

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2025, Legislative Day No. 13

Bill No. 59-25

Introduced by Ms. Hummer, Chair
(by request of the County Executive)

By the County Council, June 16, 2025

Introduced and first read on June 16, 2025
Public Hearing set for July 21, 2025
Bill Expires September 19, 2025

By Order: Kaley Schultze, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Pensions – Credited Service – Deferred Retirement Option
2 Program (“DROP”) – Number of Participants – Term of Participation Period – Interest
3 on DROP Account – Employee Contributions to Pension Fund
4

5 FOR the purpose of clarifying credited service; modifying the number of certain
6 participants eligible to enter the DROP for the Fire Service Retirement Plan; modifying
7 the DROP participation period for certain participants in the Detention Officers’ and
8 Deputy Sheriffs’ Retirement Plan; modifying the annual interest rate for DROP
9 accounts for certain participants in the Police Service Retirement Plan and the Fire
10 Service Retirement Plan; modifying the employee contributions for certain participants
11 in the Fire Service Retirement Plan and in the Police Service Retirement Plan;
12 providing for the application of this Ordinance; and generally relating to pensions.
13

14 BY repealing and reenacting, with amendments: §§ 5-1-205(a); 5-1-505(a); 5-1-506(b)(7);
15 5-1-508(c); 5-4-103(b); and 5-5-103(b)
16 Anne Arundel County Code (2005, as amended)
17

18 BY renumbering § 5-1-505(d) and (e) to be § 5-1-505(e) and (f), respectively
19 Anne Arundel County Code (2005, as amended)
20

21 BY repealing, reenacting, and renumbering, with amendments: § 5-1-505(f) to be
22 § 5-1-505(g)
23 Anne Arundel County Code (2005, as amended)

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.
Asterisks *** indicate existing Code provisions in a list or chart that remain unchanged.

BY adding: §§ 5-1-505(d) and 5-4-103(d)
Anne Arundel County Code (2005, as amended)

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
That § 5-1-505(d) and (e) be renumbered to be § 5-1-505(e) and (f), respectively.

SECTION 2. *And be it further enacted,* That Section(s) of the Anne Arundel County
Code (2005, as amended) read as follows:

ARTICLE 5. PENSIONS

TITLE 1. GENERAL PROVISIONS

SUBTITLE 2. PARTICIPATION

5-1-205. Credited service.

(a) **Generally.** A participant shall receive credited service for actual plan service in
accordance with § 5-1-206; credited pre-plan military service in accordance with
§ 5-1-209; disability leave service in accordance with § 5-1-210; purchased service in
accordance with § 5-1-211 OR § 5-1-212; and transferred service in accordance with
§§ 5-1-301 et seq.

SUBTITLE 5. DEFERRED RETIREMENT OPTION PROGRAM – FIRE SERVICE RETIREMENT PLAN, POLICE SERVICE RETIREMENT PLAN AND DETENTION OFFICERS’ AND DEPUTY SHERIFFS’ RETIREMENT PLAN

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

(a) **Generally.** Except as provided in subsections (b), ~~[[and]]~~ (c), AND (D), the number
of employees who may begin participating in the DROP in a plan shall be limited to four
new employees participating in each DROP plan as of the first day of any month.

(D) **Fire Fighters, Fire Fighters/EMT-Paramedic, Fire Lieutenants, Fire
Lieutenants/EMT-Paramedic, Fire Captains, and Fire Captains/EMT-Paramedic.**
THE NUMBER OF EMPLOYEES IN THE CLASSIFICATION OF FIRE FIGHTER, FIRE
FIGHTER/EMT-PARAMEDIC, FIRE LIEUTENANT, FIRE LIEUTENANT/EMT-PARAMEDIC, FIRE
CAPTAIN OR FIRE CAPTAIN/EMT-PARAMEDIC WHO MAY BEGIN PARTICIPATING IN THE
DROP SHALL BE LIMITED TO 20 PER CALENDAR QUARTER UP TO A LIMIT OF 72
PARTICIPANTS IN EACH FISCAL YEAR.

~~[[f]]~~ (G) **Waiting list.** Applicants on the waiting list described in subsection ~~[[e]]~~ (F)
have the right of “first refusal” for DROP participation in subsequent months in the order
of their seniority, provided:

(1) applicants who refuse participation if offered in subsequent months shall be
removed from the waiting list and must reapply in order to participate in the DROP; and

(2) in subsequent months, applicants not on the waiting list shall be selected ahead of applicants on the waiting list who have less seniority.

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

(b) Term of participation period; extension.

(7) (I) Effective July 1, 2024, for a participant who is a member of the Detention Officers' and Deputy Sheriffs' Retirement Plan in the classification of Detention Officer, Detention Corporal, Detention Sergeant, Detention Lieutenant, or Detention Captain, or in the classification of Assistant Correctional Facility Administrator or Correctional Facility Administrator hired before October 29, 2020, the DROP participation period may be extended for an additional one-year term, for a total of seven years.

