

Bill No. 11-08  
Concerning: Personnel - Retirement --  
Guaranteed Retirement Income Plan --  
Pension Benefits -- Group E  
Revised: 6-12-08 Draft No. 3  
Introduced: April 8, 2008  
Enacted: June 17, 2008  
Executive: June 28, 2008  
Effective: 1/1/2009 and 7/1/2009  
Sunset Date: None  
Ch. 22, Laws of Mont. Co. 2008

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

**AN ACT** to:

- (1) create a new benefit structure within the employees' retirement system;
- (2) increase the normal retirement pension benefit of a Group E member of the integrated plan;
- (3) require employees to have 180 days of employment before becoming eligible to participate in the Retirement Savings Plan; and
- (4) generally amend the law regarding retirement.

By amending

Montgomery County Code

Chapter 33, Personnel and Human Resources

Sections 33-35, 33-37, 33-38, 33-39, 33-40, 33-41, 33-42, 33-43, 33-44, 33-45, 33-46, 33-47, 33-52, 33-115, 33-119, 33-128, 33-134 and 33-139

<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 (1) A full-time employee of the County or participating agency must  
28 become a member of a County retirement plan as a condition of  
29 employment, when the employee meets the applicable eligibility  
30 requirements, if the employee waives all rights of membership  
31 under any other retirement system supported in whole or in part  
32 by the State, a political subdivision of the State, or the County.
- 33 (2) A part-time employee who becomes a full-time employee and is  
34 not an active member of any County retirement plan ~~[[,]]~~ must  
35 become an active member of ~~[[either]]~~:
- 36 (A) the integrated retirement plan, if the employee is eligible  
37 for membership in the integrated plan; ~~[or]~~
- 38 (B) the Retirement Savings Plan, if the employee satisfies the  
39 requirements for membership in Group I or II, even if the  
40 employee did not begin or return to County service on or  
41 after October 1, 1994~~[[.]; or~~
- 42 (C) the guaranteed retirement income plan if the employee is  
43 eligible for membership and ~~[[makes an election]] elects to~~  
44 participate as described in subsection (k).
- 45 (3) A temporary employee who becomes a full-time employee must  
46 become an active member of ~~[[either]]~~:
- 47 (A) the integrated plan, if the employee is eligible for  
48 membership in the integrated plan; ~~[or]~~
- 49 (B) the Retirement Savings Plan, if the employee satisfies the  
50 requirements for membership in Group I or II, even if the  
51 employee did not begin or return to County service on or  
52 after October 1, 1994~~[[.]; or~~

53 (C) the guaranteed retirement income plan if the employee is  
54 eligible for membership and [[makes an election]] elects to  
55 participate as described in subsection (k).

56 (b) Part-time employees.

57 \* \* \*

58 (2) A part-time employee who is not an active member of a  
59 retirement plan may become a member of:

60 (A) the integrated plan, if the employee is eligible for  
61 membership in the integrated plan; [or]

62 (B) the Retirement Savings Plan if the employee satisfies the  
63 requirements for membership in Group I or II, even if the  
64 employee did not begin or return to County service on or  
65 after October 1, 1994[.]; or

66 (C) the guaranteed retirement income plan if the employee is  
67 eligible for membership and [[makes an election]] elects to  
68 participate as described in subsection (k).

69 \* \* \*

70 (5) A full-time employee who becomes a part-time employee may  
71 withdraw from active membership in the optional, [or] integrated,  
72 or guaranteed retirement income plan and stop making retirement  
73 contributions, but [[may]] must not become an active member of  
74 a County retirement plan again unless the employee becomes a  
75 full-time employee or an elected official.

76 \* \* \*

77 (e) Retirement plans.

78 (1) This retirement system consists of an integrated retirement plan,  
 79 an optional retirement plan, [and] an elected officials' plan, and a  
 80 guaranteed retirement income plan.

81 \* \* \*

82 (8) A former County employee who returns to County service may  
 83 transfer to the retirement savings plan or to the guaranteed  
 84 retirement income plan the actuarial present value of the  
 85 employee's benefit in the [Employees' Retirement System]  
 86 optional plan or integrated plan, calculated using the [System's]  
 87 latest published valuation assumptions, as of the date the  
 88 employee returns to County service, if the employee:

89 (A) was vested under Section 33-45 when the employee left  
 90 County service;

91 (B) left all member contributions plus credited interest in the  
 92 fund;

93 (C) left County service before October 1, 1994; and

94 (D) did not return to County service within 25 months.

95 (f) *Membership groups and eligibility.* Any full-time or part-time  
 96 employee is eligible for membership in the appropriate membership  
 97 group outlined below if the employee meets all of the requirements for  
 98 the group:

99 (1) Group A: An employee, elected official, or appointed official not  
 100 eligible for membership in another group is a group A member.  
 101 An employee who otherwise would be eligible for membership in  
 102 group A must participate in the guaranteed retirement income  
 103 plan or the retirement savings plan if the employee:

- 104 (A) begins, or returns to, County service on or after October 1,  
 105 1994 (except as provided in the last sentence of subsection  
 106 (e)(2));
- 107 (B) is not represented by an employee organization;
- 108 (C) does not occupy a bargaining unit position; and
- 109 (D) is not an elected official (except as provided in subsection  
 110 (e)(4)(D)(ii)).

