

Bill No. 21-05

Concerning: Revisions to the Frederick County

Employees Retirement Plan and Adoption of the
Frederick County Uniformed Employees Retirement
Plan

Introduced: April 6, 2021

Revised: _____ Draft No. _____

Enacted: 5/4/21

Effective: 7/4/21

Expires: July 5, 2021

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: adopt the Frederick County Uniformed Employees Retirement Plan and to amend the Frederick County Employees Retirement Plan to make certain revisions to the Plan to reflect the participation of Uniformed Employees in a separate retirement plan.

Date Council Approved: 5/4/21

Date Transmitted to Executive: 5/12/21

Executive: Jan H. Gardner

Date Received: May 13, 2021

Approved: ✓

Date: 5/13/2021

Vetoed: _____

Date: _____

Date returned to Council by County Executive with no action: _____

By amending:

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

Other: Frederick County Employees Retirement Plan; Adoption of Frederick County Uniformed Employees Retirement Plan

Boldface
Underlining
[Single boldface brackets]
* * *

Heading or defined term.
Added to existing law.
Deleted from existing law.
Existing law unaffected by bill.

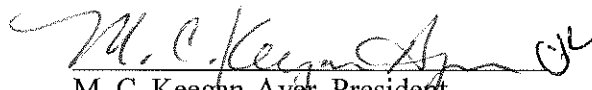
By Ordinance No. 93-11-075, the County established a retirement plan for the employees of Frederick County Government, effective July 1, 1993. The Frederick County Employees Retirement Plan ("Plan") has been amended several times since then, most recently enacted Bill No. 20-11.

The County now restates the Plan generally effective July 1, 2021, to update the terms of the Plan, as amended from time to time. Effective July 1, 2021, the County wishes to establish the Frederick County Uniformed Employees Retirement Plan ("Uniformed Plan").

The County intends for the Plan to continue to qualify under Section 401(a) of the Internal Revenue Code, so that the trust established under the plan will continue to be exempt from tax under Section 501 of the Code. The County also intends that the contributions made by Plan Participants through payroll deductions will continue to be characterized as "pick-up" contributions, as described in Section 414(h)(2) of the Code.

The County intends for the Uniformed Plan to qualify under Section 401(a) of the Internal Revenue Code, so that the trust established under the plan will continue to be exempt from tax under Section 501 of the Code. The County also intends that the contributions made by Uniformed Plan Participants through payroll deductions, although designated as employee contributions, are being paid by the County in lieu of contributions paid by the employee and will be characterized as "pick-up" contributions, as described in Section 414(h)(2) of the Code.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that the Frederick County Employees Retirement Plan be, and it is hereby, amended and the Frederick County Uniformed Employees Retirement Plan be, and it is hereby, adopted, as shown on the attached Exhibit 1.


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

FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN

ARTICLE I

General

1.1 Name - This Plan may be referred to as the "Frederick County Employees Retirement Plan."

1.2 Applicability - The provisions of the Plan shall apply only to an individual who meets the definition of Covered Employee set forth herein and whose employment with the County terminates on or after the Effective Date, except as otherwise provided herein.

END OF ARTICLE I

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE II

2
3 Definitions

4
5 The following terms, as used herein, unless a different meaning is clearly implied by
6 the context, shall have the following meanings:

7
8 Accrued Benefit - The benefit to which a Participant is entitled, pursuant to
9 the provisions of ARTICLE VI, expressed as the normal form of monthly benefit commencing at
10 Normal Retirement Date or the Actuarial Equivalent thereof. The Accrued Benefit as of any date
11 preceding the Participant's Normal Retirement Date, but expressed as aforesaid, shall be the monthly
12 benefit computed pursuant to Section 6.2, 6.4 or 6.5. In no event, however, shall the Accrued Benefit
13 exceed the maximum limitation determined, as of the date of computation, pursuant to Section 6.6.

14
15 The portion of the Participant's Accrued Benefit attributable to his or her
16 contributions made pursuant to Sections 5.4 and 5.5 shall be equal to the Actuarial Equivalent of the
17 Participant's Employee Contributions Benefit, expressed as the normal form of monthly benefit
18 commencing at Normal Retirement Date. The portion of the Participant's Accrued Benefit
19 attributable to County contributions shall be the remainder, if any, of the Accrued Benefit.

20
21 Actuarial Equivalent - A form of benefit differing in time, period or manner
22 of payment from a specific benefit provided under the Plan but having the same value when computed
23 based upon the following:

24
25 Pre-Retirement and Post-Retirement:

26
27 Pub-2010 General Retirees Amount-Weighted Mortality
28 with MP-2018 improvement scale projected to
29 2035, blended 50%male/50% female
30 (for participant and joint annuitant)
31 7% per annum interest rate
32 1% cost of living adjustment
33

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 The foregoing factors, to the extent applicable, shall be utilized (whether or not there is a specific
2 reference to this definition) whenever in the administration of the Plan a calculation of actuarial
3 equivalence is to be made.

4
5 Actuarial Reduction - A reduction which will cause a benefit with a starting
6 date which precedes a Participant's Normal Retirement Date to be the Actuarial Equivalent of the
7 benefit which would otherwise have been payable at Normal Retirement Date. However,
8 notwithstanding any factors set forth in the definition of Actuarial Equivalent for benefits paid to Non-
9 Uniformed Participants, the reduction with respect to a Non-Uniformed Participant whose
10 Employment Commencement Date is prior to July 1, 2011 shall be equal to .5% of the benefit for
11 each month during the first five years preceding the first day of the month coincident with or next
12 following the Participant's attainment of age 60. The reduction with respect to a Non-Uniformed
13 Participant whose Employment Commencement Date is on or after July 1, 2011 shall be equal to .5%
14 of the benefit for each month during the first ten years preceding the first day of the month coincident
15 with or next following the Participant's attainment of age 65.

16
17 Administrator - The Retirement Plan Committee designated in accordance
18 with the provisions of ARTICLE XI.

19
20 Appointee - An Employee serving at the pleasure of the County Executive in
21 accordance with the Charter.

22
23 Beneficiary - Any person entitled to receive the benefits which are payable
24 under the Plan upon or after the death of a Participant.

25
26 Benefit Commencement Date - The first day of the first period for which the
27 sole payment or the first in a series of payments constituting the distribution of an Accrued Benefit is
28 made.

29
30 Break in Service - A Plan Year during which an individual terminates
31 employment or is not an Employee and completes 50% or fewer of the Hours of Service required to
32 complete a Year of Eligibility Service.

33
34 Cash-Out - A distribution in settlement of a benefit otherwise payable under
35 the Plan, and which is equal to the Employee Contributions Benefit.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 Charter – means the Charter of Frederick County, Maryland, as adopted
3 effective December 1, 2014 and as may be amended from time to time.
4

5 C/L Increase - An automatic increase (without necessity of Plan amendment)
6 in a dollar value set forth or described in the Plan, for the purpose of reflecting increases in the cost
7 of living to the extent prescribed in or pursuant to regulations under Section 415(d) of the Internal
8 Revenue Code, but only to the extent permitted by the operative Internal Revenue Code or regulatory
9 provision specifically governing the dollar value in question.
10

11 Compensation - The monthly equivalent of the Participant's legislated base
12 annual salary determined without regard to: (i) overtime, bonuses and other extra remuneration; (ii)
13 amounts in excess of \$[19,071.66] 23,750.00 (as adjusted for C/L Increases); (iii) contributions,
14 credits or benefits under this Plan or under any other retirement, deferred compensation, fringe benefit
15 or employee welfare benefit plan, (iv) direct reimbursement for expenses; or (v) differential wage
16 payments as defined in Title 26, Section 3401(h) of the United States Code (referring to an employer
17 payment to an Employee called to active duty in the uniformed services for more than 30 days that
18 represents all or a portion of the pay [he] the Participant would have received from the County if he
19 or she were performing services for the County); provided however, that Compensation shall include
20 any amount that would have qualified as Compensation but for the fact that it constitutes salary
21 reduction under any plan described in Section 414(h)(2), 132(f) or 125 of the Internal Revenue Code.
22

23 In addition to other applicable limitations set forth in the Plan, and
24 notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after
25 January 1, 1994, the annual Compensation for each employee taken into account under the Plan shall
26 not exceed the OBRA '93 annual Compensation limit. The OBRA '93 annual Compensation limit is
27 \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with
28 Section 401(a)(17)(b) of the Code. The cost-of-living adjustment in effect for a calendar year applies
29 to any period, not exceeding 12 months, over which Compensation is determined (determination
30 period) beginning in such calendar year. If a determination period consists of fewer than 12 months,
31 the OBRA '93 annual Compensation limit will be multiplied by a fraction, the numerator of which is
32 the number of months in the determination period, and the denominator of which is 12.
33

34 For Plan Years beginning on or after January 1, 1994, any reference in this
35 Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual
36 Compensation limit set forth in this provision.
37

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 If Compensation for any prior determination period is taken into account in
2 determining an Employee's benefits accruing in the current Plan Year, the Compensation for that
3 prior determination period is subject to the OBRA '93 annual Compensation limit in effect for that
4 prior determination period. For this purpose, for determination periods beginning before the first day
5 of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual Compensation
6 limit is \$150,000.

7
8 The annual Compensation of each Participant taken into account in
9 determining benefit accruals for any Plan Year beginning after December 31, 2001, shall not exceed
10 \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(b) of the
11 Code. Annual Compensation means Compensation during the Plan Year or such other consecutive
12 12-month period over which Compensation is otherwise determined under the Plan (the determination
13 period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation
14 for the determination period that begins with or within such calendar year.

15
16 County - The County of Frederick, a body corporate and politic, with all of
17 the rights and powers of local self-government and home rule as are provided under the Charter, the
18 Maryland Constitution, and laws of the State of Maryland.

19
20 County Council – The County Council of Frederick County, Maryland.

21
22 County Executive – The County Executive of Frederick County,
23 Maryland.

24
25 Covered Employee - Any regular or probationary, full time or part time Non-
26 Uniformed Employee of the County who is regularly scheduled to work at least 50% of a full-time
27 schedule and who has enrolled in the Plan in accordance with Article III hereof. For purposes of this
28 Plan, any professional or clerical employee of a library that is established or operates under the
29 Education Article of the Annotated Code of Maryland is not an Employee of the County effective
30 July 1, 1993. For purposes of this Plan, a member of the County Council is not an Employee of the
31 County. By Ordinance No. 12-06-601, the Plan was amended to provide that an Employee who is
32 classified as "grant funded" pursuant to the Frederick County Personnel Rules, as amended effective
33 January 1, 2012, and whose Employment Commencement Date or Reemployment Commencement
34 Date is on or after September 16, 2011, was not a Covered Employee. Effective July 1, 2019, an
35 Employee who is classified as "grant funded" pursuant to the Frederick County Personnel Rules, as
36 amended effective January 1, 2012, and whose Employment Commencement Date or Reemployment
37 Commencement Date is on or after September 16, 2011, will be a Covered Employee.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 Delayed Retirement - Retirement, as described in Section 6.3 hereof, which
3 occurs after the Participant's Normal Retirement Date.
4

5 Dual Service Participant - A Participant who has earned Years of Eligibility
6 Service and/or Years of Creditable Service (or fractional years) as a Uniformed Participant in the
7 Frederick County Uniformed Employees Retirement Plan and as a Non-Uniformed Participant.
8

9 Early Retirement Date - Any date occurring on or after the first date on which
10 a Non-Uniformed Participant has attained age 55 and completed Years of Eligibility Service totaling
11 at least 15 years.
12

13 Effective Date - [The] Unless the context dictates otherwise, the effective date
14 of this restatement of the Plan, which shall be July 1, 2021. The original Effective Date of the Plan
15 was July 1, 1993.
16

17 Elected Official - The County Executive, the County States Attorney and the
18 County Sheriff.
19

20 Employee - Any person employed by the County, including any person
21 receiving differential wage payments as defined in Title 26, Section 3401(h) of the United States Code
22 (referring to an employer payment to an Employee called to active duty in the uniformed services for
23 more than 30 days that represents all or a portion of the pay he would have received from the County
24 if he were performing services for the County).
25

26 Employee Contributions Benefit - The sum of the following amounts (net of
27 any previous distributions):
28

29 (i) The contributions made by the Participant through salary
30 reduction and "picked up" by the County, as described in Section 5.4(a)(i) but not 5.4(a)(iii); plus
31

32 (ii) The contributions made by the Participant pursuant to Section
33 5.5 which are not picked up by the County; plus
34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (iii) The contributions, plus earnings previously credited on such
2 contributions, made by the Participant, pursuant to Section 5.5, through transfer from another
3 Government Employer retirement plan, which were not picked up by such Government Employer;
4 plus

5
6 (iv) Contributions, other than contributions comprising a
7 Participant's Pick-Up Contributions Benefit, plus earnings previously credited on such contributions,
8 made by the Participant, pursuant to Section 5.4(a)(ii), but not 5.4(a)(iii), and picked up by another
9 Government Employer, all of which are thereafter transferred to the Plan; plus

10
11 (v) The Participant's account balance in the Frederick County,
12 Maryland Defined Contribution Plan, transferred to the Plan pursuant to the reinstatement of
13 participation in the Plan of Employees classified as "grant funded" pursuant to the Frederick County
14 Personnel Rules, as amended effective January 1, 2012.

15
16 (vi) Subject to Section 6.5, interest of 4.0% on the amounts
17 described in (i) through (iv) above computed on July 1 of each year and compounded annually.

18
19 Employment Commencement Date - The date on which the Employee first
20 performs an Hour of Service for the County as a benefitted Employee of the County. An Employee
21 whose Employment Commencement Date occurred prior to July 1, 2011, who subsequently ceases
22 to be a Covered Employee and who has a Reemployment Commencement Date on or after July 1,
23 2011 will be deemed to have an Employment Commencement Date prior to July 1, 2011 only if the
24 Employee's Years of Eligibility Service and Years of Credited Service before and after the
25 Termination Date are aggregated pursuant to Section 3.2(b).

26
27 Frederick County Uniformed Employees Retirement Plan – The retirement
28 plan established by the County Executive effective as of July 1, 2021, as amended from time to time,
29 in which Uniformed Employees participate.

30
31 Government Employer - The State of Maryland, as well as any political
32 subdivision within the State of Maryland, including the County.

33
34 Government Employer Retirement Plan - A retirement plan which is
35 sponsored by the State of Maryland, or any municipality or political subdivision within the State of
36 Maryland to which the provisions of Title 37 of the State Personnel and Pensions Article of the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Annotated Code of Maryland, or any successor statute, apply and provided such plan is a defined
2 benefit plan operated on an actuarial basis.

3
4 Highest Average Compensation – The average monthly rate of a Participant’s
5 Compensation, equal to 1/36th of the total amount of a Participant’s Compensation for the 36
6 consecutive full calendar months of the Participant’s employment as a Covered Employee which
7 produce the highest average. Except as provided in Section 6.4(a) and (b), the Highest Average
8 Compensation of a Participant who was not employed as a Covered Employee on a full-time basis
9 shall be calculated using the full-time equivalent of the Participant’s Compensation. Furthermore,
10 any calendar month during which the Participant was not employed as a Covered Employee for the
11 full month because the position of employment with the County regularly requires fewer than 12
12 months of service shall be counted in determining the 36 consecutive full calendar months of the
13 Participant’s employment which produce the highest average. Any other calendar month during
14 which the Participant was not employed as a Covered Employee on a full time basis (or on Leave of
15 Absence) shall be disregarded for purposes of the foregoing, and the existence of such calendar
16 months shall be ignored and shall not be counted in determining the 36 consecutive full calendar
17 months of the Participant’s employment which produce the highest average. If the Participant’s
18 employment as a Covered Employee does not provide 36 consecutive full calendar months as
19 aforesaid, Compensation for his or her actual number of consecutive full calendar months will be
20 totaled and divided by the number thereof.

21
22 Hour of Service – Except as otherwise provided herein, each hour for which
23 an individual, in his or her capacity as an Employee, is directly or indirectly paid, or entitled to
24 payment, for the performance of duties for the County. Hours of Service include normal working
25 hours, paid holidays and sick leave, and exclude overtime hours. In addition, Hours of Service include
26 hours for which an individual is not paid, but would be entitled to payment except for a temporary
27 furlough from employment with the County. Hours of Service also include annual leave, but exclude
28 accrued annual leave for which an Employee is paid following the Employee’s Termination Date.

29
30 Internal Revenue Code - The Internal Revenue Code of 1986, or any provision
31 or section thereof herein specifically referred to, as such Code provision or section may from time to
32 time be amended or replaced.

33
34 Leave of Absence - An authorized absence from active service, under
35 conditions described in Section 4.2, which does not constitute a termination of employment, and
36 during which the Employee performs no Hours of Service.

37

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Military Service - Active military duty in the Armed Forces of the United
2 States on account of which a Participant is not eligible to receive a military pension, unless such
3 pension is awarded on account of the Participant's disability.

4
5 Non-Uniformed Employee - An Employee of the County classified by the
6 County as "regular" or "probationary" who: (i) is not classified by the Retirement Plan Committee as
7 a "Uniformed Employee" and (ii) is regularly scheduled to work at least fifty percent of the hours
8 normally worked by other Employees in the same position in accordance with County Human
9 Resources Procedures.

10
11 The term "Non-Uniformed Employee" shall also include Elected Officials and
12 Appointees.

13
14 Non-Uniformed Participant - A Non-Uniformed Employee who has satisfied
15 the eligibility requirements of Article III and is currently a Participant under the Plan, including, where
16 appropriate according to the context of the Plan, any former Non-Uniformed Employee who is or may
17 become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

18
19 Normal Retirement Date - The first day of the month coinciding with or next
20 following [either]

21 [Uniformed Participant – The earlier of the date on which a Uniformed
22 Participant has (i) completed 20 years of Eligibility Service, or (ii) attained at least age 50 and
23 completed at least five Years of Eligibility Service. With respect to a Uniformed Participant whose
24 Employment Commencement Date is on or after July 1, 2011, the first day of the month coinciding
25 with or next following the earlier of the date on which a Uniformed Participant has (iii) completed 25
26 Years of Eligibility Service, or (iv) attained at least age 55 and completed at least five Years of
27 Eligibility Service.

28
29 Non-Uniformed Participant – The] the earlier of: (i) the date on which
30 a Non-Uniformed Participant has completed 25 Years of Eligibility Service, or (ii) the date on which
31 a Non-Uniformed Participant has met one of the following age and service requirements:

32
33
34
35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1		Years of
2		Eligibility
3	<u>Age</u>	<u>Service</u>
4		
5	60	5 Years
6	61	5 Years
7	62	5 Years
8	63	4 Years
9	64	3 Years
10	65 or older	2 Years

11
 12 With respect to a Non-Uniformed Participant whose Employment Commencement Date is on or after
 13 July 1, 2011, the first day of the month coinciding with or next following the earlier of the date on
 14 which a Non-Uniformed Participant has (iii) completed 30 Years of Eligibility Service, or (iv) attained
 15 at least age 65 and completed at least five Years of Eligibility Service.

16
 17 Dual Service Participant - The Normal Retirement Date for a Dual
 18 Service Participant with fewer than 10 Years of Eligibility Service earned as a Uniformed Participant
 19 shall be the same as the Normal Retirement Date for Non-Uniformed Participants in this Plan. The
 20 Normal Retirement Date for a Dual Service Participant with 10 or more Years of Eligibility Service
 21 earned as a Uniformed Participant shall be the same as the Normal Retirement Date for a Uniformed
 22 Participant in the Frederick County Uniformed Employees Retirement Plan.

23
 24 Participant - Any Employee who is currently accruing a benefit under the Plan,
 25 and, where appropriate according to the context of the Plan, any former Employee who is or may
 26 become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

27
 28 Pick-Up Contributions Benefit -

29
 30 (a) For those Participants who irrevocably elected to transfer to
 31 the Plan from the Maryland State Retirement Systems effective as of July 1, 1993, the Pick-Up
 32 Contributions Benefit shall be the sum of the following amounts (net of any previous distributions):
 33

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (i) The contributions made prior to July 1, 1993, by the
2 Participant through salary reduction contributions, picked up by the State of Maryland and contributed
3 to the Employees' Retirement System of the State of Maryland pursuant to Section 414(h) of the
4 Code, which were classified as "returnable contributions" and which would have provided an
5 additional benefit to the Participant pursuant to Article 73B, Section 2-204 of the Annotated Code of
6 Maryland (1992) or a statutory provision of comparable effect if the Participant had not transferred
7 from the Employees' Retirement System of the State of Maryland, plus earnings previously credited
8 on such contributions, all of which are transferred to the Plan; plus

9
10 (ii) Simple interest of 4% per annum on the amount of
11 contributions described in (i) hereof transferred to the Plan, computed on the Participant's
12 Termination Date.

13
14 A Pick-Up Contributions Benefit is payable only in a lump sum.

15
16 (b) No other Participant shall have a Pick-Up Contributions
17 Benefit.

18
19 Plan – The Frederick County Employees Retirement Plan set forth herein, as
20 amended from time to time.

21
22 Plan Year - The twelve-month period ending on the last day of June.

23
24 Reemployment Commencement Date - The date on which an Employee first
25 performs an Hour of Service for the County as a benefitted Employee of the County after a period
26 during which no Hours of Service were performed by reason of the Participant's Termination Date or
27 otherwise.

28
29 Termination Date – [The] Subject to Section 3.4, the date of the first to occur
30 of: (i) a termination of employment by reason of resignation, discharge, mutual agreement, total and
31 permanent disability, retirement or death; (ii) the date on which a Leave of Absence expires without
32 a return to active employment; or (iii) the date on which the individual ceases to be a Covered
33 Employee [, unless the individual is an Employee who is a Participant in the Frederick County,
34 Maryland Defined Contribution Plan].

35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Trust - Except as provided in Section 10.4, the trust fund established pursuant
2 to the Plan, maintained in accordance with the terms of the trust agreement, as from time to time
3 amended, between the County and the Trustees, which trust agreement constitutes a part of the Plan;
4 where appropriate according to the context, the term Trust shall also refer to said trust agreement.

5
6 Trustees - Except as provided in Section 10.4, collectively, the trustee or
7 trustees named in the Trust and such successor and/or additional trustees as may be named pursuant
8 to the terms of the Trust.

9
10 Uniformed Employee - An Employee employed on a “regular” or
11 “probationary” basis and who is not classified by the Retirement Plan Committee as a “Non-
12 Uniformed Employee”, and whose position requirements meet each of the following three criteria:

13
14 (a) The position is a non-administrative, active duty position,

15
16 (b) The position requires certification by the Maryland Police Training
17 Commission, the Maryland Fire and Rescue Institute or the Maryland Correctional Training
18 Commission, and

19
20 (c) The daily duties of the position could result in loss of life.

21
22 Uniformed Participant - A Uniformed Employee [who has satisfied the
23 eligibility requirements of Article III and] who is currently a Participant under the Frederick County
24 Uniformed Employees Retirement Plan, including, where appropriate according to the context of the
25 Plan, any former Uniformed Employee who is or may become (or whose Beneficiaries may become)
26 eligible to receive a benefit under the Frederick County Uniformed Employees Retirement Plan.

27
28 Year of Creditable Service – Subject to Section 4.3(c), and except as provided
29 in Section 4.4, a Plan Year during which a Covered Employee earns Hours of Service at least equal
30 to the Hours of Service which would be earned by an Employee who is employed in the same position
31 of employment for the County on a full-time basis over the full Plan Year. Employees classified as
32 “grant funded” pursuant to the Frederick County Personnel Rules, as amended effective January 1,
33 2012 who become eligible to participate in the Plan [on and] after [July] January 1, [2019] 2012, will
34 receive credit for Years of Creditable Service beginning on their Employment Commencement Date
35 as Employees for the County as if they had continuously participated in the Plan and made
36 contributions pursuant to Section 5.4.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3 Year of Eligibility Service - Subject to Section 4.3(a) and (b), and except as
4 provided in Section 4.4, any Plan Year during which an Employee completes 700 Hours of Service.
5 Employees classified as “grant funded” pursuant to the Frederick County Personnel Rules, as
6 amended effective January 1, 2012, who become eligible to participate in the Plan [on and] after [July]
7 January 1, [2019] 2012, will receive credit for Years of Eligibility Service beginning on their
8 Employment Commencement Date as Employees for the County as if they had continuously
9 participated in the Plan and made contributions pursuant to Section 5.4.

10
11 END OF ARTICLE II
12

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE III

2
3 Eligibility and Participation
4

5 3.1 Requirements - Except as otherwise provided below, a Covered Employee's
6 participation in this Plan, and the agreement to make contributions hereunder, as described in Section
7 5.4, is mandatory as a condition of employment with the County:
8

9 (a) Voluntary Participation - Every individual who is a Covered
10 Employee as of June 30, 1993, may elect to participate in the Plan effective July 1, 1993, and
11 continuing until his or her Termination Date. Such election shall be irrevocable, shall be made on a
12 written application supplied by the County and shall contain agreement to make, as a condition of his
13 or her employment with the County, Participant contributions as provided in Section 5.4. If an
14 otherwise eligible Employee fails to return the completed application to the Coordinator (as defined
15 in Section 11.2(d)) within 30 days after it has been provided to him or her by the County, he shall
16 cease to be a Covered Employee as of July 1, 1993.
17

18 (b) Mandatory Participation - Every other individual who becomes a
19 Covered Employee on or after July 1, 1993, shall become a Participant as a condition of his or her
20 employment on the date he first performs an Hour of Service as a Covered Employee. No individual
21 shall become a Participant, however, if he is not a Covered Employee on the date his or her
22 participation is to begin.
23

24 (c) Voluntary Participation: Elected Officials
25

26 (i) An individual who is initially classified as an Elected Official
27 under the terms of this Plan on or after January 1, 2002, may elect to participate in the Plan effective
28 as of the first day of employment as an Elected Official. An election to participate in the Plan shall
29 be irrevocable throughout the Elected Official's consecutive terms, shall be made on a written
30 application supplied by the County and shall contain an agreement to make Participant contributions
31 as provided in Section 5.4. If an otherwise eligible Elected Official fails to return the completed
32 application to the Coordinator (as defined in Section 11.2(d)) prior to the first day of employment by
33 the County as an Elected Official, the Elected Official shall cease to be a Covered Employee as of
34 that date and until a subsequent election to participate is made in accordance with Section 3.1(c)(ii).
35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) An Elected Official who does not elect to participate in the
2 Plan prior to his or her initial term shall have subsequent opportunities to elect to participate in the
3 Plan prior to each subsequent term as an Elected Official. Such an election shall be made in
4 accordance with the provisions of Section 3.1(c).

5
6 3.2 Re-employment - If an Employee or Participant who reaches a Termination
7 Date is subsequently re-employed as a Covered Employee, his or her status with respect to the Plan
8 shall be governed by the following:

9
10 (a) Eligibility - If the reemployed Employee was not a Participant prior to
11 his or her Termination Date, or his or her Reemployment Commencement Date occurs prior to July
12 1, 1993, he shall become a Participant in accordance with the provisions of Section 3.1. If he was a
13 Participant prior to such termination, and if his or her Reemployment Commencement Date occurs
14 after June 30, 1993, his or her participation shall commence or resume immediately upon the
15 resumption of his or her status as a Covered Employee.

16
17 (b) Vesting and Benefit Accrual - Subject to Sections 3.2(d) and 4.2, if the
18 re-employed Employee was a Participant prior to his or her Termination Date, his or her prior Years
19 of Eligibility Service and Years of Creditable Service shall be aggregated with Years of Eligibility
20 Service and Years of Creditable Service performed after his or her Reemployment Commencement
21 Date, but only as a Covered Employee, for purposes of determining his or her eligibility to receive,
22 the vested percentage of, and amount of, his or her Accrued Benefit with respect to the periods before
23 and after the Participants' Breaks in Service.

24
25 (c) Benefit Payments - If, at the time of reemployment, the Employee is
26 receiving benefits under the Plan, such benefits (other than those previously funded through individual
27 or non-pooled group insurance annuity arrangements) shall cease until such time as they may be paid
28 in conjunction with the benefits accrued with respect to the Employee's subsequent employment,
29 provided he is reemployed as a Covered Employee. In any event, any benefits payable with respect
30 to his or her subsequent employment shall be reduced or offset if and as necessary to avoid duplication
31 of any benefits payable or paid with respect to his or her prior employment. Notwithstanding the
32 foregoing, the benefit payable following the Participant's subsequent retirement shall not be less than
33 the benefit payable with respect to the Participant's initial employment.

34
35
36
37

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (d) Cash Out –
2

3 (i) If, after his or her Termination Date: (i) the Employee receives
4 a Cash-Out of his or her Employee Contributions Benefit, and (ii) he is reemployed as a Covered
5 Employee, then, notwithstanding the commencement of new Years of Eligibility Service and Years
6 of Creditable Service, the Years of Eligibility Service and Years of Creditable Service with respect to
7 which the distribution was received shall be disregarded in subsequent determinations of the amount
8 of, and vested percentage of, his or her Accrued Benefit. However, if the Covered Employee: (i) is
9 reemployed as a Covered Employee, and (ii) within 90 days of the resumption of such status, repays
10 to the Trust the amount described herein, his or her Accrued Benefit will be determined taking into
11 account the Participant's Years of Eligibility Service and Years of Creditable Service before as well
12 as after the Termination Date (subject to the remaining provisions of this Article III).

13
14 (A) If the number of the Covered Employee's consecutive
15 Breaks in Service are greater than the number of Years of Eligibility Service earned prior to the first
16 Break in Service, the required repayment will equal the Actuarial Equivalent of that portion of the
17 Covered Employee's projected benefit attributable to the Covered Employee's employment prior to
18 his or her first Break in Service.

19
20 (B) If the number of the Covered Employee's consecutive
21 Breaks in Service are less than or equal to the number of Years of Eligibility Service earned prior to
22 the first Break in Service, the required repayment will equal the full amount of the Cash Out, plus
23 interest from the date of distribution to the date of repayment at the rate of 4% per annum compounded
24 annually.
25

26 (ii) Notwithstanding the foregoing, if the employment
27 classification of a Covered Employee changes to the classification of an Employee who is not a
28 Covered Employee, the Employee who is not a Covered Employee will not be eligible to receive
29 a Cash-Out of his or her Employee Contributions Benefit until he ceases to be an Employee of the
30 County, or is otherwise eligible for payment of a deferred vested benefit in accordance with Section
31 6.5.

32
33 If the number of the Participant's consecutive Breaks in Service are greater
34 than the number of Years of Eligibility Service earned prior to the first Break in Service, the required
35 repayment will equal the Actuarial Equivalent of that portion of the Participant's projected benefit
36 attributable to the Participant's employment prior to his or her first Break in Service.

37

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

If the number of the Participant's consecutive Breaks in Service are less than or equal to the number of Years of Eligibility Service earned prior to the first Break in Service, the required repayment will equal the full amount of the Cash Out, plus interest from the date of distribution to the date of repayment at the rate of 4% per annum compounded annually.

3.3 Enrollment - Participation hereunder shall be automatic when the requirements of Section 3.1 have been met; provided, however, that the County may, in its discretion, require each eligible Employee to execute a written application containing such items as may be desired by the County including, but not limited to, the Employee's consent to be bound by all the terms and conditions of the Plan and all amendments thereto.

3.4 Change of Employment Category - If a Participant ceases to be a Covered Employee, but continues in the employ of the County as an Employee [, he shall] or as an Employee eligible to participate in the Frederick County Uniformed Employees Retirement Plan, he shall not be deemed to have reached a Termination Date.

END OF ARTICLE III

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE IV

2
3 Hours and Periods of Service

4
5 4.1 Credit for Service - Except as otherwise provided in this ARTICLE IV and in
6 ARTICLE III, a Participant will receive credit only for Years of Eligibility Service and Years of
7 Creditable Service. However, for purposes of determining a Participant's vested percentage of his or
8 her Accrued Benefit and his or her eligibility for retirement, Years of Eligibility Service completed
9 prior to one or more Breaks in Service will be disregarded if: (a) the Participant's vested percentage
10 in his or her Accrued Benefit was 0% at the time he incurred the Breaks in Service, and (b) the number
11 of consecutive Breaks in Service exceeds the number of Years of Eligibility Service completed prior
12 to the periods of Breaks in Service.

13
14 4.2 Leaves of Absence - Except as otherwise provided in this Section, Hours of
15 Service will not be counted for the customary hours of work during a Leave of Absence. However,
16 a Participant who fails to earn a Year of Eligibility Service or a Year of Creditable Service during a
17 Plan Year because of a Leave of Absence, which is approved by the County prior to the Leave of
18 Absence, may elect to receive credit for Years of Eligibility Service and Years of Creditable Service
19 as follows:

20
21 (a) Leave of Absence: Workers' Compensation - A Participant on a
22 Leave of Absence by reason of an accident or injury that has been sustained as an active Covered
23 Employee and that has been ruled compensable under the Maryland Workers' Compensation Act
24 may elect to receive credit for Years of Eligibility Service and Years of Creditable Service to the
25 extent of his or her authorized Leave of Absence. If a Participant does so elect he shall be required
26 to pay over to the Plan, within the buyback period, or within 90 days before his or her benefit
27 commencement date, the contributions that would have been made by the Participant pursuant to
28 Section 5.4 during the period of the Leave of Absence, plus interest of 4.0% computed on July 1 of
29 each year and compounded annually.

30
31 (b) Leave of Absence: Other than Workers' Compensation - A
32 Participant on a Leave of Absence other than by reason of an accident or injury that has been sustained
33 as an active Covered Employee and that has been ruled compensable under the Maryland Workers'
34 Compensation Act may elect to receive credit for Years of Eligibility Service and Years of Creditable
35 Service (to a maximum of one year) to the extent of his or her total authorized Leaves of Absence. If
36 a Participant does so elect he shall be required to pay over to the plan, within the buyback period, the
37 contributions that would have been made by the Participant pursuant to Section 5.4 during the period
38 of the Leave of Absence, plus the contributions made by the County at the time of the payment by the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Participant for the service credit, [for either Uniformed Participants or Non-Uniformed Participants,
2 determined with respect to the electing Participant's classification at the time of the Leave of
3 Absence,] plus interest of 4.0% computed on July 1 of each year and compounded annually. For
4 purposes of this Section 4.2(b), the contributions that would have been made by the Participant and
5 the contributions that would have been made by the County will be based on Participant
6 Compensation that includes any scheduled pay adjustments that occurred during the [leave of
7 absence] Leave of Absence. For purposes of this Section 4.2(b), the contributions that would have
8 been made by the County will be based on the County's net normal cost rate during the buyback
9 period. For purposes of this Section 4.2(b), the "net normal cost rate" equals the total normal cost as
10 a percentage of Participant payroll minus total Employee contributions as a percentage of Participant
11 payroll. If the Participant does not elect to pay the missed contributions, plus interest, during the
12 buyback period, and if the Participant's Benefit Commencement Date does not occur during the
13 buyback period, the Participant may elect to receive credit for Years of Eligibility Service and Years
14 of Creditable Service (to a maximum of one year) to the extent of his or her total authorized Leaves
15 of Absence, if the Participant pays over to the Plan, within 12 months before his or her Termination
16 Date, the Actuarial Equivalent of that portion of his or her projected benefit attributable to the Leave
17 of Absence, and determined in accordance with Section 4.4(iii).

18
19 (c) Buyback Period; Form of Payment - For purposes of this Section 4.2,
20 the Participant's "buyback period" is the one-year period beginning with the date the Participant
21 returns from the Leave of Absence. A Participant's payments hereunder may be in the form of a lump
22 sum payment, installment payments, or a combination of the two forms of payment. A Participant's
23 payments shall be accounted for pursuant to Section 5.5.

24
25 (d) Death and Disability Benefits - A Participant who is on a Leave of
26 Absence (or his or her Beneficiary) remains eligible for disability benefits as provided by Section 6.4
27 or for death benefits as provided by Section 7.1.

