



Bill No. 19-03

Concerning: Revisions to the Frederick County

Employees Retirement Plan: IRS Requested Changes

Introduced: January 15, 2019

Revised: _____ Draft No. _____

Enacted: _____

Effective: _____

Expires: April 15, 2019

Frederick County Code, Chapter _____

Section(s) _____

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

By: Council President M.C. Keegan-Ayer on behalf of County Executive Jan Gardner

AN ACT to: amend the Frederick County Employees Retirement Plan to make certain revisions to the Plan to: (1) clarify that a Beneficiary of a Participant who dies while absent from employment due to Military Service will be entitled to ordinary death benefits as if the Participant had returned to employment before his or her death, (2) to clarify that direct rollovers of lump sum distributions of employee contributions by non-spouse Beneficiaries may only be made to inherited individual retirement accounts, and (3) make other nonsubstantive changes.

Executive: _____ Date Received: _____

Approved: _____ Date: _____

Vetoed: _____ Date: _____

By amending:

Frederick County Code, Chapter, _____ Section(s) _____

Other: Frederick County Employees Retirement Plan

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law.</i>
[Single boldface brackets]	<i>Deleted from existing law.</i>
***	<i>Existing law unaffected by bill.</i>

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By Ordinance No. 93-11-075, the County established a retirement plan for the employees of the Frederick County Government, effective July 1, 1993. The Frederick County Employees Retirement Plan (“Plan”) has been amended several times since then, most recently in Bill No. 17-12.

The County Council of Frederick County, Maryland, deems it appropriate to make certain additional revisions to the Plan to: (1) clarify that a Beneficiary of a Participant who dies while absent from employment due to Military Service will be entitled to ordinary death benefits as if the Participant had returned to employment before his or her death, (2) to clarify that direct rollovers of lump sum distributions of employee contributions by non-spouse Beneficiaries may only be made to inherited individual retirement accounts, and (3) make other nonsubstantive changes.

NOW, THEREFORE, BE IT ENACTED, that the Frederick County Employees Retirement Plan be, and it is hereby, amended as shown on the attached Exhibit 1.

M.C. Keegan-Ayer, President
County Council of Frederick County,
Maryland

**AMENDMENT TO THE RESTATED
FREDERICK COUNTY
EMPLOYEES RETIREMENT PLAN**

First Change – Section 7.1(f) of the plan shall be amended to read as follows:

* * * * *

(f) The Beneficiary of a Participant who reaches a Termination Date by reason of death during and as a result of his Military Service shall be eligible to apply for ordinary, but not line of duty, death benefits under this Article VII, in accordance with Section 414(u) of the Code effective July 1, 2009. The Beneficiary shall be entitled to such death benefits that would have been payable if the Participant had resumed employment with the County on the day before his/her death and terminated employment on account of death.

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Second Change – The definition of “Eligible Retirement Plan” in Section 8.4 shall be amended to read as follows:

* * * * *

Eligible Retirement Plan: An Eligible Retirement Plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee’s Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity and, in the case of an Eligible Rollover Distribution to a non-spouse Beneficiary of the Participant, an Eligible Retirement plan is an inherited individual retirement account or inherited individual retirement annuity. With respect to distributions made after December 31, 2001, an Eligible Retirement Plan shall also mean an annuity contract described in Section 403(b) of the Code, an annuity plan described in Section 403(a) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred from this Plan. With respect to distributions made after December 31, 2007, an Eligible Retirement Plan shall also mean a Roth IRA described in Section 408A of the Code. The definition of “Eligible Retirement Plan” shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in

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[Single boldface brackets] indicates matter deleted from existing law.
*** - indicates existing law unaffected by bill

Section 414(p) of the Code. With respect to distributions made after December 31, 2006, to the extent the Eligible Rollover Distribution consists of amounts not includible in the Participant's or former Participant's taxable income, an "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an annuity contract described in Section 403(b) of the Code that separately accounts for the non-taxable amounts transferred, and earnings thereon.

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