111 \* \* \*

- 112 (4) Group E: The chief administrative officer, the [director of the]  
 113 council staff director, the hearing examiners, the county attorney  
 114 and each head of a principal department, office or agency of the  
 115 county government, if appointed to [[such]] that position before  
 116 July 30, 1978, or a member having held [[such]] that position on  
 117 or before October 1, 1972. Any sworn deputy sheriff and any  
 118 County correctional staff or officer as designated by the chief  
 119 administrative officer. Any group E member who has reached  
 120 elective early retirement date may retain membership in group E  
 121 [[in the event of transfer]] if the member transfers from the  
 122 position which qualified the member for group E. Any group E  
 123 member who is temporarily transferred from the position which  
 124 qualified the member for group E may retain membership in  
 125 group E as long as the temporary transfer from the group E  
 126 position does not exceed 3 years. Notwithstanding the foregoing  
 127 provisions in group E, any employee who is eligible for  
 128 membership in group E must participate in the guaranteed  
 129 retirement income plan or the retirement savings plan under  
 130 Article VIII if the employee:

- 131 (A) (i) begins, or returns to, County service on or after
- 132 October 1, 1994 (except as provided in the last
- 133 sentence of subsection (e)(2));
- 134 (ii) is not represented by an employee organization; and
- 135 (iii) does not occupy a bargaining unit position; or
- 136 (B) (i) begins County service on or after October 1, 1994;
- 137 and
- 138 (ii) is subject to the terms of a collective bargaining
- 139 agreement between the County and an employee
- 140 organization which requires the employee to
- 141 participate in the guaranteed retirement income plan
- 142 or the retirement savings plan.

143 \* \* \*

144 (7) Group H: Any member, including any probationary employee,

145 who holds a bargaining unit position described in section 33-

146 105(a)(1) or section 33-105(a)(2), unless the member is eligible

147 for membership in group B or E. Notwithstanding the foregoing

148 provisions in group H, any employee who is eligible for

149 membership in group H must participate in the guaranteed

150 retirement income plan or the retirement savings plan under

151 Article VIII if the employee:

- 152 (A) begins, or returns to, County service on or after October 1,
- 153 1994 (except as provided in the last sentence of subsection
- 154 (e)(2)); and
- 155 (B) is subject to the terms of a collective bargaining agreement
- 156 between the County and an employee organization which

157 requires the employee to participate in the guaranteed  
 158 retirement income plan or the retirement savings plan.

159 \* \* \*

160 (h) Requirements of membership. Unless specifically exempt from  
 161 membership by the chief administrative officer, each full-time employee  
 162 of the county government or a participating agency must become a  
 163 member or forfeit employment when the employee meets the eligibility  
 164 requirements. If the administrative head of a participating agency ~~[[fails~~  
 165 ~~to]] does not enforce this provision, any new ~~[[employees]]~~ employee of  
 166 the agency ~~[[shall be ineligible to]]~~ must not be enrolled as ~~[[members]]~~  
 167 a member.~~

168 \* \* \*

169 (k) Election to join the guaranteed retirement income plan.

170 (1) A full time or part time employee hired on [[and]] or after [[July]]  
 171 October 1, 1994 and before January 1, 2009 who participates in  
 172 the retirement savings plan and who is not a public safety  
 173 employee as defined in Section 33-113(o) may make a one time  
 174 irrevocable election to terminate participation in the retirement  
 175 savings plan and participate in the guaranteed retirement income  
 176 plan, effective the first full paycheck after July 1, 2009. An  
 177 employee must make this election between December 31, 2008  
 178 and June 1, 2009. An employee who makes this election [[will]]  
 179 must have his or her retirement savings plan account balance  
 180 transferred to the guaranteed retirement income plan. The  
 181 amount transferred into the guaranteed retirement income plan  
 182 [[will]] must become the participant's initial guaranteed  
 183 retirement income plan account balance. An employee who does



184 not make this election must continue [[participation]] to  
185 participate in the retirement savings plan.

186 (2) A full time or part time employee hired between December 31,  
187 2008 and July 1, 2009 who participates in the retirement savings  
188 plan and who is not a public safety employee as defined in  
189 Section 33-113(o) may make a one time irrevocable election to  
190 terminate participation in the retirement savings plan. An  
191 employee has [[one hundred and fifty (150)]] 150 days [[from]]  
192 after the date [[of hire]] the employee was hired to make this  
193 election and [[will]] must begin participation on the first full  
194 payroll after completing 180 days of employment. An employee  
195 who makes this election [[will]] must have his or her retirement  
196 savings plan account balance transferred to the guaranteed  
197 retirement income plan. The amount transferred into the  
198 guaranteed retirement income plan [[will]] must become the  
199 participant's initial guaranteed retirement income plan account  
200 balance. An employee who does not make this election must  
201 continue [[participation]] to participate in the retirement savings  
202 plan.