28
29 4.3 Fractional Credit for Service - To the extent not precluded by the operation of
30 Section 4.1, and except as otherwise provided in Section 4.4, an individual shall receive partial or full
31 credit for service, as follows:

32
33 (a) Vesting - For purposes of determining the extent to which a Participant
34 is vested in his or her Accrued Benefit, he shall receive credit on the basis of the number of his or her
35 Years of Eligibility Service. However, for Plan Years which contain the Participant's Employment
36 Commencement Date, Reemployment Commencement Date, and the date of his or her termination
37 of employment with the County, he shall receive fractional credit equal to 1/12th of a Year of
38 Eligibility Service for each calendar month during which he was an Employee for the entire month.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Notwithstanding the foregoing, the Participant shall receive fractional credit equal to 1/12th of a Year
2 of Eligibility Service if he was an Employee for at least one day during the month which contains the
3 Participant's Employment Commencement Date or Reemployment Commencement Date, but he
4 shall receive no fractional credit with respect to the month which contains the date of his or her
5 termination of employment with the County unless he was an Employee for the entire month.

6
7 (b) Eligibility for Retirement - For purposes of determining whether a
8 Participant is eligible for retirement, he shall receive credit on the basis of the number of his or her
9 Years of Eligibility Service. However, for Plan Years which contain the Participant's Employment
10 Commencement Date, Reemployment Commencement Date, and the date of his or her termination
11 of employment with the County, he shall receive fractional credit equal to 1/12th of a Year of
12 Eligibility Service for each calendar month during which he was an Employee for the entire month.
13 Notwithstanding the foregoing, the Participant shall receive fractional credit equal to 1/12th of a Year
14 of Eligibility Service if he was a Covered Employee for at least one day during the month which
15 contains the Participant's Employment Commencement Date or Reemployment Commencement
16 Date, but he shall receive no fractional credit with respect to the month which contains the date of his
17 or her termination of employment with the County unless he was an Employee for the entire month.

18
19 (c) Benefit Accrual - For purposes of determining the extent to which a
20 Participant shall accrue benefits, he shall receive credit on the basis of the number of his or her Years
21 of Creditable Service. For Plan Years during which a Participant earns at least 700 Hours of Service,
22 but fails to earn a Year of Creditable Service, he shall receive credit for a fractional Year of Creditable
23 Service. For the Plan Years which contain the Participant's Employment Commencement Date and
24 his or her Termination Date, he shall receive fractional credit even if he earns fewer than 700 Hours
25 of Service. For purposes of calculating the fractional service described in this Section 4.3(c), the
26 numerator of the fraction shall be the number of Hours of Service earned by the Participant as a
27 Covered Employee during the Plan Year and the denominator shall be the number of Hours of Service
28 in a Year of Creditable Service.

29
30 4.4 Transfer of Credited Service; Purchase of Service Credit; Military Service- A
31 Participant may elect to receive credit for service (whether or not it would be considered a Year of
32 Eligibility Service or Year of Creditable Service had it been performed for the County) transferred
33 from another employer provided there is no break in employment between the Participant's
34 employment with such other Government Employer and commencement of service for the County.
35 If such service is transferred and recognized under the Plan, the number of years of service credited
36 and the amount of the benefit payable to the Participant pursuant to Section 6.1 shall be adjusted in
37 accordance with the following provisions:

38

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (a) Conditions for Transfer -
2

3 (i) Credit for Years of Eligibility Service and Years of Creditable
4 Service shall be granted to any Participant: (A) who irrevocably elects, within the later of (1) one
5 year of first performing an Hour of Service as a Covered Employee, or (2) within 90 days following
6 July 1, 1998, to transfer the amount of any Participant contributions made to another Government
7 Employer Retirement Plan under which he was covered, together with interest previously credited by
8 such plan to this Plan; and (B) who is participating in a plan which provides for the transfer of credit
9 for service and contributions to this Plan. Notwithstanding the foregoing, service credit shall be given
10 for service transferred only to the extent required by, and in accordance with, the provisions of Title
11 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor
12 statute. With respect to service transferred pursuant to Section 37.203.1(d) of the State Personnel and
13 Pensions Article of the Annotated Code of Maryland, pertaining to transfers of service from certain
14 contributory systems of the State of Maryland, or any successor statute, the deposit of sums in addition
15 to the transfer of the Participant's contributions may be accomplished by one or more of the following
16 methods: (1) a lump sum cash payment to the Plan, (2) a rollover from another employer's qualified
17 retirement plan, (3) a rollover from an eligible deferred compensation plan established pursuant to
18 Section 457(b) of the Code, (4) a rollover from a tax deferred annuity established pursuant to Section
19 403(b) of the Code, or (5) a rollover from an individual retirement account established pursuant to
20 Section 408(a) of the Code.

21
22 (ii) If the Covered Employee was not required to make
23 contributions to such other Government Employer Retirement Plan for all years of participation in
24 such other Government Employer Retirement Plan and on all Compensation paid to the Covered
25 Employee, he may, nonetheless, elect to receive credit for Years of Eligibility Service and Years of
26 Creditable Service under this Plan. Such election: (A) shall be irrevocable; (B) shall be made within
27 the later of (1) one year of first performing an Hour of Service as a Covered Employee, or (2) within
28 90 days following July 1, 1998; and (C) shall be contingent upon the complete forfeiture of benefits
29 and service credits under the Government Employer Retirement Plan from which service credit is
30 being transferred. Notwithstanding the foregoing, service credit shall be given for service transferred
31 only to the extent required by, and in accordance with, the provisions of Title 37 of the State Personnel
32 and Pensions Article of the Annotated Code of Maryland, or any successor statute.

33
34 (iii) Any other Covered Employee may elect to receive credit for
35 Years of Eligibility Service and Years of Creditable Service (to a maximum of 10 years) to the extent
36 of the Covered Employee's service performed (1) with a state, municipality or political subdivision
37 with the United States of America, including the County, (2) with a Government Employer which is
38 not recognized in subparagraphs (i) or (ii) hereof, (3) with the government of the United States of
39 America, or (4) with private, parochial or out-of-state schools, provided such service is earned as a

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 teacher. Such election is available only if the Participant is not entitled to receive any retirement or
2 pension benefits derived from employer contributions with respect to the service performed for the
3 Government Employer. If the Participant does so elect, he ~~/~~ or she shall be required to pay over to
4 the Plan the amounts determined in accordance with the following:

5
6 (A) Cost of Purchase - It is the intent of the County that a
7 Participant who elects to purchase credit for service hereunder pay the full actuarial cost of the credit
8 for service. The Participant's election to purchase service shall include an election by the Participant
9 of an assumed retirement date (the "Assumed Retirement Date") upon which the cost to purchase
10 service will be based. The cost of the purchase equals the present value of the Participant's projected
11 Accrued Benefit including the credit for the service purchased hereunder and calculated on the basis
12 of the Participant's Assumed Retirement Date, less the present value of the Participant's projected
13 Accrued Benefit without the service credit purchased hereunder. Present value will be determined
14 using the interest, post-retirement mortality, post-retirement benefit increase and pay increase
15 assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan.

16
17 (B) Timing of Election to Purchase Service - If the
18 Participant makes an election to purchase service under this Section 4.4(a)(iii), the election shall be
19 made, and the Participant shall make the required payments to the Plan, within the twelve month
20 period ending on the Participant's Termination Date. Notwithstanding the foregoing, the Participant's
21 election of the timing of payment for credit for service may be modified by the County to the extent
22 necessary to conform to Section 415 of the Internal Revenue Code.

23
24 (C) Methods of Payment for Purchased Service - The
25 Participant's election to purchase credit for service shall also include an election of the method by
26 which the Participant will purchase the credit for service. The Participant may pay over to the Plan
27 the amounts calculated pursuant to subsection (A) hereof by either (1) a lump sum cash payment to
28 the Plan, (2) a rollover from another employer's qualified retirement plan, (3) a rollover from an
29 eligible deferred compensation plan established pursuant to Section 457(b) of the Code, (4) a rollover
30 from a tax deferred annuity established pursuant to Section 403(b) of the Code, (5) a rollover from an
31 individual retirement account established pursuant to Section 408(a) of the Code, (6) installment
32 payments by the Participant to the Plan, or (7) a combination of any of the methods designated in (1)
33 through (6). Installment payments pursuant to (6) above may be made on either, but not both, an
34 after-tax basis, or, following the effective date of Section 5.4(a)(iii), a pre-tax basis. If the Participant
35 elects to purchase the credit in whole or in part by pre-tax installment payments pursuant to
36 Section 5.4(a)(iii), such a purchase shall be pursuant to a binding, irrevocable payroll deduction
37 authorization between the County and the Participant which provides for the number of payroll
38 deductions and the dollar amount of each deduction. After-tax installment payments may be made
39 by either, but not both, payroll deduction or direct payment by the Participant to the Plan.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Notwithstanding the foregoing, the Participant's election of the method of payment for purchased
2 service may be modified by the County to the extent necessary to conform to Section 415 of the
3 Internal Revenue Code.

4
5 (D) Retirement Before or After Assumed Retirement Date
6 - If a Participant reaches a Termination Date on a date other than the Participant's Assumed
7 Retirement Date, but after the Participant's Early Retirement Date, the credit for service purchased
8 by the Participant will be adjusted so that the amount of credit purchased equals the amount that would
9 have been purchased (based on the Participant's actual contributions) if the actual Termination Date
10 had been used (rather than the Assumed Retirement Date) for purposes of calculating the cost of the
11 service. If the adjustment reduces the amount of credit purchased, the Participant may pay over to
12 the plan, in one lump sum, an amount necessary to purchase the credit for the service which would
13 have been awarded if the Participant terminated employment on the Assumed Retirement Date,
14 provided such payment does not constitute a violation of Section 415 of the Internal Revenue Code.
15 If the adjustment increases the amount of credit purchased over the credit which would have been
16 awarded if the Participant terminated employment on the Assumed Retirement Date, the excess will
17 be used to provide an additional monthly benefit to the Participant.

18
19 (E) Return of Payments After Five Years of Service for
20 County - If a Participant reaches a Termination Date prior to his [] or her Early Retirement Date or
21 Normal Retirement Date, but after completing five [years] Years of [service] Eligibility Service as a
22 County Employee, without regard to service purchased or transferred or received on account of
23 Military Service, the Participant, or the Participant's Beneficiary, may elect, at any time following the
24 Participant's Termination Date, to receive a return of the payments made pursuant to this Section
25 4.4(a)(iii), plus interest at the rate determined under (a) hereof, in the form of either (1) a lump sum
26 payment, or (2) a monthly benefit equivalent to the lump sum payment, with the equivalence to be
27 determined pursuant to the factors utilized pursuant to (a) hereof. Notwithstanding the foregoing, the
28 Participant's election with respect to receipt of a return of payments may be modified to the extent
29 necessary to conform to Section 415 of the Internal Revenue Code.

30
31 (F) Return of Payments Prior to Five Years of Service for
32 County - If a Participant reaches a Termination Date prior to the date the Participant completes five
33 [years] Years of Eligibility Service as a County Employee, without regard to service purchased or
34 transferred or received on account of Military Service, the Participant, or the Participant's Beneficiary,
35 will receive, as soon as practical following the Participant's Termination Date, a return of the
36 payments made pursuant to this Section 4.4(a)(iii), plus interest at the rate determined under (a)
37 hereof, in the form of a lump sum payment. Notwithstanding the foregoing, the Participant's receipt
38 of a return of payments may be modified to the extent necessary to conform to Section 415 of the
39 Internal Revenue Code. Notwithstanding the foregoing, to the extent the distribution exceeds \$1,000

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 and is an “eligible rollover distribution,” as defined in Section 8.4, the distribution will be made only
2 at the election of the Participant.

3
4 (iv) Any Covered Employee as of June 30, 1993 may [elect] have
5 elected to receive credit for Years of Eligibility Service and Years of Creditable Service for service
6 recognized or performed under the Maryland State Retirement Systems. Such election must be
7 irrevocable and must be made prior to June 30, 1993. Any such service is not subject to the restrictions
8 of other subsections of Section 4.4(a).

9
10 (v) Any Covered Employee may elect to receive service credit for
11 his or her Military Service as follows (subject to any applicable law which mandates additional
12 benefits):

13
14 (A) If a Participant’s service with the County is interrupted
15 by Military Service, he will receive credit for Years of Eligibility Service and Years of Creditable
16 Service to the extent of his or her Military Service (to a maximum of five years unless a greater
17 amount is required by law) provided that he resumes employment with the County within one year of
18 his or her discharge from Military Service.

19
20 (B) If a Participant’s Military Service precedes his or her
21 Employment Commencement Date, the Participant will receive credit for Years of Eligibility Service
22 and Years of Creditable Service to the extent of his or her Military Service (to a maximum of five
23 years) provided that he (1) earns 10 Years of Eligibility Service other than his or her Military Service,
24 and (2) makes the election to receive service credit pursuant to this Section 4.4(a)(v)(B) prior to the
25 date he ceases to be an Employee.

26
27 (C) A Participant will not receive credit for service
28 pursuant to Section 4.4(a)(v)(A) if the service was rendered for the Peace Corps or the Volunteers in
29 Service to America or is service which is not “service in the uniformed services” within the meaning
30 of the Uniformed Services Employment and Reemployment Rights Act of 1994. A Participant will
31 not receive credit for service pursuant to Section 4.4(a)(v)(B): (1) if the Military Service has been
32 previously recognized by the Maryland State Retirement System, (2) if the Participant is entitled to
33 receive a pension benefit (except for disability benefits, Social Security benefits or benefits under the
34 National Railroad Retirement, National Guard or military reserve, or a pension described in Chapter
35 1223 of the United States Code) from another retirement system, on account of the Military Service,
36 or (3) if the service was rendered for the National Guard, Merchant Marine Service, Military Reserve
37 Service, the Peace Corps or Volunteers in Service to America.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 [(vi) Notwithstanding a Participant's status as a Uniformed
3 Participant, service transferred pursuant to this Article VI shall be credited as Years of Creditable
4 Service and Years of Eligibility Service as a Uniformed Participant only if the service transferred was
5 earned in a position for the prior Government Employer which would be classified as "Uniformed"
6 pursuant to the definition of Uniformed Employee in Article I. Otherwise, service will be credited as
7 Years of Creditable Service and Years of Eligibility Service as a Non-Uniformed Participant.]

8
9 (b) Amount of Credited Service – For service transferred pursuant to
10 Section 4.4(a)(i) and (ii), a Participant shall receive credit for Years of Eligibility Service and Years
11 of Creditable Service only to the extent required under the provisions of Title 37 of the State Personnel
12 and Pensions Article of the Annotated Code of Maryland. Furthermore, a Participant shall receive no
13 more than 12 months of service credit toward a Year of Eligibility Service and a Year of Creditable
14 Service for service transferred or earned as a County Employee in one 12 month period. Furthermore,
15 only service transferred pursuant to Section 4.4(a)(i) and 4.4(a)(ii) that would have been deemed to
16 be service as a Uniformed Employee if earned for the County will be credited as service as a
17 Uniformed Participant for all purposes under the Plan.

18
19 (c) Adjustments to Monthly Retirement Income - A Participant's monthly
20 retirement income calculated pursuant to Article VI shall be adjusted with respect to service
21 transferred pursuant to Section 4.4(a)(ii) to the fullest extent allowed by, and in accordance with, the
22 provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland,
23 or any successor statute. For purposes of determining the amount of the adjustment described in this
24 Section 4.4(c), the accumulated employee contributions shall be calculated using the rate set forth in
25 the definition of "Employee Contributions Benefit." To the extent a determination of actuarial
26 equivalence must be made to make any adjustments to Participants' benefits in accordance with
27 Section 4.4(c), the actuarial equivalent will be determined using the interest, unisex post-retirement
28 mortality and post-retirement benefit increase assumptions used by the enrolled actuary to perform
29 the most recent actuarial valuation of the Plan.

30
31 (d) Retirement Within Five Years of Transferring Service -
32 Notwithstanding any other provision of this Section 4.4, if a Participant reaches a Termination Date,
33 other than by reason of death, and begins receiving payment of benefits pursuant to Article VIII within
34 five years after the Participant's Employment Commencement Date or Reemployment
35 Commencement Date preceding the transfer of service, the portion of the Participant's monthly
36 retirement income payable with respect to the service credit transferred pursuant to Sections 4.4(a)(i)
37 or 4.4(a)(ii) may not be greater than the benefit that would have been payable by the other Government
38 Employer Retirement Plan with respect to that service if the Participant had remained a Participant in
39 the other Government Employer Retirement Plan.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3

END OF ARTICLE IV

Underlining indicates entirely new matter added to existing law.
[Single boldface brackets] indicates matter deleted from existing law.
*** - indicates existing law unaffected by bill

1 ARTICLE V

2
3 Funding of Benefits
4

5 5.1 Payment of Contributions - The funding of the Plan and payment of benefits
6 hereunder shall be provided for through the medium of the Trust. The Trust shall accept transfer of
7 funds from the Maryland State Retirement Systems consistent with the elections made by Participants
8 pursuant to Section 4.4(a) (iv) of the Plan. The County, from time to time, shall make contributions
9 to the Trust in amounts determined, in accordance with generally accepted actuarial principles, to be
10 sufficient to support the contributions required under Section 5.4, and the contributions and transfers
11 made pursuant to Section 5.5, and to fund the benefits provided by the plan.
12

13 5.2 Disposition of Forfeitures - Any forfeiture arising under the provisions of the
14 Plan shall be used to reduce the then current or future costs of funding the benefits provided in the
15 Plan.
16

17 5.3 Actuarial Examination - The County shall, at least once every other Plan Year,
18 cause the liabilities of the Plan to be evaluated by a qualified actuary who shall report to the County
19 as to the amount of the Trust assets in relation to the said liabilities and the amount of the annual
20 County contribution sufficient to meet the requirements of Section 5.1.
21

22 5.4 Pick-Up Contributions - Under limited circumstances described below,
23 Participant contributions and monies from other Government Employers may be accepted by the Plan.
24

25 (a) Types of Contributions/Transfers -
26

27 (i) County Pick-Up Contributions - Effective July 1, 1993, and in
28 accordance with rules established by the County, each Participant shall make contributions to the Plan
29 equal to [7% of Compensation earned as a Uniformed Employee and] 4% of Compensation earned
30 as a Non-Uniformed Employee. Effective July 1, 2000, and in accordance with rules established by
31 the County, each Participant shall make contributions to the Plan equal to [8% of Compensation
32 earned as a Uniformed Employee and] 4% of Compensation earned as a Non-Uniformed Employee.
33 Effective July 1, 2012, and in accordance with rules established by the County, each Participant shall
34 make contributions to the Plan equal to [9% of Compensation earned as a Uniformed Employee and]
35 6% of Compensation earned as a Non-Uniformed Employee. The Participant contributions referred
36 to in this Section 5.4 shall be picked up by the County, as described in Section 414(h)(2) of the Internal

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Revenue Code, deducted from the pay of the contributing Participants as salary reduction
2 contributions, and paid by the County to the Trustees with reasonable promptness after the total of
3 such contributions during any month has been determined, and in any event by the end of the
4 succeeding month. The contributions made pursuant to this Section 5.4 shall be made a part of the
5 Participant's Employee Contributions Benefit, and as such, a part of his or her Accrued Benefit.

6
7 (ii) Transfer of Pick-Up Contributions from Other Government
8 Employers - Pursuant to the provisions of Section 4.4(a), the Trust may accept a transfer of monies
9 directly from another Government Employer Retirement Plan. Such transfer shall consist of
10 contributions made by the Participant, but characterized by such other Government Employer as
11 employer pick-up contributions, plus earnings previously credited upon such contributions. To the
12 extent such contributions are not included in or do not qualify as part of the Participant's Pick-Up
13 Contributions Benefit, if he is entitled to the benefit, such amounts shall be made a part of the
14 Participant's Employee Contributions Benefit, that is, a part of his or her Accrued Benefit.

15
16 (iii) Purchase of Service Pick-Up Contributions - Pursuant to the
17 provisions of Section 4.4(a)(iii), a Participant may enter into a payroll deduction authorization with
18 the County pursuant to which the Participant may purchase credit for service. The Participant
19 contributions referred to in this Section 5.4(a)(iii) shall be picked up by the County, as described in
20 Section 414(h)(2) of the Internal Revenue Code, deducted from the pay of the contributing Participant
21 as salary reduction contributions, and paid by the County to the Trustees with reasonable promptness
22 after the total of such contributions during any month has been determined, and in any event by the
23 end of the succeeding month. This provision shall be effective 30 days following the date the County
24 receives a ruling from the Internal Revenue Service that contributions made pursuant to this Section
25 5.4(a)(iii) qualify as pick-up contributions under Section 414(h)(2) of the Internal Revenue Code.

26
27 (b) Suspension of Contributions - A Participant's salary reduction
28 contributions shall be automatically suspended for any payroll period during which he is not a
29 Covered Employee or during which he is on an unpaid Leave of Absence. A Participant's salary
30 reduction contributions shall automatically be suspended as of the first payroll period following the
31 date the Participant's Years of Creditable Service are no longer counted for purposes of determining
32 the amount of the Participant's monthly retirement income due to limitations on the Years of
33 Creditable Service awarded pursuant to Article VI.

34
35 (c) Withdrawals of Pick-Up Contributions - A Participant who has
36 reached his or her Termination Date may elect, at any time, to receive a Cash-Out and a distribution
37 of his or her Pick-Up Contributions Benefit, if he is entitled to the benefit, by filing a written notice

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 of such election with the Administrator. The Cash-Out shall constitute full payment of all benefits
2 due to such Participant under the Plan.

3
4 (d) Forfeiture of Remaining Accrued Benefit - In the event of a Cash-Out
5 to a Participant pursuant to this Section 5.4, then, subject to restoration provided in Section 3.2(d), the
6 entire remaining portion of his or her Accrued Benefit shall be forfeited by him or her.

7
8 (e) Vesting of Pick-Up Contributions -Notwithstanding any provisions of
9 this Plan to the contrary, Participant contributions, picked up either by the County or by other
10 Government Employers and made or transferred to the Plan, shall be fully vested at all times.

11
12 (f) Payment of Benefits - Subject to the right of withdrawal described
13 above, the benefits purchased from the Participant's contributions shall be payable at the same time,
14 in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as
15 is the remainder of his or her Accrued Benefit.

16
17 (g) Plan Termination - In the event of a termination of the Plan,
18 distribution to each Participant of his or her Pick-Up Contributions Benefit, if he is entitled to the
19 benefit, and the portion of his or her Accrued Benefit attributable to his or her contributions picked
20 up by the County shall, notwithstanding any other provision of Section 13.3, be treated as a priority
21 distribution ahead of any other distribution to Participants based upon the remainder of the Trust,
22 other than those attributable to contributions made pursuant to Section 5.5.

23
24 5.5 Participant Contributions - Under limited circumstances, as described below,
25 other Participant contributions may be accepted by the Plan.

26
27 (a) Characterization - The contributions made pursuant to this Section 5.5
28 shall be distinct from those made pursuant to Section 5.4 as to the character of such contributions.
29 Whereas Section 5.4 contributions shall be classified as County, or other Government Employer,
30 contributions picked up from the pay of Participants, contributions made pursuant to this Section 5.5
31 shall be after-tax contributions either made directly by the Participant or, in some cases, transferred
32 from a retirement plan sponsored by another Government Employer.

33
34 (b) Limitations - A Participant may elect to make contributions pursuant
35 to this Section 5.5, or to have his or her contributions previously made to another Government
36 Employer Retirement Plan transferred to this Plan, within the following limitations:

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (i) A Participant who elects to restore credit for service and
3 benefits, as described in Section 3.2(d), shall pay over to the Plan the amount of any Cash-Out
4 previously made to him or her, with interest thereon.

5
6 (ii) A Participant who is on an approved Leave of Absence, as
7 described in Section 4.2, and who elects to receive service credit in accordance with Section 4.2, shall
8 pay over to the Plan the contributions plus interest as described in Section 4.2(a) or the Actuarial
9 Equivalent of his or her projected benefit as described in Section 4.2(b), as the case may be.

10
11 (iii) Trustees shall accept a direct transfer of after-tax Participant
12 contributions, together with interest thereon, from another Government Employer, provided such
13 contributions were made by a Covered Employee who elects to transfer service from another
14 Government Employer Retirement Plan, as described in Section 4.4(a).

15
16 (iv) A Covered Employee who elects to purchase credit for service
17 performed with another employer as described in Section 4.4(a) shall pay over to the Plan the
18 Actuarial Equivalent of his or her projected benefit, as described in Section 4.4(a).

19
20 (c) Procedures - All Participant contributions or transfers made pursuant
21 to this Section 5.5 shall be paid to the Trust or, in the case of payroll deductions required under Section
22 5.5(b)(i), withheld by the County and remitted to the Trustees.

23
24 (d) Separate Accounting - Participant contributions, whether made
25 directly or transferred from another retirement plan, as aforesaid, shall be made a part of the
26 Participant's Employee Contributions Benefit, which shall be a part of the Accrued Benefits of the
27 respective Participants.

28
29 (e) Withdrawals of Participant Contributions - A Participant who has
30 reached his or her Termination Date may elect, at any time, to receive a Cash-Out of his or her
31 Employee Contributions Benefit, by filing a written notice of such election with the Administrator.
32 Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

33

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (f) Forfeiture of Remaining Accrued Benefit - In the event of a Cash-Out
2 to a Participant pursuant to this Section 5.5, then, subject to restoration provided in Section 3.2(d), the
3 entire remaining portion of his or her Accrued Benefit shall be forfeited by him or her.

4
5 (g) Vesting of Participant Contributions -Notwithstanding any provisions
6 of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 5.5
7 shall be fully vested at all times.

8
9 (h) Payment of Benefits - Subject to the right of withdrawal described
10 above, the benefits purchased from the Participant's contributions shall be payable at the same time,
11 in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as
12 is the remainder of his or her Accrued Benefit.

13
14 (i) Plan Termination - In the event of a termination of the Plan,
15 distribution to each Participant of the portion of his or her Accrued Benefit attributable to his or her
16 Participant contributions shall, notwithstanding any other provision of Section 13.3, be treated as a
17 priority distribution ahead of any other distribution to Participants based upon the remainder of the
18 Trust.

19
20 END OF ARTICLE V
21

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE VI

2
3 Pension Benefits

4 6.1 Normal Retirement - Except as otherwise provided in this Article VI, a
5 Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her
6 Normal Retirement Date but after June 30, 1993, shall be entitled to receive a lump sum distribution
7 of his or her Pick-Up Contributions Benefit, if he is entitled to the benefit, and a monthly retirement
8 income, beginning with the first day of the month coincident with or otherwise next following his or
9 her Normal Retirement Date and continuing for the remainder of his or her life; provided, however,
10 if a Participant who receives monthly benefits pursuant to this Section 6.1, and does not elect an
11 optional form of benefit under Section 8.2 dies before he has received in payments the value of his or
12 her Employee Contributions Benefit, determined at the time of his or her Termination Date, the
13 balance of the value of his or her accumulated contributions shall be paid to his or her Beneficiary, or
14 if there is no validly designated Beneficiary, in accordance with Section 9.1. Subject to
15 Sections 3.2(d), and subject to the limitations set forth in Sections 4.4 and 6.6, the amount of the
16 monthly retirement income shall be equal to one of the following:

17
18 (a) [Uniformed Participants – Subject to Section 6.1(e), the monthly
19 retirement income for Uniformed Participants who reach a Termination Date on or after July 1, 2000
20 shall be equal to:

21
22 (i) 2.5%, multiplied by the Participant's Highest Average
23 Compensation, then multiplied by the lesser of: (A) 20, or (B) the number of Years of Creditable
24 Service (and fractional years) earned by the Participant, plus

25
26 (ii) 2.0%, multiplied by the Participant's Highest Average
27 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
28 Service (and fractional years) earned by the Participant in excess of 20, plus

29
30 (iii) 2.0%, multiplied by the Participant's Highest Average
31 Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by
32 the Participant for unused sick time pursuant to Section 6.1(d) hereof.

33
34 (b) Non-Uniformed Participants - Subject to Section 6.1(f), the monthly
35 retirement income for Non-Uniformed Participants who reach a Termination Date on or after July 1,
36 2000 shall be equal to:

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (i) 2.0%, multiplied by the Participant's Highest Average
3 Compensation, then multiplied by the lesser of: (A) 30, or (B) the number of Years of Creditable
4 Service (and fractional years) earned by the Participant, plus

5
6 (ii) 2.0%, multiplied by the Participant's Highest Average
7 Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by
8 the Participant for unused sick time pursuant to Section 6.1([d]c) hereof.

9
10 ([e]b) Dual Service Participants - Subject to Section 6.1 ([g]e) the monthly
11 retirement income for Dual Service Participants who reach a Termination Date on or after July 1,
12 2000 shall be equal to:

13
14 (i) 2.5%, multiplied by the Participant's Highest Average
15 Compensation, then multiplied by the lesser of: (A) 20, or (B) the number of Years of Creditable
16 Service (and fractional years) earned by the Participant as a Uniformed Participant, plus

17
18 (ii) 2.0%, multiplied by the Participant's Highest Average
19 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
20 Service (and fractional years) earned by the Participant as a Uniformed Participant in excess of 20,
21 plus

22
23 (iii) 2.0%, multiplied by the Participant's Highest Average
24 Compensation, then multiplied by the lesser of: (A) 30 minus the lesser of: (1) 28, or (2) the number
25 of Years of Creditable Service (and fractional years) earned by the Participant as a Uniformed
26 Participant, or (B) the number of Years of Creditable Service (and fractional years) earned by the
27 Participant as a Non-Uniformed Participant, plus

28
29 (iv) the Participant's Highest Average Compensation multiplied
30 by the Years of Creditable Service (and fractional years) earned by the Participant for unused sick
31 time pursuant to Section 6.1([d]c) hereof, then multiplied by 2.0%.

32
33 ([d]c) Credit for Accrued Sick Leave - Solely for purposes of determining
34 the amount of the Participant's benefits payable pursuant to Sections 6.1, 6.2, or 6.3, the Participant
35 shall receive up to two additional Years of Creditable Service for unused sick leave. Unused sick
36 leave shall be credited by dividing the number of accrued sick leave hours as of the Participant's
37 Termination Date by the number of hours in the Participant's regularly scheduled work day as of the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

Participant's Termination Date, then dividing the product by 22, then further dividing the product by 12 and rounding to the closest 10,000th.

[(e) Uniformed Participants Hired On or After July 1, 2011 - The monthly retirement income for Uniformed Participants whose Employment Commencement Date is on or after July 1, 2011 shall be equal to:

(i) 2.5%, multiplied by the Participant's Highest Average Compensation, then multiplied by the lesser of (A) 20, or (B) the number of Years of Creditable Service (and fractional years) earned by the Participant, plus

(ii) 2.0%, multiplied by the Participant's Highest Average Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable Service (and fractional years) earned by the Participant in excess of 20, plus

(iii) 2.0%, multiplied by the Participant's Highest Average Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by the Participant for unused sick time pursuant to Section 6.1(d) hereof.]

[(f)d] Non-Uniformed Participants Hired On or After July 1, 2011 - The monthly retirement income for Non-Uniformed Participants whose Employment Commencement Date is on or after July 1, 2011, shall be equal to:

(i) 1.67%, multiplied by the Participant's Highest Average Compensation, then multiplied by the lesser of: (A) 36, or (B) the number of Years of Creditable Service (and fractional years) earned by the Participant, plus

(ii) 1.67%, multiplied by the Participant's Highest Average Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by the Participant for unused sick time pursuant to Section 6.1 [(d)c] hereof.

[(g)e] Dual Service Participants Hired On or After July 1, 2011 - The monthly retirement income for Dual Service Participants whose Employment Commencement Date is on or after July 1, 2011, shall be equal to:

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (i) 2.5%, multiplied by the Participant's Highest Average
2 Compensation, then multiplied by the lesser of (A) 20, or (B) the number of Years of Creditable
3 Service (and fractional years) earned by the Participant as a Uniformed Participant, plus

4
5 (ii) 2.0%, multiplied by the Participant's Highest Average
6 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
7 Service (and fractional years) earned by the Participant in excess of 20 as a Uniformed Participant,
8 plus

9
10 (iii) 1.67%, multiplied by the Participant's Highest Average
11 Compensation, then multiplied by the lesser of: (A) 36 minus the lesser of: (1) 28 or (2) the number
12 of Years of Creditable Service (and fractional years) earned by the Participant as a Uniformed
13 Participant, or (B) the number of Years of Creditable Service (and fractional years) earned by the
14 Participant as a Non-Uniformed Participant, plus

15
16 (iv) The Participant's Highest Average Compensation, then
17 multiplied by the Years of Creditable Service (and fractional years) earned by the Participant for
18 unused sick time pursuant to Section 6.1 ([d]c) hereof, multiplied by either: (A) 2.0%, if the
19 Participant is a Uniformed Participant on the Participant's Termination Date, or (B) 1.67% if the
20 Participant is a Non-Uniformed Participant on the Participant's Termination Date.

21
22 ([h]f) Notwithstanding the preceding provisions of this Section 6.1, a
23 Participant whose Reemployment Commencement Date as an Employee other than a Covered
24 Employee occurs on or after July 1, 2012, or a Participant whose employment classification changes
25 to that of an Employee other than a Covered Employee on or after July 1, 2012, but who was a
26 Participant prior to his or her termination of employment with the County shall be entitled only to
27 those benefits accrued under the relevant provisions of this Section 6.1 prior to the later of: July 1,
28 2012, or the date the Participant ceased to be a Covered Employee.

29
30 6.2 Early Retirement - A Non-Uniformed Participant may elect to retire on any
31 date on or after the first date which qualifies as an Early Retirement Date, in which case the date of
32 retirement shall be deemed to be his [] or her Early Retirement Date and he [] or she shall be entitled
33 to receive a lump sum distribution of his [] or her Pick-Up Contributions Benefit, if he [] or she is
34 entitled to the benefit, and a monthly early retirement benefit equal to the benefit computed pursuant
35 to Section 6.1 (based upon his [] or her actual Years of Creditable Service and Highest Average
36 Compensation at his [] or her Early Retirement Date), but subject to the appropriate Actuarial
37 Reduction.

38

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Early retirement benefits shall commence on the first day of the month
2 coincident with or otherwise next following the Non-Uniformed Participant's Normal Retirement
3 Date, unless the Non-Uniformed Participant elects to have his or her benefits commence on the first
4 day of any prior month coincident with or following his or her Early Retirement Date.

5
6 Except as otherwise provided in Section 8.4, the benefits payable pursuant to
7 this Section 6.2 shall be payable in the normal form provided by Section 6.1, unless an optional form
8 of payment has been elected pursuant to Section 8.2.

9
10 6.3 Delayed Retirement - In the event a Participant remains a Covered Employee
11 after his or her Normal Retirement Date, then, subject to the limitations set forth in Section 6.6, and
12 except as otherwise provided in Section 8.3(a), he shall be entitled to receive, commencing on the
13 first day of the month coincident with or otherwise next following his or her Termination Date, the
14 benefit to which he would have been entitled pursuant to Section 6.1 if he had retired at his or her
15 Normal Retirement Date, but adjusted by including any additional Years of Creditable Service which
16 have accrued since his ~~[/]~~ or her Normal Retirement Date (up to the maximum number of years
17 described in Section 6.1), and (notwithstanding any provision in the definition of Highest Average
18 Compensation to the contrary) by taking into account any increases in Highest Average
19 Compensation which may be generated by increases in Compensation earned since his or her Normal
20 Retirement Date. A Participant shall also be entitled to receive a lump sum distribution of his or her
21 Pick-Up Contributions Benefit, if he is entitled to the benefit, on the first day of the month coincident
22 with or next following his or her Termination Date.

23
24 As of the date a Non-Uniformed Participant with an Employment Commencement
25 Date prior to July 1, 2011, completes Years of Creditable Service totaling 30 years, a Non-Uniformed
26 Participant with an Employment Commencement Date on or after July 1, 2011, completes Years of
27 Creditable Service totaling 36 years, [and a Uniformed Participant completes Years of Creditable
28 Service totaling 28 years,] contributions picked up by the County and made on his or her behalf to the
29 Plan, pursuant to Section 5.4(a)(i), but not Section 5.4(a)(iii), shall be discontinued.

