CHANGES TO  
9 THE APPLICABLE INTEREST RATE WILL BECOME EFFECTIVE ON THE JULY 1 THAT NEXT  
10 FOLLOWS THE ADOPTION OF THE CHANGE IN THE INVESTMENT RETURN RATE.

11 (2) *DEPUTY SHERIFFS DROP* MEANS THE DEFERRED RETIREMENT OPTION PROGRAM  
12 ESTABLISHED UNDER THIS SECTION 1.438.1, PURSUANT TO WHICH A PARTICIPATING  
13 DEPUTY SHERIFF AGREES TO DELAY RECEIPT OF RETIREMENT BENEFITS WHILE HE OR  
14 SHE CONTINUES TO WORK.

15 (3) *DEPUTY SHERIFF DROP ACCOUNT* MEANS THE ACCOUNT ESTABLISHED FOR A  
16 DEPUTY SHERIFF DROP PARTICIPANT IN ACCORDANCE WITH SUBSECTION (H) INTO  
17 WHICH THE RETIREMENT BENEFITS PLUS INTEREST ARE CREDITED WHILE THE  
18 PARTICIPANT CONTINUES TO WORK FOR THE SHERIFF OF HOWARD COUNTY.

19 (4) *DEPUTY SHERIFF DROP EFFECTIVE DATE* MEANS JULY 1, 2024.

20 (5) *DEPUTY SHERIFFS DROP PARTICIPANT* MEANS A PARTICIPATING DEPUTY SHERIFF  
21 DEFINED IN SECTION 1.406(AM) WHO IS ELIGIBLE AND WHO ELECTS TO PARTICIPATE  
22 IN DEPUTY SHERIFFS DROP.

23 (6) *DEPUTY SHERIFFS DROP PARTICIPATION PERIOD* MEANS THE TIME DURING WHICH A  
24 PARTICIPANT PARTICIPATES IN DEPUTY SHERIFFS DROP WHILE ACTIVELY  
25 EMPLOYED BY THE SHERIFF OF HOWARD COUNTY. DEPUTY SHERIFFS DROP  
26 PARTICIPATION PERIODS MAY BEGIN ON THE FIRST DAY OF ANY MONTH ON OR AFTER  
27 THE DATE HE OR SHE HAS COMPLETED AT LEAST 20 YEARS OF CREDITABLE SERVICE.

28 (B) *ELIGIBILITY.*

29 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION (B), A PARTICIPATING  
30 DEPUTY SHERIFF IS ELIGIBLE TO PARTICIPATE IN DEPUTY SHERIFFS DROP IF THE  
31 PARTICIPATING DEPUTY SHERIFF HAS COMPLETED AT LEAST 20 YEARS OF  
32 CREDITABLE SERVICE.

1 (2) FOR PURPOSES OF THIS SUBSECTION, YEARS OF CREDITABLE SERVICE ATTRIBUTABLE  
2 TO UNUSED DISABILITY LEAVE THAT MAY OTHERWISE BE CREDITED PURSUANT TO  
3 SECTION 1.428(J) SHALL NOT BE COUNTED. ALL OTHER YEARS OF CREDITABLE  
4 SERVICE ARE COUNTED FOR PURPOSES OF THIS SUBSECTION.

5 (C) *TERM OF DEPUTY SHERIFFS DROP PARTICIPATION.* THE TERM OF DEPUTY SHERIFFS DROP  
6 PARTICIPATION SHALL BE DETERMINED BY THE DEPUTY SHERIFFS DROP PARTICIPANT; PROVIDED,  
7 HOWEVER, THAT THE MINIMUM DEPUTY SHERIFFS DROP PARTICIPATION PERIOD IS TWO YEARS AND  
8 THE MAXIMUM DEPUTY SHERIFFS DROP PARTICIPATION PERIOD IS FIVE YEARS. A PARTICIPANT WHO  
9 ENTERS DEPUTY SHERIFFS DROP BUT DOES NOT COMPLETE THE MINIMUM PARTICIPATION PERIOD  
10 OF TWO YEARS BEFORE HIS OR HER TERMINATION DATE SHALL HAVE HIS OR HER RETIREMENT  
11 INCOME RECALCULATED AS IF HE OR SHE NEVER ENTERED DEPUTY SHERIFFS DROP. IN SUCH A  
12 CASE, THE PARTICIPANT'S DEPUTY SHERIFFS DROP ACCOUNT WILL BE ZERO DOLLARS.