203 (3) A full time employee hired on [[and]] or after July 1, 2009 and a  
204 part time or temporary employee who becomes full time on  
205 [[and]] or after July 1, 2009 who does not participate in the  
206 retirement savings plan and who is not a public safety employee,  
207 as defined in Section 33-113(o), may elect to participate in the  
208 guaranteed retirement income plan. An eligible employee must  
209 make an irrevocable election during the first 150 days of full time  
210 employment. If an eligible employee elects to participate,

211 participation [[will]] must begin on the first payroll after an  
 212 employee has completed 180 days of full time employment. An  
 213 employee who does not [[elect to]] participate in the guaranteed  
 214 retirement income plan must participate in the retirement savings  
 215 plan beginning on the first payroll after the employee completes  
 216 180 days of full time employment.

217 (4) A part time or temporary employee hired on or after [[July]]  
 218 October 1, 1994 who does not participate in the retirement  
 219 savings plan, and who is not a public safety employee as defined  
 220 in Section 33-113(o), may make a one time irrevocable election  
 221 to participate in the guaranteed retirement income plan after the  
 222 employee completes at least 150 days of employment.  
 223 Participation [[will]] must begin on the first full payroll 30 days  
 224 after the employee makes the election.

225 **33-38. Normal retirement date, mandatory retirement date, early retirement**  
 226 **date, and trial retirement.**

227 (a) Normal retirement date. The normal retirement date is the first day of  
 228 the month elected by a member after the member meets the years of  
 229 service and age requirements for the applicable membership group. For  
 230 normal retirement:

231 \* \* \*

232 (9) A guaranteed retirement income plan participant must be at least  
 233 age 62 with [[three]] 3 years of credited service.

234 \* \* \*

235 (e) Early retirement date. A member who has not met the age and service  
 236 requirements for a normal retirement date may elect to retire on the first

237 date of a month and may elect to receive pension payments beginning  
 238 on an early retirement date if the following requirements are met:

239 \* \* \*

240 (3) [[There is no early retirement provision under]] A participant in  
 241 the guaranteed retirement income plan is not eligible for early  
 242 retirement.

243 \* \* \*

244 **33-39. Member contributions and credited interest.**

245 (a) Member contributions. Each member of the retirement system must  
 246 contribute a portion of the member's regular earnings through regular  
 247 payroll deductions.

248 \* \* \*

249 (4) Member contributions to the guaranteed retirement income plan.

250 (A) A member in the guaranteed retirement income plan must  
 251 contribute 4 [[percent]] % of regular earnings less than or  
 252 equal to the Social Security wage base and 8 [[percent]] %  
 253 of regular earnings that exceed the Social Security wage  
 254 base.

255 (B) To the extent allowed under Section 414(h)(2) of the  
 256 Internal Revenue Code, the County must "pick up" (as  
 257 described in the Internal Revenue Code) member  
 258 contributions to the guaranteed retirement income plan. A  
 259 member is always vested in the member's contributions.

260 (C) When a member rejoins County service after military  
 261 service that qualifies under Section 33-41(p) as credited  
 262 service, the County must credit the member with the  
 263 [[amount equal to the]] amount that the member would

264 have contributed if the member had worked for the County  
 265 during [[the period of]] military service. Contribution  
 266 credits for [[the period of]] military service must be based  
 267 on the regular earnings the member would have earned  
 268 during [[the period of]] military service. If the regular  
 269 earnings are not reasonably ascertainable, the credit must  
 270 be based on the member's regular earnings during a period  
 271 immediately preceding the military service. The averaging  
 272 period is 12 months, or the full length of the member's  
 273 County service, whichever is shorter. The member [[will]]  
 274 must not receive any retroactive credited interest on the  
 275 contribution credits.

276 ~~[(4)]~~ (5) \* \* \*

277 (5) ~~(6)~~ \* \* \*

278 (b) Credited interest.

279 \* \* \*

280 (5) A member of the guaranteed retirement income plan [[will]] must  
 281 receive credited interest at a rate of 7.25% on the member's  
 282 contributions in the member's guaranteed retirement income plan  
 283 account. If the 7.25% interest rate does not comply with  
 284 applicable law, the third segment rate described in Internal  
 285 Revenue Code Section 430(h)(2)(G) [[will]] or any successor  
 286 provision must apply. Interest [[will]] must be [[credited to the  
 287 member's contributions]] credited to a member's guaranteed  
 288 retirement income plan account balance on a monthly basis as of  
 289 the last day of the month.

290 (c) Return of member contributions.

291 (1) Refund after employee's separation under the optional and  
 292 integrated plans.

293 \* \* \*

294 (6) Refund of member contributions in the guaranteed retirement  
 295 income plan. A member who ends employment with the County  
 296 who is not vested [[may]] must receive a distribution of the  
 297 member's guaranteed retirement income plan account balance  
 298 attributable to member contributions under Section 33-39 and  
 299 interest on those contributions as soon as reasonably feasible after  
 300 the member submits a properly completed distribution form. Any  
 301 death benefits [[will]] must be paid under Section 33-46. Any  
 302 indebtedness to the County government [[will]] must be  
 303 subtracted from the member's refund.