30
31 6.4 Disability Benefits - The Plan shall pay disability benefits determined in
32 accordance with the following provisions:

33
34 (a) Ordinary Disability - If a Participant reaches a Termination Date by
35 reason of total and permanent disability, he shall be entitled to receive a lump sum distribution of his
36 or her Pick-Up Contributions Benefit, if he is entitled to the benefit, and, if he is 100% vested pursuant
37 to Section 6.5, he shall be entitled to a monthly disability benefit equal to the lesser of: (i) his or her
38 Accrued Benefit, calculated on the basis of his or her Years of Creditable Service accumulated as of

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 his or her date of disability, plus his or her projected Years of Creditable Service, projecting Creditable
2 Service until the Participant's Normal Retirement Date, based on age and/or projected Years of
3 Eligibility Service, or (ii) 50% of his or her Highest Average Compensation as of the date the
4 Participant's total and permanent disability causes the Participant's loss of earning capacity. A
5 Participant who reaches a Termination Date by reason of total and permanent disability before he is
6 100% vested pursuant to Section 6.5 shall be entitled to receive a lump sum distribution of his or her
7 Employee Contributions Benefit pursuant to Sections 6.5 and 8.2(c).

8
9 (b) Line of Duty Disability - A Participant (regardless of his or her length
10 of service or vested status) who terminates employment by reason of total and permanent disability,
11 incurred as a result of an accident or injury which has been sustained as an active Covered Employee
12 and which has been ruled compensable under the Maryland Workers' Compensation Act, shall be
13 entitled to receive a lump sum distribution of his or her Pick-Up Contributions Benefit, if he is entitled
14 to the benefit, and a monthly benefit equal to the greater of: (i) the benefit determined pursuant to
15 Section 6.4(a), or (ii) 66-2/3% of the Participant's Highest Average Compensation.

16
17 (c) Disability Benefits - Part-Time Employees. For purposes of
18 calculating the limitations under Sections 6.4(a)(ii) and 6.4(b)(ii), the Highest Average Compensation
19 of a Participant who was not employed on a full time basis shall be calculated on the basis of his or
20 her Compensation and not the full time equivalent of his or her Compensation.

21
22 (d) General Provisions Relating to Disability -
23

24 (i) Commencement of Benefits: Disability benefits shall
25 commence on the first day of the month coincident with or otherwise next following the determination
26 of disability by the County.

27
28 (ii) Form of Benefit: The benefits payable pursuant to this Section
29 6.4 shall be payable in the normal form provided by Section 6.1, unless an optional form of payment
30 has been elected pursuant to Section 8.2.

31
32 (iii) Total and Permanent Disability: For purposes of the initial
33 determination of a Participant's disability, total and permanent disability shall mean a medically
34 determinable physical or mental impairment which can be expected to be permanent or result in death,
35 and by reason of which the Participant will be prevented from performing the usual duties of his or
36 her position with the County. Such total and permanent disability must be evidenced by a certificate
37 of a physician selected or approved by the County. However, total and permanent disability shall not

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 include any injury or disease which: (i) resulted from or consists of chronic alcoholism or addiction
2 to narcotics, (ii) was contracted, suffered or incurred while the Participant was engaged in, or resulted
3 from his or her having engaged in, a criminal enterprise, (iii) was intentionally self-inflicted (iv) arose
4 as a result of willful negligence on the part of the Participant.

5
6 (iv) Classification of Line of Duty Disability:
7

8 (A) The disability of a Participant who is awarded line of
9 duty disability benefits shall be classified as "catastrophic" or "non-catastrophic." "Catastrophic
10 disability" means a line of duty disability by reason of which the Participant applies for and is
11 awarded disability benefits pursuant to Section 223 of the Federal Social Security Act (42 U.S.C.
12 Section 423), or any successor statute. "Non-catastrophic disability" means a line of duty disability
13 which is not a catastrophic disability.
14

15 (B) A Participant's line of duty disability shall be
16 classified as a "non-catastrophic disability" until the Participant provides the County with evidence
17 of the award of Social Security disability benefits.
18

19 (C) To be eligible for the classification of line of duty
20 disability benefits as "catastrophic," the Participant must not have been receiving Social Security
21 disability benefits as of his or her Termination Date, and must apply for Social Security disability
22 benefits no later than 90 days following his or her Termination Date.
23

24 (D) As soon as administratively practical after receipt of
25 the notification of the award of Social Security disability benefits, the Participant's monthly benefit
26 shall be converted to a catastrophic line of duty disability benefit. With respect to a Participant
27 who receives an award of Social Security disability benefits after having attained his or her Normal
28 Retirement Date, based on age and/or projected Years of Eligibility Service, the conversion to a
29 catastrophic line of duty disability benefit shall be effective as of the later of: (1) the first day of
30 the month as of which the Participant receives benefits pursuant to this Section 6.4, or (2) the date
31 the Participant attained his or her Normal Retirement Date, based on age and/or projected Years
32 of Eligibility Service.
33

34 (E) As of the July 1 following the date the Participant
35 ceases to be eligible for Social Security disability benefits, the Participant's line of duty disability
36 shall be classified, retroactively if necessary, as a "non-catastrophic line of duty disability." If the
37 Participant has attained his or her Normal Retirement Date, based on age and/or projected Years
38 of Eligibility Service, on the date he ceases to be eligible for Social Security disability benefits,
39 his or her benefits will convert to a normal retirement benefit, as provided in Section 6.4(d)(x), as
40 of the first day of the following month. Notwithstanding the foregoing, the cessation of the Social
41 Security disability benefits upon the Participant's reaching Social Security retirement age shall not
42 result in a reclassification of the Participant's catastrophic line of duty disability benefits.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

(v) Workers Compensation Benefit and Earned Income Offset:

(A) A Participant's benefits payable pursuant to this Section 6.4 shall be reduced by \$1.00 for each \$1.00 received by the Participant under the Maryland Workers' Compensation Act as compensation for an accident or injury underlying the Participant's total and permanent disability.

(B) Until a Participant who has reached a termination by reason of total and permanent disability attains his or her Normal Retirement Date, based on age and/or projected Years of Eligibility Service, the Participant's benefits payable pursuant to Section 6.4(a) and Section 6.4(b), but only with respect to a non-catastrophic line of duty disability, shall be reduced by \$1.00 for each \$2.00 of the Participant's earned income in excess of 25% of the Participant's Highest Average Compensation. A Participant's Highest Average Compensation for these purposes shall be adjusted annually each July 1 in accordance with Section 6.4(d)(xiii). The amount of earned income shall be determined based on income earned by the Participant during the prior calendar year.

(vi) Until a Participant who has reached a Termination Date by reason of total and permanent disability attains his or her Normal Retirement Date, based on age and/or projected Years of Eligibility Service, the continuation of his or her right to receive disability benefits shall depend on his or her continued survival, and his or her case shall be subject to periodic review in accordance with rules established by the County to determine his or her employment status, including, but not limited to, determination of the disabled Participant's ability to secure gainful employment. The review process also includes the requirement that the disabled Participant furnish to the County a copy of his or her federal income tax return each year and such other documentation as may reasonably be requested by the County. In the event a disabled Participant ceases to submit to such review, at any time prior to his or her Normal Retirement Date, the Participant will be deemed to have recovered from the disability and the disability benefits payable pursuant to this Section 6.4 shall cease.

(vii) In the event of the Participant's recovery from the disability and return to service as a Covered Employee, disability benefits payable pursuant to this Section 6.4 shall cease. Notwithstanding any provision in this Plan to the contrary, the Participant's Years of Eligibility Service and Years of Creditable Service shall include such years during which the Participant received disability benefits pursuant to this Section 6.4.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (viii) In the event of the Participant's recovery from the disability
2 but failure to return to service as a Covered Employee, disability benefits payable pursuant to this
3 Section 6.4 shall cease. Notwithstanding any provision in the Plan to the contrary, the Participant's
4 Years of Eligibility Service and Years of Creditable Service shall include such years during which
5 the Participant received disability benefits pursuant to this Section 6.4.

6
7 (ix) In the event of the death of a disabled Participant, no benefits
8 with respect to the Participant shall be payable except as otherwise provided in ARTICLE VII.

9
10 (x) Upon the attainment of the Participant's Normal Retirement
11 Date, based on age and/or projected Years of Eligibility Service, the monthly benefit of a Participant,
12 or the Beneficiary of a Participant, as the case may be, receiving line of duty disability benefits
13 classified as "non-catastrophic" pursuant to Section 6.4(d)(iv)(a) shall be converted to the benefit that
14 would have been payable pursuant to Section 6.1, projecting Years of Creditable Service and Highest
15 Average Compensation from the Participant's Termination Date. The benefit shall continue to be
16 paid to the Participant in the normal monthly form of retirement income described in Section 6.1, or
17 in the form elected pursuant to Article VIII, as elected by the Participant upon commencement of
18 payment of disability benefits. For purposes of projecting Highest Average Compensation, a
19 Participant's Highest Average Compensation shall be adjusted as of each July 1 occurring prior to the
20 Participant's Normal Retirement Date for increases in the cost of living pursuant to Section
21 6.4(d)(xiii).

22
23 (xi) Notwithstanding any of the foregoing provisions, if a
24 Participant terminates employment with the County on a date at which he would be entitled to benefits
25 pursuant to Section 6.1 or 6.2, the Participant may elect to receive the benefits provided under Section
26 6.1 or 6.2, as the case may be.

27
28 (xii) A Participant on a Leave of Absence is entitled to receive
29 disability benefits pursuant to this Section 6.4.

30
31 (xiii) A Participant's Highest Average Compensation shall be
32 adjusted to reflect the increase in the cost of living, for purposes of Sections 6.4(d)(v)(B) and
33 6.4(d)(x), by multiplying the Participant's Highest Average Compensation before the adjustment by
34 a fraction:

35
36

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (A) The numerator of which is the Consumer Price Index
2 as of the March 1 for which the adjustment is being made, and
3

4 (B) The denominator of which is the Consumer Price
5 Index as of the March 1 preceding the July 1 for which the adjustment is being made.
6

7 (C) The "Consumer Price Index" for these purposes is the
8 Consumer Price Index (Urban Wage Earners and Clerical Workers, Washington-Arlington-
9 Alexandria, DC-VA-MD-WV, All Items, 1982-84 = 100), published bi-monthly by the Bureau of
10 Labor Statistics. In the event the Bureau of Labor Statistics abandons publication of the above-
11 referenced index, the County shall adopt any other index that provides an accurate measure of cost-
12 of-living changes.
13

14 (D) The annual adjustment to a Participant's Highest
15 Average Compensation for these purposes shall not be less than one percent or greater than three
16 and one-half percent.
17

18 (xiv) A Participant who was receiving benefits pursuant to this
19 Section 6.4 as of December 31, 2008, may irrevocably elect to receive benefits pursuant to this Section
20 6.4, as amended, effective January 1, 2009, by filing a written election, on a form approved by the
21 Administrator, no later than January 31, 2009. In the absence of the filing of an election to receive
22 benefits pursuant to Section 6.4, as amended, such a Participant's disability benefits will continue to
23 be administered as they were in effect prior to January 1, 2009.
24

25 (e) A Participant who is not a Covered Employee at the time of
26 termination of employment by reason of a total and permanent disability shall not be eligible for
27 benefits pursuant to this Section 6.4. Rather, such a Participant will be entitled to benefits payable
28 pursuant to Section 6.5.
29

30 (f) A Participant who reaches a Termination Date by reason of a total
31 and permanent disability incurred during and as a result of his or her Military Service shall be
32 eligible to apply for ordinary, but not line of duty, disability benefits under Section 6.4(a) in
33 accordance with Section 414(u) of the Code effective July 1, 2009.
34

35 6.5 Other Terminations of Employment - If a Participant reaches a Termination
36 Date for any reason other than death, retirement or total and permanent disability, he shall be entitled

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 to a monthly termination benefit equal to a vested percentage (determined as set forth below) of the
2 benefit computed pursuant to Section 6.1 (based upon his or her actual Years of Creditable Service
3 and Highest Average Compensation at his or her Termination Date.

4
5 Benefits payable pursuant to this Section 6.5 shall commence on the first day
6 of the month coincident with or otherwise next following the Participant's Normal Retirement Date,
7 unless the Participant receives a Cash-Out, in which case, such Cash-Out shall be made within an
8 administratively reasonable period of time following the Participant's termination of employment for
9 the County. In addition, a lump sum distribution of the Participant's Pick-Up Contributions Benefit
10 shall be made within an administratively reasonable period of time following the Participant's
11 termination of employment for the County if he is entitled to the benefit.

12
13 The benefits payable pursuant to this Section 6.5 shall be payable in the normal
14 form provided by Section 6.1, unless an optional form of payment has been elected pursuant to
15 Section 8.2.

16
17 Subject to Section 3.2, the vested percentage of the Accrued Benefit to which
18 the Participant is entitled shall be equal to the greater of: (i) 100% of his or her Employee
19 Contributions Benefit, or (ii) a percentage of his or her Accrued Benefit, determined on the basis of
20 his or her Years of Eligibility Service and in accordance with one of the following schedules:

21
22 Non-Uniformed Employees whose Employment Commencement Date is Prior to July 1, 2012 [and
23 all Uniformed Employees]:

Years of Eligibility	Percentage
<u>Service</u>	<u>Vested</u>
Less than 5	0%
5 or more	100%

24
25
26
27
28
29
30
31
32
33
34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Non-Uniformed Employees whose Employment Commencement Date is On or After July 1, 2012:

2	3	4	5
	Years of Eligibility		Percentage
	<u>Service</u>		<u>Vested</u>
	Less than 10		0%
	10 or more		100%

6 To the extent a Participant is entitled to receive a Pick-Up Contributions
10 Benefit, he shall at all times be 100% vested in the Pick-Up Contributions Benefit.

11
12 Effective on the later of: (1) July 1, 2019, or (2) the July 1 first following the twelve month
13 anniversary of a Participant's Termination Date, and, as to both (1) and (2) above, with respect to
14 a Participant who reaches a Termination Date without receiving credit for Years of Eligibility
15 Service sufficient to provide the Participant with 100% vesting credit, the interest credit on such
16 Participant's Employee Contributions Benefit described in subsection (v) of the definition of
17 "Employee Contributions Benefit" in Article II will cease being added to the Participant's
18 Employee Contributions Benefit. In the event the Participant is subsequently reemployed as a
19 Covered Employee, the interest credit on such Participant's Employee Contributions Benefit will
20 resume as of the first June 30 following the Participant's Reemployment Commencement Date.

21
22 6.6 Maximum Limitation on Benefits – Notwithstanding any Plan provisions to
23 the contrary:

24
25 To the extent necessary to prevent disqualification under Section 415 of the Internal Revenue Code,
26 and subject to the remainder of this Section 6.6, the maximum monthly benefit to which any
27 Participant may be entitled at any time pursuant to this ARTICLE VI (hereafter referred to as the
28 "Maximum Benefit") shall not exceed the benefit determined in accordance with Section 415 of the
29 Code, and the regulations promulgated thereunder, both as amended from time to time, (such amount,
30 as adjusted by the Internal Revenue Service for C/L Increases, hereafter referred to as the "monthly
31 dollar limit"). The rate of benefit accruals shall be frozen or reduced accordingly to comply with the
32 limitations. In addition to the foregoing, the Maximum Benefit shall be reduced, and the rate of
33 benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent
34 disqualification of the Plan under Section 415 of the Internal Revenue Code, with respect to any
35 Participant who is also a Participant in: (i) any other tax-qualified pension plan maintained by the
36 County, including a defined benefit plan in which an individual medical benefit account (as described
37 in Section 415(l) of the Internal Revenue Code) has been established for him or her; (ii) any welfare

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 plan maintained by the County in which a separate account (as described in Section 419A(d) of the
2 Internal Revenue Code) has been established to provide post-retirement medical benefits for him or
3 her; and/or (iii) any retirement or welfare plan, as aforesaid, maintained by a related employer, as
4 described in Section 414(b), (c), (m) or (o) of the Internal Revenue Code. For purposes of this Section
5 6.6, the "Limitation Year" shall be defined as the calendar year, except as otherwise provided by
6 adoption of a written resolution by the County.

7
8 6.7 Post-Termination Changes - Any change in benefits provided for by
9 amendment to the Plan shall not apply to any Participant whose Termination Date with the County
10 occurred prior to the effective date of such amendment, except as otherwise specifically provided for
11 in the Plan or in such amendment.

12
13 6.8 Cost of Living Adjustments

14
15 (a) Retirement Benefits Subject to Cost of Living Adjustment.
16 Notwithstanding the foregoing, but subject to the limitations set forth in Section 6.6, the monthly
17 retirement income of a Participant who has reached the 12 month anniversary of his or her Benefit
18 Commencement Date, as otherwise computed pursuant to Section 6.1, 6.2, 6.3, 6.4, or 6.5
19 (whichever is applicable), shall be subject to the cost of living adjustment described in this Section
20 6.8.

21
22 (b) Computation of Cost of Living Adjustment. As of each July 1 (hereafter
23 referred to as the "Valuation Date") which occurs during the period beginning on the first
24 Valuation Date occurring at least 12 months subsequent to the Participant's Benefit
25 Commencement Date, the Participant's monthly retirement benefit as of the Valuation Date shall
26 be increased by one percent.

27
28 (c) Monthly Survivor Benefits Subject to Cost Of Living Adjustments. All
29 survivor benefits payable pursuant to Section 7.1 (but only if payable in the form of a monthly
30 income) shall be granted the cost of living adjustments provided in this Section 6.8.

31
32 (d) Periodic Evaluation of Cost of Living Adjustments. No less frequently
33 than every three years and in conjunction with the annual valuation of the Plan, the Retirement
34 Plan Committee shall evaluate whether additional one-time and permanent cost of living
35 adjustments should be recommended, taking into consideration the then current actuarially
36 determined contribution rate, the rates of inflation, and the then current funding level of the Plan.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

6.9 Delay in Receipt of Benefits - The amount of a Participant's monthly retirement income paid in accordance with this Article VI shall commence being paid as of the later of: (a) the first day of the month as of which the retirement income may commence being paid, as determined pursuant to this Article VI, or (b) the first day of the month following the Participant's election to begin receiving benefits. The amount of the monthly retirement income shall equal the Actuarial Equivalent of the monthly retirement income determined as of the first day of the month as of which the retirement income may commence being paid, as determined pursuant to this Article VI.

6.10 Ad Hoc Cost of Living Adjustment. Effective July 1, 2019, the monthly retirement income of a Participant who has reached his or her Benefit Commencement Date, as otherwise computed pursuant to Section 6.1, 6.2, 6.3, 6.4, or 6.5 (whichever is applicable), shall be subject to an increase determined in accordance with the following table, where "Year 1" is the Plan Year beginning July 1, 2019:

Participant's Initial Retirement Date	Year 1	Year 2	Year 3	Total
After 12/31/18	0%	0%	0%	0%
Between 1/1/14 and 12/31/18	1%	1%	1%	3%
Between 1/1/09 and 12/31/13	2%	1%	1%	4%
On or before 12/31/08	3%	2%	0%	5%

The cost of living adjustment provided for in this Section 6.10 shall be in addition to, and applied after, the adjustment provided for in Section 6.8(b). The adjustment made pursuant to this Section 6.10 shall be a one-time adjustment, subject to Section 6.8(d).

END OF ARTICLE VI

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE VII

2
3 Death Benefits

4
5 7.1 Benefits - Upon a Participant's death, those persons designated pursuant to
6 Section 9.1 shall receive a lump sum distribution of the Participant's Pick-Up Contributions Benefit,
7 if the Participant was entitled to the benefit, and the Participant's Employee Contributions Benefit.
8 The only additional benefits payable under the Plan in the event of the death of a Participant shall be
9 paid to those persons designated in accordance with Section 9.1 as follows:

10
11 (a) Ordinary Death Benefit - In the event of the death of a Participant who,
12 subject to Section 7.1(d), has not reached a Termination Date, and not in the line of duty (as defined
13 in Section 7.1(b)(iii)) and after he has become 100% vested pursuant to Section 6.5, but prior to his
14 or her Benefit Commencement Date, his or her Beneficiary shall be entitled to receive the greater of:

15
16 (i) The Participant's Employee Contributions Benefit, payable in
17 one or more installments over a period which meets the requirements of Section 7.3, and which is
18 designated by the Participant's Beneficiary, or

19
20 (ii) The benefit equal to the benefit payable in accordance with
21 Section 6.4(a) as if the Participant had: (A) been determined to be totally and permanently disabled
22 as of the date of his or her death, (B) elected to receive benefits payable in the Joint and Survivor
23 Option under Section 8.2(a) continuing after the Participant's death at 100% of the rate to the
24 Beneficiary for the remainder of such Beneficiary's life, and (C) died on the date of his or her
25 disability (i.e., the date the Participant loses earning capacity).

26
27 (iii) Notwithstanding the foregoing, in the event of the death of a
28 Non-Uniformed Participant whose Employment Commencement Date occurs on or after July 1,
29 2012, prior to his or her Termination Date, and before he is 100% vested pursuant to Section 6.5, his
30 or her Beneficiary shall be entitled to receive the sum of:

31
32 (A) The Non-Uniformed Participant's Employee
33 Contributions Benefit, payable in one or more installments over a period which meets the
34 requirements of Section 7.3, and which is designated by the Participant's Beneficiary, and

35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (B) An amount equal to the Non-Uniformed Participant's
2 annual Compensation determined as of the date of the Non-Uniformed Participant's death, payable
3 in one or more installments over a period which meets the requirements of Section 7.3, and which is
4 designated by the Participant's Beneficiary.

5
6 (b) Line of Duty Death Benefit - In the event of the death of a Participant
7 prior to his or her Benefit Commencement Date, while in the line of duty (as defined below) and
8 without regard to his or her vested status, his or her Beneficiary shall be entitled to receive the greater
9 of:

10
11 (i) The Participant's Employee Contributions Benefit, payable in
12 one or more installments over a period which meets the requirements of Section 7.3, and which is
13 designated by the Participant's Beneficiary, or

14
15 (ii) The benefit equal to the benefit payable in accordance with
16 Section 6.4(b) as if the Participant had: (A) been determined to be totally and permanently disabled
17 as of the date of his or her death, (B) elected to receive benefit payable in the Joint and Survivor
18 Option under Section 8.2(a) continuing after the Participant's death at 100% of the rate of his or her
19 Beneficiary for the remainder of such Beneficiary's life, and (C) dies on the date of his or her
20 disability (i.e., the date the Participant loses earning capacity).

21
22 (iii) "Line of Duty" Definition - For purposes of this Section 7.1,
23 the term "line of duty" means death from an injury or illness which has been sustained as an active
24 Covered Employee and which has been ruled compensable under the Maryland Workers'
25 Compensation Act.

26
27 (c) Benefits Payable after Benefit Commencement Date - If a Participant
28 dies after his or her Benefit Commencement Date, the benefits, if any, to which his or her Beneficiary
29 shall be entitled shall depend upon the form in which the Participant's benefits were payable at the
30 time of his or her death, under the applicable form of benefit described in ARTICLE VIII.

31
32 (d) The Beneficiary of a Participant who dies while on a Leave of Absence
33 is entitled to receive death benefits pursuant to this Section 7.1.

34
35 (e) A Participant who is not a Covered Employee at the time of
36 termination of employment by reason of a death shall not be eligible for benefits pursuant to this

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Section 7.1, other than a lump sum distribution of the Participant's Pick-Up Contributions Benefit
2 if the Participant was entitled to the benefit and the Participant's Employee Contributions Benefit,
3 payable pursuant to Section 7.1(a)(i).

4
5 (f) A Beneficiary of a Participant who reaches a Termination Date by
6 reason of death during and as a result of his or her Military Service shall be eligible to apply for
7 ordinary, but not line of duty, death benefits under this Article VII, in accordance with Section
8 414(u) of the Code effective July 1, 2009. The Beneficiary shall be entitled to such death benefits
9 that would have been payable if the Participant had resumed employment with the County on the
10 day before his[/] or her death and terminated employment on account of death.

11
12 7.2 Limitations - All death benefits payable pursuant to this ARTICLE VII shall
13 be distributed only in accordance with regulations prescribed by the Internal Revenue Service under
14 Section 401(a)(9) of the Internal Revenue Code. To the extent required thereby, such benefits shall
15 be distributed in full not later than the last day of the calendar year containing the fifth anniversary of
16 the death of the Participant, except as follows:

17
18 (a) Unless the Participant or his or her Beneficiary irrevocably elects
19 pursuant to any elective provision which may be then present in the Plan (which election must be
20 made prior to the earliest date on which distribution would be otherwise required pursuant to this
21 Section 7.2) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the
22 Participant's Beneficiary, and which begin not later than the last day of the calendar year containing
23 the first anniversary of the Participant's death, may be distributed over the life of the Beneficiary or a
24 period certain not extending beyond the life expectancy of the Beneficiary, under a method of
25 distribution which meets the requirements of Section 8.3(a) (but with life expectancy based upon the
26 Beneficiary's attained age as of the Beneficiary's birthday in the calendar year in which falls: (i) the
27 date on which non-annuity benefits are required to commence pursuant to this Section 7.2(a), or (ii)
28 if earlier, the date on which annuity benefits actually commence).

29
30 (b) If the Participant's Beneficiary is his or her surviving spouse, then,
31 unless the Participant or his or her spouse irrevocably elects pursuant to any elective provision which
32 may be then present in the Plan (which election must be made prior to the earliest date on which
33 distribution would be otherwise required pursuant to this Section 7.2) to have the aforesaid five year
34 limit apply, benefits payable to or for the benefit of the spouse, and which begin not later than the
35 later of the last day of the calendar year containing the first anniversary of the Participant's death, or
36 the last day of the calendar year in which the Participant would have reached age 70-1/2, may be
37 distributed over the life of the surviving spouse or a period certain not extending beyond the life
38 expectancy of the surviving spouse, under a method of distribution which meets the requirements of

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Section 8.3(a) (but with life expectancy based upon the spouse's attained age as of the spouse's
2 birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required
3 to commence pursuant to this Section 7.2(b), or (ii) if earlier, the date on which annuity benefits
4 actually commence).

5
6 (c) If benefits are payable in accordance with Section 7.2(b), and the
7 surviving spouse dies after the Participant but prior to: (i) the date on which non-annuity benefits are
8 required to commence pursuant to Section 7.2(b), or (ii) the date on which annuity distributions
9 meeting the requirements of Section 7.2(b) actually commence, then, in either case, the aforesaid five
10 year limit, and the alternate limit set forth in Section 7.2(a), are to be applied as if the spouse were the
11 Participant, so that such limits shall be measured from the death of the spouse.

12
13 (d) If annuity benefits meeting the requirements of Section 8.3(a) had
14 commenced prior to the Participant's death, then the death benefits payable pursuant to this ARTICLE
15 VII may be distributed without regard to the aforesaid five year limit, but must be distributed to the
16 Participant's Beneficiary at least as rapidly as they would have been under the pre-death method of
17 distribution.

18
19 7.3 Delay in Receipt of Benefits - The amount of a Beneficiary's monthly benefits
20 paid in accordance with this Article VII shall commence being paid as of the later of: (a) the first day
21 of the month as of which the benefit may commence being paid, as determined pursuant to this Article
22 VII, or (b) the first day of the month following the Beneficiary's election to begin receiving benefits.
23 The amount of the monthly benefit shall equal the Actuarial Equivalent of the monthly benefit
24 determined as of the first day of the month as of which the benefit may commence being paid, as
25 determined pursuant to this Article VII.

26
27 END OF ARTICLE VII
28

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE VIII

2
3 Distribution of Benefits
4

5 8.1 Method of Payment - All benefit distributions shall be in cash or in annuity
6 contracts as provided herein. The County shall determine, in its discretion, whether the distribution
7 shall be funded through periodic payments made directly from the Trust, or through the purchase of
8 annuity contracts, or whether a combination of such methods of distribution shall be used, and the
9 County shall give to the Trustees such directions and information as may be necessary for the Trustees
10 to carry out the decision of the County. If the County shall determine that the whole or any part of
11 the distribution is to be funded through purchase of an annuity contract for a Participant, the County
12 shall select such form of contract to be so purchased and shall direct the Trustees to pay the premium
13 of such contract to the issuing company. The County shall direct that all right, title and interest in
14 such contract shall remain in the Trustees under the terms of the Plan and the Participant shall have
15 no right, title or interest therein except to receive the payments therefrom as provided therein, and,
16 subject to Section 9.1, to change the Beneficiary from time to time; alternatively, the County may
17 direct that the contract shall be purchased in the name of the Participant and distributed to him or her
18 free and clear of the Trust, in which case: (i) the contract shall be issued so as to be nontransferable,
19 (ii) it shall not contain a death benefit in excess of the death benefit provided in Article VII hereof or
20 in this Article VIII, and (iii) it shall not contain provisions that expand upon, change or eliminate any
21 Plan provisions applicable to distributions in annuity form.

22
23 Notwithstanding the foregoing, to the extent a Participant is entitled to receive
24 a Pick-Up Contributions Benefit, distribution of the benefit shall be in the form of cash or in one lump
25 sum distribution.

26
27 8.2 Optional Forms of Benefit - A Participant, subject to the conditions hereinafter
28 set forth, may elect to receive, in lieu of the normal monthly form of retirement income described in
29 Section 6.1, a benefit, which is the Actuarial Equivalent of the normal form of retirement income
30 described in Section 6.1, payable in any of the following forms:

31
32 (a) Joint and Survivor Option - The joint and survivor option is a monthly
33 income payable during the Participant's lifetime and continuing after his or her death at either 50%
34 or 100% (as elected by the Participant) of the rate to his or her Beneficiary for the remainder of such
35 Beneficiary's life.

36

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 If the Participant's Beneficiary dies before the date on which the
2 Participant's benefits have commenced (whether before or after his or her Termination Date), the
3 election shall thereupon become void; if the Participant's Beneficiary dies after the date on which the
4 Participant's benefits have commenced, or the Participant becomes divorced from his or her
5 Beneficiary, but before the death of the Participant, the election shall remain effective and the
6 Participant shall continue to receive the reduced retirement income payable to him or her in
7 accordance with the option.

8
9 (b) Single Life Annuity with Ten Year Guarantee Option - The Single
10 Life Annuity with Ten Year Guarantee Option is a monthly income payable during the Participant's
11 lifetime, with the provision that, if the Participant dies before receiving retirement benefit payments
12 for a period of 120 months, after the Participant's death, 100% of his or her monthly retirement benefit
13 will continue for the remainder of the 120 month period to the Beneficiary determined in accordance
14 with Section 9.1.

15
16 (c) Lump Sum Method - The lump sum method is a Cash-Out of the
17 Participant's Employee Contributions Benefit, made at the election of the Participant pursuant to
18 Sections 5.4(c) or 5.5(e), in lieu of all other benefits under the Plan.

19
20 (d) Joint and Survivor Option – With Pop Up to Normal Form - The joint
21 and survivor option – with pop up to normal form is a monthly income, payable during the
22 Participant's lifetime and continuing after the Participant's death at either 50% or 100% (as elected by
23 the Participant) of the rate to his or her Beneficiary for the remainder of such Beneficiary's life and
24 which is the Actuarial Equivalent of the normal form of benefit described in Section 6.1.

25
26 If the Participant's Beneficiary dies before the Participant's Benefit
27 Commencement Date (whether before or after his or her Termination Date), the Participant's election
28 of the Joint and Survivor Option – with Pop Up to Normal Form shall become void.

29
30 If the Participant's Beneficiary dies after the Participant's Benefit
31 Commencement Date, but before the death of the Participant, the Participant's election shall convert
32 to the normal form of benefit payment described in Section 6.1, payable for the remainder of the
33 Participant's life. If the Participant becomes divorced from the Beneficiary, the election shall remain
34 effective; the benefit will not convert to the normal form of benefit payment described in Section 6.1,
35 unless the Participant's Beneficiary dies after the Participant's Benefit Commencement Date, but
36 before the death of the Participant.

37

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 8.3 General Provisions Applicable to Options -

2
3 (a) Minimum Distribution Requirements -Notwithstanding any other
4 provision in the Plan to the contrary, distribution shall be made only in accordance with regulations
5 prescribed by the Internal Revenue Service under Section 401(a)(9) of the Internal Revenue Code.
6 To the extent required thereby, distribution of benefits shall comply with the following limitations:

7
8 (i) Except as otherwise provided below, distribution shall begin
9 not later than the calendar year (hereinafter referred to as the "Commencement Year") in which the
10 Participant reaches age 70-1/2 or in which he subsequently retires. Distribution shall be made over
11 the life of the Participant or the lives of the Participant and his or her Beneficiary, and/or over a period
12 certain not extending beyond the life expectancy of the Participant or the joint life and last survivor
13 expectancy of the Participant and his or her Beneficiary, all as described in Treasury Regulation
14 § 1.401(a)(9)-1, or, if shorter, the alternate period described in Treasury Regulation § 1.401(a)(9)-2.

15
16 (ii) A required distribution shall be deemed to have been made
17 during the Commencement Year if actually made by the following April 1, but such delayed
18 distribution shall not change the amount of such distribution, and the distribution otherwise required
19 during the subsequent calendar year shall be calculated as if the first distribution had been made on
20 the last day of the Commencement Year.

21
22 (iii) Benefits paid prior to the Commencement Year shall reduce
23 the aggregate amount subject to (but shall not otherwise negate) the minimum distribution
24 requirements described herein.

25
26 (iv) Nothing contained in this Section 8.3(a) shall prevent
27 distribution of annuity benefits providing for non-increasing payments (except as otherwise permitted
28 in Treasury Regulation 1.401(a)(9)-1) payments beginning not later than the Commencement Year
29 (except as provided in (iii) above) and payable at least annually over a period permitted by this Section
30 8.3(a) (for which purpose, if benefit commencement under the annuity precedes the Commencement
31 Year, each relevant life expectancy shall be based on the individual's attained age as of his or her
32 birthday occurring in the calendar year in which benefit commencement occurs). Any benefits
33 accruing after the Commencement Year shall be treated as a separate identifiable component
34 distributable in accordance with this Section 8.3(a) beginning in the Payment Year following the year
35 of accrual.

36

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (v) If the provisions of this Section 8.3(a) require the
2 commencement of benefits to a Participant who has not yet terminated employment, distribution shall
3 be made or commenced in accordance with this ARTICLE VIII as if the Participant had retired on
4 the last day of the Commencement Year. However, notwithstanding the commencement of benefits
5 pursuant to this Section 8.3(a), all other aspects of the Participant's Plan participation shall continue
6 in accordance with the remaining provisions of the Plan. The Actuarial Equivalent of any additional
7 benefits which may accrue to the Participant pursuant to Section 6.3 after his or her benefits have
8 been paid or commenced by reason of this Section 8.3(a) shall increase the amount of periodic benefit
9 payments being received by the Participant under the Plan.

10
11 (vi) With respect to distributions under the Plan made for calendar
12 years beginning on or after January 1, 2001, the Plan will apply the minimum distribution
13 requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations under
14 Section 401(a)(9) of the Code that were proposed on January 17, 2001, notwithstanding any provision
15 of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar
16 year beginning before the effective date of final regulations promulgated under Section 401(a)(9) of
17 the Code, or such other date as may be specified in guidance published by the Internal Revenue Code.

18
19 (b) Election Procedures - An election of any optional form of benefit
20 described in Section 8.2, or any revocation or change of such election, must be made by a Participant
21 in writing, on a form supplied by or acceptable to the County.

22
23 (c) Effect of Death - In the event of the death of a Participant prior to the
24 date on which his or her benefits are due to commence under the terms of the Plan, no benefits shall
25 be payable to his or her spouse or other Beneficiary except as provided in ARTICLE VII, regardless
26 of whether or not the Participant has elected an optional form of benefit pursuant to this
27 ARTICLE VIII.

28
29 8.4 Eligible Rollover Distributions. Notwithstanding any provision of the Plan to
30 the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may
31 elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an
32 Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee
33 in a direct rollover.

34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (a) Definitions.

2
3 Eligible Rollover Distribution: An Eligible Rollover Distribution is
4 any distribution of all or any portion of the balance to the credit of the Distributee, except that an
5 Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially
6 equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of
7 the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's
8 designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent
9 such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution
10 that is not includible in gross income (determined without regard to the exclusion for net unrealized
11 appreciation with respect to employer securities).

