

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2009, Legislative Day No. 35

Bill No. 74-09

Introduced by Ms. Vitale, Chairman
(by request of the County Executive)

By the County Council, September 21, 2009

Introduced and first read on September 21, 2009
Public Hearing set for October 19, 2009
Bill Expires December 25, 2009

By Order: Judy C. Holmes, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: County Pension and Retirement Plans

2
3 FOR the purpose of deleting obsolete language from certain provisions; altering the rate of
4 interest earned under the Deferred Retirement Option Program for certain participants;
5 providing for the calculation of the final average basic pay for certain participants;
6 providing for the application of this Ordinance; and generally relating to pensions.
7

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

10
11 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
12 That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:
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14 **ARTICLE 5 PENSIONS**

15
16 **TITLE 1. GENERAL PROVISIONS**

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18 **5-1-505. Limitation on the number of participants.**
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20 (f) **Exemptions.** [On and after July 1, 2003, the] THE limitations described in subsections
21 (b) and (c) shall not apply to employees in the classification of police sergeant, [. On and
22 after July 1, 2003, the limitations described in subsections (b) and (c) shall not apply to
23 employees in the classification of] police officer, POLICE OFFICER FIRST CLASS, OR POLICE
24 CORPORAL [, and the]. THE number of additional employees in the classification of police

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.

1 officer, POLICE OFFICER FIRST CLASS, AND POLICE CORPORAL who may begin participating
2 in the DROP [on and after July 1, 2003] shall be limited to 20 per calendar quarter up to a
3 limit of 64 new participants in each fiscal year.

4
5 **5-1-508. DROP Account.**

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

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

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11 (2) interest on that amount:

12
13 (i) compounded on the account balance as of the first day of each month;

14
15 (ii) FOR MEMBERS OF THE FIRE SERVICE PLAN, at an interest rate of 0.6434%,
16 which provides an effective annual yield of 8%, or the rate adopted as an actuarial
17 assumption for the valuation made under § 5-2-208(b) that immediately preceded the
18 beginning of the DROP participation period, whichever is higher; [and]

19
20 (III) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP PARTICIPATION
21 BEGAN PRIOR TO JULY 1, 2009, AT AN INTEREST RATE OF 0.6434%, WHICH PROVIDES AN
22 EFFECTIVE ANNUAL YIELD OF 8%;

23
24 (IV) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP PARTICIPATION
25 BEGAN AFTER JUNE 30, 2009, AT AN INTEREST RATE OF .34745%, WHICH PROVIDES AN
26 EFFECTIVE ANNUAL YIELD OF 4.25%; AND

27
28 [(iii)] (v) credited to the DROP participant from the beginning to the expiration of
29 the DROP participation period.

30
31 SECTION 2. *And be it further enacted,* That for the purpose of calculating a participant's
32 final average basic pay as defined under § 5-1-101, an employee who receives a pay increase
33 as a result of an overall satisfactory performance rating in FY10 in a pay grade of F1 through
34 F6, shall have his or her annual basic pay for FY10 calculated as though the employee had
35 received a 5% increase in pay under § 6-1-207(c) of the Anne Arundel County Code.

36
37 SECTION 3. *And be it further enacted,* That for the purpose of calculating a participant's
38 final average basic pay as defined under § 5-1-101, an employee who receives a pay increase
39 as a result of an overall satisfactory performance rating in FY10 in a pay grade of D3 or S2,
40 shall have his or her annual basic pay for FY10 calculated as though the employee had
41 received a 4% increase in pay under § 6-1-207(c) of the Anne Arundel County Code.

42
43 SECTION 4. *And be it further enacted,* That for the purpose of calculating a participant's
44 final average basic pay as defined under § 5-1-101, a non-represented employee who
45 receives an overall satisfactory performance rating in FY10 shall have his or her annual basic
46 pay for FY10 calculated as though the employee had received a 3% increase in pay as a
47 result of this rating under § 6-1-204 of the Anne Arundel County Code.

48 SECTION 5. *And be it further enacted,* That this Ordinance shall be construed to apply

1 retroactively and shall be applied to and interpreted to affect all participants in the Deferred
2 Retirement Option Plan in the manner described in § 5-1-508(c), Anne Arundel County
3 Code (2005, as amended) as amended by this Ordinance, and all employees within the scope
4 of Sections 2, 3, and 4 of this Ordinance who retire on or after July 1, 2009.
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6 SECTION 6. *And be it further enacted,* That this Ordinance shall take effect 45 days
7 from the date it becomes law.