304 \* \* \*

305 **33-40. Employer Contributions.**

306 \* \* \*

307 (e) Guaranteed retirement income plan.

308 (1) Each pay period, the County must credit to each member's  
 309 guaranteed retirement income plan account an amount equal to  
 310 [[eight (8) percent]] 8% of the member's regular earnings.  
 311 Interest [[will]] must be credited at a rate of 7.25% on the County  
 312 contribution credits. If the 7.25% interest rate does not comply  
 313 with applicable law, the third segment rate described in Internal  
 314 Revenue Code Section 430(h)(2)(G) [[will]] or any successor  
 315 provision must apply. Interest [[will]] must be [[credited to the  
 316 County contributions]] credited to a member's guaranteed

317 retirement income plan account balance on a monthly basis as of  
 318 the last day of the month.

319 (2) When a member rejoins County service after military service that  
 320 qualifies under Section 33-41(p) as credited service, the County  
 321 must credit the member the amount that the County would have  
 322 credited the member if the member worked for the County during  
 323 [[the period of]] military service. The credits must be based on  
 324 the regular earnings the member would have earned during [[the  
 325 period of]] military service. If the regular earnings are not  
 326 reasonably ascertainable, the County contribution credit must be  
 327 based on the member's regular earnings during a period  
 328 immediately preceding military service. The averaging period is  
 329 12 months, or the full length of the member's County service,  
 330 whichever is shorter. The member [[will]] must not receive any  
 331 retroactive credited interest on the County contribution credits.

### 332 **33-41 Credited Service.**

333 \* \* \*

334 (p) For [[purposes of]] the guaranteed retirement income plan, subsections  
 335 (a)-(o) [[of this subsection]] do not apply and credited service [[is]]  
 336 must be determined only under this subsection.

337 (1) Credited service includes the total County service the participant  
 338 rendered under the guaranteed retirement income plan, the  
 339 retirement savings plan, the optional retirement plan, and the  
 340 integrated plan. Each participant must receive one year of  
 341 credited service for each year of County service while  
 342 participating in one of the County's retirement plans. Each year

- 343 of County service ends on the anniversary of the participant's  
 344 date of participation.
- 345 (2) County service includes any period of service in the armed forces  
 346 of the United States or a state militia or other military service  
 347 covered under the Uniformed Services Employment and  
 348 Reemployment Rights Act if the member:
- 349 (A) was a member of the retirement savings plan, the optional  
 350 retirement plan, the integrated plan, or the guaranteed  
 351 retirement income plan when the military service began;
- 352 (B) applied for reemployment or returned to County service  
 353 within:
- 354 (i) one year [[of]] after discharge from the military  
 355 service and without any other employment  
 356 [[following]] after discharge from the military  
 357 service; or
- 358 (ii) within [[two]] 2 years after completion of military  
 359 service if the member was hospitalized or  
 360 convalescing from an illness or injury incurred or  
 361 aggravated during military service; or
- 362 (iii) more than [[two]] 2 years if circumstances beyond  
 363 the control of the participant made it impossible or  
 364 unreasonable for the participant to apply for  
 365 reemployment within [[two]] 2 years; and
- 366 (C) the total period of military service did not exceed [[five]] 5  
 367 years, excluding periods of military service described  
 368 under Section 4312(c) of Title 38 of the United States  
 369 Code.

370           (3) An employee who did not become a member of the guaranteed  
 371           retirement income plan solely because the employee was called  
 372           to active duty before completing 180 days of County  
 373           employment, [[will]] must be eligible to receive contribution  
 374           credit under Sections 33-39 and 33-40 if the employee elects to  
 375           participate in the guaranteed retirement income plan upon re-  
 376           employment.

377 **33-42. Amount of pension at normal retirement date or early retirement date.**

378   \*                   \*                   \*

379           (b) *Amount of pension at normal retirement date.*

380   \*                   \*                   \*

381           (2) Pension amount for an Integrated Retirement Plan member.

382   \*                   \*                   \*

383           (C) For a Group E member in the integrated retirement plan  
 384           who retires on a normal retirement, the annual pension  
 385           must be computed as follows:

386   \*                   \*                   \*

387           (ii) From the month the member reaches Social Security  
 388           normal retirement age: [1.25] 1.65 [[percent]] % of  
 389           average final earnings up to the Social Security  
 390           maximum covered compensation in effect on the  
 391           date of retirement for each year of credited service  
 392           to a maximum of 31 years plus sick leave credits,  
 393           plus 2.4 [[percent]] % of average final earnings  
 394           above the Social Security maximum covered  
 395           compensation in effect on the date of retirement for  
 396           each of the first 25 years of credited service



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completed, and 2 ~~[[percent]]~~ % of average final earnings above the Social Security maximum covered compensation in effect on the date of retirement for each year of credited service of more than 25 years, to a maximum of 31 years plus sick leave credits. Years of credited service of less than one full year must be prorated. Sick leave credits used for years in excess of 25 years must be credited at 2 percent of average final earnings above the Social Security maximum covered compensation in effect on the date of retirement. The County must increase this initial amount by the cost-of-living adjustments provided under Section 33-44(c) for the period from the member's date of retirement to the month in which the member reaches Social Security retirement age.