12
13 Eligible Retirement Plan: An Eligible Retirement Plan is an individual
14 retirement account described in Section 408(a) of the Code, an individual retirement annuity
15 described in Section 408(b) of the Code, or a qualified trust described in Section 401(a) of the Code,
16 that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible
17 Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible
18 Retirement Plan is an individual retirement account or individual retirement annuity and, in the case
19 of an Eligible Rollover Distribution to a non-spouse Beneficiary of the Participant, an Eligible
20 Retirement Plan is an inherited individual retirement account or inherited individual retirement
21 annuity. With respect to distributions made after December 31, 2001, an Eligible Retirement Plan
22 shall also mean an annuity contract described in Section 403(b) of the Code, an annuity plan described
23 in Section 403(a) of the Code and an eligible plan under Section 457(b) of the Code which is
24 maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or
25 political subdivision of a state and which agrees to separately account for amounts transferred from
26 this Plan. With respect to distributions made after December 31, 2007, an Eligible Retirement Plan
27 shall also mean a Roth IRA described in Section 408A of the Code. The definition of "Eligible
28 Retirement Plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or
29 former spouse who is the alternate payee under a qualified domestic relations order, as defined in
30 Section 414(p) of the Code. With respect to distributions made after December 31, 2006, to the extent
31 the Eligible Rollover Distribution consists of amounts not includible in the Participant's or former
32 Participant's taxable income, an "Eligible Retirement Plan" is an individual retirement account
33 described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b)
34 of the Code, a qualified trust described in Section 401(a) of the Code, or an annuity contract described
35 in Section 403(b) of the Code that separately accounts for the non-taxable amounts transferred, and
36 earnings thereon.

37
38 Distributee: A Distributee includes a Participant or former Participant.
39 In addition, the Participant's or former Participant's surviving spouse and the Participant's or former

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations
2 order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the
3 spouse or former spouse. In addition, the Participant's designated Beneficiaries are Distributees with
4 regard to their respective interests.

5
6 Direct Rollover: A Direct Rollover is a payment by the Plan to the
7 Eligible Retirement Plan specified by the Distributee.

8
9 8.5 Transfers of Credited Service to Other Plans - If a Participant terminates
10 employment with the County as a Covered Employee and becomes an employee of another
11 Government Employer and becomes eligible to participate in a retirement plan sponsored by such
12 Government Employer, the Participant may elect to transfer service earned under this Plan to the
13 retirement plan sponsored by such other Government Employer.

14
15 8.6 Involuntary Transfers of Employment – If a Participant is involuntarily
16 transferred to another state or local retirement or pension system because of an involuntary transfer
17 of the Participant's employing unit to another employer, all of the County's contributions on behalf
18 of the Participant and interest on those contributions shall be transferred to the new system. The
19 amount to be transferred to the new system shall be determined by actuarial valuation.
20 Notwithstanding the foregoing, this Section 8.6 shall be operative only to the extent required by Title
21 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor
22 statute.

23
24 END OF ARTICLE VIII
25

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE IX

2
3 Beneficiaries; Participant Data

4
5 9.1 Designation of Beneficiaries

6
7 (a) General Provisions - Each Participant may designate a Beneficiary or
8 Beneficiaries (who may be named contingently or successively) to receive such benefits as may be
9 payable under the Plan upon or after his or her death, and, subject to the provisions of ARTICLE VIII,
10 such designation may be changed from time to time by the Participant by filing a new designation.
11 Each designation will revoke all prior designations by the same Participant, shall be in form prescribed
12 by the County, and will be effective only when filed in writing with the County during the
13 Participant's lifetime.

14
15 (b) Married Participants - In the case of a married Participant, the
16 designation of a Beneficiary other than the Participant's spouse as the sole, primary Beneficiary shall
17 be void unless such spouse has filed a written consent to such a designation with the Administrator.
18 The spouse's consent shall identify the specific nonspouse Beneficiary designated by the Participant
19 or, alternatively, shall contain a blanket consent to the Participant's designation of any Beneficiary,
20 shall contain the spouse's acknowledgment of the effect of the consent, and the spouse's signature on
21 the consent shall be notarized or witnessed by a representative of the Administrator.

22
23 (c) Absence of Valid Designation - In the absence of a valid Beneficiary
24 designation (except in conjunction with the election of a form of benefit payment which does not
25 require the designation of a specific Beneficiary), or if, at the time any benefit payment is due to a
26 Beneficiary, there is no living Beneficiary eligible to receive the payment, validly named by the
27 Participant, the County shall direct the Trustees to distribute any such benefit payment to the
28 Participant's spouse, if then living, otherwise to the Participant's then living descendants, if any, per
29 stirpes, otherwise to the Participant's then living parent or parents, equally, otherwise to the
30 Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment,
31 the County and the Trustees may rely conclusively upon information supplied by the Participant's
32 Personal Representative. In the event of a lack of adequate information being supplied to the County,
33 or in the event that any question arises as to the right of any person to receive a benefit payment as
34 aforesaid, or in the event that a dispute arises with respect to any such payment, then, notwithstanding
35 the foregoing, the County, in its sole discretion, may, in complete discharge of the County and the
36 Trustees, and without liability for any tax or other consequences which might flow therefrom, direct
37 the Trustees to: (i) distribute the payment to the Participant's estate, (ii) retain such payment, without

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 liability for interest, until the rights thereto are determined, or (iii) deposit the payment into any court
2 of competent jurisdiction.

3
4 9.2 Location of Participants and Beneficiaries - Any communication, statement or
5 notice addressed to a Participant or Beneficiary at his or her last post office address filed with the
6 County, or if no such address was filed with the County, then at his or her last post office address as
7 shown on the County's records, shall be binding on the Participant or Beneficiary for all purposes of
8 the Plan. Except for the County's sending of a registered letter to the last known address, neither the
9 Trustees nor the County shall be obliged to search for any Participant or Beneficiary. If the County
10 notifies any Participant or Beneficiary that he is entitled to an amount under the Plan and the
11 Participant or Beneficiary fails to claim such amount or make his or her location known to the County
12 within three years thereafter, then, except as otherwise required by law, if the location of one or more
13 of the next of kin of the Participant, including his or her surviving spouse, is known to the County, it
14 may direct distribution of such amount to any one or more or all of such next of kin, and in such
15 proportions as the County determines. If the location of none of the foregoing persons can be
16 determined, the County shall have the right to direct that the amount payable shall be deemed to be a
17 forfeiture and treated in accordance with Section 5.2, except that the dollar amount of the forfeiture,
18 unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by
19 the Participant or Beneficiary to whom it was payable. If any benefit payable to an unlocated
20 Participant or Beneficiary is subject to escheat pursuant to applicable state law, neither the Trustees
21 nor the County shall be liable to any person for any amounts escheated in accordance with such law.

22
23 END OF ARTICLE IX
24

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE X

2
3 The Trust Fund

4
5 10.1 Investment of Funds - All contributions under the Plan shall be paid to the
6 Trustees and deposited in the Trust. Such contributions, all investments made therewith and proceeds
7 thereof and all earnings and profits thereon, less the authorized disbursements therefrom, shall
8 constitute the Trust, which Trust, and the agreement under which it is maintained, shall in all respects
9 constitute a part of the Plan. The County reserves the right to select, and from time to time to change,
10 the Trustees, to amend the Trust with the consent of the Trustees, or to adopt a different funding
11 vehicle.

12
13 10.2 Prohibition Against Diversion of Funds - It shall be impossible by operation
14 of the Plan or Trust, by natural termination of either, by power of revocation or amendment, by the
15 happening of any contingency, by collateral arrangement or by other means, for any part of the corpus
16 or income of the Trust, or any funds contributed thereto, to inure to the benefit of the County or
17 otherwise be used for or diverted to purposes other than providing benefits to Participants and
18 Beneficiaries and defraying reasonable expenses of administering the Plan, except as otherwise set
19 forth in the Trust with respect to the conditions under which Trust assets may be returned to the
20 County.

21
22 10.3 Prohibition Against Assignment of Benefits -Except as provided below, no
23 benefit payable at any time under this Plan may be anticipated, assigned (either at law or in equity),
24 alienated or subject to attachment, garnishment, execution, levy or other legal and equitable process.
25 However, the prohibitions of the preceding sentence shall not apply to, and the Trustees shall fully
26 recognize the creation, assignment or recognition of a right to any benefit payable with respect to a
27 Participant pursuant to a "Qualified Domestic Relations Order." For the purposes hereof, a Qualified
28 Domestic Relations Order shall mean a judgment, decree or order made pursuant to a state domestic
29 relations law which relates to the provision of child support, alimony payments or material property
30 rights and (a) which clearly specifies: (i) the names and last known mailing addresses of the
31 Participant and each payee, (ii) the amount or percentage of the Participant's benefits to be paid by
32 this Plan to each payee (or the manner in which such amount or percentage is to be determined),
33 (iii) the number of payments or period to which such order relates, and (b) which does not (i) require
34 this Plan to provide increased benefits, or (ii) require the payment of the same benefits to any payee
35 which are payable to another payee pursuant to a prior Qualified Domestic Relations Order.

36
37 10.4 Insurer - The County may elect at any time to fund the Plan without a Trust
38 through one or more life insurance contracts, retirement income policies or individual or group

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 annuity contracts ("Policies") issued by a life insurance company licensed to do business in the State
2 of Maryland ("Insurer"). If the County so elects, all references in this Plan to the Trustees shall be
3 deemed to refer to the Insurer and all references in this Plan to the Trust shall refer to the fund
4 established pursuant to the Policies. Where appropriate according to the context, the term Trust shall
5 also refer to the Policies.

6
7 END OF ARTICLE X
8

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XI

2
3 Administration

4
5 11.1 Administrative Authority - Except as otherwise specifically provided
6 herein, the County shall have the sole responsibility for and the sole control of the operation and
7 administration of the Plan, and shall have the power and authority to take all action and to make all
8 decisions and interpretations which may be necessary or appropriate in order to administer and operate
9 the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility
10 to: (a) resolve and determine all disputes or questions arising under the Plan, including the power to
11 determine the rights of Employees, Participants and Beneficiaries, and their respective benefits, and
12 to remedy any ambiguities, inconsistencies or omissions; (b) adopt such rules of procedure and
13 regulations as in its opinion may be necessary for the proper and efficient administration of the Plan
14 and as are consistent with the Plan; (c) implement the Plan in accordance with its terms and such rules
15 and regulations; (d) direct the Trustees with respect to the eligibility of any Employee as a Participant
16 and the crediting and distribution of the Trust, which are to be made only upon the basis of instructions
17 from the County pursuant to the terms of the Plan; and (e) establish and carry out a funding policy
18 and method consistent with the objectives of the Plan, pursuant to which the County shall determine
19 the Plan's liquidity and financial needs and communicate them to the Trustees (or other fiduciaries
20 who are charged with determining investment policy).

21
22 Subject to the power to delegate in the manner described in Section 11.2, the County shall act
23 by and through the County Executive.

24
25 11.2 County Administration - The Plan shall be operated and administered on
26 behalf of the County by the Retirement Plan Committee ("the Administrator"). The Administrator
27 shall be governed by the following:

28
29 (a) Except as the County shall otherwise expressly determine, the
30 Administrator shall have the following powers:

31
32 (i) To make and enforce rules and regulations as it shall deem
33 necessary or proper for the efficient administration of the Plan;

34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) To make and enforce procedures to be followed by Employees
2 in filing applications for benefits and for furnishing the evidence necessary to establish the
3 Employees' right to benefits;

4
5 (iii) To make and enforce determinations concerning the rights of
6 Employees applying for or receiving benefits;

7
8 (iv) To make and enforce procedures which afford a mechanism
9 for adjusting complaints of an Employee dissatisfied with determinations of the Administrator;

10
11 (v) To make and enforce procedures for determining the service
12 credit of Employees which affords Employees an opportunity to object, in writing, and to establish
13 service credit in advance or retirement;

14
15 (vi) To make and enforce procedures for authorizing
16 disbursements from the Trust created under the Plan and to authorize disbursements from the Trustees
17 of the fund in accordance with the Plan documents;

18
19 (vii) To make and enforce procedures and standards and make
20 determinations concerning total and permanent disability in accordance with the Plan documents;

21
22 (viii) To establish rules for computing the amount of benefits that
23 shall be payable to any person in accordance with the Plan documents;

24
25 (ix) To interpret the Plan;

26
27 (x) To otherwise decide questions concerning the eligibility of any
28 Employee to participate in the Plan or to receive benefits from the Plan;

29
30 (xi) To [employ or engage] recommend the engagement of
31 actuaries to make actuarial evaluations of the liabilities under the Plan, to recommend the mortality
32 and other tables and interest rates to be used from time to time in actuarial and other computations for
33 any purpose under the Plan other than those purposes set forth in Section 5.3 hereof, to recommend

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 the amounts of contributions to be made by the County and to perform such other services as the
2 Administrator shall deem necessary or desirable in connection with the administration of the Plan;

3
4 (xii) To [employ or engage] recommend the engagement of
5 accountants as it shall deem necessary or desirable in connection with the administration of the Plan;

6
7 (xiii) To [employ or engage] recommend the engagement of legal
8 counsel as it shall deem necessary or desirable in connection with the administration of the Plan;

9
10 (xiv) To [employ or engage] recommend the engagement of any
11 other experts as it shall deem necessary or desirable in connection with the administration of the Plan;

12
13 (xv) To act for the County before all persons in any matter directly
14 pertaining to the Plan.

15
16 (b) The Administrator shall have no power to amend or terminate the Plan,
17 to determine County contributions, to exercise authority to direct the Trustees with respect to the
18 investment of the Trust, to affect the employer-employee relationship between the County and any
19 Employee, to enter into contracts, or to retain and/or discharge the Trustees, all of which powers are
20 reserved to the County unless expressly granted to the Administrator.

21
22 (c) Fiduciary duties, powers and responsibilities (other than those
23 reserved to the Trustees, with respect to management or control of Trust assets) may be allocated
24 among the fiduciaries (if there be more than one) to whom such duties, powers and responsibilities
25 have been delegated, so long as such allocation is pursuant to action of the County or by written
26 agreement executed by the involved fiduciaries and approved by the County in which case, such
27 fiduciary shall not have any liability, with respect to any duties, powers or responsibilities not
28 allocated to him or her, for the acts or omissions of any other fiduciary. Any person may serve in
29 more than one fiduciary capacity under the Plan, including those of Administrator and Trustee.

30
31 (d) The Administrator may appoint any persons or firms, or otherwise
32 act to secure specialized advice or assistance, as it deems necessary or desirable in connection with
33 the administration and operation of the Plan; the Administrator shall be entitled to rely
34 conclusively upon, and shall be fully protected in any action or omission taken by it in good faith
35 reliance upon, the advice or opinion of such firms or persons. The Administrator shall have the
36 power and authority to delegate from time to time by written instrument all or any part of its duties,

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 powers or responsibilities under the Plan, both ministerial and discretionary, as it deems
2 appropriate, to the specified Employee who shall be designated by the Director of Human
3 Resources to assist the Administrator (the "Coordinator") and in the same manner to revoke any
4 such delegation of duties, powers and responsibilities. The Administrator shall also have the
5 power and authority to delegate by written instrument all or a part of its duties, powers and
6 responsibilities with respect to disability determinations to a board appointed by the Administrator
7 (the "Disability Review Board"), and, in the same manner to revoke any such delegation of duties,
8 power and responsibilities. Any action of the Coordinator or the Disability Review Board in the
9 exercise of such delegated duties, powers and responsibilities shall have the same force and effect
10 for all purposes hereunder as if such action had been taken by the Administrator. Further, the
11 Administrator may authorize the Coordinator or the Disability Review Board to execute any
12 certificate or document on behalf of the Administrator, in which event any person notified by the
13 Administrator of such authorization shall be entitled to accept and conclusively rely upon any such
14 certificate or document executed by such person as representing action by the Administrator until
15 such third person shall have been notified of the revocation of such authority. The Administrator
16 shall not be liable for any act or omission of any person to whom the Administrator's duties,
17 powers or responsibilities have been delegated, nor shall any person to whom any duties, powers
18 or responsibilities have been delegated have any liabilities with respect to any duties, powers or
19 responsibilities not delegated to him or her.

20
21 (e) All representatives of the County, and/or members of the Retirement
22 Plan Committee shall use ordinary care and diligence in the performance of their duties pertaining to
23 the Plan, but no such individual shall incur any liability: (i) by virtue of any contract, agreement,
24 bond or other instrument made or executed by him or her or on his or her behalf in his or her official
25 capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake or judgment made,
26 in his or her official capacity with respect to the Plan, unless resulting from his or her gross negligence
27 or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other person involved
28 with the Plan. The Plan shall indemnify and hold harmless each such individual from the effects and
29 consequences of his or her acts, omissions and conduct in his or her official capacity with respect to
30 the Plan, except to the extent that such effects and consequences shall result from his or her own
31 willful misconduct or gross negligence; provided, however, that any person who shall claim the right
32 to any payment or damage as a result of the actions of any individual in connection with the
33 performance of their duties pertaining to the Plan, shall be entitled to look only to the Trust created
34 by the Plan for payment. Such individual shall have no other right, claim or demand therefor against
35 the County.

36
37 (f) The Plan may purchase, from Plan assets, as an expense of the Plan,
38 liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason
39 of an act or omission of a fiduciary, providing such insurance contract permits recourse by the insurer
40 against the fiduciary in the case of breach of fiduciary obligation by such fiduciary. Any fiduciary

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 may purchase, from and for his or her own account, insurance to protect himself or herself in the event
2 of a breach of fiduciary duty and the County may also purchase insurance to cover the potential
3 liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

4
5 (g) Nothing in the Plan shall be construed so as to prevent any fiduciary
6 from: (i) receiving any benefit to which he may be entitled as a Participant or Beneficiary, or (ii)
7 receiving any reasonable compensation for services rendered, or for the reimbursement of expenses
8 properly incurred in the performance of his or her duties under the Plan (except that no person so
9 serving who receives compensation as an Employee shall receive compensation from the Plan, except
10 for reimbursement of expenses properly incurred), or (iii) serving as a fiduciary in addition to being
11 an officer, employee, agent, or other representative of the County or any related entity. However, the
12 fiduciary shall not be entitled to vote or act upon, or execute on behalf of the Plan, documents
13 specifically relating to his or her own participation in the Plan.

14
15 11.3 Retirement Plan Committee - There shall be a committee, to be known as the
16 Retirement Plan Committee, which in the absence of any designation to the contrary by the County,
17 shall serve as Administrator. Except to the extent that the County has retained any power or authority,
18 or allocated duties and responsibilities to another administrator or other fiduciary, said Committee
19 shall have full power and authority to administer and operate the Plan in accordance with its terms
20 and in particular the authority contained in this ARTICLE XI, and, in acting pursuant thereto, shall
21 have full power and authority to deal with all persons in any matter directly connected with the Plan,
22 including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment
23 advisors, other advisors and specialists. Participants, Beneficiaries and their representatives, in
24 accordance with the following provisions:

- 25
26 (a) The Committee shall consist of the following members:
- 27
- 28 (i) Director of Human Resources or the Director's designee as
29 Chairperson;
- 30
- 31 (ii) Director of Finance or the Director's designee;
- 32
- 33 (iii) One representative of the Fraternal Order of Police — Law
34 Enforcement Officers nominated and appointed by members of the Order;
- 35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (iv) One representative of the Career Fire Fighters Association
2 nominated and appointed by members of the Association;

3
4 (v) One representative of the Fraternal Order of Police –
5 Corrections Officers nominated and appointed by members of the Order;

6
7 (vi) One “at-large” member who is a former Participant who has
8 reached a Termination Date pursuant to Section 6.1, 6.2 or 6.3 hereof at a time when he or she was a
9 Non-Uniformed Participant (“Former Participant”), and who is appointed by the County Executive,
10 subject to confirmation by the County Council;

11
12 ([vi]vii) Two “at-large” members who are Non-Uniformed
13 Participants who are nominated and appointed by the County Executive, subject to confirmation by
14 the County Council;

15
16 No more than two members may be employed within the same division.

17
18 (b) The Director of Human Resources or the Director’s designee and the
19 Director of Finance or the Director’s designee shall serve on the Committee without limitation as to
20 the number or length of terms.

21
22 The terms of every other member of the Committee shall be established in accordance
23 with the following schedule:

24
25 (i) At large members appointed pursuant to
26 Section 11.3(a)([vi]vii) may serve continuously for no more than two consecutive terms. The length
27 of each term of said members shall be three years.

28
29 (ii) The at large member appointed pursuant to Section 11.3(a)
30 ([v]vi) may serve continuously for no more than two consecutive terms. The length of each term of
31 said member shall be two years.

32
33 (iii) The representative nominated and appointed by the Fraternal
34 Order of Police – Law Enforcement Officers may serve continuously for an unlimited number of

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 terms, until his or her successor is nominated and appointed by the Fraternal Order of Police – Law
2 Enforcement Officers. The length of each term of said member shall be three years.

3
4 (iv) The representative nominated and appointed by the Career
5 Fire Fighters Association may serve continuously for an unlimited number of terms, until his or her
6 successor is nominated and appointed by the Career Fire Fighters Association. The length of each
7 term of said member shall be three years.

8
9 (v) The representative nominated and appointed by the Fraternal
10 Order of Police – Corrections Officers may serve continuously for an unlimited number of terms,
11 until his or her successor is nominated and appointed by the Fraternal Order of Police - Corrections
12 Officers. The length of each term of said member shall be three years.

13
14 If a member of the Committee is unable to complete his or her term, the appointing
15 authority shall appoint another candidate to complete the member's term.

16
17 (c) Subject to his or her right to resign at any time, each member of the
18 Committee shall serve without compensation at the pleasure of the County, and the County may
19 appoint, and may revoke the appointment of, additional members to serve with the Committee as may
20 be determined to be necessary or desirable from time to time. Each member of the Committee, by
21 accepting his or her appointment to the Committee, shall thereby be deemed to have accepted all of
22 the duties and responsibilities of such appointment, and to have agreed to the faithful performance of
23 his or her duties thereunder.

24
25 (d) The Committee shall adopt such formal organization and methods of
26 operation as it shall deem desirable for the conduct of its affairs. The Committee shall act as a body,
27 and the individual members of the Committee shall have no powers and duties as such, except as
28 provided herein; the Committee shall act by vote of a majority of its members at the time in office
29 (other than those disqualified from voting pursuant to Section 11.2(g)), either at a meeting or in
30 writing without a meeting.

31
32 (e) Except as set forth in Section 11.9, the determination of the Committee
33 on any matter pertaining to the Plan within the powers and discretion granted to the Committee shall
34 be final and conclusive on the County, the Trustees, all Participants and Beneficiaries and all those
35 persons dealing in any way or capacity with the Plan.

36

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 11.4 Mutual Exclusion of Responsibility - Neither the Trustees nor the County shall
2 be obliged to inquire into or be responsible for any act or failure to act, or the authority therefor, on
3 the part of the other.

4
5 11.5 Uniformity of Discretionary Acts - Whenever in the administration or
6 operation of the Plan discretionary actions by the County, the Administrator or the Trustees are
7 required or permitted, such action shall be consistently and uniformly applied to all persons similarly
8 situated, and no such action shall be taken which shall discriminate in favor of highly-compensated
9 employees as defined in Section 414(q) of the Internal Revenue Code.

10
11 11.6 Fiduciary Standards - The Administrator and all other persons in any fiduciary
12 capacity with respect to the Plan shall discharge their duties with respect to the Plan: (i) solely in the
13 interest of the Participants and Beneficiaries and for the exclusive purposes of providing benefits to
14 Participants and their Beneficiaries and defraying reasonable expenses of administering and operating
15 the Plan, (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that
16 a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an
17 enterprise of a like character and with like aims, and (iii) in accordance with the documents and
18 instruments governing the Plan.

19
20 11.7 Litigation - In any action or judicial proceeding affecting the Plan and/or the
21 Trust, except as may be otherwise required by law, no Participant or Beneficiary shall be entitled to
22 any notice or service of process, and any final judgment entered in such action shall be binding on all
23 persons interested in, or claiming under, the Plan.

24
25 11.8 Payment of Administration Expenses - Expenses incurred in the
26 administration and operation of the Plan shall be paid by the Trustees out of the Trust unless the
27 County, in its discretion, elects to pay them.

28
29 11.9 Review Procedure - An Employee aggrieved by a decision of the
30 Administrator may request that the Administrator review its decision, and the Administrator shall
31 review its decision and advise the Employee of the decision following such review. The decision of
32 the Administrator following such review upon request of an Employee shall be final and conclusive.

33
34 END OF ARTICLE XI

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XII

2
3 Amendment

4
5 12.1 Right to Amend - The County shall have the right to amend the Plan, at any
6 time, by County Ordinance, and with respect to any provisions thereof (subject to the provisions of
7 Section 10.2), all parties thereto or claiming any interest thereunder shall be bound thereby.

8
9 12.2 Amendment Required by Federal Law -Notwithstanding the provisions of
10 Section 12.1, the Plan and Trust may be amended at any time, retroactively if required, if found
11 necessary in order to conform to the provisions and requirements of the Internal Revenue Code or any
12 similar act or any amendments thereto or regulations promulgated thereunder; no such amendment
13 shall be considered prejudicial to any interest of a Participant or Beneficiary hereunder.

14
15 END OF ARTICLE XII
16

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XIII

2
3 Termination

4
5 13.1 Right to Terminate - It is the present intention of the County to maintain the
6 Plan throughout the County's existence. Nevertheless, the County reserves the right, at any time, to
7 permanently discontinue further contributions to the Trust or to terminate the entire Plan and Trust.
8

9 13.2 Automatic Termination of Contributions - The liability of the County to make
10 contributions to the Trust shall automatically terminate upon liquidation of the County, upon its
11 adjudication as a bankrupt or upon the making of a general assignment for the benefit of creditors.
12

13 13.3 Allocation and Distribution - This Section shall become operative in any of
14 the following events: (a) a complete termination of the County's liability to make further
15 contributions to the Trust; (b) a complete discontinuance of contributions by the County to the Trust;
16 or (c) a complete termination of the Plan. The effective date of any termination or discontinuance of
17 contributions shall be as set forth in a resolution adopted by the County. The provisions of this Section
18 shall also become operative in the event of a partial termination of the Plan, but only with respect to
19 that portion of the Plan attributable to the Participants to whom the termination is applicable. Upon
20 the effective date of any such event, then, notwithstanding any other provisions of the Plan, subject
21 to the remainder of this Section 13.3, no persons who were not theretofore Participants shall be
22 eligible to become Participants, no further benefits shall accrue and the Accrued Benefits of all
23 Participants not theretofore vested, and not theretofore forfeited shall immediately become fully
24 vested. The Accrued Benefits of all Participants and Beneficiaries shall be determined and distributed
25 to them, as soon as is practicable after such termination or discontinuance, in accordance with
26 ARTICLES VI and VIII. The assets in the Trust shall be allocated for the purposes set forth below
27 and in the order set forth below, to the extent the assets are sufficient therefor. The allocations may
28 be implemented by distribution of Trust assets, or by the purchase and distribution by the Trustees of
29 insurance company annuity contracts, or by a combination of these methods. Upon termination of
30 the Trust, the Trustees shall liquidate all assets remaining in the Trust. After deduction of estimated
31 expenses in liquidating and distributing the Trust, and any reasonable compensation for the Trustees
32 agreed upon with the County, the balance of the Trust assets shall be allocated so as to provide the
33 Accrued Benefits otherwise payable under the Plan pursuant to the following order of priorities:
34

35 (i) To provide Accrued Benefits for each Participant who: (A) had begun
36 to receive benefits at least three years prior to the effective date of the termination of the Plan, (B)
37 would have begun to receive retirement or disability benefits at least three years prior to the effective
38 date of the termination of the Plan but for the fact that commencement of benefits was deferred, or

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (C) would have been eligible to receive retirement benefits at least three years prior to the effective
2 date of the termination of the Plan but for the fact that the Participant did not actually retire; and

3
4 (ii) To provide Accrued Benefits for all other Participants, in the following
5 order of preference:

6
7 (A) for each Participant who would have qualified under priority
8 (i) above but for the fact that the entitling event occurred or would have occurred within three years
9 of the effective date of the termination of the Plan, and

10
11 (B) for all other Participants in this priority (ii).
12

13 Trust assets shall be utilized under a particular priority only after all Accrued
14 Benefits set forth in all preceding priorities shall have been fully provided for. For purposes of the
15 allocation of funds within each priority, as set forth above, funds will be credited to each Participant
16 to provide the Accrued Benefits to which he is so entitled, but only to the extent that such Accrued
17 Benefits have not been provided under a preceding priority. Any reductions in Accrued Benefits
18 within a particular priority (or within any particular preference set forth within a priority) as set forth
19 above, due to insufficient Trust assets, shall be allocated pro rata among the Participants within that
20 priority (or preference) on the basis of then present values of the respective Accrued Benefits
21 described in that priority (or preference) for each such Participant. Any reference to Accrued Benefits
22 payable to Participants shall also be deemed to include Accrued Benefits payable to Beneficiaries of
23 deceased Participants. If any balance of Trust assets remains after all of the allocations described
24 above, and after all liabilities with respect to Participants and retired Participants and their
25 Beneficiaries, if any, are satisfied, then the balance shall be returned to the County, and the Trust shall
26 terminate. Upon making such distribution, the Trustees shall be discharged from all obligations under
27 the Trust and no Participant shall have any further right or claim therein.

28
29 Notwithstanding any provision to the contrary in this ARTICLE XIII, if a
30 Participant dies during the interim between the effective date of termination and the distribution of
31 Trust assets, and if his or her Benefit Commencement Date had not yet occurred as of the effective
32 date of termination, the amount distributable to him or [his] her or a Beneficiary, and the timing
33 thereof, shall be determined pursuant to ARTICLE VII.

34
35 As an alternative to immediate distribution of the Trust, the County, in its
36 discretion, and subject to its option at any time to require the complete distribution of the Trust to the
37 then Participants in accordance with the first paragraph of this Section 13.3, may defer

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 commencement of benefits to each Participant until such Participant reaches an event which would
2 otherwise entitle him or her to benefit commencement pursuant to ARTICLE VI, at which time the
3 provisions of ARTICLE VIII shall become applicable. During the interim period, there shall be
4 established and maintained a separate account in the name of each Participant, based upon the values
5 established pursuant to this Section 13.3 and/or Section 13.4. The separate account shall thereafter
6 define and measure the amount available for benefits distributable to him or her, and there shall be
7 credited or charged thereto any income, expenses, gains or losses (whether or not realized, based upon
8 fair market value of invested assets) attributable or allocable thereto as of each Trust valuation date
9 (or the date of complete distribution of the Trust) with respect to the period since the last valuation
10 date.

11
12 The provisions set forth in this Section 13.3 shall be subject to such
13 modification, retroactively if required, without necessity of formal amendment to the Plan, as may be
14 necessary in order to cause the termination of the Plan and/or Trust, and any distributions made
15 pursuant thereto and to conform to any requirements which may be imposed by the Internal Revenue
16 Service to prevent disqualification of the Plan and/or Trust, and no such modification shall be deemed
17 prejudicial to the interest of any Participant or Beneficiary.

18
19 13.4 Provision to Prevent Discrimination on Early Termination - Notwithstanding
20 any provision in the Plan to the contrary, in the event that the Plan and Trust terminates on or after
21 July 1, 1993, the benefit of any "highly compensated employee," as such term is defined in Section
22 414(q) of the Internal Revenue Code and the regulations promulgated thereunder, shall be limited to
23 a benefit that is nondiscriminatory under Section 401(a)(4) of the Internal Revenue Code.
24 Notwithstanding any other provision of this Plan and Trust, the benefits payable under this Plan and
25 Trust to any Restricted Participant, as defined below, on or after July 1, 1993, shall be limited to an
26 amount equal in each year to the payments that would be made on behalf of the Restricted Participant
27 under a straight life annuity that is the Actuarial Equivalent of the Accrued Benefit to which the
28 Restricted Participant is entitled under the Plan and Trust. The limitation described in the preceding
29 sentence, however, shall not apply if: (i) after payment of benefits under the Plan and Trust to the
30 Restricted Participant, the value of Plan assets equals or exceeds 110 percent of the value of current
31 liabilities, as defined in Section 412(1)(7) of the Internal Revenue Code, (ii) the value of the benefits
32 payable to the Restricted Participant is less than one percent of the value of current liabilities, as
33 defined in Section 412(1)(7) of the Internal Revenue Code, before distribution, or (iii) the present
34 value of the benefits payable to the Restricted Participant on the Annuity Starting Date does not
35 exceed \$3,500.

36
37 For the purposes hereof, a Restricted Participant is a Participant or former
38 Participant who, during a particular Plan Year, is one of the 25 highest-paid "highly compensated

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 employees,” as such term is defined in Section 414(q) of the Internal Revenue Code and the
2 regulations promulgated thereunder.

3
4 A Participant’s Annuity Starting Date is the first day of the first period for
5 which an amount is to be paid to the Participant, former Participant or Beneficiary as an annuity, or,
6 in the case of a benefit not payable in the form of an annuity, the first day on which all events have
7 occurred which entitle the Participant, former Participant or Beneficiary to such benefit.

8
9 13.5 Plan Combinations and Transfers - In the case of any merger or consolidation
10 of the Plan with, or transfer of assets or liabilities of the Trust to, any other plan, the transaction shall
11 be structured so that each Participant in the Plan would (if the Plan then terminated) receive a benefit
12 immediately after the transaction which is at least equal to the benefit he would have been entitled to
13 receive immediately before the transaction (if the Plan had then terminated).

14
15 END OF ARTICLE XIII
16

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XIV

2
3 Miscellaneous

4
5 14.1 Limitations on Liability of County - Neither the establishment of the Plan or
6 Trust, nor any modification thereof, nor the creation of any fund or account, nor the payment of any
7 benefits, shall be construed as giving to any Participant or other person any legal or equitable right
8 against the County (or any person connected therewith) the Trustees or any insurance company,
9 except as provided by law, by any Plan provision or by the terms of any insurance or annuity policy.
10 The County does not in any way guarantee the Trust from loss or depreciation, nor does the County
11 guarantee the payment of any money which may be or become due to any person from the Trust. Any
12 person having a right or claim under the Plan shall look solely to the Trust assets, and in no event
13 shall the County (or any person connected therewith) be liable to any person on account of any claim
14 arising by reason of the provisions of the Plan or of any instrument or instruments implementing its
15 provisions, or for the failure of any Participant, Beneficiary or other person to be entitled to any
16 particular tax consequences with respect to the Plan, the Trust or any contribution thereto or
17 distribution therefrom. The County shall not be liable to any person for failure on its part to make
18 contributions as provided in Section 5.1, nor shall any action lie to compel the County to make such
19 contributions. The County (or any person connected therewith) shall not have any liability to any
20 person by reason of the failure of the Plan to attain and/or maintain qualified status under Section
21 401(a) of the Internal Revenue Code, or the failure of the Trust to attain and/or maintain tax exempt
22 status under Section 501(a) of the Internal Revenue Code, regardless of whether or not such failure is
23 due to any act or omission (willful, negligent or otherwise) of the County (or any person connected
24 therewith).

25
26 14.2 Construction - The Plan is intended to comply with all requirements for
27 qualification under Section 401(a) of the Internal Revenue Code and, if any provision of the Plan is
28 subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of
29 that interpretation or construction which is consistent with the Plan being so qualified. In case any
30 provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the
31 remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and
32 enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the
33 Plan, where the context admits, words in the masculine gender shall include the feminine and neuter
34 genders, the singular shall include the plural, and the plural shall include the singular, and references
35 to persons shall include corporations, partnerships, estates and trusts. Headings of Articles and
36 Sections are inserted only for convenience of reference and are not to be considered in the construction
37 of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of
38 the State of Maryland shall govern, control and determine all questions arising with respect to the
39 Plan and the interpretation and validity of its respective provisions. Participation under the
40

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Plan will not give any Participant the right to be retained in the service of the County nor any right or
2 claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder.

3
4 END OF ARTICLE XIV
5

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XV

2
3 Divestiture of Plan Investments in Companies Doing Business in Iran or Sudan

4
5 15.1 Definitions. The following terms shall have the following meanings for
6 purposes of this Article XV:

7
8 (a) "Board of Trustees" shall mean the Board of Trustees for the State
9 Retirement and Pension System established pursuant to Section 21-103 of the SP&P.

