

Expedited Bill No. 17-03  
Concerning: Personnel – Retirement –  
Corrective Amendments  
Revised: 5/30/03 Draft No. 2  
Introduced: June 3, 2003  
Enacted: July 1, 2003  
Executive: July 10, 2003  
Effective: July 10, 2003  
Sunset Date: None  
Ch. 13, Laws of Mont. Co. 2003

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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**AN EXPEDITED ACT** to:

- (1) make certain technical corrections to County employee retirement laws; and
- (2) generally amend County law regarding the employee retirement system.

By amending

Montgomery County Code  
Chapter 33, Personnel and Human Resources  
Sections 33-42, 33-44, 33-118, and 33-120

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*



27 in accordance with any proposed or final regulations under  
 28 Section 401 (a)(9) of the Internal Revenue Code.

29 \* \* \*

30 **33-118. Maximum annual contribution.**

31 (a) *Contribution limitations.*

32 (1) Notwithstanding any other provision in this Division, to the  
 33 extent required under the Internal Revenue Code, the annual  
 34 additions described in this Section that are allocated in any [plan]  
 35 limitation year to the retirement accounts of any participant must  
 36 not exceed the lesser of:

37 (A) \$30,000, effective January 1, 1995, or \$40,000, [(the  
 38 “dollar limitations”)] effective January 1, 2002, (the  
 39 “dollar limitation”); or

40 (B) 25 percent of the participant's compensation as defined  
 41 below, or 100 percent of the participant’s compensation  
 42 [(the “percentage limitation”)], effective January 1, 2002,  
 43 (the "percentage limitation").

44 \* \* \*

45 (3) In this Section, for purposes of applying Section 415 of the  
 46 Internal Revenue Code, “compensation” has the same meaning as  
 47 provided in Treasury Regulation Section 1.415-2(d)(1), including  
 48 amounts contributed at the election of the participant that are not  
 49 includible in the gross income of the participant, under Sections  
 50 402(g)(3), 125, [and] 457, and (effective January 1, 2001) 132  
 51 (f)(4) of the Internal Revenue Code.

52 \* \* \*

53 **33-120. Distribution of benefit.**

\* \* \*

(l) *Limitations of Internal Revenue Code Section 401(a)(9).*  
 Distributions under a plan must be subject to the limitations of  
 Section 401(a)(9) of the Internal Revenue Code, including the  
 incidental death benefit rules in Section 401(a)(9)(G) of the  
 Internal Revenue Code, in accordance with any proposed or final  
 regulations under Section 401(a)(9) of the Internal Revenue  
 Code.

\* \* \*

**Sec. 2. Expedited Effective Date.**

The Council declares that this legislation is necessary for the immediate  
 protection of the public interest. This Act takes effect on the date when it becomes  
 law.

*Approved:*

/s/	July 3, 2003
Michael L. Subin, President, County Council	Date

*Approved:*

/s/	July 10, 2003
Douglas M. Duncan, County Executive	Date

*This is a correct copy of Council action.*

/s/	July 11, 2003
Mary A. Edgar, CMC, Clerk of the Council	Date