\* \* \*

(4) Guaranteed retirement income plan. A member who retires on or after the member's normal retirement date may receive that member's vested guaranteed retirement income plan account balance ~~[[in accordance with]]~~ under Section 33-44.

(c) *Amount of pension at early retirement date and early retirement reduction factors.*

\* \* \*

(3) Guaranteed retirement income plan. A participant who terminates employment before the member's normal retirement date may receive the participant's vested guaranteed retirement

424 income plan account balance upon termination of employment  
 425 [[in accordance with]] under Section 33-44.

426 \* \* \*

427 **33-43 Disability Retirement.**

428 \* \* \*

429 (n) Guaranteed retirement income plan. [[Sections]] Subsections (a)-(m) do  
 430 not apply to a participant in the guaranteed retirement income plan. If a  
 431 participant incurs a disability before termination from County  
 432 employment which makes the participant unable to engage in any  
 433 substantial gainful activity by reason of any medically determinable  
 434 physical or mental impairment which can be expected to result in death  
 435 or which has lasted or can be expected to last for a continuous period of  
 436 not less than 12 months, the disabled participant must remain a  
 437 participant in the guaranteed retirement income plan under the  
 438 following rules:

439 (1) All amounts credited to the participant's guaranteed retirement  
 440 income plan account are 100% vested regardless of the  
 441 participant's credited service.

442 (2) The participant must participate in the guaranteed retirement  
 443 income plan under this Section until the participant dies, reaches  
 444 his or her normal retirement date, or recovers from the disability.

445 (3) In determining the credited amount of County contributions  
 446 under Section 33- 40, the participant's regular earnings means the  
 447 regular earnings the participant would have received for the year  
 448 if the participant [[was]] were paid for the full year at the rate of  
 449 compensation paid in the pay period immediately before the  
 450 participant became disabled.

- 451           (4)   The participant must not receive a distribution during any period  
 452                           in which the participant receives a County contribution credit.  
 453           (5)   The participant must not make member contributions under  
 454                           Section 33-39 during the disability participation.

455   **33-44. Pension payment options and cost-of-living adjustments.**

456           (a)   Pension payment options for optional and integrated plans.

457   \*                   \*                   \*

458           (e)   Applicability of cost-of-living adjustments to elected officials' plan and  
 459                           the guaranteed retirement income plan. Cost-of-living adjustments do  
 460                           not apply to the elected officials' plan and the guaranteed retirement  
 461                           income plan.

462   \*                   \*                   \*

463           (g)   Distributions from the guaranteed retirement income plan. Upon  
 464                           termination of County employment, a participant may request a  
 465                           distribution from the guaranteed retirement income plan of a  
 466                           participant's vested guaranteed retirement income plan account balance.

467           (1)   Lump Sum Method of Distribution. Unless a participant elects  
 468                           an annuity under paragraph (2), a participant ~~[[will]]~~ must receive  
 469                           the participant's vested guaranteed retirement income plan  
 470                           account balance in a single lump sum. The participant may  
 471                           ~~[[elect to]]~~ have the lump sum paid as a direct rollover to an  
 472                           eligible retirement plan as defined in the Internal Revenue Code.

473           (2)   Annuity Method of Distribution. A participant may elect to  
 474                           receive the participant's guaranteed retirement income plan  
 475                           account balance paid in a single life annuity payable to the  
 476                           participant during the life of that participant. The Board must use  
 477                           the participant's vested guaranteed retirement income plan

478 account balance to buy an annuity contract from an insurance  
 479 company authorized to do business in the State.

480 (3) No other ~~[[forms]] form of payment options listed in this Section~~  
 481 ~~[[are]] is available to guaranteed retirement income plan~~  
 482 participants.

483 ~~[(g)] (h)~~ \* \* \*

484 ~~[(h)] (i)~~ \* \* \*

485 ~~[(i)] (j)~~ \* \* \*

486 ~~[(j)] (k)~~ \* \* \*

487 ~~[(k)] (l)~~ \* \* \*

488 ~~[(l)] (m)~~ \* \* \*

489 (n) Required distributions for guaranteed retirement income plan  
 490 participants. The distribution of a participant's guaranteed retirement  
 491 income plan account balance must be made no later than April 1 of the  
 492 calendar year ~~[[following]] after the later of the calendar year in which~~  
 493 the participant attains age ~~[[seventy and one-half (70 1/2)]] 70 1/2 or the~~  
 494 calendar year in which the participant terminates employment.  
 495 Distributions ~~[[will]] must be made in accordance with subsection (g).~~  
 496 If the participant ~~[[fails to]] does not elect a form of distribution, the~~  
 497 distribution ~~[[will]] must be made in a lump sum. If the participant dies~~  
 498 before beginning to receive benefits, the participant's designated  
 499 beneficiary under 33-46(h) ~~[[will]] must receive a lump sum distribution~~  
 500 as soon as practicable ~~[[following]] after the participant's death, but ~~[[in~~~~  
 501 no event]] not later than the December 31<sup>st</sup> of the year containing the  
 502 fifth anniversary of the participant's death.

