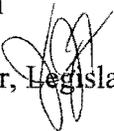


Action

**MEMORANDUM**

October 30, 2009

TO: County Council

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: Executive Regulation No. 16-09, Amendments to Office of Human Resources Severance Pay Plan Regulations to Allow Participants in the Guaranteed Retirement Income Plan to Receive Severance Benefits

**The Management and Fiscal Policy Committee unanimously recommends the Council adopt the regulation as submitted.**

The Executive proposed amendments to the Office of Human Resources Severance Pay Plan Regulations to allow participants in the Guaranteed Retirement Income Plan (GRIP) to receive severance benefits. Currently, only participants in the Retirement Savings Plan are eligible to receive severance pay benefits.

The Executive's transmittal memorandum notes that the regulation was advertised in the August 2009 issue of the *Montgomery County Register*. No comments were received. A fiscal impact statement indicating no fiscal impact is also included at ©2. Severance benefits will be paid from the general assets of the County; not the assets of the GRIP. Severance costs are already calculated in the base.

Omission of severance pay in the GRIP was an oversight and this amendment will correct the error and allow employees who shifted to the GRIP continue to have the same severance benefit.

Committee member Ervin expressed concern that there have been several issues the Executive has asked the Council to deal with that should have been addressed when the GRIP was adopted.

**MFP Committee Recommendation:** The MFP Committee unanimously recommends the Council adopt the regulation as submitted.

**This packet contains:**

**circle #**

Transmittal Memorandum	1
Fiscal Impact Statement	2
Regulation 16-09, bracketed and underlined	3
Regulation 16-09, clean copy	8

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EXEC REG



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Isiah Leggett  
County Executive

OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

MEMORANDUM

September 16, 2009



2009 SEP 17 PM 4:50

RECEIVED  
MONTGOMERY COUNTY  
COUNCIL

TO: Phil Andrews, President  
Montgomery County Council

FROM: Isiah Leggett, County Executive  Method 2

SUBJECT: Executive Regulation No. 16-09, Amendments to the Office of Human Resources Severance Pay Plan Regulations to Allow Participants in the Guaranteed Retirement Income Plan to Receive Severance Benefits.

I am submitting Executive Regulation No. 16-09 for the Council's review and approval. This regulation amends the Office of Human Resources Severance Pay Plan Regulations to allow participants in the Guaranteed Retirement Income Plan (GRIP) to receive severance benefits. At present, only participants in the Retirement Savings Plan are eligible to receive severance pay benefits.

Executive Regulation No. 16-09 was advertised in the August 2009 issue of the *Montgomery County Register*. No comments were received in response to this advertisement. A fiscal impact statement for the regulation is also included.

Should you have any questions about Executive Regulation No. 16-09, please contact Stuart Weisberg, the Labor Relations Advisor in the Office of Human Resources, at (240) 777-5154.

IL:sw

Attachments



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett  
County Executive

-Joseph F. Beach  
Director

MEMORANDUM

July 13, 2009

TO: Joseph F. Beach, Director  
VIA: Alex Espinosa, Management and Budget Manager *AE*  
VIA: John Cuff, Management and Budget Specialist *JC*  
FROM: Lori O'Brien, Management and Budget Specialist *LOB*

SUBJECT: Executive Regulation 16-09, Severance Pay for Certain Participants in the Retirement Savings Plan and the Guaranteed Retirement Income Plan

**REGULATION SUMMARY**

This regulation amends the Office of Human Resources Severance Pay Plan Regulations to allow participants in the Guaranteed Retirement Income Plan to receive severance benefits.

**FISCAL SUMMARY**

The executive regulation will not have a fiscal impact on the County.

The following contributed to and concurred with this analysis: Stuart Weisberg, Office of Human Resources.

JFB:lob

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Dee Gonzalez, Offices of the County Executive
- John Cuff, Office of Management and Budget
- Stuart Weisberg, Office of Human Resources

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**OMB REVIEW**

Fiscal Impact Statement approved *Joseph F. Beach*  
OMB Director

Fiscal Impact Statement not approved, OMB will contact department to remedy.

---

Office of the Director



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b>	Amendments to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b>	16-09
<b>Originating Department</b>	Office of Human Resources	<b>Effective Date</b>	

## Severance Pay for Certain Participants in the Retirement Savings Plan and the Guaranteed Retirement Income Plan

Executive Regulation No. 16-09

Issued by: County Executive

Supersedes: Executive Regulation No. 33-95

Authority: Montgomery County Code, 2004, Section 33-140

Council review: Method 2

*Montgomery County Register* Volume 26 Issue 8

Comment deadline: August 31, 2009

Effective date: \_\_\_\_\_

**Summary:** This regulation amends the Office of Human Resources Severance Pay Plan Regulations to allow participants in the Guaranteed Retirement Income Plan to receive severance benefits.

**Address for comments** Office of Human Resources, Executive Office Building, 7th Floor  
101 Monroe Street, Rockville, Maryland 20850

**Staff contact:** Stuart Weisberg, 240-777-5051, or stuart.weisberg@montgomerycountymd.gov

Please use the key below when reading this regulation:

- |                              |   |
|------------------------------|---|
| <b>Boldface</b>              | <i>Heading or defined term.</i>                                   |
| <u>Underlining</u>           | <i>Added to existing regulation by proposed regulation.</i>       |
| [Single boldface brackets]   | <i>Deleted from existing regulation by proposed regulation.</i>   |
| <u>Double underlining</u>    | <i>Added by amendment.</i>  |
| [[Double boldface brackets]] | <i>Deleted from existing or proposed regulation by amendment.</i> |
| * * *                        | <i>Existing language unchanged by executive regulation.</i>       |



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> Amendments to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
<b>Originating Department</b> Office of Human Resources	<b>Effective Date</b>

## SEVERANCE PAY FOR CERTAIN PARTICIPANTS IN THE RETIREMENT SAVINGS PLAN [PARTICIPANTS] AND THE GUARANTEED RETIRMENT INCOME PLAN

### PURPOSE

- 1.0 The Severance Pay Plan will pay severance benefits to employees of Montgomery County ("County") and certain employees of participating agencies upon an employee's separation from service pursuant to the terms and conditions of this plan.