13 (D) *APPLICATION.* AN ELIGIBLE PARTICIPATING DEPUTY SHERIFF WHO ELECTS TO PARTICIPATE IN  
14 DEPUTY SHERIFFS DROP SHALL:

15 (1) COMPLETE AND SUBMIT A WRITTEN ELECTION TO THE COORDINATOR ON A FORM  
16 APPROVED BY OR ACCEPTABLE TO THE COMMITTEE, STATING:

17 (I) THE PARTICIPANT'S INTENTION TO PARTICIPATE IN DEPUTY SHERIFFS DROP;

18 (II) THE DATE WHEN THE PARTICIPANT INTENDS TO BEGIN TO PARTICIPATE IN  
19 DEPUTY SHERIFFS DROP; AND

20 (III) SUCH OTHER INFORMATION REQUIRED BY THE COMMITTEE TO IMPLEMENT  
21 DEPUTY SHERIFFS DROP WITH RESPECT TO THE PARTICIPANT.

22 (IV) SUBMIT THE APPLICATION TO THE COORDINATOR BETWEEN 90 AND 30 DAYS  
23 PRIOR TO THE DATE THE PARTICIPANT INTENDS TO BEGIN TO PARTICIPATE IN  
24 DEPUTY SHERIFFS DROP.

25 (E) *TERMINATION OF PARTICIPATION.* PARTICIPATION IN DEPUTY SHERIFFS DROP TERMINATES IF  
26 THE DEPUTY SHERIFFS DROP PARTICIPANT:

27 (1) REACHES A TERMINATION DATE BY REASON OF DEATH, DISABILITY OR TERMINATION  
28 OF EMPLOYMENT;

29 (2) ACCRUES 35 YEARS OF CREDITABLE SERVICE, OR

30 (3) REACHES THE FIFTH ANNIVERSARY OF HIS OR HER DEPUTY SHERIFFS DROP  
31 PARTICIPATION DATE.

32 (F) *TERMINATION OF DEPUTY SHERIFFS DROP PARTICIPATION PERIOD.*

1 (1) A DEPUTY SHERIFFS DROP PARTICIPANT SHALL PROVIDE AT LEAST 18 MONTHS'  
2 WRITTEN NOTICE TO THE COORDINATOR OF HIS OR HER INTENT TO TERMINATE  
3 EMPLOYMENT AND END THE DEPUTY SHERIFFS DROP PARTICIPATION PERIOD PRIOR  
4 TO THE DATE HE OR SHE ACCRUES 35 YEARS OF CREDITABLE SERVICE OR REACHES  
5 THE FIFTH ANNIVERSARY OF HIS OR HER DEPUTY SHERIFFS DROP PARTICIPATION  
6 DATE. THIS NOTICE SHALL BE IRREVOCABLE 60 DAYS AFTER THE COORDINATOR  
7 RECEIVES THE NOTICE.

8 (2) *TERMINATION OF DEPUTY SHERIFFS DROP PARTICIPATION.* THE TERMINATION DATE  
9 OF A DEPUTY SHERIFFS DROP PARTICIPANT SHALL BE THE LAST DAY OF HIS OR HER  
10 DEPUTY SHERIFFS DROP PARTICIPATION PERIOD. THE DEPUTY SHERIFFS DROP  
11 PARTICIPANT WILL BEGIN RECEIVING A RETIREMENT BENEFIT AS OF THE FIRST DAY  
12 OF THE MONTH FOLLOWING THE END OF THE DEPUTY SHERIFFS DROP  
13 PARTICIPATION PERIOD. THE TERMINATION DATE OF A PARTICIPANT WHO FAILS TO  
14 SUBMIT THE DOCUMENTS REQUESTING RETIREMENT SHALL BE THE DATE HE OR SHE  
15 ACCRUES 35 YEARS OF CREDITABLE SERVICE OR REACHES THE FIFTH ANNIVERSARY  
16 OF HIS OR HER DEPUTY SHERIFFS DROP PARTICIPATION DATE.