503 ~~[(m)] (o)~~ \* \* \*

504 ~~[(n)] (p)~~ \* \* \*



532 be expected to result in death or which has lasted or can be  
 533 expected to last for a continuous period of not less than 12  
 534 months. A member who terminates employment with the County  
 535 and is not vested in any County contribution credits or the  
 536 credited interest on the County contribution credits must forfeit  
 537 the County contribution credits plus the credited interest on the  
 538 County contributions credits.

539 (d) *Discontinued service retirement for optional and integrated plans.*

540 \* \* \*

541 **33-46. Death benefits and designation of beneficiaries.**

542 \* \* \*

543 (h) Guaranteed retirement income plan. Subsections (a)-(g) [[are]] do not  
 544 [[applicable]] apply to the guaranteed retirement income plan. If a  
 545 participant dies before receiving the participant's guaranteed retirement  
 546 income plan account, the guaranteed retirement income plan account  
 547 balance must be distributed to the participant's designated beneficiary in  
 548 a lump sum as soon as practicable [[following]] after the participant's  
 549 death, but [[in no event]] not later than the December 31<sup>st</sup> of the year  
 550 containing the fifth anniversary of the participant's death.

551 (1) A participant may name a primary beneficiary or beneficiaries  
 552 and contingent beneficiary or beneficiaries on a designation of  
 553 beneficiaries form [[to be]] filed with the Office of Human  
 554 Resources. If a participant names [[two]] 2 or more persons as  
 555 beneficiaries, the persons are considered co-beneficiaries and  
 556 share the benefit equally unless the participant specifies otherwise  
 557 on the designation of beneficiaries form. A participant may  
 558 change any named beneficiary by completing a new designation

559 of beneficiaries form. The consent of the beneficiary or  
 560 beneficiaries is not required to name or change a beneficiary.  
 561 The designation is effective when the participant signs the form  
 562 even if the participant is not living when the Office receives the  
 563 request, but without prejudice for any payments made before the  
 564 Office [[of Human Resources]] received the request.

565 (2) If a participant dies without designating a surviving beneficiary  
 566 or the designation is not enforceable under subsection (i), the  
 567 surviving spouse or domestic partner (or if there is no surviving  
 568 spouse or domestic partner, each surviving child, sharing equally  
 569 with any other surviving child) is the designated beneficiary. If  
 570 no spouse, domestic partner, or child survives a participant who  
 571 left no enforceable beneficiary designation, the participant's estate  
 572 is the designated beneficiary.

573 [(h)] (i) \* \* \*

574 **33-47. Administration.**

575 \* \* \*

576 (e) Payment of expenses and contributions.

577 \* \* \*

578 (2) The board must pay:

579 (A) operating expenses of the integrated retirement plan, [and]  
 580 the optional retirement plan, and the guaranteed retirement  
 581 income plan from the assets of these plans; and

582 \* \* \*

583 **33-52. Payment of benefits.**

584 \* \* \*

585 (b) Discontinuance of pension payments. A member must not receive  
 586 pension payments while serving in an appointed or elected County  
 587 office that receives any compensation paid by the County. A member  
 588 appointed to a full-time County position must become a member of the  
 589 retirement system or the Retirement Savings Plan under Sections 33-37  
 590 and 33-115 and make member contributions until later separation under  
 591 Article III or Article VIII. The retirement benefit of an employee who  
 592 resumes membership in the optional or integrated plan must be  
 593 recalculated when the employee later separates from service. The  
 594 retirement benefit under the integrated or optional plans of Article III of  
 595 an employee who becomes a member of the Retirement Savings Plan or  
 596 the guaranteed retirement income plan must resume when the employee  
 597 later separates from service.

598 \* \* \*

599 **33-115. Participant requirements and participant groups.**

600 (a) Participant Requirements.

601 (1) Full-time employees.

602 (A) Except as provided in paragraphs (3), [and] (4), and (7)  
 603 and the last sentence of Section 33-37(e)(2), a full-time  
 604 employee eligible for membership in Group I or Group II  
 605 must participate in the Retirement Savings Plan when the  
 606 full-time employee meets the applicable eligibility  
 607 requirements or forfeit employment, unless the Chief  
 608 Administrative Officer exempts the employee from  
 609 participation.



- 610 (B) A part-time employee who becomes a full-time employee  
 611 and is not an active member of any retirement plan for  
 612 County employees, must become a member of ~~[[either]]~~:
- 613 (i) the integrated retirement plan, if the employee is  
 614 eligible for membership in the integrated plan; ~~[or]~~
- 615 (ii) the retirement savings plan, if the employee  
 616 qualifies for Group I or II, even if the employee did  
 617 not begin or return to County service on or after  
 618 October 1, 1994~~[.]~~; ~~or~~
- 619 (iii) the guaranteed retirement income plan if the  
 620 employee is eligible for membership and makes an  
 621 election in accordance with subsection (7).
- 622 (C) A temporary employee who becomes a full-time employee  
 623 must become an active member of ~~[[either]]~~:
- 624 (i) the integrated plan, if the employee is eligible for  
 625 membership in the integrated plan; ~~[or]~~
- 626 (ii) the Retirement Savings Plan, if the employee  
 627 satisfies the requirements for membership in Group  
 628 I or II, even if the employee did not begin or return  
 629 to County service on or after October 1, 1994~~[.]~~; ~~or~~
- 630 (iii) the guaranteed retirement income plan if the  
 631 employee is eligible for membership in the  
 632 guaranteed retirement income plan and makes  
 633 ~~[[and]] an election ~~[[in accordance with]] under~~~~  
 634 subsection (7).
- 635 (2) Part-time employees.

