

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

By: Council President at the Request of the County Executive

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

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

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

Section 1. Sections 33-42, 33-44, 33-118, and 33-120 are amended as follows:

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

* * *

(h) *Maximum annual contribution to elected officials' plan.*

* * *

(6) *Multiple plan participation.* This paragraph applies only for [plan] limitation years ending before January 1, 2000. Regardless of paragraph (1), the otherwise permissible annual benefits for any participant in the elected officials' plan who also participates in another qualified plan sponsored by the County or a participating agency that is a defined benefit plan must be further adjusted to the extent necessary to prevent disqualification of the plans under Section 415 of the Internal Revenue Code. Section 415 imposes the following additional limitations on the benefits payable to a participant in the elected officials' plan who also may be participating in another qualified plan of the county or any participating agency that is a defined benefit plan:

* * *

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

* * *

(p) *Limitations Under Internal Revenue Code.* 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 under 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.

* * *

33-118. Maximum annual contribution.

(a) Contribution limitations.

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

(A) \$30,000, effective January 1, 1995, or \$40,000, [(the "dollar limitations")] effective January 1, 2002, (the "dollar limitation"); or

(B) 25 percent of the participant's compensation as defined below, or 100 percent of the participant's compensation [(the "percentage limitation")], effective January 1, 2002, (the "percentage limitation").

* * *

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

* * *

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:

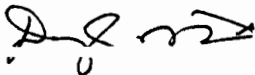


Michael L. Subin, President, County Council

7/3/03

Date

Approved:

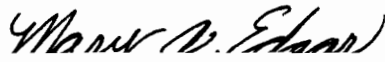


Douglas M. Duncan, County Executive

July 10, 2003

Date

This is a correct copy of Council action.



Mary A. Edgar, CMC, Clerk of the Council



Date