

FINAL

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2023, Legislative Day No. 12

Bill No. 58-23

Introduced by Mr. Smith, Chair
(by request of the County Executive)

By the County Council, June 20, 2023

Introduced and first read on June 20, 2023
Public Hearing set for and held on July 17, 2023
Bill Expires on September 23, 2023

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Pensions – Deferred Retirement Option Program – Term
2 of Participation Period – Withdrawal or Disability

3
4 FOR the purpose of allowing a seventh year of participation for certain DROP participants
5 who are members of the Police Service Retirement Plan; providing for interest on the
6 seventh year of DROP participation for certain employees; amending provisions that
7 allow early withdrawal from DROP; amending provisions that apply to a disability
8 pension during DROP participation; applying this Ordinance retroactively; and
9 generally relating to pensions.

10
11 BY repealing and reenacting, with amendments: §§ 5-1-506(b); 5-1-508(c); 5-1-509(d);
12 and 5-1-510(b)
13 Anne Arundel County Code (2005, as amended)

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

ARTICLE 5. PENSIONS

TITLE 1. GENERAL PROVISIONS

21
22 **5-1-506. Participation period; mandatory retirement upon expiration.**

23
24 (b) **Term of participation period; extension.**

EXPLANATION: CAPITALS indicate new matter added to existing law.
[[Brackets]] indicate matter deleted from existing law.
Captions and taglines in **bold** in this bill are catchwords and are not law.

1 (1) The initial term of a DROP participation period is three years. ~~[[The]]~~ EXCEPT
2 AS OTHERWISE PROVIDED IN PARAGRAPH (4), THE DROP participation period may be
3 extended by no more than three additional one-year terms for all participants who qualify
4 for participation in DROP under § 5-1-503. A DROP participant shall file an election for
5 each extension on the form required by the Personnel Officer no fewer than 30 days before
6 the end of the current term. Failure of a DROP participant to file a timely election for an
7 extension results in the expiration of the DROP participation period at the end of the current
8 term.

9
10 (2) A participant who is a member of the Detention Officers' and Deputy Sheriffs'
11 Retirement Plan must have the approval of the appointing authority to extend the DROP
12 participation period beyond the initial term and to continue employment with the County.

13
14 (3) A participant WHO IS A MEMBER of the Fire Service Retirement Plan, who is in
15 the classification of Fire Division Chief, Fire Deputy Chief, Fire Assistant Chief, or Fire
16 Chief ~~[[, or of the Police Service Retirement Plan who is in the classification of Police
17 Captain, Police Major, Policy Deputy Chief, or Police Chief]]~~ must have the approval of
18 the appointing authority to extend the DROP participation period to a sixth year.

19
20 (4) EFFECTIVE JULY 1, 2023, FOR A PARTICIPANT WHO IS A MEMBER OF THE POLICE
21 SERVICE RETIREMENT PLAN, THE DROP PARTICIPATION PERIOD MAY BE EXTENDED FOR
22 AN ADDITIONAL ONE-YEAR TERM, FOR A TOTAL OF SEVEN YEARS, SUBJECT TO THE
23 FOLLOWING:

24
25 (I) A DROP PARTICIPANT IN THE CLASSIFICATION OF POLICE CAPTAIN, POLICE
26 MAJOR, POLICE DEPUTY CHIEF, OR POLICE CHIEF MUST HAVE THE APPROVAL OF THE
27 APPOINTING AUTHORITY TO EXTEND THE DROP PARTICIPATION BEYOND THE FIFTH YEAR;
28 AND

29
30 (II) A DROP PARTICIPANT IN THE CLASSIFICATION OF POLICE OFFICER FIRST
31 CLASS, POLICE CORPORAL, POLICE SERGEANT, OR POLICE LIEUTENANT MUST HAVE THE
32 APPROVAL OF THE APPOINTING AUTHORITY TO EXTEND THE DROP PARTICIPATION
33 PERIOD BEYOND THE SIXTH YEAR.

34
35 **5-1-508. DROP account.**

36
37 (c) **Account balance.** The account balance credited to a DROP participant includes:

38
39 (1) the amount of the retirement benefit determined under subsection (b); and

40
41 (2) ~~[[for members of the Fire Service Retirement Plan, entering the sixth year of
42 the DROP after July 1, 2018, the Police Service Retirement Plan and the Detention
43 Officers' and Deputy Sheriffs' Retirement Plan,]]~~ interest ~~[[on amounts earned in years
44 one through six of a member's DROP participation]]~~ compounded on the account balance
45 as of the first day of each month, at an interest rate of .34745%, which provides an effective
46 annual yield of 4.25%.