17 (3) *PENALTY FOR EARLY TERMINATION.* A DEPUTY SHERIFFS DROP PARTICIPANT WHO  
18 HAS COMPLETED TWO YEARS OF DEPUTY SHERIFFS DROP PARTICIPATION AND  
19 TERMINATES EMPLOYMENT PRIOR TO COMPLETION OF THE 18 MONTH PERIOD  
20 PROVIDED IN THE NOTICE DESCRIBED IN SUBSECTION (F)(1) OF THIS SECTION SHALL  
21 FORFEIT THE INTEREST ACCRUED IN A NUMBER OF PREVIOUS MONTHS. THE NUMBER  
22 OF MONTHS OF INTEREST FORFEITED IS EQUAL TO THE LESSER OF (A) 12 MONTHS OR  
23 (B) 18 MINUS THE NUMBER OF FULL CALENDAR MONTHS ACTUALLY SERVED AFTER  
24 WRITTEN NOTICE OF INTENT TO TERMINATE EMPLOYMENT AND END THE DEPUTY  
25 SHERIFFS DROP PARTICIPATION PERIOD WAS PROVIDED TO THE COORDINATOR. IF A  
26 DEPUTY SHERIFFS DROP PARTICIPANT FAILS TO GIVE ANY NOTICE, THE INTEREST  
27 PENALTY SHALL BE 12 MONTHS. THERE SHALL BE NO PENALTY UNDER THIS  
28 SUBSECTION (F)(3) WITH RESPECT TO A DEPUTY SHERIFFS DROP PARTICIPANT WHO  
29 (1) TERMINATES DEPUTY SHERIFFS DROP ON THE DATE HE OR SHE ACCRUES 35  
30 YEARS OF CREDITABLE SERVICE OR REACHES THE FIFTH ANNIVERSARY OF HIS OR HER  
31 DEPUTY SHERIFFS DROP PARTICIPATION DATE OR (2) DIES, BECOMES DISABLED OR  
32 IS SUBJECT TO AN INVOLUNTARY TERMINATION OF EMPLOYMENT.

1 (4) *EXTENSION OF PARTICIPATION.* A DEPUTY SHERIFFS DROP PARTICIPANT WHO HAS  
2 DECLARED HIS OR HER WRITTEN INTENT TO TERMINATE EMPLOYMENT AND END HIS  
3 OR HER DEPUTY SHERIFFS DROP PARTICIPATION MAY REQUEST A ONE-TIME  
4 EXTENSION OF NOT MORE THAN SIX MONTHS. APPROVAL OF THE EXTENSION SHALL  
5 BE AT THE DISCRETION OF THE SHERIFF OF HOWARD COUNTY OR HIS OR HER  
6 DESIGNEE. NO EXTENSION SHALL EXTEND THE LENGTH OF DEPUTY SHERIFFS DROP  
7 PARTICIPATION TO MORE THAN FIVE YEARS.

8 (G) *STATUS DURING PARTICIPATION.*

9 (1) *PLAN PARTICIPANT:* A DEPUTY SHERIFFS DROP PARTICIPANT WILL REMAIN A  
10 PARTICIPANT IN THE PLAN UNTIL THE LAST DAY OF HIS OR HER DEPUTY SHERIFFS  
11 DROP PARTICIPATION PERIOD.

12 (2) *APPLICATION OF COST OF LIVING ADJUSTMENTS:* DURING THE DEPUTY SHERIFFS  
13 DROP PARTICIPATION PERIOD, THE MONTHLY RETIREMENT INCOME OF DEPUTY  
14 SHERIFFS DROP PARTICIPANTS, WHICH IS ACCUMULATED IN THEIR DEPUTY  
15 SHERIFFS DROP ACCOUNTS, WILL NOT BE SUBJECT TO COST OF LIVING  
16 ADJUSTMENTS UNDER SECTION 1.435.

17 (3) A DEPUTY SHERIFFS DROP PARTICIPANT WILL NOT ACCRUE CREDIT FOR YEARS OF  
18 CREDITABLE SERVICE DURING THE PERIOD OF DEPUTY SHERIFFS DROP  
19 PARTICIPATION.

20 (4) A DEPUTY SHERIFFS DROP PARTICIPANT'S COMPENSATION DURING THE DEPUTY  
21 SHERIFFS DROP PARTICIPATION PERIOD SHALL NOT BE USED TO INCREASE THE  
22 DEPUTY SHERIFFS DROP PARTICIPANT'S AVERAGE COMPENSATION.