636 (A) A part-time employee eligible for membership in Group I  
 637 or Group II may elect to participate in the plan. An  
 638 employee who becomes a member of the Retirement  
 639 Savings Plan must remain an active member until the  
 640 employee becomes ineligible for membership in Group I  
 641 or II.

642 (B) A part-time employee who is not an active member of a  
 643 retirement plan may become a member of ~~[[either]]~~:

644 (i) the integrated plan, if the employee is eligible for  
 645 membership in the integrated plan; ~~{or}~~

646 (ii) the Retirement Savings Plan if the employee  
 647 satisfies the requirements for membership in Group  
 648 I or II, even if the employee did not begin or return  
 649 to County service on or after October 1, 1994~~]; or~~

650 (iii) the guaranteed retirement income plan if the  
 651 employee is eligible for membership and makes an  
 652 election ~~[[in accordance with]] under subsection (7).~~

653 \* \* \*

654 (7) Election to participate in the guaranteed retirement income plan.

655 (A) A full time employee hired on ~~[[and]] or after July 1, 2009~~  
 656 and a part time and temporary employee who becomes full  
 657 time after July 1, 2009, who is not a public safety  
 658 employee, may ~~[[elect to]] participate in the guaranteed~~  
 659 retirement income plan. An eligible employee must make  
 660 a one time irrevocable election during the first 150 days of  
 661 employment. If an eligible employee elects to participate,  
 662 participation ~~[[will]] must begin on the first payroll after an~~

663 employee has completed 180 days of full time  
 664 employment. A full time employee who does not elect to  
 665 participate in the guaranteed retirement income plan must  
 666 participate in the retirement savings plan beginning on the  
 667 first payroll after the employee has completed 180 days of  
 668 full time employment.

669 (B) A part time or temporary employee hired on or after  
 670 [[July]] October 1, 1994 who is not a participant in the  
 671 retirement savings plan, and who is not a public safety  
 672 employee, may make a one time irrevocable election to  
 673 participate in the guaranteed retirement income plan any  
 674 time after the employee has completed 150 days of  
 675 employment.

676 (b) Participants groups and eligibility.

677 (1) Group I. Except as provided in the last sentence of Section 33-  
 678 37(e)(2), any full - time or career part-time employee meeting the  
 679 criteria in paragraphs (A) or (B) [[below]] must participate in the  
 680 retirement savings plan if the employee begins, or returns to,  
 681 County service on or after October 1, 1994[; and]. [[Employees]]  
 682 An employee hired on [[and]] or after July 1, 2009 must be  
 683 employed on a full time or part time basis with the County for  
 684 180 days before participating in the retirement savings plan.  
 685 Participation [[will]] must begin on the first payroll after an  
 686 employee has completed 180 days of employment if the  
 687 employee:

688 (A) (i) is not represented by an employee organization;  
 689 (ii) does not occupy a bargaining unit position; [and]

- 690 (iii) is not a public safety employee; [or] and  
 691 (iv) does not elect to participate in the guaranteed  
 692 retirement income plan; or  
 693 (B) (i) is not a public safety employee;  
 694 (ii) is subject to the terms of a collective bargaining  
 695 agreement between the County and an employee  
 696 organization which requires the employee to  
 697 participate in the retirement savings plan[.] if the  
 698 employee does not elect to participate in the  
 699 guaranteed retirement income plan; and  
 700 (iii) does not elect to participate in the guaranteed  
 701 retirement income plan.

702 \* \* \*

703 (c) Transfers.

- 704 (1) Transfers from the retirement savings plan are [not permitted]  
 705 only permitted as described in paragraph (4). After an employee  
 706 enrolls in the retirement savings plan, the employee must  
 707 continue in the retirement savings plan until the employee  
 708 [[ceases to be]] is no longer eligible for membership in either  
 709 Group I or Group II. If an employee is no longer eligible for  
 710 membership in Group I or Group II, the employee [[will be  
 711 eligible to]] may participate in the plan of the retirement system  
 712 in which the member qualifies for participation under Article III.

- 713 (A) A former participant who is no longer eligible to  
 714 participate in the retirement savings plan retains the right  
 715 to the vested account balances and any distribution under  
 716 the retirement savings plan[.], unless the participant elected

717. to participate in the guaranteed retirement income plan  
 718 under ~~[[subsection]]~~ paragraph (4) and the participant's  
 719 account balance was transferred to the guaranteed  
 720 retirement income plan.

721 (B) The former participant's participation under the optional  
 722 retirement plan, the integrated retirement plan, or the  
 723 guaranteed retirement income plan is governed by Article  
 724 III.