10
11 (b) "Company" shall have the meaning set forth in PLL Section 2-7-
12 201(A)(2).

13
14 (c) "Council" shall mean the County Council of Frederick County,
15 Maryland.

16
17 (d) "County Executive" shall mean the County Executive of Frederick
18 County, Maryland.

19
20 (e) "Divestment Action" shall have the meaning set forth in PLL
21 Section 2-7-201(A)(3).

22
23 (f) "Doing Business in Iran" shall have the meaning set forth in PLL
24 Section 2-7-201(A)(4).

25
26 (g) "Doing Business in Sudan" shall have the meaning set forth in PLL
27 Section 2-7-201(A)(5).

28
29 (h) "Investment" shall have the meaning set forth in PLL Section 2-7-
30 201(A)(7).

31

Underlining indicates entirely new matter added to existing law.
[Single boldface brackets] indicates matter deleted from existing law.
*** - indicates existing law unaffected by bill

1 (i) "Iran" shall have the meaning set forth in PLL Section 2-7-
2 201(A)(8).

3
4 (j) "PLL" shall mean the Code of Public Local Laws of Frederick
5 County, as in effect on July 1, 2010.

6
7 (k) "SP&P shall mean the State Personnel and Pensions Article of the
8 Annotated Code of Maryland, as amended from time to time.

9
10 (l) "State Retirement & Pension System" shall mean the Maryland
11 State Retirement & Pension System established pursuant to SP&P Section 21-101(a)

12
13 (m) "Sudan" shall have the meaning set forth in PLL Section 2-7-
14 201(A)(9).

15
16 15.2 Authorization for Divestiture.

17
18 (a) On May 13, 2008, Governor O'Malley signed Senate Bill 214 into
19 law as Chapter 342 of the Laws of Maryland, 2008. Senate Bill 214 added SP&P Section 21-123.1
20 requiring the Board of Trustees to take Divestment Action with respect to Companies Doing
21 Business in Iran and Companies Doing Business in Sudan.

22
23 (b) On May 7, 2009, Governor O'Malley signed House Bill 879 into
24 law as Chapter 427 of the Laws of Maryland, 2009. House Bill 879 authorized the then Board of
25 County Commissioners of Frederick County, Maryland to enact an ordinance providing for the
26 divestment of assets of the Plan with respect to Companies Doing Business in Iran and Companies
27 Doing Business in Sudan.

28
29 (c) Notwithstanding any provision of the Plan to the contrary, the
30 County Executive directs the Trustee to follow, as soon as practical, the Divestment Actions of the
31 Board of Trustees with respect to Companies Doing Business in Iran and Companies Doing
32 Business in Sudan provided the County Executive determines that:

33

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (i) The costs of divestment are *de minimis* as compared to
2 total fund assets.

3
4 (ii) Substitute investments are available which will yield
5 competitive returns at a comparable level of risk.

6
7 (iii) The fiduciaries have discretion regarding the timing and
8 manner of divestment so that they are able to avoid imprudent transactions.

9
10 (iv) The fiduciaries otherwise act in accordance with the
11 duties of loyalty and prudence – *i.e.* ascertain relevant facts, investigate options,
12 obtain appropriate expert analysis, diversify appropriately, and act for the benefit of
13 the beneficiaries.

14
15 (d) If the Administrator determines that the cost of the analysis and the
16 administration of the divestiture may exceed the relative value of the divestiture, the Administrator
17 shall present this information to the County Executive.

18
19 (e) The Administrator shall include in the annual investment
20 performance review provided to the County Executive and Council a review of the divestiture
21 program.

22
23 END OF ARTICLE XV

24
25 END OF DOCUMENT

26
27
28
29
30
31
32

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3 **FREDERICK COUNTY UNIFORMED EMPLOYEES**
4 **RETIREMENT PLAN7**

5
6 ARTICLE I
7

8 General
9

10 1.1 Name - This Plan may be referred to as the "Frederick County Uniformed
11 Employees Retirement Plan."
12

13
14 1.2 Applicability - The provisions of the Plan shall apply only to an individual who
15 meets the definition of Covered Employee set forth herein and whose employment with the County
16 terminates on or after the Effective Date, except as otherwise provided herein.
17

18
19 END OF ARTICLE I

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE II

2
3 Definitions

4
5 The following terms, as used herein, unless a different meaning is clearly implied by
6 the context, shall have the following meanings:

7
8 Accrued Benefit - The benefit to which a Participant is entitled, pursuant to
9 the provisions of ARTICLE VI, expressed as the normal form of monthly benefit commencing at
10 Normal Retirement Date or the Actuarial Equivalent thereof. The Accrued Benefit as of any date
11 preceding the Participant's Normal Retirement Date, but expressed as aforesaid, shall be the monthly
12 benefit computed pursuant to Section 6.2, 6.4 or 6.5. In no event, however, shall the Accrued Benefit
13 exceed the maximum limitation determined, as of the date of computation, pursuant to Section 6.6.

14
15 The portion of the Participant's Accrued Benefit attributable to his or her
16 contributions made pursuant to Sections 5.4 and 5.5 shall be equal to the Actuarial Equivalent of the
17 Participant's Employee Contributions Benefit, expressed as the normal form of monthly benefit
18 commencing at Normal Retirement Date. The portion of the Participant's Accrued Benefit
19 attributable to County contributions shall be the remainder, if any, of the Accrued Benefit.

20
21 Actuarial Equivalent - A form of benefit differing in time, period or manner
22 of payment from a specific benefit provided under the Plan but having the same value when computed
23 based upon the following:

24
25 Pre-Retirement and Post-Retirement:

26
27 Pub-2010 General Retirees Amount-Weighted Mortality
28 with MP-2018 improvement scale projected to
29 2035, blended 50%male/50% female
30 (for participant and joint annuitant)
31 7% per annum interest rate
32 1% cost of living adjustment
33

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 The foregoing factors, to the extent applicable, shall be utilized (whether or not there is a specific
2 reference to this definition) whenever in the administration of the Plan a calculation of actuarial
3 equivalence is to be made.

4
5 Actuarial Reduction - A reduction which will cause a benefit with a starting
6 date which precedes a Participant's Normal Retirement Date to be the Actuarial Equivalent of the
7 benefit which would otherwise have been payable at Normal Retirement Date.

8
9 Administrator - The Retirement Plan Committee designated in accordance
10 with the provisions of ARTICLE XI.

11
12 Beneficiary - Any person entitled to receive the benefits which are payable
13 under the Plan upon or after the death of a Participant.

14
15 Benefit Commencement Date - The first day of the first period for which the
16 sole payment or the first in a series of payments constituting the distribution of an Accrued Benefit is
17 made.

18
19 Break in Service - A Plan Year during which an individual terminates
20 employment or is not an Employee and completes 50% or fewer of the Hours of Service required to
21 complete a Year of Eligibility Service.

22
23 Cash-Out - A distribution in settlement of a benefit otherwise payable under
24 the Plan, and which is equal to the Employee Contributions Benefit.

25
26 Charter – means the Charter of Frederick County, Maryland, as adopted
27 effective December 1, 2014 and as may be amended from time to time.

28
29 C/L Increase - An automatic increase (without necessity of Plan amendment)
30 in a dollar value set forth or described in the Plan, for the purpose of reflecting increases in the cost
31 of living to the extent prescribed in or pursuant to regulations under Section 415(d) of the Internal
32 Revenue Code, but only to the extent permitted by the operative Internal Revenue Code or regulatory
33 provision specifically governing the dollar value in question.

34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Compensation - The monthly equivalent of the Participant's legislated base
2 annual salary determined without regard to: (i) overtime, bonuses and other extra remuneration; (ii)
3 amounts in excess of \$23,750.00 (as adjusted for C/L Increases); (iii) contributions, credits or benefits
4 under this Plan or under any other retirement, deferred compensation, fringe benefit or employee
5 welfare benefit plan, (iv) direct reimbursement for expenses; or (v) differential wage payments as
6 defined in Title 26, Section 3401(h) of the United States Code (referring to an employer payment to
7 an Employee called to active duty in the uniformed services for more than 30 days that represents all
8 or a portion of the pay the Participant would have received from the County if he or she were
9 performing services for the County); provided however, that Compensation shall include any amount
10 that would have qualified as Compensation but for the fact that it constitutes salary reduction under
11 any plan described in Section 414(h)(2), 132(f) or 125 of the Internal Revenue Code.

12
13 County - The County of Frederick, a body corporate and politic, with all of
14 the rights and powers of local self-government and home rule as are provided under the Charter, the
15 Maryland Constitution, and laws of the State of Maryland.

16
17 County Council – The County Council of Frederick County, Maryland.

18
19 County Executive – The County Executive of Frederick County,
20 Maryland.

21
22 Covered Employee - Any regular or probationary, full time or part time
23 Uniformed Employee of the County who is regularly scheduled to work at least 50% of a full-time
24 schedule who has enrolled in the Plan in accordance with Article III hereof.

25
26 Delayed Retirement - Retirement, as described in Section 6.3 hereof, which
27 occurs after the Participant's Normal Retirement Date.

28
29 Dual Service Participant - A Participant who has earned Years of Eligibility
30 Service and/or Years of Creditable Service (or fractional years) as a Uniformed Participant and as a
31 Non-Uniformed Participant in the Frederick County Employees Retirement Plan.

32
33 Effective Date - The effective date of the Plan, which shall be July 1, 2021.
34

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Elected Official - The County Executive, the County States Attorney and the
2 County Sheriff.

3
4 Employee - Any person employed by the County, including any person
5 receiving differential wage payments as defined in Title 26, Section 3401(h) of the United States Code
6 (referring to an employer payment to an Employee called to active duty in the uniformed services for
7 more than 30 days that represents all or a portion of the pay he or she would have received from the
8 County if he or she were performing services for the County).

9
10 Employee Contributions Benefit - The sum of the following amounts (net of
11 any previous distributions):

12
13 (i) The contributions made by the Participant through salary
14 reduction and "picked up" by the County, as described in Section 5.4(a)(i) but not 5.4(a)(iii); plus

15
16 (ii) The contributions made by the Participant pursuant to Section
17 5.5 which are not picked up by the County; plus

18
19 (iii) The contributions, plus earnings previously credited on such
20 contributions, made by the Participant, pursuant to Section 5.5, through transfer from another
21 Government Employer retirement plan, which were not picked up by such Government Employer;
22 plus

23
24 (iv) Contributions, plus earnings previously credited on such
25 contributions, made by the Participant, pursuant to Section 5.4(a)(ii), but not 5.4(a)(iii), and picked
26 up by another Government Employer, all of which are thereafter transferred to the Plan; plus

27
28 (v) Subject to Section 6.5, interest of 4.0% on the amounts
29 described in (i) through (iv) above computed on July 1 of each year and compounded annually.

30
31 Employment Commencement Date - The date on which the Employee first
32 performs an Hour of Service for the County as a benefitted Employee of the County. An Employee
33 whose Employment Commencement Date occurred prior to July 1, 2011, who subsequently ceases
34 to be a Covered Employee and who has a Reemployment Commencement Date on or after July 1,
35 2011 will be deemed to have an Employment Commencement Date prior to July 1, 2011 only if the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Employee's Years of Eligibility Service and Years of Credited Service before and after the
2 Termination Date are aggregated pursuant to Section 3.2(b).

3
4 Frederick County Employees Retirement Plan – The retirement plan
5 established by the County effective as of July 1, 1993, as amended from time to time, in which
6 Non-Uniformed Employees participate.

7
8 Government Employer - The State of Maryland, as well as any political
9 subdivision within the State of Maryland, including the County.

10
11 Government Employer Retirement Plan - A retirement plan which is
12 sponsored by the State of Maryland, or any municipality or political subdivision within the State of
13 Maryland to which the provisions of Title 37 of the State Personnel and Pensions Article of the
14 Annotated Code of Maryland, or any successor statute, apply and provided such plan is a defined
15 benefit plan operated on an actuarial basis.

16
17 Highest Average Compensation – The average monthly rate of a Participant's
18 Compensation, equal to 1/36th of the total amount of a Participant's Compensation for the 36
19 consecutive full calendar months of the Participant's employment as a Covered Employee which
20 produce the highest average. Except as provided in Section 6.4(a) and (b), the Highest Average
21 Compensation of a Participant who was not employed as a Covered Employee on a full-time basis
22 shall be calculated using the full-time equivalent of the Participant's Compensation. Furthermore,
23 any calendar month during which the Participant was not employed as a Covered Employee for the
24 full month because the position of employment with the County regularly requires fewer than 12
25 months of service shall be counted in determining the 36 consecutive full calendar months of the
26 Participant's employment which produce the highest average. Any other calendar month during
27 which the Participant was not employed as a Covered Employee on a full time basis (or on Leave of
28 Absence) shall be disregarded for purposes of the foregoing, and the existence of such calendar
29 months shall be ignored and shall not be counted in determining the 36 consecutive full calendar
30 months of the Participant's employment which produce the highest average. If the Participant's
31 employment as a Covered Employee does not provide 36 consecutive full calendar months as
32 aforesaid, Compensation for his or her actual number of consecutive full calendar months will be
33 totaled and divided by the number thereof.

34
35 Hour of Service – Except as otherwise provided herein, each hour for which
36 an individual, in his or her capacity as an Employee, is directly or indirectly paid, or entitled to
37 payment, for the performance of duties for the County. Hours of Service include normal working
38 hours, paid holidays and sick leave, and exclude overtime hours. In addition, Hours of Service include

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 hours for which an individual is not paid, but would be entitled to payment except for a temporary
2 furlough from employment with the County. Hours of Service also include annual leave, but exclude
3 accrued annual leave for which an Employee is paid following the Employee's Termination Date.

4
5 Internal Revenue Code - The Internal Revenue Code of 1986, or any provision
6 or section thereof herein specifically referred to, as such Code provision or section may from time to
7 time be amended or replaced.

8
9 Leave of Absence - An authorized absence from active service, under
10 conditions described in Section 4.2, which does not constitute a termination of employment, and
11 during which the Employee performs no Hours of Service.

12
13 Military Service - Active military duty in the Armed Forces of the United
14 States on account of which a Participant is not eligible to receive a military pension, unless such
15 pension is awarded of account of the Participant's disability.

16
17 Non-Uniformed Employee - An Employee of the County classified by the
18 County as "regular" or "probationary" who: (i) is not classified by the Retirement Plan Committee as
19 a "Uniformed Employee" and (ii) is regularly scheduled to work at least fifty percent of the hours
20 normally worked by other Employees in the same position in accordance with County Human
21 Resources Procedures.

22
23 The term "Non-Uniformed Employee" shall also include Elected Officials and
24 Appointees.

25
26 Non-Uniformed Participant - A Non-Uniformed Employee who is currently a
27 Participant under the Frederick County Employees Retirement Plan, including, where appropriate
28 according to the context of the Plan, any former Non-Uniformed Employee who is or may become
29 (or whose Beneficiaries may become) eligible to receive a benefit under the Frederick County
30 Employees Retirement Plan.

31
32 Normal Retirement Date - The first day of the month coinciding with or next
33 following: the earlier of the date on which a Uniformed Participant has (i) completed 20 Years of
34 Eligibility Service, or (ii) attained at least age 50 and completed at least five Years of Eligibility
35 Service. With respect to a Uniformed Participant whose Employment Commencement Date is on or
36 after July 1, 2011, the first day of the month coinciding with or next following the earlier of the date

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 on which a Uniformed Participant has (iii) completed 25 Years of Eligibility Service, or (iv) attained
2 at least age 55 and completed at least five Years of Eligibility Service.

3
4 Dual Service Participant - The Normal Retirement Date for a Dual Service
5 Participant with fewer than 10 Years of Eligibility Service earned as a Uniformed Participant shall be
6 the same as the Normal Retirement Date for Participants in the Frederick County Employees
7 Retirement Plan. The Normal Retirement Date for a Dual Service Participant with 10 or more Years
8 of Eligibility Service earned as a Uniformed Participant shall be the same as the Normal Retirement
9 Date for a Uniformed Participant in this Plan.

10
11 Participant - Any Employee who is currently accruing a benefit under the Plan,
12 and, where appropriate according to the context of the Plan, any former Employee who is or may
13 become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

14
15 Plan - The Frederick County Uniformed Employees Retirement Plan set forth
16 herein, as amended from time to time.

17
18 Plan Year - The twelve-month period ending on the last day of June.

19
20 Reemployment Commencement Date - The date on which an Employee first
21 performs an Hour of Service for the County as a benefitted Employee of the County after a period
22 during which no Hours of Service were performed by reason of the Participant's Termination Date or
23 otherwise.

24
25 Termination Date – Subject to Section 3.4, the date of the first to occur of: (i)
26 a termination of employment by reason of resignation, discharge, mutual agreement, total and
27 permanent disability, retirement or death; (ii) the date on which a Leave of Absence expires without
28 a return to active employment; or (iii) the date on which the individual ceases to be a Covered
29 Employee.

30
31 Trust - Except as provided in Section 10.4, the trust fund established pursuant
32 to the Plan, maintained in accordance with the terms of the trust agreement, as from time to time
33 amended, between the County and the Trustees, which trust agreement constitutes a part of the Plan;
34 where appropriate according to the context, the term Trust shall also refer to said trust agreement.

35

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Trustees - Except as provided in Section 10.4, collectively, the trustee or
2 trustees named in the Trust and such successor and/or additional trustees as may be named pursuant
3 to the terms of the Trust.

4
5 Uniformed Employee - An Employee employed on a “regular” or
6 “probationary” basis and who is not classified by the Retirement Plan Committee as a “Non-
7 Uniformed Employee”, and whose position requirements meet each of the following three criteria:

8
9 (a) The position is a non-administrative, active duty position,

10
11 (b) The position requires certification by the Maryland Police Training
12 Commission, the Maryland Fire and Rescue Institute or the Maryland Correctional Training
13 Commission, and

14
15 (c) The daily duties of the position could result in loss of life.

16
17 Uniformed Participant - A Uniformed Employee who has satisfied the
18 eligibility requirements of Article III and who is currently a Participant under the Plan, including,
19 where appropriate according to the context of the Plan, any former Uniformed Employee who is or
20 may become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

21
22 Year of Creditable Service – Subject to Section 4.3(c), and except as provided
23 in Section 4.4, a Plan Year during which a Covered Employee earns Hours of Service at least equal
24 to the Hours of Service which would be earned by an Employee who is employed in the same position
25 of employment for the County on a full-time basis over the full Plan Year.

26
27 Year of Eligibility Service - Subject to Section 4.3(a) and (b), and except as
28 provided in Section 4.4, any Plan Year during which an Employee completes 700 Hours of Service.

29
30 END OF ARTICLE II

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36

3.1 Requirements - A Covered Employee's participation in this Plan, and the agreement to make contributions hereunder, as described in Section 5.4, is mandatory as a condition of employment with the County. No individual shall become a Participant, however, if he or she is not a Covered Employee on the date his or her participation is to begin.

(a) Eligibility - If the reemployed Employee was not a Participant prior to his or her Termination Date, he or she shall become a Participant in accordance with the provisions of Section 3.1. If he or she was a Participant prior to such termination, his or her participation shall commence or resume immediately upon the resumption of his or her status as a Covered Employee.

(b) Vesting and Benefit Accrual - Subject to Sections 3.2(d) and 4.2, if the re-employed Employee was a Participant prior to his or her Termination Date, his or her prior Years of Eligibility Service and Years of Creditable Service shall be aggregated with Years of Eligibility Service and Years of Creditable Service performed after his or her Reemployment Commencement Date, but only as a Covered Employee, for purposes of determining his or her eligibility to receive, the vested percentage of, and amount of, his or her Accrued Benefit with respect to the periods before and after the Participants' Breaks in Service.

(c) Benefit Payments - If, at the time of reemployment, the Employee is receiving benefits under the Plan, such benefits (other than those previously funded through individual or non-pooled group insurance annuity arrangements) shall cease until such time as they may be paid in conjunction with the benefits accrued with respect to the Employee's subsequent employment, provided he or she is reemployed as a Covered Employee. In any event, any benefits payable with respect to his or her subsequent employment shall be reduced or offset if and as necessary to avoid duplication of any benefits payable or paid with respect to his or her prior employment. Notwithstanding the foregoing, the benefit payable following the Participant's subsequent retirement shall not be less than the benefit payable with respect to the Participant's initial employment.

[Single boldface brackets] indicates matter deleted from existing law.

87

1 (d) Cash Out –
2

3 (i) If, after his or her Termination Date: (i) the Employee receives
4 a Cash-Out of his or her Employee Contributions Benefit, and (ii) he or she is reemployed as a
5 Covered Employee, then, notwithstanding the commencement of new Years of Eligibility Service
6 and Years of Creditable Service, the Years of Eligibility Service and Years of Creditable Service with
7 respect to which the distribution was received shall be disregarded in subsequent determinations of
8 the amount of, and vested percentage of, his or her Accrued Benefit. However, if the Covered
9 Employee: (i) is reemployed as a Covered Employee, and (ii) within 90 days of the resumption of
10 such status, repays to the Trust the amount described herein, his or her Accrued Benefit will be
11 determined taking into account the Participant's Years of Eligibility Service and Years of Creditable
12 Service before as well as after the Termination Date (subject to the remaining provisions of this
13 Article III).

14
15 (A) If the number of the Covered Employee's consecutive
16 Breaks in Service are greater than the number of Years of Eligibility Service earned prior to the first
17 Break in Service, the required repayment will equal the Actuarial Equivalent of that portion of the
18 Covered Employee's projected benefit attributable to the Covered Employee's employment prior to
19 his or her first Break in Service.

20
21 (B) If the number of the Covered Employee's consecutive
22 Breaks in Service are less than or equal to the number of Years of Eligibility Service earned prior to
23 the first Break in Service, the required repayment will equal the full amount of the Cash Out, plus
24 interest from the date of distribution to the date of repayment at the rate of 4% per annum compounded
25 annually.

26
27 (ii) Notwithstanding the foregoing, if the employment
28 classification of a Covered Employee changes to the classification of an Employee who is not a
29 Covered Employee, the Employee who is not a Covered Employee will not be eligible to receive
30 a Cash-Out of his or her Employee Contributions Benefit until he or she ceases to be an Employee
31 of the County, or is otherwise eligible for payment of a deferred vested benefit in accordance with
32 Section 6.5.

33
34 If the number of the Participant's consecutive Breaks in Service are greater
35 than the number of Years of Eligibility Service earned prior to the first Break in Service, the required
36 repayment will equal the Actuarial Equivalent of that portion of the Participant's projected benefit
37 attributable to the Participant's employment prior to his or her first Break in Service.

38

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 If the number of the Participant's consecutive Breaks in Service are less than
2 or equal to the number of Years of Eligibility Service earned prior to the first Break in Service, the
3 required repayment will equal the full amount of the Cash Out, plus interest from the date of
4 distribution to the date of repayment at the rate of 4% per annum compounded annually.

5
6 3.3 Enrollment - Participation hereunder shall be automatic when the
7 requirements of Section 3.1 have been met; provided, however, that the County may, in its discretion,
8 require each eligible Employee to execute a written application containing such items as may be
9 desired by the County including, but not limited to, the Employee's consent to be bound by all the
10 terms and conditions of the Plan and all amendments thereto.

11
12 3.4 Change of Employment Category - If a Participant ceases to be a Covered
13 Employee, but continues in the employ of the County as an Employee, or as an Employee eligible to
14 participate in the Frederick County Employees Retirement Plan, he or she shall not be deemed to have
15 reached a Termination Date.

16
17 END OF ARTICLE III

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE IV

2
3 Hours and Periods of Service

4
5 4.1 Credit for Service - Except as otherwise provided in this ARTICLE IV and in
6 ARTICLE III, a Participant will receive credit only for Years of Eligibility Service and Years of
7 Creditable Service. However, for purposes of determining a Participant's vested percentage of his or
8 her Accrued Benefit and his or her eligibility for retirement, Years of Eligibility Service completed
9 prior to one or more Breaks in Service will be disregarded if: (a) the Participant's vested percentage
10 in his or her Accrued Benefit was 0% at the time he or she incurred the Breaks in Service, and (b) the
11 number of consecutive Breaks in Service exceeds the number of Years of Eligibility Service
12 completed prior to the periods of Breaks in Service.

13
14 4.2 Leaves of Absence - Except as otherwise provided in this Section, Hours of
15 Service will not be counted for the customary hours of work during a Leave of Absence. However,
16 a Participant who fails to earn a Year of Eligibility Service or a Year of Creditable Service during a
17 Plan Year because of a Leave of Absence, which is approved by the County prior to the Leave of
18 Absence, may elect to receive credit for Years of Eligibility Service and Years of Creditable Service
19 as follows:

20
21 (a) Leave of Absence: Workers' Compensation - A Participant on a
22 Leave of Absence by reason of an accident or injury that has been sustained as an active Covered
23 Employee and that has been ruled compensable under the Maryland Workers' Compensation Act
24 may elect to receive credit for Years of Eligibility Service and Years of Creditable Service to the
25 extent of his or her authorized Leave of Absence. If a Participant does so elect he or she shall be
26 required to pay over to the Plan, within the buyback period, or within 90 days before his or her benefit
27 commencement date, the contributions that would have been made by the Participant pursuant to
28 Section 5.4 during the period of the Leave of Absence, plus interest of 4.0% computed on July 1 of
29 each year and compounded annually.

30
31
32 (b) Leave of Absence: Other than Workers' Compensation - A
33 Participant on a Leave of Absence other than by reason of an accident or injury that has been sustained
34 as an active Covered Employee and that has been ruled compensable under the Maryland Workers'
35 Compensation Act may elect to receive credit for Years of Eligibility Service and Years of Creditable
36 Service (to a maximum of one year) to the extent of his or her total authorized Leaves of Absence. If
37 a Participant does so elect he or she shall be required to pay over to the Plan, within the buyback
38 period, the contributions that would have been made by the Participant pursuant to Section 5.4 during
39 the period of the Leave of Absence, plus the contributions made by the County at the time of the
40 payment by the Participant for the service credit, plus interest of 4.0% computed on July 1 of each
41 year and compounded annually. For purposes of this Section 4.2(b), the contributions that would
42 have been made by the Participant and the contributions that would have been made by the County

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 will be based on Participant Compensation that includes any scheduled pay adjustments that occurred
2 during the Leave of Absence. For purposes of this Section 4.2(b), the contributions that would have
3 been made by the County will be based on the County's net normal cost rate during the buyback
4 period. For purposes of this Section 4.2(b), the "net normal cost rate" equals the total normal cost as
5 a percentage of Participant payroll minus total Employee contributions as a percentage of Participant
6 payroll. If the Participant does not elect to pay the missed contributions, plus interest, during the
7 buyback period, and if the Participant's Benefit Commencement Date does not occur during the
8 buyback period, the Participant may elect to receive credit for Years of Eligibility Service and Years
9 of Creditable Service (to a maximum of one year) to the extent of his or her total authorized Leaves
10 of Absence, if the Participant pays over to the Plan, within 12 months before his or her Termination
11 Date, the Actuarial Equivalent of that portion of his or her projected benefit attributable to the Leave
12 of Absence, and determined in accordance with Section 4.4(iii).

13
14 (c) Buyback Period; Form of Payment - For purposes of this Section 4.2,
15 the Participant's "buyback period" is the one-year period beginning with the date the Participant
16 returns from the Leave of Absence. A Participant's payments hereunder may be in the form of a lump
17 sum payment, installment payments, or a combination of the two forms of payment. A Participant's
18 payments shall be accounted for pursuant to Section 5.5.

19
20 (d) Death and Disability Benefits - A Participant who is on a Leave of
21 Absence (or his or her Beneficiary) remains eligible for disability benefits as provided by Section 6.4
22 or for death benefits as provided by Section 7.1.

23
24 4.3 Fractional Credit for Service - To the extent not precluded by the operation of
25 Section 4.1, and except as otherwise provided in Section 4.4, an individual shall receive partial or full
26 credit for service, as follows:

27
28 (a) Vesting - For purposes of determining the extent to which a Participant
29 is vested in his or her Accrued Benefit, he or she shall receive credit on the basis of the number of his
30 or her Years of Eligibility Service. However, for Plan Years which contain the Participant's
31 Employment Commencement Date, Reemployment Commencement Date, and the date of his or her
32 termination of employment with the County, he or she shall receive fractional credit equal to 1/12th
33 of a Year of Eligibility Service for each calendar month during which he or she was an Employee for
34 the entire month. Notwithstanding the foregoing, the Participant shall receive fractional credit equal
35 to 1/12th of a Year of Eligibility Service if he or she was an Employee for at least one day during the
36 month which contains the Participant's Employment Commencement Date or Reemployment
37 Commencement Date, but he or she shall receive no fractional credit with respect to the month which
38 contains the date of his or her termination of employment with the County unless he or she was an
39 Employee for the entire month.

40
41 (b) Eligibility for Retirement - For purposes of determining whether a
42 Participant is eligible for retirement, he or she shall receive credit on the basis of the number of his or

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 her Years of Eligibility Service. However, for Plan Years which contain the Participant's
2 Employment Commencement Date, Reemployment Commencement Date, and the date of his or her
3 termination of employment with the County, he or she shall receive fractional credit equal to 1/12th
4 of a Year of Eligibility Service for each calendar month during which he or she was an Employee for
5 the entire month. Notwithstanding the foregoing, the Participant shall receive fractional credit equal
6 to 1/12th of a Year of Eligibility Service if he or she was a Covered Employee for at least one day
7 during the month which contains the Participant's Employment Commencement Date or
8 Reemployment Commencement Date, but he or she shall receive no fractional credit with respect to
9 the month which contains the date of his or her termination of employment with the County unless he
10 or she was an Employee for the entire month.

11
12 (c) Benefit Accrual - For purposes of determining the extent to which a
13 Participant shall accrue benefits, he or she shall receive credit on the basis of the number of his or her
14 Years of Creditable Service. For Plan Years during which a Participant earns at least 700 Hours of
15 Service, but fails to earn a Year of Creditable Service, he or she shall receive credit for a fractional
16 Year of Creditable Service. For the Plan Years which contain the Participant's Employment
17 Commencement Date and his or her Termination Date, he or she shall receive fractional credit even
18 if he or she earns fewer than 700 Hours of Service. For purposes of calculating the fractional service
19 described in this Section 4.3(c), the numerator of the fraction shall be the number of Hours of Service
20 earned by the Participant as a Covered Employee during the Plan Year and the denominator shall be
21 the number of Hours of Service in a Year of Creditable Service.

22
23
24 4.4 Transfer of Credited Service; Purchase of Service Credit; Military Service - A
25 Participant may elect to receive credit for service (whether or not it would be considered a Year of
26 Eligibility Service or Year of Creditable Service had it been performed for the County) transferred
27 from another employer provided there is no break in employment between the Participant's
28 employment with such other Government Employer and commencement of service for the County.
29 If such service is transferred and recognized under the Plan, the number of years of service credited
30 and the amount of the benefit payable to the Participant pursuant to Section 6.1 shall be adjusted in
31 accordance with the following provisions:

32
33 (a) Conditions for Transfer -

34
35 (i) Credit for Years of Eligibility Service and Years of Creditable
36 Service shall be granted to any Participant: (A) who irrevocably elects, within the later of (1) one
37 year of first performing an Hour of Service as a Covered Employee, or (2) within 90 days following
38 July 1, 1998, to transfer the amount of any Participant contributions made to another Government
39 Employer Retirement Plan under which he or she was covered, together with interest previously
40 credited by such plan to this Plan; and (B) who is participating in a plan which provides for the transfer
41 of credit for service and contributions to this Plan. Notwithstanding the foregoing, service credit shall
42 be given for service transferred only to the extent required by, and in accordance with, the provisions

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any
2 successor statute. The provisions of this Section 4.4 shall be treated as the rules, regulations,
3 guidelines, and policies of this Plan within the meaning of Section 37-204 of the State Personnel and
4 Pensions Article of the Annotated Code of Maryland, or any successor statute. With respect to service
5 transferred pursuant to Section 37.203.1(d) of the State Personnel and Pensions Article of the
6 Annotated Code of Maryland, pertaining to transfers of service from certain contributory systems of
7 the State of Maryland, or any successor statute, the deposit of sums in addition to the transfer of the
8 Participant's contributions may be accomplished by one or more of the following methods: (1) a
9 lump sum cash payment to the Plan, (2) a rollover from another employer's qualified retirement plan,
10 (3) a rollover from an eligible deferred compensation plan established pursuant to Section 457(b) of
11 the Code, (4) a rollover from a tax deferred annuity established pursuant to Section 403(b) of the
12 Code, or (5) a rollover from an individual retirement account established pursuant to Section 408(a)
13 of the Code.

14
15 (ii) If the Covered Employee was not required to make
16 contributions to such other Government Employer Retirement Plan for all years of participation in
17 such other Government Employer Retirement Plan and on all Compensation paid to the Covered
18 Employee, he or she may, nonetheless, elect to receive credit for Years of Eligibility Service and
19 Years of Creditable Service under this Plan. Such election: (A) shall be irrevocable; (B) shall be made
20 within the later of (1) one year of first performing an Hour of Service as a Covered Employee, or (2)
21 within 90 days following July 1, 1998; and (C) shall be contingent upon the complete forfeiture of
22 benefits and service credits under the Government Employer Retirement Plan from which service
23 credit is being transferred. Notwithstanding the foregoing, service credit shall be given for service
24 transferred only to the extent required by, and in accordance with, the provisions of Title 37 of the
25 State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute.
26 The provisions of this Section 4.4 shall be treated as the rules, regulations, guidelines, and policies of
27 this Plan within the meaning of Section 37-204 of the State Personnel and Pensions Article of the
28 Annotated Code of Maryland.

29
30 (iii) Any other Covered Employee may elect to receive credit for
31 Years of Eligibility Service and Years of Creditable Service (to a maximum of 10 years) to the extent
32 of the Covered Employee's service performed (1) with a state, municipality or political subdivision
33 with the United States of America, including the County, (2) with a Government Employer which is
34 not recognized in subparagraphs (i) or (ii) hereof, (3) with the government of the United States of
35 America, or (4) with private, parochial or out-of-state schools, provided such service is earned as a
36 teacher. Such election is available only if the Participant is not entitled to receive any retirement or
37 pension benefits derived from employer contributions with respect to the service performed for the
38 Government Employer. If the Participant does so elect, he or she shall be required to pay over to the
39 Plan the amounts determined in accordance with the following:

40
41 (A) Cost of Purchase - It is the intent of the County that a
42 Participant who elects to purchase credit for service hereunder pay the full actuarial cost of the credit

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 for service. The Participant's election to purchase service shall include an election by the Participant
2 of an assumed retirement date (the "Assumed Retirement Date") upon which the cost to purchase
3 service will be based. The cost of the purchase equals the present value of the Participant's projected
4 Accrued Benefit including the credit for the service purchased hereunder and calculated on the basis
5 of the Participant's Assumed Retirement Date, less the present value of the Participant's projected
6 Accrued Benefit without the service credit purchased hereunder. Present value will be determined
7 using the interest, post-retirement mortality, post-retirement benefit increase and pay increase
8 assumptions used by the enrolled actuary to perform the most recent actuarial valuation of the Plan.
9

10 (B) Timing of Election to Purchase Service - If the
11 Participant makes an election to purchase service under this Section 4.4(a)(iii), the election shall be
12 made, and the Participant shall make the required payments to the Plan, within the twelve month
13 period ending on the Participant's Termination Date. Notwithstanding the foregoing, the Participant's
14 election of the timing of payment for credit for service may be modified by the County to the extent
15 necessary to conform to Section 415 of the Internal Revenue Code.
16

17 (C) Methods of Payment for Purchased Service – The
18 Participant's election to purchase credit for service shall also include an election of the method by
19 which the Participant will purchase the credit for service. The Participant may pay over to the Plan
20 the amounts calculated pursuant to subsection (A) hereof by either (1) a lump sum cash payment to
21 the Plan, (2) a rollover from another employer's qualified retirement plan, (3) a rollover from an
22 eligible deferred compensation plan established pursuant to Section 457(b) of the Code, (4) a rollover
23 from a tax deferred annuity established pursuant to Section 403(b) of the Code, (5) a rollover from an
24 individual retirement account established pursuant to Section 408(a) of the Code, (6) installment
25 payments by the Participant to the Plan, or (7) a combination of any of the methods designated in (1)
26 through (6). Installment payments pursuant to (6) above may be made on either, but not both, an
27 after-tax basis, or, following the effective date of Section 5.4(a)(iii), a pre-tax basis. If the Participant
28 elects to purchase the credit in whole or in part by pre-tax installment payments pursuant to
29 Section 5.4(a)(iii), such a purchase shall be pursuant to a binding, irrevocable payroll deduction
30 authorization between the County and the Participant which provides for the number of payroll
31 deductions and the dollar amount of each deduction. After-tax installment payments may be made
32 by either, but not both, payroll deduction or direct payment by the Participant to the Plan.
33 Notwithstanding the foregoing, the Participant's election of the method of payment for purchased
34 service may be modified by the County to the extent necessary to conform to Section 415 of the
35 Internal Revenue Code.
36

37 (D) Retirement Before or After Assumed Retirement Date
38 - If a Participant reaches a Termination Date on a date other than the Participant's Assumed
39 Retirement Date, but after the Participant's Early Retirement Date, the credit for service purchased
40 by the Participant will be adjusted so that the amount of credit purchased equals the amount that would
41 have been purchased (based on the Participant's actual contributions) if the actual Termination Date
42 had been used (rather than the Assumed Retirement Date) for purposes of calculating the cost of the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 service. If the adjustment reduces the amount of credit purchased, the Participant may pay over to
2 the plan, in one lump sum, an amount necessary to purchase the credit for the service which would
3 have been awarded if the Participant terminated employment on the Assumed Retirement Date,
4 provided such payment does not constitute a violation of Section 415 of the Internal Revenue Code.
5 If the adjustment increases the amount of credit purchased over the credit which would have been
6 awarded if the Participant terminated employment on the Assumed Retirement Date, the excess will
7 be used to provide an additional monthly benefit to the Participant.