23 (5) DURING THE PERIOD OF A DEPUTY SHERIFFS DROP PARTICIPANT'S PARTICIPATION  
24 IN DEPUTY SHERIFFS DROP, THE DEPUTY SHERIFFS DROP PARTICIPANT SHALL  
25 CONTINUE TO BE ELIGIBLE TO PARTICIPATE IN ANY HEALTH AND WELFARE PLAN OR  
26 DEFERRED COMPENSATION PLAN, AND RECEIVE ANY OTHER BENEFITS OTHERWISE  
27 AVAILABLE TO DEPUTY SHERIFFS AND SHALL CONTINUE TO BE SUBJECT TO THE  
28 PERSONNEL LAWS, REGULATIONS AND POLICIES APPLICABLE TO DEPUTY SHERIFFS.

29 (H) *DEPUTY SHERIFFS DROP ACCOUNT.*

30 (1) AS OF THE EFFECTIVE DATE OF PARTICIPATION IN DEPUTY SHERIFFS DROP, THE  
31 COORDINATOR SHALL ESTABLISH AND MAINTAIN A DEPUTY SHERIFFS DROP  
32 ACCOUNT FOR EACH DEPUTY SHERIFFS DROP PARTICIPANT. THE DEPUTY SHERIFFS

1 DROP ACCOUNT IS MAINTAINED SOLELY FOR PURPOSES OF ACCOUNTING FOR THE  
2 DEPUTY SHERIFFS DROP PARTICIPANT'S BENEFIT FROM DEPUTY SHERIFFS DROP.  
3 THE COMMITTEE SHALL BE UNDER NO OBLIGATION TO SEGREGATE FUNDS FROM THE  
4 TRUST FOR THE PARTICIPANT'S DEPUTY SHERIFFS DROP ACCOUNT.

5 (2) DURING THE PERIOD OF THE DEPUTY SHERIFFS DROP PARTICIPANT'S PARTICIPATION  
6 IN DEPUTY SHERIFFS DROP, THE COORDINATOR SHALL CREDIT EACH MONTH THE  
7 FOLLOWING AMOUNTS TO THE DEPUTY SHERIFFS DROP PARTICIPANT'S DEPUTY  
8 SHERIFFS DROP ACCOUNT:

9 (i) THE DEPUTY SHERIFFS DROP PARTICIPANT'S MONTHLY RETIREMENT  
10 INCOME DETERMINED PURSUANT TO SECTION 1.428, AS OF THE  
11 PARTICIPANT'S DEPUTY SHERIFFS DROP PARTICIPATION DATE WITHOUT THE  
12 ADJUSTMENT FOR UNUSED DISABILITY LEAVE PURSUANT TO SUBSECTION  
13 1.428(J), AND WITHOUT ADJUSTMENT FOR COST OF LIVING INCREASES  
14 PROVIDED TO RETIREES UNDER SECTION 1.435 OF THIS SUBTITLE.

15 (ii) INTEREST ON THE AMOUNT DESCRIBED IN SUB-PARAGRAPH A IN  
16 ACCORDANCE WITH THE FOLLOWING RULES:

17 A. INTEREST COMPOUNDED MONTHLY, BUT WITH AN EFFECTIVE ANNUAL  
18 RATE EQUAL TO THE APPLICABLE INTEREST RATE WILL BE APPLIED TO  
19 THE BALANCE OF THE DEPUTY SHERIFFS DROP ACCOUNT AS OF THE  
20 LAST DAY OF EACH MONTH DURING THE DEPUTY SHERIFFS DROP  
21 PARTICIPATION PERIOD.

22 B. NO INTEREST WILL BE APPLIED TO ADDITIONS TO THE ACCOUNT MADE  
23 DURING THE CURRENT CALENDAR MONTH.

24 (3) *STATEMENT OF ACCOUNT BALANCE.* AT LEAST ONCE A YEAR, THE COORDINATOR  
25 SHALL PROVIDE TO A *DEPUTY SHERIFFS DROP PARTICIPANT* A STATEMENT OF THE  
26 ACCOUNT BALANCE CREDITED TO THE *DEPUTY SHERIFFS DROP ACCOUNT* AS  
27 DESCRIBED IN PARAGRAPH (2).