47
48 **5-1-509. Early withdrawal from participation.**

49
50 (d) **Withdrawal before end of participation period.** A DROP participant whose
51 participation ends prior to the end of the DROP participation period because of a

1 termination of employment, ineligibility to participate in the plan for any reason, or an
2 election to withdraw under subsection (b):

3
4 (1) forfeits any entitlement to the DROP benefit under § 5-1-512(b); and

5
6 (2) if otherwise eligible, shall have a retirement benefit determined under § 5-4-
7 203, § 5-5-203, or § 5-6-203 that includes service and salary during the DROP participation
8 period for purposes of calculating the entitlement to and amount of the retirement benefit
9 [[and]]:

10
11 (I) that is reduced by an amount actuarially equivalent to the employee
12 contributions not made during the DROP participation period UNTIL THE REDUCTIONS
13 EQUAL THE AMOUNT ACTUARIALLY EQUIVALENT TO THE EMPLOYEE CONTRIBUTIONS
14 NOT MADE DURING DROP PARTICIPATION;

15
16 (II) IF THE PARTICIPANT REMAINS A COUNTY EMPLOYEE, THAT IS REDUCED BY
17 AN AMOUNT ACTUARIALLY EQUIVALENT TO THE EMPLOYEE CONTRIBUTIONS NOT MADE
18 DURING THE DROP PARTICIPATION PERIOD UNTIL THE PARTICIPANT PAYS TO THE
19 PENSION SYSTEM AN AMOUNT THAT IS EQUAL TO THE EMPLOYEE CONTRIBUTIONS NOT
20 MADE DURING THE DROP PARTICIPATION PERIOD THROUGH PAYROLL DEDUCTIONS OVER
21 A PERIOD NOT TO EXCEED THREE YEARS; OR

22
23 (III) THAT IS NOT REDUCED IF, WITHIN 30 DAYS OF DROP WITHDRAWAL OR
24 WITHIN 30 DAYS OF LEAVING COUNTY EMPLOYMENT, WHICHEVER IS LATER, THE
25 PARTICIPANT DEPOSITS INTO THE PENSION SYSTEM AN AMOUNT EQUAL TO THE
26 EMPLOYEE CONTRIBUTIONS NOT MADE DURING THE DROP PARTICIPATION PERIOD.

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28 **5-1-510. Disability during participation.**

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30 (b) **Effect of disability pension.** If a DROP participant receives a disability pension:

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32 (1) the benefit under § 5-4-206, § 5-5-205, or § 5-6-207 includes service and salary
33 during the DROP participation period for purposes of calculating the amount of the benefit
34 [[and]]:

35
36 (I) THAT is reduced by an amount actuarially equivalent to the employee
37 contributions not made during the DROP participation period UNTIL THE REDUCTIONS
38 EQUAL THE AMOUNT ACTUARIALLY EQUIVALENT TO THE EMPLOYEE CONTRIBUTIONS
39 NOT MADE DURING DROP PARTICIPATION; OR

40
41 (II) THAT IS NOT REDUCED IF, WITHIN 30 DAYS OF DROP WITHDRAWAL, THE
42 PARTICIPANT DEPOSITS INTO THE PENSION SYSTEM AN AMOUNT EQUAL TO THE
43 EMPLOYEE CONTRIBUTIONS NOT MADE DURING THE DROP PARTICIPATION PERIOD; and

44
45 (2) the participant forfeits any entitlement to the DROP benefit under § 5-1-512(b).

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47 SECTION 2. *And be it further enacted,* That this Ordinance shall be construed to apply
48 retroactively to July 1, 2023.

49
50 SECTION 3. *And be it further enacted,* That this Ordinance shall take effect 45 days
51 from the date it becomes law.

Bill No. 58-23

Page No. 4

READ AND PASSED this 17th day of July, 2023

By Order:



Laura Corby
Administrative Officer

PRESENTED to the County Executive for his approval this 18th day of July, 2023



Laura Corby
Administrative Officer

APPROVED AND ENACTED this 28 day of July, 2023



Steuart Pittman
County Executive

EFFECTIVE DATE: September 11, 2023

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF
BILL NO. 58-23 THE ORIGINAL OF WHICH IS RETAINED IN THE FILES
OF THE COUNTY COUNCIL.

A handwritten signature in black ink, appearing to read "Laura Corby". The signature is fluid and cursive, with the first name "Laura" and last name "Corby" clearly distinguishable.

Laura Corby
Administrative Officer