725 \* \* \*

726 (4) Transfer to the guaranteed retirement income plan.

727 (A) A full time or part time employee hired on ~~[[and]]~~ or after  
 728 ~~[[July]]~~ October 1, 1994 and before January 1, 2009 who  
 729 participates in the retirement savings plan, and who is not a  
 730 public safety employee, may make a one time irrevocable  
 731 election to terminate participation in the retirement savings  
 732 plan and participate in the guaranteed retirement income  
 733 plan effective the first full ~~[[paycheck]]~~ pay period after  
 734 July 1, 2009. An employee must make this election  
 735 between December 31, 2008 and June 1, 2009. An  
 736 employee who elects to terminate participation in the  
 737 retirement savings plan ~~[[will]]~~ must have his or her  
 738 account balances transferred to the guaranteed retirement  
 739 income plan. An employee who does not make this  
 740 election must continue to participate in the retirement  
 741 savings plan.

742 (B) A full time or part time employee hired between December  
 743 31, ~~[[2009]]~~ 2008 and July 1, 2009 who participates in the

744 retirement savings plan, and who is not a public safety  
 745 employee, may make a one time irrevocable election to  
 746 terminate participation in the retirement savings plan and  
 747 participate in the guaranteed retirement income plan. An  
 748 [[employees]] employee has [[one hundred and fifty  
 749 (150)]] 150 days [[from the date of hire]] after the  
 750 employee was hired to make this election. An employee  
 751 who makes this election [[will]] must have his or her  
 752 account balance transferred to the guaranteed income plan.  
 753 An employee who does not make this election must  
 754 continue to participate in the retirement savings plan.

755 **33-119. Credited service.**

756 (a) A participant's credited service is the total County service the participant  
 757 rendered under the Retirement Savings Plan, the optional retirement  
 758 plan, the integrated plan, and the guaranteed retirement income plan. A  
 759 participant must receive credited service for any period when the  
 760 participant was a part-time employee contributing to an employer-  
 761 supported savings program provided by a participating agency. An  
 762 employee hired before July 1, 2009 [Each participant] must receive 1  
 763 year of credited service for each year of County service, [[and [.]]  
 764 [E]each]] Each year of County service ends on the anniversary of the  
 765 date the participant starting working for the County. An employee hired  
 766 on [[and]] or after July 1, 2009 must receive one year of credited service  
 767 for each year of participation in a County retirement plan. A person  
 768 who transferred to the Retirement Savings Plan under Section 115(a)(3)  
 769 or (4) must receive credit for County service for creditable State service  
 770 earned as a State employee of the County Department of Social

771 Services. A person who does not transfer to the Retirement Savings  
 772 Plan under Section 115(a)(3) must not receive credit for County service  
 773 for this State service.

774 (b) County service includes any period of compulsory or voluntary service  
 775 in the armed forces of the United States or a state militia if the  
 776 participant:

777 (1) was a member of the retirement savings plan, the optional  
 778 retirement plan, the guaranteed retirement income plan, or the  
 779 integrated plan when the military service began;

780 \* \* \*

781 ~~[[4]]~~ (c) An employee who did not become a member of the retirement  
 782 savings plan solely because the employee was called to active duty  
 783 before completing 180 days of County employment~~[[, will]]~~ must be  
 784 eligible to receive contributions under Sections 33-115 and 33-116 if the  
 785 employee becomes a participant in the retirement savings plan upon re-  
 786 employment.

787 **33-128. Definitions.**

788 \* \* \*

789 (j) Employee means an employee of the County who:  
 790 (1) participates in the retirement savings plan under this Article or  
 791 the guaranteed retirement income plan under Article III; and  
 792 (2) is regularly scheduled to work 20 hours or more per week.

793 \* \* \*

794 **33-134. Reduction of benefits.**

795 (a) Reduction by payments received. Disability benefits must be reduced by  
 796 any amount the employee receives from:

797 \* \* \*

798 (4) the optional or integrated plan of the employees' retirement  
799 system under Article III;

800 \* \* \*

801 **33-139 Severance pay.**

802 The County or the applicable agency must pay any participant in the  
803 ~~[[Employees']]~~ retirement savings plan or the guaranteed retirement income plan  
804 severance pay when the participant is separated from service by an affirmative  
805 administrative action other than dismissal for cause. An agency may adopt this  
806 severance pay plan under an adoption agreement approved by the Chief  
807 Administrative Officer.

808 **Sec. 2. Effective Date.**

809 County Code Section 33-37 and Section 33-115, as amended by Section 1,  
810 ~~[[are effective]]~~ take effect on January 1, 2009. The rest of this Act takes effect on  
811 July 1, 2009.

812 *Approved:*

813 Michael J. Knapp 20 JUN 08  
Michael J. Knapp, President, County Council Date

814 *Approved:*

815 Isiah Leggett June 18, 2008  
Isiah Leggett, County Executive Date

817 *This is a correct copy of Council action.*

818 Linda M. Lauer July 7, 2008  
Linda M. Lauer, Clerk of the Council Date