28 (i) *DISABILITY DURING DEPUTY SHERIFFS DROP PARTICIPATION.* IF DURING THE PERIOD OF A DEPUTY  
29 SHERIFFS DROP PARTICIPANT'S PARTICIPATION IN DEPUTY SHERIFFS DROP, THE PARTICIPANT  
30 REACHES A TERMINATION DATE BY REASON OF TOTAL AND PERMANENT DISABILITY IN ACCORDANCE  
31 WITH SECTION 1.431, THE PARTICIPANT, INDIVIDUALLY, OR BY A REPRESENTATIVE IF THE

1 PARTICIPANT IS UNABLE TO MAKE AN ELECTION DUE TO THE DISABILITY, MAY ELECT TO RECEIVE  
2 ONE OF THE FOLLOWING BENEFITS:

3 (1) THE BENEFIT CALCULATED PURSUANT TO SECTION 1.431, BASED UPON THE  
4 PARTICIPANT'S ACTUAL YEARS OF CREDITABLE SERVICE, IF APPLICABLE, AND  
5 AVERAGE COMPENSATION EARNED THROUGH THE TERMINATION DATE AND  
6 CALCULATED AS IF THE DEPUTY SHERIFFS DROP PARTICIPANT HAD NOT ELECTED TO  
7 PARTICIPATE IN DEPUTY SHERIFFS DROP. A DEPUTY SHERIFFS DROP PARTICIPANT  
8 WHO ELECTS THE BENEFIT PROVIDED FOR IN THIS SUBSECTION (I)(1) WILL FORFEIT  
9 HIS OR HER DEPUTY SHERIFFS DROP ACCOUNT; OR

10 (2) THE SUM OF:  
11 (I) THE BALANCE OF THE PARTICIPANT'S DEPUTY SHERIFFS DROP ACCOUNT AS  
12 OF THE PARTICIPANT'S TERMINATION DATE, PAID IN THE FORM DESCRIBED IN  
13 SUBSECTION 1.438.1(K)(2)A. OR 1.438.1(K)(2)B., PLUS  
14 (II) THE MONTHLY BENEFIT CALCULATED PURSUANT TO SECTION 1.431, BASED  
15 UPON THE PARTICIPANT'S ACTUAL YEARS OF CREDITABLE SERVICE, IF  
16 APPLICABLE AND AVERAGE COMPENSATION EARNED THROUGH THE DAY  
17 BEFORE HE OR SHE BECAME A DEPUTY SHERIFFS DROP PARTICIPANT.

18 (J) *DEATH DURING DEPUTY SHERIFFS DROP PARTICIPATION.*

19 (1) IF DURING THE PERIOD OF A DEPUTY SHERIFFS DROP PARTICIPANT'S PARTICIPATION  
20 IN DEPUTY SHERIFFS DROP, THE PARTICIPANT REACHES A TERMINATION DATE BY  
21 REASON OF DEATH, ONE OF THE FOLLOWING BENEFITS WILL BE PAID:

22 (I) THE PARTICIPANT'S BENEFICIARY WILL RECEIVE:  
23 A. THE GENERAL BENEFIT DESCRIBED IN SUBSECTION 1.439(A)(1), PLUS  
24 B. ONE HUNDRED PERCENT OF THE BALANCE OF THE PARTICIPANT'S  
25 DEPUTY SHERIFFS DROP ACCOUNT AS OF THE DEPUTY SHERIFFS  
26 DROP PARTICIPANT'S TERMINATION DATE, PAID IN THE FORM  
27 DESCRIBED IN SUBSECTION 1.438.1(K)(2)A. OR 1.438.1(K)(2)B., OR  
28 (II) THE PARTICIPANT'S SURVIVING SPOUSE OR SURVIVING CHILDREN, AS  
29 APPLICABLE, WILL RECEIVE:  
30 A. ONE HUNDRED PERCENT OF THE BALANCE OF THE PARTICIPANT'S  
31 DEPUTY SHERIFFS DROP ACCOUNT AS OF THE DEPUTY SHERIFFS