(II) EFFECTIVE JULY 1, 2025, FOR A PARTICIPANT WHO IS A MEMBER OF THE DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN IN THE CLASSIFICATION OF CORRECTIONAL PROGRAM SPECIALIST I OR II OR CRIMINAL JUSTICE PROGRAM SUPERVISOR HIRED BEFORE OCTOBER 29, 2020, THE DROP PARTICIPATION PERIOD MAY BE EXTENDED FOR AN ADDITIONAL ONE-YEAR TERM, FOR A TOTAL OF SEVEN YEARS.

5-1-508. DROP account.

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

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

(2) interest compounded on the account balance as of the first day of each month, at [[an interest rate of]] THE FOLLOWING RATES:

(I) FOR MEMBERS OF THE DETENTION OFFICERS' AND DEPUTY SHERIFFS' SERVICE PLAN, .34745%, which provides an effective annual yield of 4.25%[[.]];

(II) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP PARTICIPATION BEGAN PRIOR TO JULY 1, 2025, .34745%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF 4.25%;

(III) FOR MEMBERS OF THE POLICE SERVICE PLAN WHOSE DROP PARTICIPATION BEGAN ON OR AFTER JULY 1, 2025, .40741%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF 5.00%;

(IV) FOR MEMBERS OF THE FIRE SERVICE PLAN WHOSE DROP PARTICIPATION BEGAN BEFORE JULY 1, 2025, .34745%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF 4.25%;

(V) FOR MEMBERS OF THE FIRE SERVICE PLAN IN THE CLASSIFICATION OF FIRE FIGHTER, FIRE FIGHTER/ EMT-PARAMEDIC, FIRE LIEUTENANT, FIRE LIEUTENANT/EMT-PARAMEDIC, FIRE CAPTAIN OR FIRE CAPTAIN/EMT-PARAMEDIC WHOSE DROP PARTICIPATION BEGAN ON OR AFTER JULY 1, 2025, .40741%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF 5.00%; AND

(VI) FOR MEMBERS OF THE FIRE SERVICE PLAN IN THE CLASSIFICATION OF FIRE BATTALION CHIEF, FIRE DIVISION CHIEF, FIRE DEPUTY CHIEF, FIRE ASSISTANT CHIEF, OR FIRE CHIEF, WHOSE DROP PARTICIPATION BEGAN ON OR AFTER JULY 1, 2025, .38747%, WHICH PROVIDES AN EFFECTIVE ANNUAL YIELD OF 4.75%.

TITLE 4. FIRE SERVICE RETIREMENT PLAN

SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS

5-4-103. Pension fund established; contributions.

(b) Employee contributions.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), ~~[[Each]]~~ EACH participant shall contribute to the pension fund, through payroll deductions, 7.25% of the participant's annual basic pay in each calendar year or portion of a calendar year while an active participant in the plan.

(2) EFFECTIVE JANUARY 1, 2026, A PARTICIPANT IN THE CLASSIFICATION OF FIRE FIGHTER, FIRE FIGHTER/EMT-PARAMEDIC, FIRE LIEUTENANT, FIRE LIEUTENANT/EMT-PARAMEDIC, FIRE CAPTAIN OR FIRE CAPTAIN/EMT-PARAMEDIC SHALL CONTRIBUTE TO THE PENSION FUND, THROUGH PAYROLL DEDUCTIONS, 8.00% OF THE PARTICIPANT'S ANNUAL BASIC PAY IN EACH CALENDAR YEAR OR PORTION OF A CALENDAR YEAR WHILE AN ACTIVE PARTICIPANT IN THE PLAN.

(D) Contributions after termination. A PARTICIPANT IS NOT REQUIRED TO MAKE CONTRIBUTIONS ON OR AFTER THE PARTICIPANT'S DATE OF DEATH, DATE OF TERMINATION OF EMPLOYMENT, DATE OF DISABILITY, OR DATE OF RETIREMENT, WHICHEVER DATE IS EARLIEST.

TITLE 5. POLICE SERVICE RETIREMENT PLAN

SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS

5-5-103. Pension fund established; contributions.

(b) Employee contributions.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), ~~[[Through payroll deductions,]]~~ a participant shall contribute TO THE PENSION FUND, THROUGH PAYROLL DEDUCTIONS, 7.25% to the pension fund of the participant's annual basic pay in each calendar year or portion of a calendar year while an active participant in the plan.

(2) EFFECTIVE JANUARY 1, 2026, A PARTICIPANT SHALL CONTRIBUTE TO THE PENSION FUND, THROUGH PAYROLL DEDUCTIONS, 8.25% OF THE PARTICIPANT'S ANNUAL BASIC PAY IN EACH CALENDAR YEAR OR PORTION OF A CALENDAR YEAR WHILE AN ACTIVE PARTICIPANT IN THE PLAN.

SECTION. 3. *And be it further enacted*, That the provisions of this Ordinance shall apply retroactively to July 1, 2025.

1 SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days
2 from the date it becomes law.