

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2009, Legislative Day No. 20

Bill No. 43-09

Introduced by Mr. Reilly, Chairman
(by request of the County Executive)

By the County Council, May 18, 2009

Introduced and first read on May 18, 2009
Public Hearing set for June 15, 2009
Bill Expires August 21, 2009

By Order: Judy C. Holmes, Administrative Officer

A BILL ENTITLED

1 AN EMERGENCY ORDINANCE concerning: County Pension and Retirement Plans

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3 FOR the purpose of deleting obsolete language from certain provisions; altering the rate
4 of interest earned under the Deferred Retirement Option Program for certain
5 participants; providing for the calculation of the final average basic pay for certain
6 participants; making this Ordinance an emergency measure; and generally relating to
7 pensions.

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9 BY repealing and reenacting, with amendments: §§ 5-1-505(f) and 5-1-508(c)
10 Anne Arundel County Code (2005, as amended)

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12 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
13 *Maryland,* That Section(s) of the Anne Arundel County Code (2005, as amended) read as
14 follows:

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16 **ARTICLE 5 PENSIONS**

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18 **TITLE 1. GENERAL PROVISIONS**

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20 **5-1-505. Limitation on the number of participants.**

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22 (f) **Exemptions.** [On and after July 1, 2003, the] THE limitations described in
23 subsections (b) and (c) shall not apply to employees in the classification of police
24 sergeant. [On and after July 1, 2003, the] THE limitations described in subsections (b) and
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EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.

1 (c) shall not apply to employees in the classification of police officer, POLICE OFFICER
2 FIRST CLASS, OR POLICE CORPORAL, and the number of additional employees in the
3 classification of police officer, POLICE OFFICER FIRST CLASS, AND POLICE CORPORAL
4 who may begin participating in the DROP [on and after July 1, 2003] shall be limited to
5 20 per calendar quarter up to a limit of 64 new participants in each fiscal year.

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7 **5-1-508. DROP Account.**

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9 (c) **Account balance.** The account balance credited to a DROP participant includes:

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11 (1) the amount of the retirement benefit determined under subsection (b); and

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13 (2) interest on that amount:

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15 (i) compounded on the account balance as of the first day of each month;

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17 (ii) FOR MEMBERS OF THE FIRE SERVICE PLAN at an interest rate of 0.6434%,
18 which provides an effective annual yield of 8%, or the rate adopted as an actuarial
19 assumption for the valuation made under § 5-2-208(b) that immediately preceded the
20 beginning of the DROP participation period, whichever is higher; [and]

21
22 (IV) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP
23 PARTICIPATION BEGAN PRIOR TO JULY 1, 2009 AT AN INTEREST RATE OF 0.6434%, WHICH
24 PROVIDES AN EFFECTIVE ANNUAL YIELD OF 8%;

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26 (V) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP
27 PARTICIPATION BEGAN AFTER JUNE 30, 2009 AT AN INTEREST RATE OF .34745%, WHICH
28 PROVIDES AN EFFECTIVE ANNUAL YIELD OF 4.25%; AND

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30 [(iii)] (VII) credited to the DROP participant from the beginning to the
31 expiration of the DROP participation period.

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33 SECTION 2. *And be it further enacted,* That for the purpose of calculating a
34 participant's final average basic pay as defined under § 5-1-101, an employee who
35 receives a pay increase as a result of an overall satisfactory performance rating in FY10
36 in a pay grade of F1 through F6, shall have his or her annual basic pay for FY10
37 calculated as though the employee had received a 5% increase in pay under § 6-1-207(c)
38 of the Anne Arundel County Code.

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40 SECTION 3. *And be it further enacted,* That for the purpose of calculating a
41 participant's final average basic pay as defined under § 5-1-101, an employee who
42 receives a pay increase as a result of an overall satisfactory performance rating in FY10
43 in a pay grade of D2 or S2, shall have his or her annual basic pay for FY10 calculated as
44 though the employee had received a 4% increase in pay under § 6-1-207(c) of the Anne
45 Arundel County Code.

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47 SECTION 4. *And be it further enacted,* That for the purpose of calculating a
48 participant's final average basic pay as defined under § 5-1-101, a non-represented
49 employee who receives an overall satisfactory performance rating in FY10 shall have his
50 or her annual basic pay for FY10 calculated as though the employee had received a 3%

1 increase in pay as a result of this rating under § 6-1-204 of the Anne Arundel County
2 Code.

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4 SECTION 5. *And be it further enacted*, That this Ordinance is hereby declared to be
5 an emergency ordinance and necessary for the immediate preservation of the public
6 peace, health, safety, welfare, and property, and being passed by the affirmative vote of
7 five members of the County Council, the same shall take effect from the date it becomes
8 law.