8
9 (E) Return of Payments After Five Years of Service for
10 County - If a Participant reaches a Termination Date prior to his or her Normal Retirement Date, but
11 after completing five Years of Eligibility Service as a County Employee, without regard to service
12 purchased or transferred or received on account of Military Service, the Participant, or the
13 Participant's Beneficiary, may elect, at any time following the Participant's Termination Date, to
14 receive a return of the payments made pursuant to this Section 4.4(a)(iii), plus interest at the rate
15 determined under (a) hereof, in the form of either (1) a lump sum payment, or (2) a monthly benefit
16 equivalent to the lump sum payment, with the equivalence to be determined pursuant to the factors
17 utilized pursuant to (a) hereof. Notwithstanding the foregoing, the Participant's election with respect
18 to receipt of a return of payments may be modified to the extent necessary to conform to Section 415
19 of the Internal Revenue Code.

20
21 (F) Return of Payments Prior to Five Years of Service for
22 County - If a Participant reaches a Termination Date prior to the date the Participant completes five
23 Years of Eligibility Service as a County Employee, without regard to service purchased or transferred
24 or received on account of Military Service, the Participant, or the Participant's Beneficiary, will
25 receive, as soon as practical following the Participant's Termination Date, a return of the payments
26 made pursuant to this Section 4.4(a)(iii), plus interest at the rate determined under (a) hereof, in the
27 form of a lump sum payment. Notwithstanding the foregoing, the Participant's receipt of a return of
28 payments may be modified to the extent necessary to conform to Section 415 of the Internal Revenue
29 Code. Notwithstanding the foregoing, to the extent the distribution exceeds \$1,000 and is an "eligible
30 rollover distribution," as defined in Section 8.4, the distribution will be made only at the election of
31 the Participant.

32
33 (iv) Any Covered Employee as of June 30, 1993, may have elected
34 to receive credit for Years of Eligibility Service and Years of Creditable Service for service
35 recognized or performed under the Maryland State Retirement Systems. Such election must be
36 irrevocable and must have been made prior to June 30, 1993. Any such service is not subject to the
37 restrictions of other subsections of Section 4.4(a).

38
39 (v) Any Covered Employee may elect to receive service credit for
40 his or her Military Service as follows (subject to any applicable law which mandates additional
41 benefits):

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (A) If a Participant's service with the County is interrupted
2 by Military Service, he or she will receive credit for Years of Eligibility Service and Years of
3 Creditable Service to the extent of his or her Military Service (to a maximum of five years unless a
4 greater amount is required by law) provided that he or she resumes employment with the County
5 within one year of his or her discharge from Military Service.

6
7 (B) If a Participant's Military Service precedes his or her
8 Employment Commencement Date, the Participant will receive credit for Years of Eligibility Service
9 and Years of Creditable Service to the extent of his or her Military Service (to a maximum of five
10 years) provided that he or she (1) earns 10 Years of Eligibility Service other than his or her Military
11 Service, and (2) makes the election to receive service credit pursuant to this Section 4.4(a)(v)(B) prior
12 to the date he or she ceases to be an Employee.

13
14 (C) A Participant will not receive credit for service
15 pursuant to Section 4.4(a)(v)(A) if the service was rendered for the Peace Corps or the Volunteers in
16 Service to America or is service which is not "service in the uniformed services" within the meaning
17 of the Uniformed Services Employment and Reemployment Rights Act of 1994. A Participant will
18 not receive credit for service pursuant to Section 4.4(a)(v)(B): (1) if the Military Service has been
19 previously recognized by the Maryland State Retirement System, (2) if the Participant is entitled to
20 receive a pension benefit (except for disability benefits, Social Security benefits or benefits under the
21 National Railroad Retirement, National Guard or military reserve, or a pension described in Chapter
22 1223 of the United States Code) from another retirement system, on account of the Military Service,
23 or (3) if the service was rendered for the National Guard, Merchant Marine Service, Military Reserve
24 Service, the Peace Corps or Volunteers in Service to America.

25
26 (vi) Notwithstanding a Participant's status as a Uniformed
27 Participant, service transferred pursuant to this Article IV shall be credited as Years of Creditable
28 Service and Years of Eligibility Service as a Uniformed Participant only if the service transferred was
29 earned in a position for the prior Government Employer which would be classified as "Uniformed"
30 pursuant to the definition of Uniformed Employee in Article I. Otherwise, service will be credited as
31 Years of Creditable Service and Years of Eligibility Service as a Non-Uniformed Participant as if
32 credited under the Frederick County Employees Retirement Plan.

33
34 (b) Amount of Credited Service – For service transferred pursuant to
35 Section 4.4(a)(i) and (ii), a Participant shall receive credit for Years of Eligibility Service and Years
36 of Creditable Service only to the extent required under the provisions of Title 37 of the State Personnel
37 and Pensions Article of the Annotated Code of Maryland. The provisions of this Section 4.4 shall be
38 treated as the rules, regulations, guidelines, and policies of this Plan within the meaning of Section
39 37-204 of the State Personnel and Pensions Article of the Annotated Code of Maryland. Furthermore,
40 a Participant shall receive no more than 12 months of service credit toward a Year of Eligibility
41 Service and a Year of Creditable Service for service transferred or earned as a County Employee in
42 one 12 month period. Furthermore, only service transferred pursuant to Section 4.4(a)(i) and 4.4(a)(ii)

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 that would have been deemed to be service as a Uniformed Employee if earned for the County will
2 be credited as service as a Uniformed Participant for all purposes under the Plan.

3
4 (c) Adjustments to Monthly Retirement Income - A Participant's monthly
5 retirement income calculated pursuant to Article VI shall be adjusted with respect to service
6 transferred pursuant to Section 4.4(a)(ii) to the fullest extent allowed by, and in accordance with, the
7 provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland,
8 or any successor statute. The provisions of this Section 4.4 shall be treated as the rules, regulations,
9 guidelines, and policies of this Plan within the meaning of Section 37-204 of the State Personnel and
10 Pensions Article of the Annotated Code of Maryland. For purposes of determining the amount of the
11 adjustment described in this Section 4.4(c), the accumulated employee contributions shall be
12 calculated using the rate set forth in the definition of "Employee Contributions Benefit." To the extent
13 a determination of actuarial equivalence must be made to make any adjustments to Participants'
14 benefits in accordance with Section 4.4(c), the actuarial equivalent will be determined using the
15 interest, unisex post-retirement mortality and post-retirement benefit increase assumptions used by
16 the enrolled actuary to perform the most recent actuarial valuation of the Plan.

17
18 (d) Retirement Within Five Years of Transferring Service -
19 Notwithstanding any other provision of this Section 4.4, if a Participant reaches a Termination Date,
20 other than by reason of death, and begins receiving payment of benefits pursuant to Article VIII within
21 five years after the Participant's Employment Commencement Date or Reemployment
22 Commencement Date preceding the transfer of service, the portion of the Participant's monthly
23 retirement income payable with respect to the service credit transferred pursuant to Sections 4.4(a)(i)
24 or 4.4(a)(ii) may not be greater than the benefit that would have been payable by the other Government
25 Employer Retirement Plan with respect to that service if the Participant had remained a Participant in
26 the other Government Employer Retirement Plan.

27
28
29 END OF ARTICLE IV
30

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

ARTICLE V

Funding of Benefits

5.1 Payment of Contributions - The funding of the Plan and payment of benefits hereunder shall be provided for through the medium of the Trust. The Trust shall accept transfer of funds from the Maryland State Retirement Systems consistent with the elections made by Participants pursuant to Section 4.4(a) (iv) of the Plan. The County, from time to time, shall make contributions to the Trust in amounts determined, in accordance with generally accepted actuarial principles, to be sufficient to support the contributions required under Section 5.4, and the contributions and transfers made pursuant to Section 5.5, and to fund the benefits provided by the plan.

5.2 Disposition of Forfeitures - Any forfeiture arising under the provisions of the Plan shall be used to reduce the then current or future costs of funding the benefits provided in the Plan.

5.3 Actuarial Examination - The County shall, at least once every other Plan Year, cause the liabilities of the Plan to be evaluated by a qualified actuary who shall report to the County as to the amount of the Trust assets in relation to the said liabilities and the amount of the annual County contribution sufficient to meet the requirements of Section 5.1.

5.4 Pick-Up Contributions - Under limited circumstances described below, Participant contributions and monies from other Government Employers may be accepted by the Plan.

(a) Types of Contributions/Transfers -

(i) County Pick-Up Contributions - In accordance with rules established by the County, each Participant shall make contributions to the Plan equal to 9% of Compensation earned as a Uniformed Employee. The Participant contributions referred to in this Section 5.4 shall be picked up by the County, as described in Section 414(h)(2) of the Internal Revenue Code, deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Trustees with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The contributions made pursuant to this Section 5.4 shall be made a part of the Participant's Employee Contributions Benefit, and as such, a part of his or her Accrued Benefit.

(ii) Transfer of Pick-Up Contributions from Other Government Employers - Pursuant to the provisions of Section 4.4(a), the Trust may accept a transfer of monies directly from another Government Employer Retirement Plan. Such transfer shall consist of contributions made by the Participant, but characterized by such other Government Employer as employer pick-up contributions, plus earnings previously credited upon such contributions. Such

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 amounts shall be made a part of the Participant's Employee Contributions Benefit, that is, a part of
2 his or her Accrued Benefit.

3
4 (iii) Purchase of Service Pick-Up Contributions - Pursuant to the
5 provisions of Section 4.4(a)(iii), a Participant may enter into a payroll deduction authorization with
6 the County pursuant to which the Participant may purchase credit for service. The Participant
7 contributions referred to in this Section 5.4(a)(iii) shall be picked up by the County, as described in
8 Section 414(h)(2) of the Internal Revenue Code, deducted from the pay of the contributing Participant
9 as salary reduction contributions, and paid by the County to the Trustees with reasonable promptness
10 after the total of such contributions during any month has been determined, and in any event by the
11 end of the succeeding month. This provision shall be effective 30 days following the date the County
12 receives a ruling from the Internal Revenue Service that contributions made pursuant to this Section
13 5.4(a)(iii) qualify as pick-up contributions under Section 414(h)(2) of the Internal Revenue Code.

14
15 (b) Suspension of Contributions - A Participant's salary reduction
16 contributions shall be automatically suspended for any payroll period during which he or she is not a
17 Covered Employee or during which he or she is on an unpaid Leave of Absence. A Participant's
18 salary reduction contributions shall automatically be suspended as of the first payroll period following
19 the date the Participant's Years of Creditable Service are no longer counted for purposes of
20 determining the amount of the Participant's monthly retirement income due to limitations on the
21 Years of Creditable Service awarded pursuant to Article VI.

22
23 (c) Withdrawals of Pick-Up Contributions - A Participant who has
24 reached his or her Termination Date may elect, at any time, to receive a Cash-Out by filing a written
25 notice of such election with the Administrator. The Cash-Out shall constitute full payment of all
26 benefits due to such Participant under the Plan.

27
28 (d) Forfeiture of Remaining Accrued Benefit - In the event of a Cash-Out
29 to a Participant pursuant to this Section 5.4, then, subject to restoration provided in Section 3.2(d), the
30 entire remaining portion of his or her Accrued Benefit shall be forfeited by him or her.

31
32 (e) Vesting of Pick-Up Contributions - Notwithstanding any provisions of
33 this Plan to the contrary, Participant contributions, picked up either by the County or by other
34 Government Employers and made or transferred to the Plan, shall be fully vested at all times.

35
36 (f) Payment of Benefits - Subject to the right of withdrawal described
37 above, the benefits purchased from the Participant's contributions shall be payable at the same time,
38 in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as
39 is the remainder of his or her Accrued Benefit.

40
41 (g) Plan Termination - In the event of a termination of the Plan,
42 distribution to each Participant of the portion of his or her Accrued Benefit attributable to his or her

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 contributions picked up by the County shall, notwithstanding any other provision of Section 13.3, be
2 treated as a priority distribution ahead of any other distribution to Participants based upon the
3 remainder of the Trust, other than those attributable to contributions made pursuant to Section 5.5.
4

5 5.5 Participant Contributions - Under limited circumstances, as described below,
6 other Participant contributions may be accepted by the Plan.
7

8 (a) Characterization - The contributions made pursuant to this Section 5.5
9 shall be distinct from those made pursuant to Section 5.4 as to the character of such contributions.
10 Whereas Section 5.4 contributions shall be classified as County, or other Government Employer,
11 contributions picked up from the pay of Participants, contributions made pursuant to this Section 5.5
12 shall be after-tax contributions either made directly by the Participant or, in some cases, transferred
13 from a retirement plan sponsored by another Government Employer.
14

15 (b) Limitations - A Participant may elect to make contributions pursuant
16 to this Section 5.5, or to have his or her contributions previously made to another Government
17 Employer Retirement Plan transferred to this Plan, within the following limitations:
18

19 (i) A Participant who elects to restore credit for service and
20 benefits, as described in Section 3.2(d), shall pay over to the Plan the amount of any Cash-Out
21 previously made to him or her, with interest thereon.
22

23 (ii) A Participant who is on an approved Leave of Absence, as
24 described in Section 4.2, and who elects to receive service credit in accordance with Section 4.2, shall
25 pay over to the Plan the contributions plus interest as described in Section 4.2(a) or the Actuarial
26 Equivalent of his or her projected benefit as described in Section 4.2(b), as the case may be.
27

28 (iii) Trustees shall accept a direct transfer of after-tax Participant
29 contributions, together with interest thereon, from another Government Employer, provided such
30 contributions were made by a Covered Employee who elects to transfer service from another
31 Government Employer Retirement Plan, as described in Section 4.4(a).
32

33 (iv) A Covered Employee who elects to purchase credit for service
34 performed with another employer as described in Section 4.4(a) shall pay over to the Plan the
35 Actuarial Equivalent of his or her projected benefit, as described in Section 4.4(a).
36

37 (c) Procedures - All Participant contributions or transfers made pursuant
38 to this Section 5.5 shall be paid to the Trust or, in the case of payroll deductions required under Section
39 5.5(b)(i), withheld by the County and remitted to the Trustees.
40

41 (d) Separate Accounting - Participant contributions, whether made
42 directly or transferred from another retirement plan, as aforesaid, shall be made a part of the

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Participant's Employee Contributions Benefit, which shall be a part of the Accrued Benefits of the
2 respective Participants.

3
4 (e) Withdrawals of Participant Contributions - A Participant who has
5 reached his or her Termination Date may elect, at any time, to receive a Cash-Out of his or her
6 Employee Contributions Benefit, by filing a written notice of such election with the Administrator.
7 Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

8
9 (f) Forfeiture of Remaining Accrued Benefit - In the event of a Cash-Out
10 to a Participant pursuant to this Section 5.5, then, subject to restoration provided in Section 3.2(d), the
11 entire remaining portion of his or her Accrued Benefit shall be forfeited by him or her.

12
13 (g) Vesting of Participant Contributions -Notwithstanding any provisions
14 of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 5.5
15 shall be fully vested at all times.

16
17 (h) Payment of Benefits - Subject to the right of withdrawal described
18 above, the benefits purchased from the Participant's contributions shall be payable at the same time,
19 in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as
20 is the remainder of his or her Accrued Benefit.

21
22 (i) Plan Termination - In the event of a termination of the Plan,
23 distribution to each Participant of the portion of his or her Accrued Benefit attributable to his or her
24 Participant contributions shall, notwithstanding any other provision of Section 13.3, be treated as a
25 priority distribution ahead of any other distribution to Participants based upon the remainder of the
26 Trust.

27
28
29 END OF ARTICLE V
30

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE VI

2
3 Pension Benefits

4
5 6.1 Normal Retirement - Except as otherwise provided in this Article VI, a
6 Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her
7 Normal Retirement Date but after June 30, 1993 shall be entitled to receive a monthly retirement
8 income, beginning with the first day of the month coincident with or otherwise next following his or
9 her Normal Retirement Date and continuing for the remainder of his or her life; provided, however,
10 if a Participant who receives monthly benefits pursuant to this Section 6.1, and does not elect an
11 optional form of benefit under Section 8.2 dies before he or she has received in payments the value
12 of his or her Employee Contributions Benefit, determined at the time of his or her Termination Date,
13 the balance of the value of his or her Employee Contributions Benefit, shall be paid to his or her
14 Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 9.1. Subject
15 to Sections 3.2(d), and subject to the limitations set forth in Sections 4.4 and 6.6, the amount of the
16 monthly retirement income shall be equal to one of the following:

17
18 (a) Uniformed Participants – Subject to Section 6.1(d), the monthly
19 retirement income for Uniformed Participants who reach a Termination Date on or after July 1, 2000
20 shall be equal to:

21
22 (i) 2.5%, multiplied by the Participant's Highest Average
23 Compensation, then multiplied by the lesser of: (A) 20, or (B) the number of Years of Creditable
24 Service (and fractional years) earned by the Participant, plus

25
26 (ii) 2.0%, multiplied by the Participant's Highest Average
27 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
28 Service (and fractional years) earned by the Participant in excess of 20, plus

29
30 (iii) 2.0%, multiplied by the Participant's Highest Average
31 Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by
32 the Participant for unused sick time pursuant to Section 6.1(c) hereof.

33
34 (b) Dual Service Participants - Subject to Section 6.1(e), the monthly
35 retirement income for Dual Service Participants who reach a Termination Date on or after July 1,
36 2000 shall be equal to:

37
38 (i) 2.5%, multiplied by the Participant's Highest Average
39 Compensation, then multiplied by the lesser of: (A) 20, or (B) the number of Years of Creditable
40 Service (and fractional years) earned by the Participant as a Uniformed Participant, plus
41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) 2.0%, multiplied by the Participant's Highest Average
2 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
3 Service (and fractional years) earned by the Participant as a Uniformed Participant in excess of 20,
4 plus

5
6 (iii) 2.0%, multiplied by the Participant's Highest Average
7 Compensation, then multiplied by the lesser of: (A) 30 minus the lesser of: (1) 28, or (2) the number
8 of Years of Creditable Service (and fractional years) earned by the Participant as a Uniformed
9 Participant, or (B) the number of Years of Creditable Service (and fractional years) earned by the
10 Participant as a Non-Uniformed Participant, plus

11
12 (iv) the Participant's Highest Average Compensation multiplied
13 by the Years of Creditable Service (and fractional years) earned by the Participant for unused sick
14 time pursuant to Section 6.1(d) hereof, then multiplied by 2.0%.

15
16 (c) Credit for Accrued Sick Leave - Solely for purposes of determining
17 the amount of the Participant's benefits payable pursuant to Sections 6.1 or 6.3, the Participant shall
18 receive up to two additional Years of Creditable Service for unused sick leave. Unused sick leave
19 shall be credited by dividing the number of accrued sick leave hours as of the Participant's
20 Termination Date by the number of hours in the Participant's regularly scheduled work day as of the
21 Participant's Termination Date, then dividing the product by 22, then further dividing the product by
22 12 and rounding to the closest 10,000th.

23
24 (d) Uniformed Participants Hired On or After July 1, 2011 - The monthly
25 retirement income for Uniformed Participants whose Employment Commencement Date is on or after
26 July 1, 2011 shall be equal to:

27
28 (i) 2.5%, multiplied by the Participant's Highest Average
29 Compensation, then multiplied by the lesser of (A) 20, or (B) the number of Years of Creditable
30 Service (and fractional years) earned by the Participant, plus

31
32 (ii) 2.0%, multiplied by the Participant's Highest Average
33 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
34 Service (and fractional years) earned by the Participant in excess of 20, plus

35
36 (iii) 2.0%, multiplied by the Participant's Highest Average
37 Compensation, then multiplied by the Years of Creditable Service (and fractional years) earned by
38 the Participant for unused sick time pursuant to Section 6.1(d) hereof.

39
40 (e) Dual Service Participants Hired On or After July 1, 2011 - The
41 monthly retirement income for Dual Service Participants whose Employment Commencement Date
42 is on or after July 1, 2011 shall be equal to:

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (i) 2.5%, multiplied by the Participant's Highest Average
3 Compensation, then multiplied by the lesser of (A) 20, or (B) the number of Years of Creditable
4 Service (and fractional years) earned by the Participant as a Uniformed Participant, plus
5

6 (ii) 2.0%, multiplied by the Participant's Highest Average
7 Compensation, then multiplied by the lesser of: (A) eight, or (B) the number of Years of Creditable
8 Service (and fractional years) earned by the Participant in excess of 20 as a Uniformed Participant,
9 plus
10

11 (iii) 1.67%, multiplied by the Participant's Highest Average
12 Compensation, then multiplied by the lesser of: (A) 36 minus the lesser of: (1) 28 or (2) the number
13 of Years of Creditable Service (and fractional years) earned by the Participant as a Uniformed
14 Participant, or (B) the number of Years of Creditable Service (and fractional years) earned by the
15 Participant as a Non-Uniformed Participant, plus
16

17 (iv) The Participant's Highest Average Compensation, then
18 multiplied by the Years of Creditable Service (and fractional years) earned by the Participant for
19 unused sick time pursuant to Section 6.1(d) hereof, multiplied by either: (A) 2.0%, if the Participant
20 is a Uniformed Participant on the Participant's Termination Date, or (B) 1.67% if the Participant is a
21 Non-Uniformed Participant on the Participant's Termination Date.
22

23 (f) Notwithstanding the preceding provisions of this Section 6.1, a
24 Participant whose Reemployment Commencement Date as an Employee other than a Covered
25 Employee occurs on or after July 1, 2012, or a Participant whose employment classification changes
26 to that of an Employee other than a Covered Employee on or after July 1, 2012, but who was a
27 Participant prior to his or her termination of employment with the County shall be entitled only to
28 those benefits accrued under the relevant provisions of this Section 6.1 prior to the later of: July 1,
29 2012, or the date the Participant ceased to be a Covered Employee.
30

31 6.2 Early Retirement – The Plan does not provide for early retirement benefits.
32

33 6.3 Delayed Retirement - In the event a Participant remains a Covered Employee
34 after his or her Normal Retirement Date, then, subject to the limitations set forth in Section 6.6, and
35 except as otherwise provided in Section 8.3(a), he or she shall be entitled to receive, commencing on
36 the first day of the month coincident with or otherwise next following his or her Termination Date,
37 the benefit to which he or she would have been entitled pursuant to Section 6.1 if he or she had retired
38 at his or her Normal Retirement Date, but adjusted by including any additional Years of Creditable
39 Service which have accrued since his or her Normal Retirement Date (up to the maximum number of
40 years described in Section 6.1), and (notwithstanding any provision in the definition of Highest
41 Average Compensation to the contrary) by taking into account any increases in Highest Average

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 Compensation which may be generated by increases in Compensation earned since his or her Normal
2 Retirement Date.

3
4 As of the date a Uniformed Participant completes Years of Creditable Service totaling
5 28 years, contributions picked up by the County and made on his or her behalf to the Plan, pursuant
6 to Section 5.4(a)(i), but not Section 5.4(a)(iii), shall be discontinued.

7
8 6.4 Disability Benefits - The Plan shall pay disability benefits determined in
9 accordance with the following provisions:

10
11 (a) Ordinary Disability - If a Participant reaches a Termination Date by
12 reason of total and permanent disability and, if he or she is 100% vested pursuant to Section 6.5, he
13 or she shall be entitled to a monthly disability benefit equal to the lesser of: (i) his or her Accrued
14 Benefit, calculated on the basis of his or her Years of Creditable Service accumulated as of his or her
15 date of disability, plus his or her projected Years of Creditable Service, projecting Creditable Service
16 until the Participant's Normal Retirement Date, based on age and/or projected Years of Eligibility
17 Service, or (ii) 50% of his or her Highest Average Compensation as of the date the Participant's total
18 and permanent disability causes the Participant's loss of earning capacity. A Participant who reaches
19 a Termination Date by reason of total and permanent disability before he or she is 100% vested
20 pursuant to Section 6.5 shall be entitled to receive a lump sum distribution of his or her Employee
21 Contributions Benefit pursuant to Sections 6.5 and 8.2(c).

22
23 (b) Line of Duty Disability - A Participant (regardless of his or her length
24 of service or vested status) who terminates employment by reason of total and permanent disability,
25 incurred as a result of an accident or injury which has been sustained as an active Covered Employee
26 and which has been ruled compensable under the Maryland Workers' Compensation Act, shall be
27 entitled to receive a monthly benefit equal to the greater of: (i) the benefit determined pursuant to
28 Section 6.4(a), or (ii) 66-2/3% of the Participant's Highest Average Compensation.

29
30 (c) Disability Benefits - Part-Time Employees. For purposes of
31 calculating the limitations under Sections 6.4(a)(ii) and 6.4(b)(ii), the Highest Average Compensation
32 of a Participant who was not employed on a full time basis shall be calculated on the basis of his or
33 her Compensation and not the full time equivalent of his or her Compensation.

34
35 (d) General Provisions Relating to Disability -

36
37 (i) Commencement of Benefits: Disability benefits shall
38 commence on the first day of the month coincident with or otherwise next following the determination
39 of disability by the County.

40

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) Form of Benefit: The benefits payable pursuant to this Section
2 6.4 shall be payable in the normal form provided by Section 6.1, unless an optional form of payment
3 has been elected pursuant to Section 8.2.

4
5 (iii) Total and Permanent Disability: For purposes of the initial
6 determination of a Participant's disability, total and permanent disability shall mean a medically
7 determinable physical or mental impairment which can be expected to be permanent or result in death,
8 and by reason of which the Participant will be prevented from performing the usual duties of his or
9 her position with the County. Such total and permanent disability must be evidenced by a certificate
10 of a physician selected or approved by the County. However, total and permanent disability shall not
11 include any injury or disease which: (i) resulted from or consists of chronic alcoholism or addiction
12 to narcotics, (ii) was contracted, suffered or incurred while the Participant was engaged in, or resulted
13 from his or her having engaged in, a criminal enterprise, (iii) was intentionally self-inflicted (iv) arose
14 as a result of willful negligence on the part of the Participant.

15
16 (iv) Classification of Line of Duty Disability:

17
18 (A) The disability of a Participant who is awarded line of
19 duty disability benefits shall be classified as "catastrophic" or "non-catastrophic." "Catastrophic
20 disability" means a line of duty disability by reason of which the Participant applies for and is
21 awarded disability benefits pursuant to Section 223 of the Federal Social Security Act (42 U.S.C.
22 Section 423), or any successor statute. "Non-catastrophic disability" means a line of duty disability
23 which is not a catastrophic disability.

24
25 (B) A Participant's line of duty disability shall be
26 classified as a "non-catastrophic disability" until the Participant provides the County with evidence
27 of the award of Social Security disability benefits.

28
29 (C) To be eligible for the classification of line of duty
30 disability benefits as "catastrophic," the Participant must not have been receiving Social Security
31 disability benefits as of his or her Termination Date, and must apply for Social Security disability
32 benefits no later than 90 days following his or her Termination Date.

33
34 (D) As soon as administratively practical after receipt of
35 the notification of the award of Social Security disability benefits, the Participant's monthly benefit
36 shall be converted to a catastrophic line of duty disability benefit. With respect to a Participant
37 who receives an award of Social Security disability benefits after having attained his or her Normal
38 Retirement Date, based on age and/or projected Years of Eligibility Service, the conversion to a
39 catastrophic line of duty disability benefit shall be effective as of the later of: (1) the first day of
40 the month as of which the Participant receives benefits pursuant to this Section 6.4, or (2) the date
41 the Participant attained his or her Normal Retirement Date, based on age and/or projected Years
42 of Eligibility Service.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (E) As of the July 1 following the date the Participant
3 ceases to be eligible for Social Security disability benefits, the Participant's line of duty disability
4 shall be classified, retroactively if necessary, as a "non-catastrophic line of duty disability." If the
5 Participant has attained his or her Normal Retirement Date, based on age and/or projected Years
6 of Eligibility Service, on the date he or she ceases to be eligible for Social Security disability
7 benefits, his or her benefits will convert to a normal retirement benefit, as provided in Section
8 6.4(d)(x), as of the first day of the following month. Notwithstanding the foregoing, the cessation
9 of the Social Security disability benefits upon the Participant's reaching Social Security retirement
10 age shall not result in a reclassification of the Participant's catastrophic line of duty disability
11 benefits.

12
13 (v) Workers Compensation Benefit and Earned Income Offset:

14
15 (A) A Participant's benefits payable pursuant to this
16 Section 6.4 shall be reduced by \$1.00 for each \$1.00 received by the Participant under the Maryland
17 Workers' Compensation Act as compensation for an accident or injury underlying the Participant's
18 total and permanent disability.

19
20 (B) Until a Participant who has reached a termination by
21 reason of total and permanent disability attains his or her Normal Retirement Date, based on age
22 and/or projected Years of Eligibility Service, the Participant's benefits payable pursuant to Section
23 6.4(a) and Section 6.4(b), but only with respect to a non-catastrophic line of duty disability, shall be
24 reduced by \$1.00 for each \$2.00 of the Participant's earned income in excess of 25% of the
25 Participant's Highest Average Compensation. A Participant's Highest Average Compensation for
26 these purposes shall be adjusted annually each July 1 in accordance with Section 6.4(d)(xiii). The
27 amount of earned income shall be determined based on income earned by the Participant during the
28 prior calendar year.

29
30 (vi) Until a Participant who has reached a Termination Date by
31 reason of total and permanent disability attains his or her Normal Retirement Date, based on age
32 and/or projected Years of Eligibility Service, the continuation of his or her right to receive disability
33 benefits shall depend on his or her continued survival, and his or her case shall be subject to periodic
34 review in accordance with rules established by the County to determine his or her employment status,
35 including, but not limited to, determination of the disabled Participant's ability to secure gainful
36 employment. The review process also includes the requirement that the disabled Participant furnish
37 to the County a copy of his or her federal income tax return each year and such other documentation
38 as may reasonably be requested by the County. In the event a disabled Participant ceases to submit
39 to such review, at any time prior to his or her Normal Retirement Date, the Participant will be deemed
40 to have recovered from the disability and the disability benefits payable pursuant to this Section 6.4
41 shall cease.

42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (vii) In the event of the Participant's recovery from the disability
2 and return to service as a Covered Employee, disability benefits payable pursuant to this Section 6.4
3 shall cease. Notwithstanding any provision in this Plan to the contrary, the Participant's Years of
4 Eligibility Service and Years of Creditable Service shall include such years during which the
5 Participant received disability benefits pursuant to this Section 6.4.

6
7 (viii) In the event of the Participant's recovery from the disability
8 but failure to return to service as a Covered Employee, disability benefits payable pursuant to this
9 Section 6.4 shall cease. Notwithstanding any provision in the Plan to the contrary, the Participant's
10 Years of Eligibility Service and Years of Creditable Service shall include such years during which
11 the Participant received disability benefits pursuant to this Section 6.4.

12
13 (ix) In the event of the death of a disabled Participant, no benefits
14 with respect to the Participant shall be payable except as otherwise provided in ARTICLE VII.

15
16 (x) Upon the attainment of the Participant's Normal Retirement
17 Date, based on age and/or projected Years of Eligibility Service, the monthly benefit of a Participant,
18 or the Beneficiary of a Participant, as the case may be, receiving line of duty disability benefits
19 classified as "non-catastrophic" pursuant to Section 6.4(d)(iv)(a) shall be converted to the benefit that
20 would have been payable pursuant to Section 6.1, projecting Years of Creditable Service and Highest
21 Average Compensation from the Participant's Termination Date. The benefit shall continue to be
22 paid to the Participant in the normal monthly form of retirement income described in Section 6.1, or
23 in the form elected pursuant to Article VIII, as elected by the Participant upon commencement of
24 payment of disability benefits. For purposes of projecting Highest Average Compensation, a
25 Participant's Highest Average Compensation shall be adjusted as of each July 1 occurring prior to the
26 Participant's Normal Retirement Date for increases in the cost of living pursuant to Section
27 6.4(d)(xiii).

28
29 (xi) Notwithstanding any of the foregoing provisions, if a
30 Participant terminates employment with the County on a date at which he or she would be entitled to
31 benefits pursuant to Section 6.1 or 6.2, the Participant may elect to receive the benefits provided under
32 Section 6.1 or 6.2, as the case may be.

33
34 (xii) A Participant on a Leave of Absence is entitled to receive
35 disability benefits pursuant to this Section 6.4.

36
37 (xiii) A Participant's Highest Average Compensation shall be
38 adjusted to reflect the increase in the cost of living, for purposes of Sections 6.4(d)(v)(B) and
39 6.4(d)(x), by multiplying the Participant's Highest Average Compensation before the adjustment by
40 a fraction:

41
42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

(A) The numerator of which is the Consumer Price Index as of the March 1 for which the adjustment is being made, and

(B) The denominator of which is the Consumer Price Index as of the March 1 preceding the July 1 for which the adjustment is being made.

(C) The “Consumer Price Index” for these purposes is the Consumer Price Index (Urban Wage Earners and Clerical Workers, Washington-Arlington-Alexandria, DC-VA-MD-WV, All Items, 1982-84 = 100), published bi-monthly by the Bureau of Labor Statistics. In the event the Bureau of Labor Statistics abandons publication of the above-referenced index, the County shall adopt any other index that provides an accurate measure of cost-of-living changes.

(D) The annual adjustment to a Participant's Highest Average Compensation for these purposes shall not be less than one percent or greater than three and one-half percent.

(xiv) A Participant who was receiving benefits pursuant to this Section 6.4 as of December 31, 2008 may irrevocably elect to receive benefits pursuant to this Section 6.4, as amended, effective January 1, 2009, by filing a written election, on a form approved by the Administrator, no later than January 31, 2009. In the absence of the filing of an election to receive benefits pursuant to Section 6.4, as amended, such a Participant's disability benefits will continue to be administered as they were in effect prior to January 1, 2009.

(e) A Participant who is not a Covered Employee at the time of termination of employment by reason of a total and permanent disability shall not be eligible for benefits pursuant to this Section 6.4. Rather, such a Participant will be entitled to benefits payable pursuant to Section 6.5.

(f) A Participant who reaches a Termination Date by reason of a total and permanent disability incurred during and as a result of his or her Military Service shall be eligible to apply for ordinary, but not line of duty, disability benefits under Section 6.4(a) in accordance with Section 414(u) of the Code effective July 1, 2009.