### DEFINITIONS

- 2.0 Final Earnings - The weekly rate of regular earnings of a participant as of the last day of active service.

Participant – Any employee of the County or a participating agency who satisfies the eligibility requirements of the Severance Pay Plan.

Participating Agency – Any agency that participates in the Retirement Savings Plan and the Guaranteed Retirement Income Plan, uses the County payroll system, elects to participate in the Severance pay plan, and whose participation is approved by the Chief Administrative Officer.

Regular Earnings – Gross pay for actual hours worked exclusive of overtime. Gross pay must be used to determine benefits even if the County implements a pick-up plan under Section 414 of the Internal Revenue code. Gross pay must be used to determine benefits even if a participant has agreed to a reduction of earnings under:

14



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> Amendments to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
<b>Originating Department</b> Office of Human Resources	<b>Effective Date</b>

- (a) the County’s deferred compensation plan under Section 457 of the Internal Revenue Code; or
- (b) any other benefit program sponsored by the County permitted by the Internal Revenue Code.

Separation from service or separated from service - The loss of a participant’s job through affirmative administrative action of the County or the participating agency excluding dismissal for cause. Separation from service does not include the voluntary decision by a participant to leave the service of the County or the participating agency.

## ELIGIBILITY

3.0 An employee of the County or of a participating agency is eligible to participate in this plan upon the employee’s separation from service if the employee is then a participant in the Retirement Savings Plan or the Guaranteed Retirement Income Plan under Division 1 of Article VIII of Chapter 33 of the County Code.

## SEVERANCE BENEFITS

4.0 Severance benefits will be paid as follows:

- 0 to 1 years of service completed                      no benefit
- over 1 to 5 years of service completed              6 weeks of the participant’s final earnings
- over 5 to 7 years of service completed              8 weeks of the participant’s final earnings



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b>	Amendments to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b>	16-09
<b>Originating Department</b>	Office of Human Resources	<b>Effective Date</b>	

- over 7 to 9 years of service completed      10 weeks of the participant's final earnings
- over 9 years of service completed          12 weeks of the participant's final earnings

### DISTRIBUTION OF BENEFITS

5.0 All benefits must be paid on a bi-weekly basis commencing after the participant separates from service with the County or the participating agency. The first payment will be made on the date that the participant would have received payment of regular earnings had the participant not separated from service. The severance benefits must be paid to the participant directly. All federal and state income taxes must be withheld from the severance benefits paid. To the extent that federal or state unemployment taxes apply, they must be withheld from the severance benefits paid.

### SOURCE OF FUNDS

6.0 The County must pay the benefits under this plan from general assets of the County or the participating agency. Assets of the Retirement Savings Plan or Guaranteed Retirement Income Plan may not be used to pay benefits under this plan. Any participating agency must pay the costs of any benefits and any expenses incurred due to the participation of its employees.

### APPEALS

7.0 An eligible County employee who is denied severance pay may appeal the final decision of the Chief Administrative Officer by noting an appeal to the Merit System Protection Board. All appeals must be in writing and must be filed within 10 working days of the date on which the employee receives the decision. The Merit System Protection Board

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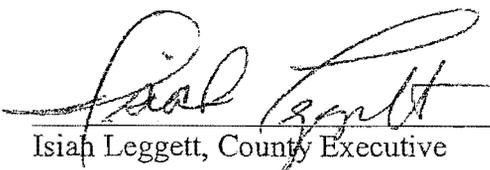


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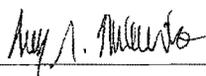
<b>Subject</b> Amendments to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
<b>Originating Department</b> Office of Human Resources	<b>Effective Date</b>

may overturn the decision of the Chief Administrative Officer only if the Board finds that the decision was arbitrary and capricious.

Approved:   
Isiah Leggett, County Executive

Sept 16, 2009  
Date

Approved as to form and legality:

  
Office of the County Attorney

7/20/09  
Date



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> Amendment to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
<b>Originating Department</b> Office of Human Resources	<b>Effective Date</b>

## Severance Pay for Certain Participants in the Retirement Savings Plan and the Guaranteed Retirement Income Plan

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Council review: Method 2

*Montgomery County Register* Volume 26 Issue 8

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Effective date: \_\_\_\_\_

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**Address for comments:** Office of Human Resources, Executive Office Building, 7th Floor  
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**Staff contact:** Stuart Weisberg, 240-777-5051, or [stuart.weisberg@montgomerycountymd.gov](mailto:stuart.weisberg@montgomerycountymd.gov)

Please use the key below when reading this regulation:

**Boldface**

\* \* \*

*Heading or defined term.*

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Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> Amendment to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
<b>Originating Department</b> Office of Human Resources	<b>Effective Date</b>

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<b>Subject</b> Amendment to OHR Severance Pay Plan Regulations to Allow GRIP Participants to Receive Severance Benefits	<b>Number</b> 16-09
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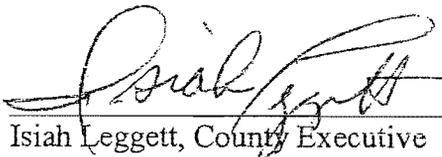


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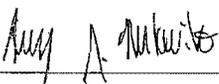
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