COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

(1) amend the definition of regular earnings to include certain imputed compensation under the employees’ retirement system; [[and]]
(2) provide a one-time County contribution to the retirement savings plan and the guaranteed retirement income plan; and
(3) generally amend the law regarding the employees’ retirement system.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-35, 33-40, and 33-117

Boldface
Underlining
[Single boldface brackets]
Double underlining
[[Double boldface brackets]]
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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:
Sec. 1. [[Section]] Sections 33-35, 33-40, and 33-117 are [[is]] amended as follows:

Sec. 33-35 Definitions

In this Article, the following words and phrases have the following meanings:

* * *

Regular earnings: Except as otherwise provided, gross pay for actual hours worked, [exclusive of] not including overtime. Regular earnings for a Group A, E, or H member who is employed on July 1, 2009 and participates in the integrated or optional plan must include amounts as if the member had received an increase of 4.5% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution under Section 33-39. Regular earnings for a Group F member who is employed on July 1, 2009 and participates in the integrated or optional plan must include amounts as if the member had received an increase of 4.25% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution under Section 33-39. Regular earnings for a Group G member who is employed on July 1, 2009 and participates in the integrated or optional plan must include amounts as if the member had received an increase of 4% in the member's gross pay as of July 1, 2009, except for the purpose of calculating a member's contribution under Section 33-39. Regular earnings for an elected official is gross pay for services rendered to the County. Regular earnings must not exceed the limit under Internal Revenue Code Section 401(a)(17), as adjusted by the Internal Revenue Service. Gross pay must be used to determine benefits even if the County implements a pick-up plan under Section 414 of the Internal Revenue Code. Gross pay must be used to determine benefits even if a member has agreed to a reduction in earnings under:
the County's deferred compensation plan under Section 457 of the
Internal Revenue Code; or

(b) any statutory fringe benefit program sponsored by the County and
permitted by the Internal Revenue Code.

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33-40. Employer Contributions.

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(e) Guaranteed retirement income plan.

(1) Each pay period, the County must credit to each member's
guaranteed retirement income plan account an amount equal to
8% of the member's regular earnings. The County must make a
one-time credit equal to .36% of the member's fiscal year 2010
regular earnings to the member's guaranteed retirement income
plan account on the second pay period in July 2010 for a
member who is on the County payroll as of June 30, 2009 and
who is also on the County payroll as of June 30, 2010. Interest
must be credited at a rate of 7.25% on the County contribution
credits. If the 7.25% interest rate does not comply with
applicable law, the third segment rate described in Internal
Revenue Code Section 430(h)(2)(G) or any successor provision
must apply. Interest must be credited to a member's guaranteed
retirement income plan account balance on a monthly basis as
of the last day of the month.

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Sec. 33-117. Employer contributions.

(a) Amount of employer contributions.
(1) Group I participants. The County must contribute to the retirement savings plan in quarterly installments, on behalf of each Group I participant, an amount equal to 8% of that participant's regular earnings while a Group I participant during a plan year. The County must make a one-time contribution of .36% of the participant's fiscal year 2010 regular earnings on the second pay period in July 2010 for a Group I participant on the County payroll as of June 30, 2009 and who is also on the County payroll as of June 30, 2010.

(2) Group II participants. The County must contribute to the retirement savings plan in quarterly installments, on behalf of each Group II participant, an amount equal to 10% of that participant's regular earnings while a Group II participant during a plan year. The County must make a one-time contribution of .36% of the participant’s fiscal year 2010 regular earnings on the second pay period in July 2010 for a Group II participant on the County payroll as of June 30, 2009 and who is also on the County payroll as of June 30, 2010.

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Sec. 2. Expedited Effective Date. The Council declares that this Act is necessary for the immediate protection of the public interest. This Act takes effect on July 1, 2009.
Approved:

Philip M. Andrews, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date