6.5 Other Terminations of Employment - If a Participant reaches a Termination Date for any reason other than death, retirement or total and permanent disability, he or she shall be entitled to a monthly termination benefit equal to a vested percentage (determined as set forth below) of the benefit computed pursuant to Section 6.1 (based upon his or her actual Years of Creditable Service and Highest Average Compensation at his or her Termination Date.

Benefits payable pursuant to this Section 6.5 shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date,

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 unless the Participant receives a Cash-Out, in which case, such Cash-Out shall be made within an
2 administratively reasonable period of time following the Participant's termination of employment for
3 the County.

4
5 The benefits payable pursuant to this Section 6.5 shall be payable in the normal
6 form provided by Section 6.1, unless an optional form of payment has been elected pursuant to
7 Section 8.2.

8
9 Subject to Section 3.2, the vested percentage of the Accrued Benefit to which
10 the Participant is entitled shall be equal to the greater of: (i) 100% of his or her Employee
11 Contributions Benefit, or (ii) a percentage of his or her Accrued Benefit, determined on the basis of
12 his or her Years of Eligibility Service and in accordance with the following schedule:

<u>Years of Eligibility</u> <u>Service</u>	<u>Percentage</u> <u>Vested</u>
<u>Less than 5</u>	<u>0%</u>
<u>5 or more</u>	<u>100%</u>

13
14
15
16
17
18
19
20
21 Effective on the later of: (1) July 1, 2019, or (2) the July 1 first following the twelve month
22 anniversary of a Participant's Termination Date, and, as to both (1) and (2) above, with respect to
23 a Participant who reaches a Termination Date without receiving credit for Years of Eligibility
24 Service sufficient to provide the Participant with 100% vesting credit, the interest credit on such
25 Participant's Employee Contributions Benefit described in subsection (v) of the definition of
26 "Employee Contributions Benefit" in Article II will cease being added to the Participant's
27 Employee Contributions Benefit. In the event the Participant is subsequently reemployed as a
28 Covered Employee, the interest credit on such Participant's Employee Contributions Benefit will
29 resume as of the first June 30 following the Participant's Reemployment Commencement Date.

30
31 6.6 Maximum Limitation on Benefits – Notwithstanding any Plan provisions to
32 the contrary:

33
34 To the extent necessary to prevent disqualification under Section 415 of the Internal Revenue Code,
35 and subject to the remainder of this Section 6.6, the maximum monthly benefit to which any
36 Participant may be entitled at any time pursuant to this ARTICLE VI (hereafter referred to as the
37 "Maximum Benefit") shall not exceed the benefit determined in accordance with Section 415 of the
38 Code, and the regulations promulgated thereunder, both as amended from time to time, (such amount,
39 as adjusted by the Internal Revenue Service for C/L Increases, hereafter referred to as the "monthly
40 dollar limit"). The rate of benefit accruals shall be frozen or reduced accordingly to comply with the
41 limitations. In addition to the foregoing, the Maximum Benefit shall be reduced, and the rate of
42 benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 disqualification of the Plan under Section 415 of the Internal Revenue Code, with respect to any
2 Participant who is also a Participant in: (i) any other tax-qualified pension plan maintained by the
3 County, including a defined benefit plan in which an individual medical benefit account (as described
4 in Section 415(l) of the Internal Revenue Code) has been established for him or her; (ii) any welfare
5 plan maintained by the County in which a separate account (as described in Section 419A(d) of the
6 Internal Revenue Code) has been established to provide post-retirement medical benefits for him or
7 her; and/or (iii) any retirement or welfare plan, as aforesaid, maintained by a related employer, as
8 described in Section 414(b), (c), (m) or (o) of the Internal Revenue Code. For purposes of this Section
9 6.6, the "Limitation Year" shall be defined as the calendar year, except as otherwise provided by
10 adoption of a written resolution by the County.

11
12 6.7 Post-Termination Changes - Any change in benefits provided for by
13 amendment to the Plan shall not apply to any Participant whose Termination Date with the County
14 occurred prior to the effective date of such amendment, except as otherwise specifically provided for
15 in the Plan or in such amendment.

16
17 6.8 Cost of Living Adjustments

18
19 (a) Retirement Benefits Subject to Cost of Living Adjustment.
20 Notwithstanding the foregoing, but subject to the limitations set forth in Section 6.6, the monthly
21 retirement income of a Participant who has reached the 12 month anniversary of his or her Benefit
22 Commencement Date, as otherwise computed pursuant to Section 6.1, 6.2, 6.3, 6.4, or 6.5
23 (whichever is applicable), shall be subject to the cost of living adjustment described in this Section
24 6.8.

25
26 (b) Computation of Cost of Living Adjustment. As of each July 1 (hereafter
27 referred to as the "Valuation Date") which occurs during the period beginning on the first
28 Valuation Date occurring at least 12 months subsequent to the Participant's Benefit
29 Commencement Date, the Participant's monthly retirement benefit as of the Valuation Date shall
30 be increased by one percent.

31
32 (c) Monthly Survivor Benefits Subject to Cost Of Living Adjustments. All
33 survivor benefits payable pursuant to Section 7.1 (but only if payable in the form of a monthly
34 income) shall be granted the cost of living adjustments provided in this Section 6.8.

35
36 (d) Periodic Evaluation of Cost of Living Adjustments. No less frequently
37 than every three years and in conjunction with the annual valuation of the Plan, the Retirement
38 Plan Committee shall evaluate whether additional one-time and permanent cost of living
39 adjustments should be recommended, taking into consideration the then current actuarially
40 determined contribution rate, the rates of inflation, and the then current funding level of the Plan.
41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 6.9 Delay in Receipt of Benefits - The amount of a Participant's monthly
2 retirement income paid in accordance with this Article VI shall commence being paid as of the later
3 of: (a) the first day of the month as of which the retirement income may commence being paid, as
4 determined pursuant to this Article VI, or (b) the first day of the month following the Participant's
5 election to begin receiving benefits. The amount of the monthly retirement income shall equal the
6 Actuarial Equivalent of the monthly retirement income determined as of the first day of the month as
7 of which the retirement income may commence being paid, as determined pursuant to this Article VI.

8
9
10 END OF ARTICLE VI
11

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE VII

2 Death Benefits

3
4
5 7.1 Benefits - Upon a Participant's death, those persons designated pursuant to
6 Section 9.1 shall receive a lump sum distribution of the Participant's Employee Contributions Benefit.
7 The only additional benefits payable under the Plan in the event of the death of a Participant shall be
8 paid to those persons designated in accordance with Section 9.1 as follows:
9

10 (a) Ordinary Death Benefit - In the event of the death of a Participant who,
11 subject to Section 7.1(d), has not reached a Termination Date, and not in the line of duty (as defined
12 in Section 7.1(b)(iii)) and after he or she has become 100% vested pursuant to Section 6.5, but prior
13 to his or her Benefit Commencement Date, his or her Beneficiary shall be entitled to receive the
14 greater of:
15

16 (i) The Participant's Employee Contributions Benefit, payable in
17 one or more installments over a period which meets the requirements of Section 7.3, and which is
18 designated by the Participant's Beneficiary, or
19

20 (ii) The benefit equal to the benefit payable in accordance with
21 Section 6.4(a) as if the Participant had: (A) been determined to be totally and permanently disabled
22 as of the date of his or her death, (B) elected to receive benefits payable in the Joint and Survivor
23 Option under Section 8.2(a) continuing after the Participant's death at 100% of the rate to the
24 Beneficiary for the remainder of such Beneficiary's life, and (C) died on the date of his or her
25 disability (i.e., the date the Participant loses earning capacity).
26

27 (b) Line of Duty Death Benefit - In the event of the death of a Participant
28 prior to his or her Benefit Commencement Date, while in the line of duty (as defined below) and
29 without regard to his or her vested status, his or her Beneficiary shall be entitled to receive the greater
30 of:
31

32 (i) The Participant's Employee Contributions Benefit, payable in
33 one or more installments over a period which meets the requirements of Section 7.3, and which is
34 designated by the Participant's Beneficiary, or
35

36 (ii) The benefit equal to the benefit payable in accordance with
37 Section 6.4(b) as if the Participant had: (A) been determined to be totally and permanently disabled
38 as of the date of his or her death, (B) elected to receive benefit payable in the Joint and Survivor
39 Option under Section 8.2(a) continuing after the Participant's death at 100% of the rate of his or her
40 Beneficiary for the remainder of such Beneficiary's life, and (C) dies on the date of his or her
41 disability (i.e., the date the Participant loses earning capacity).
42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (iii) “Line of Duty” Definition - For purposes of this Section 7.1,
2 the term “line of duty” means death from an injury or illness which has been sustained as an active
3 Covered Employee and which has been ruled compensable under the Maryland Workers’
4 Compensation Act.

5
6 (c) Benefits Payable after Benefit Commencement Date - If a Participant
7 dies after his or her Benefit Commencement Date, the benefits, if any, to which his or her Beneficiary
8 shall be entitled shall depend upon the form in which the Participant’s benefits were payable at the
9 time of his or her death, under the applicable form of benefit described in ARTICLE VIII.

10
11 (d) The Beneficiary of a Participant who dies while on a Leave of Absence
12 is entitled to receive death benefits pursuant to this Section 7.1.

13
14 (e) A Participant who is not a Covered Employee at the time of
15 termination of employment by reason of a death shall not be eligible for benefits pursuant to this
16 Section 7.1, other than the Participant’s Employee Contributions Benefit, payable pursuant to
17 Section 7.1(a)(i).

18
19 (f) A Beneficiary of a Participant who reaches a Termination Date by
20 reason of death during and as a result of his or her Military Service shall be eligible to apply for
21 ordinary, but not line of duty, death benefits under this Article VII, in accordance with Section
22 414(u) of the Code effective July 1, 2009. The Beneficiary shall be entitled to such death benefits
23 that would have been payable if the Participant had resumed employment with the County on the
24 day before his or her death and terminated employment on account of death.

25
26 7.2 Limitations - All death benefits payable pursuant to this ARTICLE VII shall
27 be distributed only in accordance with regulations prescribed by the Internal Revenue Service under
28 Section 401(a)(9) of the Internal Revenue Code. To the extent required thereby, such benefits shall
29 be distributed in full not later than the last day of the calendar year containing the fifth anniversary of
30 the death of the Participant, except as follows:

31
32 (a) Unless the Participant or his or her Beneficiary irrevocably elects
33 pursuant to any elective provision which may be then present in the Plan (which election must be
34 made prior to the earliest date on which distribution would be otherwise required pursuant to this
35 Section 7.2) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the
36 Participant’s Beneficiary, and which begin not later than the last day of the calendar year containing
37 the first anniversary of the Participant’s death, may be distributed over the life of the Beneficiary or a
38 period certain not extending beyond the life expectancy of the Beneficiary, under a method of
39 distribution which meets the requirements of Section 8.3(a) (but with life expectancy based upon the
40 Beneficiary’s attained age as of the Beneficiary’s birthday in the calendar year in which falls: (i) the
41 date on which non-annuity benefits are required to commence pursuant to this Section 7.2(a), or (ii)
42 if earlier, the date on which annuity benefits actually commence).

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (b) If the Participant's Beneficiary is his or her surviving spouse, then,
3 unless the Participant or his or her spouse irrevocably elects pursuant to any elective provision which
4 may be then present in the Plan (which election must be made prior to the earliest date on which
5 distribution would be otherwise required pursuant to this Section 7.2) to have the aforesaid five year
6 limit apply, benefits payable to or for the benefit of the spouse, and which begin not later than the
7 later of the last day of the calendar year containing the first anniversary of the Participant's death, or
8 the last day of the calendar year in which the Participant would have reached age 70-1/2, may be
9 distributed over the life of the surviving spouse or a period certain not extending beyond the life
10 expectancy of the surviving spouse, under a method of distribution which meets the requirements of
11 Section 8.3(a) (but with life expectancy based upon the spouse's attained age as of the spouse's
12 birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required
13 to commence pursuant to this Section 7.2(b), or (ii) if earlier, the date on which annuity benefits
14 actually commence).

15
16 (c) If benefits are payable in accordance with Section 7.2(b), and the
17 surviving spouse dies after the Participant but prior to: (i) the date on which non-annuity benefits are
18 required to commence pursuant to Section 7.2(b), or (ii) the date on which annuity distributions
19 meeting the requirements of Section 7.2(b) actually commence, then, in either case, the aforesaid five
20 year limit, and the alternate limit set forth in Section 7.2(a), are to be applied as if the spouse were the
21 Participant, so that such limits shall be measured from the death of the spouse.

22
23 (d) If annuity benefits meeting the requirements of Section 8.3(a) had
24 commenced prior to the Participant's death, then the death benefits payable pursuant to this ARTICLE
25 VII may be distributed without regard to the aforesaid five year limit, but must be distributed to the
26 Participant's Beneficiary at least as rapidly as they would have been under the pre-death method of
27 distribution.

28
29 7.3 Delay in Receipt of Benefits - The amount of a Beneficiary's monthly benefits
30 paid in accordance with this Article VII shall commence being paid as of the later of: (a) the first day
31 of the month as of which the benefit may commence being paid, as determined pursuant to this Article
32 VII, or (b) the first day of the month following the Beneficiary's election to begin receiving benefits.
33 The amount of the monthly benefit shall equal the Actuarial Equivalent of the monthly benefit
34 determined as of the first day of the month as of which the benefit may commence being paid, as
35 determined pursuant to this Article VII.

36
37
38 END OF ARTICLE VII
39

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

ARTICLE VIII

Distribution of Benefits

8.1 Method of Payment - All benefit distributions shall be in cash or in annuity contracts as provided herein. The County shall determine, in its discretion, whether the distribution shall be funded through periodic payments made directly from the Trust, or through the purchase of annuity contracts, or whether a combination of such methods of distribution shall be used, and the County shall give to the Trustees such directions and information as may be necessary for the Trustees to carry out the decision of the County. If the County shall determine that the whole or any part of the distribution is to be funded through purchase of an annuity contract for a Participant, the County shall select such form of contract to be so purchased and shall direct the Trustees to pay the premium of such contract to the issuing company. The County shall direct that all right, title and interest in such contract shall remain in the Trustees under the terms of the Plan and the Participant shall have no right, title or interest therein except to receive the payments therefrom as provided therein, and, subject to Section 9.1, to change the Beneficiary from time to time; alternatively, the County may direct that the contract shall be purchased in the name of the Participant and distributed to him or her free and clear of the Trust, in which case: (i) the contract shall be issued so as to be nontransferable, (ii) it shall not contain a death benefit in excess of the death benefit provided in Article VII hereof or in this Article VIII, and (iii) it shall not contain provisions that expand upon, change or eliminate any Plan provisions applicable to distributions in annuity form.

8.2 Optional Forms of Benefit - A Participant, subject to the conditions hereinafter set forth, may elect to receive, in lieu of the normal monthly form of retirement income described in Section 6.1, a benefit, which is the Actuarial Equivalent of the normal form of retirement income described in Section 6.1, payable in any of the following forms:

(a) Joint and Survivor Option - The joint and survivor option is a monthly income payable during the Participant's lifetime and continuing after his or her death at either 50% or 100% (as elected by the Participant) of the rate to his or her Beneficiary for the remainder of such Beneficiary's life.

If the Participant's Beneficiary dies before the date on which the Participant's benefits have commenced (whether before or after his or her Termination Date), the election shall thereupon become void; if the Participant's Beneficiary dies after the date on which the Participant's benefits have commenced, or the Participant becomes divorced from his or her Beneficiary, but before the death of the Participant, the election shall remain effective and the Participant shall continue to receive the reduced retirement income payable to him or her in accordance with the option.

(b) Single Life Annuity with Ten Year Guarantee Option - The Single Life Annuity with Ten Year Guarantee Option is a monthly income payable during the Participant's

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 lifetime, with the provision that, if the Participant dies before receiving retirement benefit payments
2 for a period of 120 months, after the Participant's death, 100% of his or her monthly retirement benefit
3 will continue for the remainder of the 120 month period to the Beneficiary determined in accordance
4 with Section 9.1.

5
6 (c) Lump Sum Method - The lump sum method is a Cash-Out of the
7 Participant's Employee Contributions Benefit, made at the election of the Participant pursuant to
8 Sections 5.4(c) or 5.5(e), in lieu of all other benefits under the Plan.

9
10 (d) Joint and Survivor Option – With Pop Up to Normal Form - The joint
11 and survivor option – with pop up to normal form is a monthly income, payable during the
12 Participant's lifetime and continuing after the Participant's death at either 50% or 100% (as elected by
13 the Participant) of the rate to his or her Beneficiary for the remainder of such Beneficiary's life and
14 which is the Actuarial Equivalent of the normal form of benefit described in Section 6.1.

15
16 If the Participant's Beneficiary dies before the Participant's Benefit
17 Commencement Date (whether before or after his or her Termination Date), the Participant's election
18 of the Joint and Survivor Option – with Pop Up to Normal Form shall become void.

19
20 If the Participant's Beneficiary dies after the Participant's Benefit
21 Commencement Date, but before the death of the Participant, the Participant's election shall convert
22 to the normal form of benefit payment described in Section 6.1, payable for the remainder of the
23 Participant's life. If the Participant becomes divorced from the Beneficiary, the election shall remain
24 effective; the benefit will not convert to the normal form of benefit payment described in Section 6.1,
25 unless the Participant's Beneficiary dies after the Participant's Benefit Commencement Date, but
26 before the death of the Participant.

27 28 8.3 General Provisions Applicable to Options -

29
30 (a) Minimum Distribution Requirements -Notwithstanding any other
31 provision in the Plan to the contrary, distribution shall be made only in accordance with regulations
32 prescribed by the Internal Revenue Service under Section 401(a)(9) of the Internal Revenue Code.
33 To the extent required thereby, distribution of benefits shall comply with the following limitations:

34
35 (i) Except as otherwise provided below, distribution shall begin
36 not later than the calendar year (hereinafter referred to as the "Commencement Year") in which the
37 Participant reaches age 70-1/2 or in which he or she subsequently retires. Distribution shall be made
38 over the life of the Participant or the lives of the Participant and his or her Beneficiary, and/or over a
39 period certain not extending beyond the life expectancy of the Participant or the joint life and last
40 survivor expectancy of the Participant and his or her Beneficiary, all as described in Treasury
41 Regulation § 1.401(a)(9)-1, or, if shorter, the alternate period described in Treasury Regulation
42 § 1.401(a)(9)-2.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (ii) A required distribution shall be deemed to have been made
3 during the Commencement Year if actually made by the following April 1, but such delayed
4 distribution shall not change the amount of such distribution, and the distribution otherwise required
5 during the subsequent calendar year shall be calculated as if the first distribution had been made on
6 the last day of the Commencement Year.

7
8 (iii) Benefits paid prior to the Commencement Year shall reduce
9 the aggregate amount subject to (but shall not otherwise negate) the minimum distribution
10 requirements described herein.

11
12 (iv) Nothing contained in this Section 8.3(a) shall prevent
13 distribution of annuity benefits providing for non-increasing payments (except as otherwise permitted
14 in Treasury Regulation 1.401(a)(9)-1) payments beginning not later than the Commencement Year
15 (except as provided in (iii) above) and payable at least annually over a period permitted by this Section
16 8.3(a) (for which purpose, if benefit commencement under the annuity precedes the Commencement
17 Year, each relevant life expectancy shall be based on the individual's attained age as of his or her
18 birthday occurring in the calendar year in which benefit commencement occurs). Any benefits
19 accruing after the Commencement Year shall be treated as a separate identifiable component
20 distributable in accordance with this Section 8.3(a) beginning in the Payment Year following the year
21 of accrual.

22
23 (v) If the provisions of this Section 8.3(a) require the
24 commencement of benefits to a Participant who has not yet terminated employment, distribution shall
25 be made or commenced in accordance with this ARTICLE VIII as if the Participant had retired on
26 the last day of the Commencement Year. However, notwithstanding the commencement of benefits
27 pursuant to this Section 8.3(a), all other aspects of the Participant's Plan participation shall continue
28 in accordance with the remaining provisions of the Plan. The Actuarial Equivalent of any additional
29 benefits which may accrue to the Participant pursuant to Section 6.3 after his or her benefits have
30 been paid or commenced by reason of this Section 8.3(a) shall increase the amount of periodic benefit
31 payments being received by the Participant under the Plan.

32
33 (vi) With respect to distributions under the Plan made for calendar
34 years beginning on or after January 1, 2001, the Plan will apply the minimum distribution
35 requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations under
36 Section 401(a)(9) of the Code that were proposed on January 17, 2001, notwithstanding any provision
37 of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar
38 year beginning before the effective date of final regulations promulgated under Section 401(a)(9) of
39 the Code, or such other date as may be specified in guidance published by the Internal Revenue Code.
40

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (b) Election Procedures - An election of any optional form of benefit
2 described in Section 8.2, or any revocation or change of such election, must be made by a Participant
3 in writing, on a form supplied by or acceptable to the County.
4

5 (c) Effect of Death - In the event of the death of a Participant prior to the
6 date on which his or her benefits are due to commence under the terms of the Plan, no benefits shall
7 be payable to his or her spouse or other Beneficiary except as provided in ARTICLE VII, regardless
8 of whether or not the Participant has elected an optional form of benefit pursuant to this
9 ARTICLE VIII.
10

11 8.4 Eligible Rollover Distributions. Notwithstanding any provision of the Plan to
12 the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may
13 elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an
14 Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee
15 in a direct rollover.
16

17 (a) Definitions.
18

19 Eligible Rollover Distribution: An Eligible Rollover Distribution is
20 any distribution of all or any portion of the balance to the credit of the Distributee, except that an
21 Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially
22 equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of
23 the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's
24 designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent
25 such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution
26 that is not includible in gross income (determined without regard to the exclusion for net unrealized
27 appreciation with respect to employer securities).
28

29 Eligible Retirement Plan: An Eligible Retirement Plan is an individual
30 retirement account described in Section 408(a) of the Code, an individual retirement annuity
31 described in Section 408(b) of the Code, or a qualified trust described in Section 401(a) of the Code,
32 that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible
33 Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible
34 Retirement Plan is an individual retirement account or individual retirement annuity and, in the case
35 of an Eligible Rollover Distribution to a non-spouse Beneficiary of the Participant, an Eligible
36 Retirement Plan is an inherited individual retirement account or inherited individual retirement
37 annuity. With respect to distributions made after December 31, 2001, an Eligible Retirement Plan
38 shall also mean an annuity contract described in Section 403(b) of the Code, an annuity plan described
39 in Section 403(a) of the Code and an eligible plan under Section 457(b) of the Code which is
40 maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or
41 political subdivision of a state and which agrees to separately account for amounts transferred from
42 this Plan. With respect to distributions made after December 31, 2007, an Eligible Retirement Plan

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 shall also mean a Roth IRA described in Section 408A of the Code. The definition of "Eligible
2 Retirement Plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or
3 former spouse who is the alternate payee under a qualified domestic relations order, as defined in
4 Section 414(p) of the Code. With respect to distributions made after December 31, 2006, to the extent
5 the Eligible Rollover Distribution consists of amounts not includible in the Participant's or former
6 Participant's taxable income, an "Eligible Retirement Plan" is an individual retirement account
7 described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b)
8 of the Code, a qualified trust described in Section 401(a) of the Code, or an annuity contract described
9 in Section 403(b) of the Code that separately accounts for the non-taxable amounts transferred, and
10 earnings thereon.

11
12 Distributee: A Distributee includes a Participant or former Participant.
13 In addition, the Participant's or former Participant's surviving spouse and the Participant's or former
14 Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations
15 order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the
16 spouse or former spouse. In addition, the Participant's designated Beneficiaries are Distributees with
17 regard to their respective interests.

18
19 Direct Rollover: A Direct Rollover is a payment by the Plan to the
20 Eligible Retirement Plan specified by the Distributee.

21
22
23 8.5 Transfers of Credited Service to Other Plans - If a Participant terminates
24 employment with the County as a Covered Employee and becomes an employee of another
25 Government Employer and becomes eligible to participate in a retirement plan sponsored by such
26 Government Employer, the Participant may elect to transfer service earned under this Plan to the
27 retirement plan sponsored by such other Government Employer.

28
29 8.6 Involuntary Transfers of Employment - If a Participant is involuntarily
30 transferred to another state or local retirement or pension system because of an involuntary transfer
31 of the Participant's employing unit to another employer, all of the County's contributions on behalf
32 of the Participant and interest on those contributions shall be transferred to the new system. The
33 amount to be transferred to the new system shall be determined by actuarial valuation.
34 Notwithstanding the foregoing, this Section 8.6 shall be operative only to the extent required by Title
35 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor
36 statute.

37
38
39 END OF ARTICLE VIII
40

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE IX

2 Beneficiaries; Participant Data

3 9.1 Designation of Beneficiaries

4
5 (a) General Provisions - Each Participant may designate a Beneficiary or
6 Beneficiaries (who may be named contingently or successively) to receive such benefits as may be
7 payable under the Plan upon or after his or her death, and, subject to the provisions of ARTICLE VIII,
8 such designation may be changed from time to time by the Participant by filing a new designation.
9 Each designation will revoke all prior designations by the same Participant, shall be in form prescribed
10 by the County, and will be effective only when filed in writing with the County during the
11 Participant's lifetime.

12
13 (b) Married Participants - In the case of a married Participant, the
14 designation of a Beneficiary other than the Participant's spouse as the sole, primary Beneficiary shall
15 be void unless such spouse has filed a written consent to such a designation with the Administrator.
16 The spouse's consent shall identify the specific nonspouse Beneficiary designated by the Participant
17 or, alternatively, shall contain a blanket consent to the Participant's designation of any Beneficiary,
18 shall contain the spouse's acknowledgment of the effect of the consent, and the spouse's signature on
19 the consent shall be notarized or witnessed by a representative of the Administrator.

20
21 (c) Absence of Valid Designation - In the absence of a valid Beneficiary
22 designation (except in conjunction with the election of a form of benefit payment which does not
23 require the designation of a specific Beneficiary), or if, at the time any benefit payment is due to a
24 Beneficiary, there is no living Beneficiary eligible to receive the payment, validly named by the
25 Participant, the County shall direct the Trustees to distribute any such benefit payment to the
26 Participant's spouse, if then living, otherwise to the Participant's then living descendants, if any, per
27 stirpes, otherwise to the Participant's then living parent or parents, equally, otherwise to the
28 Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment,
29 the County and the Trustees may rely conclusively upon information supplied by the Participant's
30 Personal Representative. In the event of a lack of adequate information being supplied to the County,
31 or in the event that any question arises as to the right of any person to receive a benefit payment as
32 aforesaid, or in the event that a dispute arises with respect to any such payment, then, notwithstanding
33 the foregoing, the County, in its sole discretion, may, in complete discharge of the County and the
34 Trustees, and without liability for any tax or other consequences which might flow therefrom, direct
35 the Trustees to: (i) distribute the payment to the Participant's estate, (ii) retain such payment, without
36 liability for interest, until the rights thereto are determined, or (iii) deposit the payment into any court
37 of competent jurisdiction.

38
39 9.2 Location of Participants and Beneficiaries - Any communication, statement or
40 notice addressed to a Participant or Beneficiary at his or her last post office address filed with the

41 Underlining indicates entirely new matter added to existing law.

42 [Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 County, or if no such address was filed with the County, then at his or her last post office address as
2 shown on the County's records, shall be binding on the Participant or Beneficiary for all purposes of
3 the Plan. Except for the County's sending of a registered letter to the last known address, neither the
4 Trustees nor the County shall be obliged to search for any Participant or Beneficiary. If the County
5 notifies any Participant or Beneficiary that he or she is entitled to an amount under the Plan and the
6 Participant or Beneficiary fails to claim such amount or make his or her location known to the County
7 within three years thereafter, then, except as otherwise required by law, if the location of one or more
8 of the next of kin of the Participant, including his or her surviving spouse, is known to the County, it
9 may direct distribution of such amount to any one or more or all of such next of kin, and in such
10 proportions as the County determines. If the location of none of the foregoing persons can be
11 determined, the County shall have the right to direct that the amount payable shall be deemed to be a
12 forfeiture and treated in accordance with Section 5.2, except that the dollar amount of the forfeiture,
13 unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by
14 the Participant or Beneficiary to whom it was payable. If any benefit payable to an unlocated
15 Participant or Beneficiary is subject to escheat pursuant to applicable state law, neither the Trustees
16 nor the County shall be liable to any person for any amounts escheated in accordance with such law.

17
18
19 END OF ARTICLE IX
20

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE X

2
3 The Trust Fund

4
5 10.1 Investment of Funds - All contributions under the Plan shall be paid to the
6 Trustees and deposited in the Trust. Such contributions, all investments made therewith and proceeds
7 thereof and all earnings and profits thereon, less the authorized disbursements therefrom, shall
8 constitute the Trust, which Trust, and the agreement under which it is maintained, shall in all respects
9 constitute a part of the Plan. The County reserves the right to select, and from time to time to change,
10 the Trustees, to amend the Trust with the consent of the Trustees, or to adopt a different funding
11 vehicle.

12
13 10.2 Prohibition Against Diversion of Funds - It shall be impossible by operation
14 of the Plan or Trust, by natural termination of either, by power of revocation or amendment, by the
15 happening of any contingency, by collateral arrangement or by other means, for any part of the corpus
16 or income of the Trust, or any funds contributed thereto, to inure to the benefit of the County or
17 otherwise be used for or diverted to purposes other than providing benefits to Participants and
18 Beneficiaries and defraying reasonable expenses of administering the Plan, except as otherwise set
19 forth in the Trust with respect to the conditions under which Trust assets may be returned to the
20 County.

21
22 10.3 Prohibition Against Assignment of Benefits - Except as provided below, no
23 benefit payable at any time under this Plan may be anticipated, assigned (either at law or in equity),
24 alienated or subject to attachment, garnishment, execution, levy or other legal and equitable process.
25 However, the prohibitions of the preceding sentence shall not apply to, and the Trustees shall fully
26 recognize the creation, assignment or recognition of a right to any benefit payable with respect to a
27 Participant pursuant to a "Qualified Domestic Relations Order." For the purposes hereof, a Qualified
28 Domestic Relations Order shall mean a judgment, decree or order made pursuant to a state domestic
29 relations law which relates to the provision of child support, alimony payments or material property
30 rights and (a) which clearly specifies: (i) the names and last known mailing addresses of the
31 Participant and each payee, (ii) the amount or percentage of the Participant's benefits to be paid by
32 this Plan to each payee (or the manner in which such amount or percentage is to be determined),
33 (iii) the number of payments or period to which such order relates, and (b) which does not (i) require
34 this Plan to provide increased benefits, or (ii) require the payment of the same benefits to any payee
35 which are payable to another payee pursuant to a prior Qualified Domestic Relations Order.

36
37 10.4 Insurer - The County may elect at any time to fund the Plan without a Trust
38 through one or more life insurance contracts, retirement income policies or individual or group
39 annuity contracts ("Policies") issued by a life insurance company licensed to do business in the State
40 of Maryland ("Insurer"). If the County so elects, all references in this Plan to the Trustees shall be
41 deemed to refer to the Insurer and all references in this Plan to the Trust shall refer to the fund

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 established pursuant to the Policies. Where appropriate according to the context, the term Trust shall
2 also refer to the Policies.

3
4
5 END OF ARTICLE X
6

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1

3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1

5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1

22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

29
30
31
32
33
34
35
36
37
38
39
40
41

2
3
4
5
6
7
8
9
0
1

35
36
37
38
39
40
41

39
40
41

1 (iv) To make and enforce procedures which afford a mechanism
2 for adjusting complaints of an Employee dissatisfied with determinations of the Administrator;

3
4 (v) To make and enforce procedures for determining the service
5 credit of Employees which affords Employees an opportunity to object, in writing, and to establish
6 service credit in advance or retirement;

7
8 (vi) To make and enforce procedures for authorizing
9 disbursements from the Trust created under the Plan and to authorize disbursements from the Trustees
10 of the fund in accordance with the Plan documents;

11
12 (vii) To make and enforce procedures and standards and make
13 determinations concerning total and permanent disability in accordance with the Plan documents;

14
15 (viii) To establish rules for computing the amount of benefits that
16 shall be payable to any person in accordance with the Plan documents;

17
18 (ix) To interpret the Plan;

19
20 (x) To otherwise decide questions concerning the eligibility of any
21 Employee to participate in the Plan or to receive benefits from the Plan;

22
23 (xi) To recommend the engagement of actuaries to make actuarial
24 evaluations of the liabilities under the Plan, to recommend the mortality and other tables and interest
25 rates to be used from time to time in actuarial and other computations for any purpose under the Plan
26 other than those purposes set forth in Section 5.3 hereof, to recommend the amounts of contributions
27 to be made by the County and to perform such other services as the Administrator shall deem
28 necessary or desirable in connection with the administration of the Plan;

29
30 (xii) To recommend the engagement of accountants as it shall deem
31 necessary or desirable in connection with the administration of the Plan;

32
33 (xiii) To recommend the engagement of legal counsel as it shall
34 deem necessary or desirable in connection with the administration of the Plan;

35
36 (xiv) To recommend the engagement of any other experts as it shall
37 deem necessary or desirable in connection with the administration of the Plan;

38
39 (xv) To act for the County before all persons in any matter directly
40 pertaining to the Plan.

41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (b) The Administrator shall have no power to amend or terminate the Plan,
2 to determine County contributions, to exercise authority to direct the Trustees with respect to the
3 investment of the Trust, to affect the employer-employee relationship between the County and any
4 Employee, to enter into contracts, or to retain and/or discharge the Trustees, all of which powers are
5 reserved to the County unless expressly granted to the Administrator.

6
7 (c) Fiduciary duties, powers and responsibilities (other than those
8 reserved to the Trustees, with respect to management or control of Trust assets) may be allocated
9 among the fiduciaries (if there be more than one) to whom such duties, powers and responsibilities
10 have been delegated, so long as such allocation is pursuant to action of the County or by written
11 agreement executed by the involved fiduciaries and approved by the County in which case, such
12 fiduciary shall not have any liability, with respect to any duties, powers or responsibilities not
13 allocated to him or her, for the acts or omissions of any other fiduciary. Any person may serve in
14 more than one fiduciary capacity under the Plan, including those of Administrator and Trustee.

15
16 (d) The Administrator may appoint any persons or firms, or otherwise
17 act to secure specialized advice or assistance, as it deems necessary or desirable in connection with
18 the administration and operation of the Plan; the Administrator shall be entitled to rely
19 conclusively upon, and shall be fully protected in any action or omission taken by it in good faith
20 reliance upon, the advice or opinion of such firms or persons. The Administrator shall have the
21 power and authority to delegate from time to time by written instrument all or any part of its duties,
22 powers or responsibilities under the Plan, both ministerial and discretionary, as it deems
23 appropriate, to the specified Employee who shall be designated by the Director of Human
24 Resources to assist the Administrator (the "Coordinator") and in the same manner to revoke any
25 such delegation of duties, powers and responsibilities. The Administrator shall also have the
26 power and authority to delegate by written instrument all or a part of its duties, powers and
27 responsibilities with respect to disability determinations to a board appointed by the Administrator
28 (the "Disability Review Board"), and, in the same manner to revoke any such delegation of duties,
29 power and responsibilities. Any action of the Coordinator or the Disability Review Board in the
30 exercise of such delegated duties, powers and responsibilities shall have the same force and effect
31 for all purposes hereunder as if such action had been taken by the Administrator. Further, the
32 Administrator may authorize the Coordinator or the Disability Review Board to execute any
33 certificate or document on behalf of the Administrator, in which event any person notified by the
34 Administrator of such authorization shall be entitled to accept and conclusively rely upon any such
35 certificate or document executed by such person as representing action by the Administrator until
36 such third person shall have been notified of the revocation of such authority. The Administrator
37 shall not be liable for any act or omission of any person to whom the Administrator's duties,
38 powers or responsibilities have been delegated, nor shall any person to whom any duties, powers
39 or responsibilities have been delegated have any liabilities with respect to any duties, powers or
40 responsibilities not delegated to him or her.

