AN EXPEDITED ACT to:

(1) provide a retirement incentive program for certain members of the employees’ retirement system; and

(2) generally amend the law regarding the employees’ retirement system.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-42

The County Council for Montgomery County, Maryland approves the following Act:
Sec. 1. Section 33-42 is amended as follows:

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

(j) Retirement Incentive Program.

(1) Eligibility.

(A) A Group A or H member may participate in the Retirement Incentive Program if the member is eligible for normal retirement as of July 1, 2008 or if the member is eligible for early retirement and within two years of meeting the criteria for normal retirement as of July 1, 2008.

(B) [[Elected]] An elected or appointed [[officials are]] official is not eligible to participate.

(C) A member who wishes to participate must notify the Office of Human Resources in writing by May [[1]] 21, 2008. [[Members]] Any member chosen to participate must complete all required forms and retire as of July 1, 2008.

(D) [[Members]] Any member employed by a participating [[agencies are]] agency is not eligible to participate.

(E) A member who retires on a disability retirement under Section 33-43 or a discontinued service retirement under Section 33-45(d) is not eligible to participate.

(2) Early Retirement Reduction.

(A) A member who is eligible for early retirement and within one year of meeting the criteria for normal retirement
[will] must not have any early retirement reduction applied to the member’s pension benefit.

(B) A member who is eligible for early retirement and within two years of meeting the criteria for normal retirement [will] must have an early retirement reduction factor of [two percent (2%)] 2% applied to the member’s pension benefit.

(3) Additional Retirement Benefit. In addition to a member’s pension benefit calculated under this Section, the member [will] must receive an additional $25,000 retirement benefit. The member may elect to receive the additional $25,000 retirement benefit as follows:

(A) [Upon] When the [member’s retirement] member retires, the additional $25,000 retirement benefit [will] must be paid:

(i) to the member in one lump sum;

(ii) as a direct rollover to an eligible retirement plan (as defined in the Internal Revenue Code); or

(iii) a combination of (i) and (ii);

(B) Beginning on the member’s retirement date, 12 monthly installment payments [will] must be paid:

(i) to the member;

(ii) as a direct rollover to an eligible retirement plan (as defined in the Internal Revenue Code); or

(iii) a combination of (i) and (ii); or
(C) as an additional retirement benefit paid over the
member’s lifetime in the pension option elected by the
member under Section 33-44.

(4) **Cost of Living.** Cost of living adjustments do not apply to this
benefit. [[No]] A cost of living [[adjustments calculated]]
adjustment under [[subsection]] Section 33-44(c) [[will]] must
not include the $25,000 additional retirement benefit.

(5) **Approval.** The Chief Administrative Officer must approve a
request to participate in the program from a member employed
[[by]] in the Executive Branch. The Council Staff Director
must approve a request to participate in the program from a
member employed [[by]] in the Legislative Branch. If more
than [[twenty percent (20%)]] 20% of members eligible to
participate in the Executive Branch, [[both]] either Countywide
[[and]] or by department, [[request]] apply to participate in the
program, the Chief Administrative Officer may limit the
number of [[members, both]] participants, either on a
Countywide [[and]] or department basis. If more than 20% of
members eligible to participate in the Legislative Branch apply
to participate in the program, the Council Staff Director may
limit the number of participants. The Chief Administrative
Officer and the Council Staff Director [[will]] must base any
[[limitations]] limits on the number of participants on years of
service with the County. Years of service with the County
[[does]] must not include service with a participating agency,
purchased service, or sick leave.
(6) **Survivor Benefit.** If a member elects to receive the additional retirement benefit over a 12 month period and the member dies before receiving all 12 payments, the remaining payments [[will]] must not be paid.

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 it becomes law.

Approved:

Michael J. Knapp, President, County Council

Isiah Leggett, County Executive

Linda M. Lauer, Clerk of the Council

This is a correct copy of Council action.