

**TESTIMONY on BEHALF OF COUNTY EXECUTIVE MARC ELRICH
ON EXPEDITED BILL 12-21, COUNTY'S RETIREMENT LAW**

April 6, 2021

Good afternoon Council President Hucker and Members of the County Council. For the record, I am Linda Herman, Executive Director of the Montgomery County Employee Retirement Plans. I am here today on behalf of the County Executive to testify in support of Bill 12-21, Chapter 33 – Retirement & Investments.

The proposed Bill will amend the County's law related to the Employees' Retirement System and the Retirement Savings Plan due to recent changes in Federal law including: increasing the mandatory required distribution age by which benefits must begin from age 70 ½ to age 72, suspending certain required minimum distributions for 2020, and changing the timing of distributions of benefits to beneficiaries. In addition, related to streamlining the operations of the retirement plans, we are recommending a change to the timing for receiving beneficiary forms, clarification of the process for escheatment for certain distributions to participants who cannot be located, or where the participant or beneficiary has not accepted the distribution. The Boards overseeing the retirement plans and the Consolidated Retiree Health Benefits Trust have also requested legislation to clarify the operations of the Group Trust and permitting the unitization of the Employees' Retirement System to provide an investment option for defined contribution and Deferred Retirement Option Plan participants.

This legislation results in bringing the retirement plans into compliance with Federal law, increasing the investment options offered to participants, and lowering the costs of operating the retirement related trust funds.

We look forward to working with the Council in its deliberations on this legislation.