41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (e) All representatives of the County, and/or members of the Retirement
2 Plan Committee shall use ordinary care and diligence in the performance of their duties pertaining to
3 the Plan, but no such individual shall incur any liability: (i) by virtue of any contract, agreement,
4 bond or other instrument made or executed by him or her or on his or her behalf in his or her official
5 capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake or judgment made,
6 in his or her official capacity with respect to the Plan, unless resulting from his or her gross negligence
7 or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other person involved
8 with the Plan. The Plan shall indemnify and hold harmless each such individual from the effects and
9 consequences of his or her acts, omissions and conduct in his or her official capacity with respect to
10 the Plan, except to the extent that such effects and consequences shall result from his or her own
11 willful misconduct or gross negligence; provided, however, that any person who shall claim the right
12 to any payment or damage as a result of the actions of any individual in connection with the
13 performance of their duties pertaining to the Plan, shall be entitled to look only to the Trust created
14 by the Plan for payment. Such individual shall have no other right, claim or demand therefor against
15 the County.

16
17 (f) The Plan may purchase, from Plan assets, as an expense of the Plan,
18 liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason
19 of an act or omission of a fiduciary, providing such insurance contract permits recourse by the insurer
20 against the fiduciary in the case of breach of fiduciary obligation by such fiduciary. Any fiduciary
21 may purchase, from and for his or her own account, insurance to protect himself or herself in the event
22 of a breach of fiduciary duty and the County may also purchase insurance to cover the potential
23 liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

24
25 (g) Nothing in the Plan shall be construed so as to prevent any fiduciary
26 from: (i) receiving any benefit to which he or she may be entitled as a Participant or Beneficiary, or
27 (ii) receiving any reasonable compensation for services rendered, or for the reimbursement of
28 expenses properly incurred in the performance of his or her duties under the Plan (except that no
29 person so serving who receives compensation as an Employee shall receive compensation from the
30 Plan, except for reimbursement of expenses properly incurred), or (iii) serving as a fiduciary in
31 addition to being an officer, employee, agent, or other representative of the County or any related
32 entity. However, the fiduciary shall not be entitled to vote or act upon, or execute on behalf of the
33 Plan, documents specifically relating to his or her own participation in the Plan.

34
35 11.3 Retirement Plan Committee - There shall be a committee, to be known as the
36 Retirement Plan Committee, which in the absence of any designation to the contrary by the County,
37 shall serve as Administrator. Except to the extent that the County has retained any power or authority,
38 or allocated duties and responsibilities to another administrator or other fiduciary, said Committee
39 shall have full power and authority to administer and operate the Plan in accordance with its terms
40 and in particular the authority contained in this ARTICLE XI, and, in acting pursuant thereto, shall
41 have full power and authority to deal with all persons in any matter directly connected with the Plan,
42 including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 advisors, other advisors and specialists. Participants, Beneficiaries and their representatives, in
2 accordance with the following provisions:

3
4 (a) The Committee shall consist of the following members:

5
6 (i) Director of Human Resources or the Director's designee as
7 Chairperson;

8
9 (ii) Director of Finance or the Director's designee;

10
11 (iii) One representative of the Fraternal Order of Police – Law
12 Enforcement Officers nominated and appointed by members of the Order;

13
14 (iv) One representative of the Career Fire Fighters Association
15 nominated and appointed by members of the Association;

16
17 (v) One representative of the Fraternal Order of Police –
18 Corrections Officers nominated and appointed by members of the Order;

19
20 (vi) One “at-large” member who is a former Participant who has
21 reached a Termination Date pursuant to Section 6.1, 6.2 or 6.3 hereof at a time when he or she was a
22 Non-Uniformed Participant (“Former Participant”), and who is appointed by the County Executive,
23 subject to confirmation by the County Council;

24
25 (vii) Two “at-large” members who are Non-Uniformed Participants
26 who are nominated and appointed by the County Executive, subject to confirmation by the County
27 Council;

28
29 No more than two members may be employed within the same division.

30
31 (b) The Director of Human Resources or the Director's designee and the
32 Director of Finance or the Director's designee shall serve on the Committee without limitation as to
33 the number or length of terms.

34
35 The terms of every other member of the Committee shall be established in accordance
36 with the following schedule:

37
38 (i) At large members appointed pursuant to Section 11.3(a)(vii)
39 may serve continuously for no more than two consecutive terms. The length of each term of said
40 members shall be three years.

41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) The at large member appointed pursuant to Section 11.3(a)(vi)
2 may serve continuously for no more than two consecutive terms. The length of each term of said
3 member shall be two years.

4
5 (iii) The representative nominated and appointed by the Fraternal
6 Order of Police – Law Enforcement Officers may serve continuously for an unlimited number of
7 terms, until his or her successor is nominated and appointed by the Fraternal Order of Police – Law
8 Enforcement Officers. The length of each term of said member shall be three years.

9
10 (iv) The representative nominated and appointed by the Career
11 Fire Fighters Association may serve continuously for an unlimited number of terms, until his or her
12 successor is nominated and appointed by the Career Fire Fighters Association. The length of each
13 term of said member shall be three years.

14
15 (v) The representative nominated and appointed by the Fraternal
16 Order of Police – Corrections Officers may serve continuously for an unlimited number of terms,
17 until his or her successor is nominated and appointed by the Fraternal Order of Police - Corrections
18 Officers. The length of each term of said member shall be three years.

19
20 If a member of the Committee is unable to complete his or her term, the appointing
21 authority shall appoint another candidate to complete the member's term.

22
23 (c) Subject to his or her right to resign at any time, each member of the
24 Committee shall serve without compensation at the pleasure of the County, and the County may
25 appoint, and may revoke the appointment of, additional members to serve with the Committee as may
26 be determined to be necessary or desirable from time to time. Each member of the Committee, by
27 accepting his or her appointment to the Committee, shall thereby be deemed to have accepted all of
28 the duties and responsibilities of such appointment, and to have agreed to the faithful performance of
29 his or her duties thereunder.

30
31 (d) The Committee shall adopt such formal organization and methods of
32 operation as it shall deem desirable for the conduct of its affairs. The Committee shall act as a body,
33 and the individual members of the Committee shall have no powers and duties as such, except as
34 provided herein; the Committee shall act by vote of a majority of its members at the time in office
35 (other than those disqualified from voting pursuant to Section 11.2(g)), either at a meeting or in
36 writing without a meeting.

37
38 (e) Except as set forth in Section 11.9, the determination of the Committee
39 on any matter pertaining to the Plan within the powers and discretion granted to the Committee shall
40 be final and conclusive on the County, the Trustees, all Participants and Beneficiaries and all those
41 persons dealing in any way or capacity with the Plan.

42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 11.4 Mutual Exclusion of Responsibility - Neither the Trustees nor the County shall
2 be obliged to inquire into or be responsible for any act or failure to act, or the authority therefor, on
3 the part of the other.

4
5 11.5 Uniformity of Discretionary Acts - Whenever in the administration or
6 operation of the Plan discretionary actions by the County, the Administrator or the Trustees are
7 required or permitted, such action shall be consistently and uniformly applied to all persons similarly
8 situated, and no such action shall be taken which shall discriminate in favor of highly-compensated
9 employees as defined in Section 414(q) of the Internal Revenue Code.

10
11 11.6 Fiduciary Standards - The Administrator and all other persons in any fiduciary
12 capacity with respect to the Plan shall discharge their duties with respect to the Plan: (i) solely in the
13 interest of the Participants and Beneficiaries and for the exclusive purposes of providing benefits to
14 Participants and their Beneficiaries and defraying reasonable expenses of administering and operating
15 the Plan, (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that
16 a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an
17 enterprise of a like character and with like aims, and (iii) in accordance with the documents and
18 instruments governing the Plan.

19
20 11.7 Litigation - In any action or judicial proceeding affecting the Plan and/or the
21 Trust, except as may be otherwise required by law, no Participant or Beneficiary shall be entitled to
22 any notice or service of process, and any final judgment entered in such action shall be binding on all
23 persons interested in, or claiming under, the Plan.

24
25 11.8 Payment of Administration Expenses - Expenses incurred in the
26 administration and operation of the Plan shall be paid by the Trustees out of the Trust unless the
27 County, in its discretion, elects to pay them.

28
29 11.9 Review Procedure - An Employee aggrieved by a decision of the
30 Administrator may request that the Administrator review its decision, and the Administrator shall
31 review its decision and advise the Employee of the decision following such review. The decision of
32 the Administrator following such review upon request of an Employee shall be final and conclusive.

33
34
35 END OF ARTICLE XI

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XII

2
3 Amendment

4
5 12.1 Right to Amend - The County shall have the right to amend the Plan, at any
6 time, by County Ordinance, and with respect to any provisions thereof (subject to the provisions of
7 Section 10.2 and subject to the terms of any agreements between the County, the Sheriff of the
8 County, and any bargaining units or similar employee groups), all parties thereto or claiming any
9 interest thereunder shall be bound thereby.

10
11 12.2 Amendment Required by Federal Law -Notwithstanding the provisions of
12 Section 12.1, the Plan and Trust may be amended at any time, retroactively if required, if found
13 necessary in order to conform to the provisions and requirements of the Internal Revenue Code or any
14 similar act or any amendments thereto or regulations promulgated thereunder; no such amendment
15 shall be considered prejudicial to any interest of a Participant or Beneficiary hereunder.

16
17
18 END OF ARTICLE XII
19

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

ARTICLE XIII

Termination

13.1 Right to Terminate - It is the present intention of the County to maintain the Plan throughout the County's existence. Nevertheless, the County reserves the right, at any time, to permanently discontinue further contributions to the Trust or to terminate the entire Plan and Trust.

13.2 Automatic Termination of Contributions - The liability of the County to make contributions to the Trust shall automatically terminate upon liquidation of the County, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of creditors.

13.3 Allocation and Distribution - This Section shall become operative in any of the following events: (a) a complete termination of the County's liability to make further contributions to the Trust; (b) a complete discontinuance of contributions by the County to the Trust; or (c) a complete termination of the Plan. The effective date of any termination or discontinuance of contributions shall be as set forth in a resolution adopted by the County. The provisions of this Section shall also become operative in the event of a partial termination of the Plan, but only with respect to that portion of the Plan attributable to the Participants to whom the termination is applicable. Upon the effective date of any such event, then, notwithstanding any other provisions of the Plan, subject to the remainder of this Section 13.3, no persons who were not theretofore Participants shall be eligible to become Participants, no further benefits shall accrue and the Accrued Benefits of all Participants not theretofore vested, and not theretofore forfeited shall immediately become fully vested. The Accrued Benefits of all Participants and Beneficiaries shall be determined and distributed to them, as soon as is practicable after such termination or discontinuance, in accordance with ARTICLES VI and VIII. The assets in the Trust shall be allocated for the purposes set forth below and in the order set forth below, to the extent the assets are sufficient therefor. The allocations may be implemented by distribution of Trust assets, or by the purchase and distribution by the Trustees of insurance company annuity contracts, or by a combination of these methods. Upon termination of the Trust, the Trustees shall liquidate all assets remaining in the Trust. After deduction of estimated expenses in liquidating and distributing the Trust, and any reasonable compensation for the Trustees agreed upon with the County, the balance of the Trust assets shall be allocated so as to provide the Accrued Benefits otherwise payable under the Plan pursuant to the following order of priorities:

(i) To provide Accrued Benefits for each Participant who: (A) had begun to receive benefits at least three years prior to the effective date of the termination of the Plan, (B) would have begun to receive retirement or disability benefits at least three years prior to the effective date of the termination of the Plan but for the fact that commencement of benefits was deferred, or (C) would have been eligible to receive retirement benefits at least three years prior to the effective date of the termination of the Plan but for the fact that the Participant did not actually retire; and

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) To provide Accrued Benefits for all other Participants, in the following
2 order of preference:

3
4 (A) for each Participant who would have qualified under priority
5 (i) above but for the fact that the entitling event occurred or would have occurred within three years
6 of the effective date of the termination of the Plan, and

7
8 (B) for all other Participants in this priority (ii).
9

10 Trust assets shall be utilized under a particular priority only after all Accrued
11 Benefits set forth in all preceding priorities shall have been fully provided for. For purposes of the
12 allocation of funds within each priority, as set forth above, funds will be credited to each Participant
13 to provide the Accrued Benefits to which he or she is so entitled, but only to the extent that such
14 Accrued Benefits have not been provided under a preceding priority. Any reductions in Accrued
15 Benefits within a particular priority (or within any particular preference set forth within a priority) as
16 set forth above, due to insufficient Trust assets, shall be allocated pro rata among the Participants
17 within that priority (or preference) on the basis of then present values of the respective Accrued
18 Benefits described in that priority (or preference) for each such Participant. Any reference to Accrued
19 Benefits payable to Participants shall also be deemed to include Accrued Benefits payable to
20 Beneficiaries of deceased Participants. If any balance of Trust assets remains after all of the
21 allocations described above, and after all liabilities with respect to Participants and retired Participants
22 and their Beneficiaries, if any, are satisfied, then the balance shall be returned to the County, and the
23 Trust shall terminate. Upon making such distribution, the Trustees shall be discharged from all
24 obligations under the Trust and no Participant shall have any further right or claim therein.

25
26 Notwithstanding any provision to the contrary in this ARTICLE XIII, if a
27 Participant dies during the interim between the effective date of termination and the distribution of
28 Trust assets, and if his or her Benefit Commencement Date had not yet occurred as of the effective
29 date of termination, the amount distributable to him or her or the a Beneficiary, and the timing thereof,
30 shall be determined pursuant to ARTICLE VII.

31
32 As an alternative to immediate distribution of the Trust, the County, in its
33 discretion, and subject to its option at any time to require the complete distribution of the Trust to the
34 then Participants in accordance with the first paragraph of this Section 13.3, may defer
35 commencement of benefits to each Participant until such Participant reaches an event which would
36 otherwise entitle him or her to benefit commencement pursuant to ARTICLE VI, at which time the
37 provisions of ARTICLE VIII shall become applicable. During the interim period, there shall be
38 established and maintained a separate account in the name of each Participant, based upon the values
39 established pursuant to this Section 13.3 and/or Section 13.4. The separate account shall thereafter
40 define and measure the amount available for benefits distributable to him or her, and there shall be
41 credited or charged thereto any income, expenses, gains or losses (whether or not realized, based upon
42 fair market value of invested assets) attributable or allocable thereto as of each Trust valuation date

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (or the date of complete distribution of the Trust) with respect to the period since the last valuation
2 date.

3
4 The provisions set forth in this Section 13.3 shall be subject to such
5 modification, retroactively if required, without necessity of formal amendment to the Plan, as may be
6 necessary in order to cause the termination of the Plan and/or Trust, and any distributions made
7 pursuant thereto and to conform to any requirements which may be imposed by the Internal Revenue
8 Service to prevent disqualification of the Plan and/or Trust, and no such modification shall be deemed
9 prejudicial to the interest of any Participant or Beneficiary.

10
11 13.4 Provision to Prevent Discrimination on Early Termination - Notwithstanding
12 any provision in the Plan to the contrary, in the event that the Plan and Trust terminates on or after
13 July 1, 1993, the benefit of any "highly compensated employee," as such term is defined in Section
14 414(q) of the Internal Revenue Code and the regulations promulgated thereunder, shall be limited to
15 a benefit that is nondiscriminatory under Section 401(a)(4) of the Internal Revenue Code.
16 Notwithstanding any other provision of this Plan and Trust, the benefits payable under this Plan and
17 Trust to any Restricted Participant, as defined below, on or after July 1, 1993, shall be limited to an
18 amount equal in each year to the payments that would be made on behalf of the Restricted Participant
19 under a straight life annuity that is the Actuarial Equivalent of the Accrued Benefit to which the
20 Restricted Participant is entitled under the Plan and Trust. The limitation described in the preceding
21 sentence, however, shall not apply if: (i) after payment of benefits under the Plan and Trust to the
22 Restricted Participant, the value of Plan assets equals or exceeds 110 percent of the value of current
23 liabilities, as defined in Section 412(1)(7) of the Internal Revenue Code, (ii) the value of the benefits
24 payable to the Restricted Participant is less than one percent of the value of current liabilities, as
25 defined in Section 412(1)(7) of the Internal Revenue Code, before distribution, or (iii) the present
26 value of the benefits payable to the Restricted Participant on the Annuity Starting Date does not
27 exceed \$3,500.

28
29 For the purposes hereof, a Restricted Participant is a Participant or former
30 Participant who, during a particular Plan Year, is one of the 25 highest-paid "highly compensated
31 employees," as such term is defined in Section 414(q) of the Internal Revenue Code and the
32 regulations promulgated thereunder.

33
34 A Participant's Annuity Starting Date is the first day of the first period for
35 which an amount is to be paid to the Participant, former Participant or Beneficiary as an annuity, or,
36 in the case of a benefit not payable in the form of an annuity, the first day on which all events have
37 occurred which entitle the Participant, former Participant or Beneficiary to such benefit.

38

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 13.5 Plan Combinations and Transfers - In the case of any merger or consolidation
2 of the Plan with, or transfer of assets or liabilities of the Trust to, any other plan, the transaction shall
3 be structured so that each Participant in the Plan would (if the Plan then terminated) receive a benefit
4 immediately after the transaction which is at least equal to the benefit he or she would have been
5 entitled to receive immediately before the transaction (if the Plan had then terminated).

6
7
8 END OF ARTICLE XIII
9

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

ARTICLE XIV

Miscellaneous

14.1 Limitations on Liability of County - Neither the establishment of the Plan or Trust, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the County (or any person connected therewith) the Trustees or any insurance company, except as provided by law, by any Plan provision or by the terms of any insurance or annuity policy. The County does not in any way guarantee the Trust from loss or depreciation, nor does the County guarantee the payment of any money which may be or become due to any person from the Trust. Any person having a right or claim under the Plan shall look solely to the Trust assets, and in no event shall the County (or any person connected therewith) be liable to any person on account of any claim arising by reason of the provisions of the Plan or of any instrument or instruments implementing its provisions, or for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan, the Trust or any contribution thereto or distribution therefrom. The County shall not be liable to any person for failure on its part to make contributions as provided in Section 5.1, nor shall any action lie to compel the County to make such contributions. The County (or any person connected therewith) shall not have any liability to any person by reason of the failure of the Plan to attain and/or maintain qualified status under Section 401(a) of the Internal Revenue Code, or the failure of the Trust to attain and/or maintain tax exempt status under Section 501(a) of the Internal Revenue Code, regardless of whether or not such failure is due to any act or omission (willful, negligent or otherwise) of the County (or any person connected therewith).

14.2 Construction - The Plan is intended to comply with all requirements for qualification under Section 401(a) of the Internal Revenue Code and, if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so qualified. In case any provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the Plan, where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular, and references to persons shall include corporations, partnerships, estates and trusts. Headings of Articles and Sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of the State of Maryland shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. Participation under the Plan will not give any Participant the right to be retained in the service of the County nor any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder.

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2

END OF ARTICLE XIV

Underlining indicates entirely new matter added to existing law.
[Single boldface brackets] indicates matter deleted from existing law.
*** - indicates existing law unaffected by bill

1
2
3
4 ARTICLE XV

5 Divestiture of Plan Investments in Companies Doing Business in Iran or Sudan

6
7 15.1 Definitions. The following terms shall have the following meanings for
8 purposes of this Article XV:
9

10 (a) “Board of Trustees” shall mean the Board of Trustees for the State
11 Retirement and Pension System established pursuant to Section 21-103 of the SP&P.

12
13 (b) “Company” shall have the meaning set forth in PLL Section 2-7-
14 201(A)(2).

15
16 (c) “Council” shall mean the County Council of Frederick County,
17 Maryland.

18
19 (d) “County Executive” shall mean the County Executive of Frederick
20 County, Maryland.

21
22 (e) “Divestment Action” shall have the meaning set forth in PLL
23 Section 2-7-201(A)(3).

24
25 (f) “Doing Business in Iran” shall have the meaning set forth in PLL
26 Section 2-7-201(A)(4).

27
28 (g) “Doing Business in Sudan” shall have the meaning set forth in PLL
29 Section 2-7-201(A)(5).

30
31 (h) “Investment” shall have the meaning set forth in PLL Section 2-7-
32 201(A)(7)

33
34 (i) “Iran” shall have the meaning set forth in PLL Section 2-7-
35 201(A)(8).

36
37 (j) “PLL” shall mean the Code of Public Local Laws of Frederick
38 County, as in effect on July 1, 2010.

39
40 (k) “SP&P shall mean the State Personnel and Pensions Article of the
41 Annotated Code of Maryland, as amended from time to time.

42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (l) “State Retirement & Pension System” shall mean the Maryland
2 State Retirement & Pension System established pursuant to SP&P Section 21-101(a)

3
4 (m) “Sudan” shall have the meaning set forth in PLL Section 2-7-
5 201(A)(9).

6
7 15.2 Authorization for Divestiture.

8
9 (a) On May 13, 2008, Governor O’Malley signed Senate Bill 214 into
10 law as Chapter 342 of the Laws of Maryland, 2008. Senate Bill 214 added SP&P Section 21-123.1
11 requiring the Board of Trustees to take Divestment Action with respect to Companies Doing
12 Business in Iran and Companies Doing Business in Sudan.

13
14 (b) On May 7, 2009, Governor O’Malley signed House Bill 879 into
15 law as Chapter 427 of the Laws of Maryland, 2009. House Bill 879 authorized the then Board of
16 County Commissioners of Frederick County, Maryland to enact an ordinance providing for the
17 divestment of assets of the Plan with respect to Companies Doing Business in Iran and Companies
18 Doing Business in Sudan.

19
20 (c) Notwithstanding any provision of the Plan to the contrary, the
21 County Executive directs the Trustee to follow, as soon as practical, the Divestment Actions of the
22 Board of Trustees with respect to Companies Doing Business in Iran and Companies Doing
23 Business in Sudan provided the County Executive determines that:

24
25 (i) The costs of divestment are *de minimis* as
26 compared to total fund assets.

27
28 (ii) Substitute investments are available which will
29 yield competitive returns at a comparable level of risk.

30
31 (iii) The fiduciaries have discretion regarding the
32 timing and manner of divestment so that they are able to avoid imprudent transactions.

33
34 (iv) The fiduciaries otherwise act in accordance with
35 the duties of loyalty and prudence – *i.e.* ascertain relevant facts, investigate options,
36 obtain appropriate expert analysis, diversify appropriately, and act for the benefit of
37 the beneficiaries.

38
39 (d) If the Administrator determines that the cost of the analysis and the
40 administration of the divestiture may exceed the relative value of the divestiture, the Administrator
41 shall present this information to the County Executive.

42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (e) The Administrator shall include in the annual investment performance
2 review provided to the County Executive and Council a review of the divestiture program.
3
4

5 END OF ARTICLE XV
6

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 ARTICLE XVI

2
3
4 Deferred Retirement Option Program

5
6
7 16.1 Definitions - In this section, the following words have the meanings
8 indicated:

9
10 (a) "DROP" means the Deferred Retirement Option Program
11 established pursuant to this Section.

12
13 (b) "DROP Account" means the account established for the DROP
14 Participant in accordance with Section 16.7.

15
16 (c) "DROP Effective Date" means July 1, 2021.

17
18 (d) "DROP Participant" means a Participant in the Plan who:

19
20 (i) is eligible to participate in DROP as provided in this Article
21 XVI; and

22
23 (ii) elects to participate in DROP as provided in this Article
24 XVI.

25
26 16.2 Eligibility

27
28 A Participant in the Plan is eligible to participate in DROP if the Participant:

29
30 (a) Is a Uniformed Participant,

31
32 (b) Either:

33
34 (i) Has attained the service requirement for the Participant's
35 Normal Retirement Date, as of the DROP Effective Date, or

36
37 (ii) Attains the service requirement for the Participant's Normal
38 Retirement Date after the DROP Effective Date;

39
40 (c) Has earned no more than 27.0 Years of Eligibility Service as of the
41 DROP Effective Date;

42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 and

2
3 (d) Has

4
5 (i) an acceptable performance rating from the Sheriff's Office
6 with respect to law enforcement officers; or

7
8 (ii) a performance rating of at least 3.0 from the Sheriff's Office
9 with respect to corrections officers; or

10
11 (iii) a performance rating of at least 2.5 from the Division of Fire
12 and Rescue Services, as applicable, at the time of the election to participate in DROP.

13
14 16.3 Election; Duration of Participation

15
16 An eligible Participant may elect to participate in DROP for a period of between 12
17 and 36 months; provided, however, that the elected DROP participation period cannot cause the
18 Participant's anticipated Years of Eligibility Service at the end of the DROP participation period
19 to exceed 28.0 Years of Eligibility Service.

20
21 16.4 Application; Limitation on Enrollment

22
23 (a) Participant's Election: An eligible Participant who elects to
24 participate in DROP shall:

25
26 (i) provide a written application to the employee designated by
27 the Retirement Plan Committee (the "DROP Coordinator") on a form approved by or acceptable
28 to the Retirement Plan Committee, stating:

29
30 (A) the Participant's intention to participate in DROP;

31
32 (B) the date, which shall be the first day of a month,
33 when the Participant desires to begin participation in DROP; and

34
35 (C) such other information required by the Retirement
36 Plan Committee to implement DROP with respect to the Participant, including a binding letter of
37 resignation accepted by the Sheriff or Fire Chief, as applicable, in accordance with the Sheriff's
38 Office or Division of Fire and Rescue Services policies and procedures then in effect, setting forth
39 the date the Participant intends to terminate employment following completion of the Participant's
40 elected DROP period; and

41

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (ii) submit the application to the DROP Coordinator no later
2 than the first day of the month that is no less than two and no more than three months prior to the
3 first day of the month coincident with the date the Participant elects to begin participation in
4 DROP. If the due date for the election falls on a Saturday, Sunday or day when the County's
5 offices are closed, the due date shall be the next day during which the County's offices are open.

6
7 (b) Limitation on Enrollment in DROP
8

9 (i) The application to participate in DROP by no more than one
10 percent of the Frederick County Sheriff's Office Uniformed Law Enforcement officers workforce
11 will be accepted for any one month. The application to participate in DROP by no more than one
12 percent of the Frederick County Sheriff's Office Uniformed Corrections officers workforce will
13 be accepted for any one month. The application to participate in DROP by no more than one
14 percent of the Frederick County Division of Fire and Rescue Services Uniformed Participant
15 workforce will be accepted for any one month. In determining this one percent limitation, the
16 number of Participants eligible to elect to enter DROP will be rounded up to the next highest whole
17 number and will be determined as of the first day of the payroll period that is two months in
18 advance of the elected DROP participation date.

19
20 (ii) If more Participants submit an application to participate in
21 DROP than can be accepted due to the limitations set forth in subsection (b)(i) above, the
22 Participants whose applications will be accepted will be determined on the basis of seniority within
23 the Frederick County Sheriff's Office or Division of Fire and Rescue Services, as applicable.

24
25 (iii) The applications of Participants whose applications are
26 deferred pursuant to subsection (b)(ii) above will be considered for the following months on the
27 same basis as set forth in subsections (b)(i) and (b)(ii); provided, however, that a Participant whose
28 application is deferred past the date the Participant earns 27.0 Years of Eligibility Service will not
29 be eligible to participate in DROP.

30
31 16.5 Irrevocability of Election
32

33 A Participant's election to participate in DROP is irrevocable as of the fifteenth day
34 following the DROP Coordinator's receipt of the Participant's election to participate in DROP,
35 provided that the acceptance of the Participant's election is not deferred pursuant to Section
36 16.4(b). In the event the Participant's application to participate in DROP is deferred pursuant to
37 Section 16.4(b), the election is irrevocable as of the fifteenth calendar day following the acceptance
38 of the Participant's election to participate in DROP and notification of the acceptance being
39 provided to the Participant. If the due date for the revocation of an election to participate in DROP
40 falls on a Saturday, Sunday or day when the County's offices are closed, the due date shall be the
41 next day during which the County's offices are open.
42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 16.6 Suspension of Participation; Termination of Participation

2
3 (a) Suspension of Participation - Participation in DROP is suspended
4 upon the Participant receiving a performance rating from the Sheriff's Office of less than
5 acceptable for law enforcement officers or less than 3.0 for corrections officers, or less than 2.5
6 from the Division of Fire and Rescue Services, as applicable. During the time of suspension, no
7 additions will be made to the Participant's DROP Account. The suspension will be lifted and the
8 Participant will be reinstated to DROP for the remaining DROP participation period elected by the
9 Participant upon the reinstatement of an acceptable performance rating, from the Sheriff's Office
10 for law enforcement officers, or at least 3.0 for corrections officers, or at least 2.5 from the Division
11 of Fire and Rescue Services, as applicable, after exhaustion of the Participant's appeal rights under
12 the Frederick County Personnel Rules in effect at the time; provided, however, that the credits to
13 the Participant's DROP Account provided for in Section 16.7(b)(i) during the period of suspension
14 will be reinstated to the DROP Participant's DROP Account following a Participant's successful
15 appeal of his or her performance rating. In the event that the DROP Participant does not appeal
16 the assignment of the performance rating or is unsuccessful in the appeal of the assignment of the
17 performance rating, the DROP Participant's DROP Account will be reduced to zero dollars and
18 the DROP Participant's retirement benefit determined as of the Participant's Termination Date
19 will be determined in accordance with Section 16.8(c) as if the DROP Participant reached a
20 Termination Date prior to the end of the DROP Participant's elected DROP participation period.

21
22 (b) Termination of Participation - Participation in DROP terminates
23 when the DROP Participant reaches a Termination Date.

24
25 16.7 Payment of Retirement Benefit, Accrual of Service Credit, Disposition of
26 Other Benefits During DROP Participation.

27
28 (a) Calculation of Retirement Benefit - As of the effective date of
29 participation in DROP, the DROP Participant's normal retirement benefit as provided for in
30 Section 6.1, in the form of payment elected by the Participant in accordance with Section 8.2 and
31 without the adjustment for unused sick leave pursuant to Section 6.1(d), shall be determined.

32
33 (b) Credit to DROP Account - During the period of the DROP
34 Participant's participation in DROP, the Plan Administrator shall:

35
36 (i) Credit the DROP Participant's monthly retirement income
37 determined pursuant to Section 16.7(a) determined as of the DROP Participant's date of
38 participation in DROP, to a DROP Account for the benefit of the DROP Participant;

39
40 (ii) Credit the DROP Participant's DROP Account with the
41 investment gains and losses arising out of the individually-directed accounts maintained for this
42 purpose in accordance with Section 16.10; and

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1
2 (iii) Annually adjust the DROP Participant's credit to the DROP
3 account for monthly retirement income under Section 16.7(b)(i) for cost of living increases in
4 accordance with Section 6.8.

5
6 (c) No Increase in Years of Eligibility or Credited Service - A DROP
7 Participant will not accrue credit for additional Years of Eligibility or Credited Service during the
8 period of DROP participation.

9
10 (d) Compensation during DROP Participation - A DROP Participant's
11 Compensation earned during the period of DROP participation:

12
13 (i) Subject to Section 5.4(b), shall be subject to the County pick
14 up contributions provided for in Section 5.4(a)(i), which contributions shall not be added to the
15 Participant's DROP Account; and

16
17 (ii) Shall not be used to increase the DROP Participant's Final
18 Average Earnings.

19
20 (e) If during the period of a DROP Participant's participation in DROP,
21 the Participant reaches a Termination Date by reason of Total and Permanent Disability in
22 accordance with Section 6.4(a) ("Ordinary" Disability"), the Participant shall receive the benefit
23 calculated pursuant to Section 16.7(a), plus the Participant's DROP Account, calculated as of the
24 Participant's Termination Date. If during the period of a DROP Participant's participation in
25 DROP, the Participant reaches a Termination Date by reason of Total and Permanent Disability in
26 accordance with Section 6.4(b) ("Line of Duty" Disability), the Participant shall receive payment
27 of the DROP Account, plus the greater of: (i) the monthly retirement income calculated pursuant
28 to Section 16.7(a) or (ii) the monthly retirement income calculated pursuant to Section 6.4(b).

29
30 (f) If during the period of a DROP Participant's participation in DROP,
31 the Participant reaches a Termination Date by reason of death, the Participant's Beneficiary will
32 receive the benefit described in Section 7.1, based upon the Participant's Years of Eligibility
33 Service and Highest Average Earnings earned at the DROP participation date, plus the
34 Participant's DROP Account. The DROP Participant's Beneficiary designated for purposes of
35 receipt of the death benefits described in Section 7.1 shall be the same Beneficiary designated for
36 purposes of receipt of the DROP Account. In the event there is no valid Beneficiary on file for the
37 Participant, payment will be made in accordance with Section 9.1.

38
39 16.8 Payment of Retirement Income and DROP Account At Termination Date

40
41 (a) Payment of DROP Account – Termination Following End of
42 Elected DROP Participation Period: Upon the termination of a DROP Participant's employment

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 with the County, for reasons other than death or Total and Permanent Disability, as of or following
2 the end of the Participant's DROP participation period, the Trustees shall pay to the Participant
3 the amount accrued in the DROP Account for the DROP Participant, determined in accordance
4 with Section 16.7, as adjusted for investment gains and losses determined pursuant to Section
5 16.10 through as soon as reasonably practical before the date of payment, and as elected by the
6 DROP Participant, in the form of:

- 7
8 (i) An Eligible Rollover Distribution, pursuant to Section 8.4;
9
10 (ii) A lump sum distribution, reduced by any elected or required
11 withholding for taxes; or
12
13 (iii) Any other form of payment allowed under the individually-
14 directed account.

15
16 (b) Payment of Retirement Benefit - Termination Following End of
17 Elected DROP Participation Period: Upon the termination of a DROP Participant's employment
18 with the County for reasons other than death or Total and Permanent Disability, as of or following
19 the end of the Participant's DROP participation period, the Participant will receive the monthly
20 retirement income determined in accordance with Section 16.7, in the form of payment elected by
21 the Participant pursuant to Section 8.2 when the Participant elected to participate in DROP, as
22 adjusted for cost of living increases pursuant to Section 6.8 during the DROP participation period
23 and as adjusted for hours of unused sick leave, pursuant to Section 6.1(d), based upon the DROP
24 Participant's unused sick leave as of the DROP Participant's Termination Date. The DROP
25 Participant's DROP Account will not be affected by the changes in the DROP Participant's unused
26 sick leave during the period of participation in DROP.

27
28 (c) Termination Before End of Elected DROP Participation Period –
29 Upon the DROP Participant's reaching a Termination Date, for reasons other than death or Total
30 and Permanent Disability, prior to the end of the DROP Participant's elected DROP participation
31 period, the Participant will receive the monthly retirement income determined in accordance with
32 Section 6.1, as adjusted for unused sick leave, pursuant to Section 6.8, based upon the DROP
33 Participant's unused sick leave as of the DROP Participant's Termination Date, all determined as
34 if the Participant had never elected to participate in DROP, but payable in the form of benefit
35 elected by the Participant when the DROP Participant elected to participate in DROP. The
36 Participant's DROP Account will then be reduced to zero dollars.

37
38 16.9 Limitations; Other Benefits of Employment; Segregation of Assets
39

40 (a) The benefits payable pursuant to this Article 16 shall be adjusted, if
41 necessary, to conform to the limitations on the accrual of benefits pursuant to Section 6.6.
42

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill

1 (b) During the period of a DROP Participant's participation in DROP,
2 the DROP Participant shall continue to be eligible to participate in any health and welfare plan and
3 deferred compensation plan, and receive any other benefits otherwise available to employees of
4 the Frederick County Sheriff's Office or Division of Fire and Rescue Services and shall continue
5 to be subject to the personnel laws, regulations and policies applicable to an Employee.

6
7 (c) The DROP Account is maintained solely for purposes of accounting
8 for the DROP Participant's benefit from DROP. The Trustees shall be under no obligation to
9 segregate funds from the Plan assets for the Participant's DROP Account.

10
11 16.10 Establishment of Investment Accounts

12
13 The DROP Account will be invested in one or more investment funds elected by
14 the DROP Participant from among investment options provided by the Trustees, in their
15 discretion. The DROP account will be adjusted monthly for earnings or losses based on the
16 investment fund(s) selected by the DROP Participant.

17
18 16.11 Review of DROP

19
20 The Administrator will engage the Plan's actuaries to review the operations of the DROP
21 as of July 1, 2026, to determine the level of the DROP's cost neutrality to the Plan.

22
23
24 END OF ARTICLE XVI

Underlining indicates entirely new matter added to existing law.

[Single boldface brackets] indicates matter deleted from existing law.

*** - indicates existing law unaffected by bill