1 DROP PARTICIPANT'S TERMINATION DATE, PAID IN THE FORM  
2 DESCRIBED IN SUBSECTION 1.438.1(K)(2)A. OR 1.438.1(K)(2)B., PLUS

3 B. THE MONTHLY BENEFIT DETERMINED PURSUANT TO SUBSECTION  
4 1.439(A)(2) OR 1.439(B) BASED UPON THE PARTICIPANT'S ACTUAL  
5 YEARS OF CREDITABLE SERVICE AND AVERAGE COMPENSATION  
6 EARNED THROUGH THE DATE OF DEATH AND CALCULATED AS IF THE  
7 DEPUTY SHERIFFS DROP PARTICIPANT HAD NOT ELECTED TO  
8 PARTICIPATE IN DEPUTY SHERIFFS DROP.

9 (III) BENEFITS WILL BE PAID TO THE DEPUTY SHERIFFS DROP PARTICIPANT'S  
10 SURVIVING SPOUSE OR SURVIVING CHILDREN ONLY TO THE EXTENT THE  
11 REQUIREMENTS OF SUBSECTIONS 1.439(A)(2) AND 1.439(B)(2) OR  
12 1.439(B)(3) ARE MET. IF THE REQUIREMENTS OF SUBSECTIONS 1.439(A)(2)  
13 AND 1.439(B)(2) OR 1.439(B)(3) ARE NOT MET, THE DEPUTY SHERIFFS DROP  
14 PARTICIPANT'S SURVIVING SPOUSE OR SURVIVING CHILDREN, AS APPLICABLE,  
15 WILL RECEIVE THE BENEFIT DESCRIBED IN SUBSECTION (J)(1).

16 (K) *RETIREMENT BENEFITS OF DEPUTY SHERIFFS DROP PARTICIPANTS.* ON THE FIRST DAY OF THE  
17 MONTH FOLLOWING THE DEPUTY SHERIFFS DROP PARTICIPANT'S TERMINATION DATE, THE DEPUTY  
18 SHERIFFS DROP PARTICIPANT, OR THE DEPUTY SHERIFFS DROP PARTICIPANT'S BENEFICIARY, IF  
19 THE PARTICIPANT HAS DIED BEFORE BENEFITS COMMENCE, SHALL BE ENTITLED TO RECEIVE THE  
20 FOLLOWING BENEFITS UNDER THE PLAN:

21 (1) *MONTHLY INCOME.* A MONTHLY RETIREMENT INCOME DETERMINED IN ACCORDANCE  
22 WITH SECTION 1.428 OR 1.442, ADJUSTED FOR UNUSED DISABILITY LEAVE, PURSUANT  
23 TO SUBSECTION 1.428(J).

24 (2) *DEPUTY SHERIFFS DROP PAYMENT.* THE AMOUNT ACCRUED IN THE PARTICIPANT'S  
25 DEPUTY SHERIFFS DROP ACCOUNT, DETERMINED IN ACCORDANCE WITH  
26 SUBSECTION (H) AT THE END OF THE DEPUTY SHERIFFS DROP PARTICIPANT'S  
27 PARTICIPATION PERIOD, IN THE FORM OF:

28 (I) AN ELIGIBLE ROLLOVER DISTRIBUTION, PURSUANT TO SECTION 1.444; OR

29 (II) A LUMP SUM DISTRIBUTION, REDUCED BY ANY WITHHOLDING TAXES  
30 REMITTED TO THE INTERNAL REVENUE SERVICE OR OTHER TAXING  
31 AUTHORITY; OR

1 (III) AN ADDITIONAL ANNUITY IN THE NORMAL FORM OF MONTHLY BENEFIT  
2 SPECIFIED IN SECTION 1.428 IF THE PARTICIPANT'S MONTHLY INCOME IS  
3 PAYABLE IN THE NORMAL FORM OF MONTHLY BENEFIT SPECIFIED IN SECTION  
4 1.428; OR

5 (IV) AN ADDITIONAL ANNUITY IN THE FORM OF MONTHLY BENEFIT ELECTED BY  
6 THE DEPUTY SHERIFFS DROP PARTICIPANT IN ACCORDANCE WITH SECTION  
7 1.442 WITH RESPECT TO THE DEPUTY SHERIFFS DROP PARTICIPANT'S  
8 MONTHLY INCOME.

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