

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

County Council Of Howard County, Maryland

2013 Legislative Session

Legislative Day No. 5

Bill No. 15 -2013

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

AN ACT amending the Howard County Police and Fire Employees' Retirement Plan to define the term "spouse"; making certain technical corrections; and generally relating to the Howard County Police and Fire Employees' Retirement Plan.

Introduced and read first time _____, 2013. 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 _____, 2013.

By order _____
Stephen LeGendre, Administrator

This Bill was read the third time on _____, 2013 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 _____, 2013 at ____ a.m./p.m.

By order _____
Stephen LeGendre, Administrator

Approved/Vetoed by the County Executive _____, 2013

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 1. *Title 1- Human Resources*

6 *Section 1.406A(ak) "Definitions"*

7
8 2. *Title 1 –Human Resources*

9 *Section 1.444A "Eligible rollover distributions"*

10
11 3. *Title 1 – Human Resources*

12 *Section 1.445A "Distributions to non-spouse beneficiaries"*

13
14 **Title 1. Human Resources.**

15 **Subtitle 4A. Police and Fire Employees' Retirement Plans.**

16 **Article 1A. Generally.**

17
18 **Section. 1.406A. Definitions.**

19 (ak) ~~[[Repealed.]]~~ *SPOUSE* MEANS AN INDIVIDUAL WHO IS MARRIED TO A PARTICIPANT. *SPOUSE*
20 INCLUDES SAME-SEX AND OPPOSITE-SEX SPOUSES EXCEPT WHERE FEDERAL LAW REQUIRES A
21 DIFFERENT MEANING.

22
23 **Title 1. Human Resources.**

24 **Subtitle 4A. Police and Fire Employees' Retirement Plans.**

25 **Article IVA. Death Benefits.**

26
27 **Section 1.444A. Eligible rollover distributions.**

28 This section applies to distributions made on or after January 1, 1993. Notwithstanding any
29 provision of the plan to the contrary that would otherwise limit a distributee's election under this

1 section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to
2 have any portion of an eligible rollover distribution paid directly to an eligible retirement plan
3 specified by the distributee in a direct rollover.

4 (a) *Definitions.*

5 (1) *Eligible rollover distributions.* An “eligible rollover distribution” means any
6 distribution of all or any portion of the balance to the credit of the distributee, except
7 that an eligible rollover distribution does not include:

- 8 (i) Any distribution that is one of a series of substantially equal periodic
9 payments (not less frequently than annually) made for the life (or life
10 expectancy) of the distributee or the joint lives (or joint life expectancies) of
11 the distributee and the distributee's designated beneficiary, or for a specified
12 period of ten years or more;
- 13 (ii) Any distribution to the extent such distribution is required under Section
14 401(a)(9) of the Internal Revenue Code; and
- 15 (iii) The portion of any distribution that is not includable in gross income
16 (determined without regard to the exclusion for net unrealized appreciation
17 with respect to employer securities).

18 (2) *Eligible Retirement Plan*

- 19 (i) An “eligible retirement plan” is:
- 20 a. An individual retirement account described in Section 408(a) of the
21 Internal Revenue Code;
- 22 b. An individual retirement annuity described in Section 408(b) of the
23 Internal Revenue Code; or
- 24 c. A qualified trust described in Section 401(a) of the Internal Revenue
25 Code, that accepts the distributee's eligible rollover distribution.
- 26 (ii) For distributions made after December 31, 2001, an eligible retirement plan
27 also includes:
- 28 a. An annuity contract described in Section 403(b) of the Internal
29 Revenue Code; or

- 1 b. An eligible plan under Section 457(b) of the Internal Revenue Code
2 which is maintained by a State, political subdivision of a State, or any
3 agency or instrumentality of a State or political subdivision of a State
4 and which agrees to separately account for amounts transferred into
5 such plan from this plan.
- 6 (iii) For distributions made after December 31, 2007, an eligible retirement plan
7 also includes a Roth IRA described in Section 408A of the Internal Revenue
8 Code.
- 9 (iv) However, in the case of an eligible rollover distribution to the surviving
10 spouse of a participant or former participant, an eligible retirement plan is an
11 individual retirement account or individual retirement annuity. However, for
12 distributions made after December 31, 2001, the definition of eligible
13 retirement plan as defined in subsection (i) shall also apply in the case of a
14 distribution to a surviving spouse, or to a spouse or former spouse who is the
15 alternate payee under a qualified domestic relation order, as defined in
16 Section 414(p) of the Internal Revenue Code.
- 17 (3) *Distributee* includes a participant or former participant. In addition, the participant's
18 or former participant's surviving spouse is a distributee with regard to the interest of
19 the spouse or former spouse.
- 20 (4) *Direct rollover* means a payment by the plan to the eligible retirement plan specified
21 by the distributee.
- 22 (5) *SPOUSE*. FOR PURPOSES OF THIS SECTION 1.444A, SPOUSE MEANS SPOUSE AS DEFINED
23 UNDER FEDERAL LAW.
- 24

25 **Section 1.445A. Distributions to non-spouse beneficiaries.**

26 This section applies to distributions made on or after July 1, 2008. Notwithstanding any
27 provision of the plan to the contrary that would otherwise limit the options of the beneficiary of a
28 deceased participant who is not a distributee (within the meaning of section 1.444A of this subtitle),
29 the Administrator shall, upon the request of such a beneficiary transfer a lump sum distribution to

1 the trustee of an individual retirement account established under Section 408 of the Internal
2 Revenue Code in accordance with the provisions of [[Section 402(e)(11)]] SECTION 402(C)(11) of
3 the Internal Revenue Code.

4

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