



Bill No. 22-22
Concerning: Revisions to the Frederick County
Employees Retirement Plan: Cost of Living
Adjustment – July 1, 2023
Introduced: September 6, 2022
Revised: _____ Draft No. _____
Enacted: October 25, 2022
Effective: December 24, 2022
Expires: December 5, 2022
Frederick County Code, Chapter _____
Section(s) _____

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

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

AN ACT to: amend the Frederick County Employees Retirement Plan to make certain revisions to the Plan to provide for a permanent cost of living adjustment tied to annual changes in the Consumer Price Index effective July 1, 2023, with a minimum adjustment of one percent per year and a maximum adjustment of three percent per year and eliminate the requirement to review the cost of living adjustment every three years.

Date Council Approved: 10/25/2022 Date Transmitted to Executive: 10/27/2022
Executive: Jan H Gardner Date Received: 10/27/2022
Approved: ✓ Date: 10/27/2022
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

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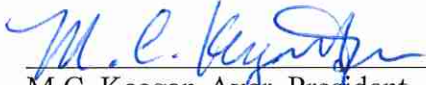
Heading or defined term.
Added to existing law.
Deleted from existing law.
Existing law unaffected by bill.

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By Ordinance No. 93-11-075, the County established a retirement plan for the employees of the Frederick County Government, effective July 1, 1993. The Frederick County Employees Retirement Plan ("Plan") has been amended several times since then, most recently enacted Bill No. 22-07.

The County Council of Frederick County, Maryland, deems it appropriate to make certain additional revisions to the Plan to: (1) provide for a permanent cost of living adjustment tied to annual changes in the Consumer Price Index effective July 1, 2023, with a minimum adjustment of one percent per year and a maximum adjustment of three percent per year; and (2) eliminate the requirement to review the cost of living adjustment every three years.

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


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

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

First and Only Change – Section 6.8 shall be amended to read as follows:

6.8 Cost of Living Adjustments

(a) Retirement Benefits Subject to Cost of Living Adjustment. Notwithstanding the foregoing, but subject to the limitations set forth in Section 6.6, the monthly retirement income of a Participant who has reached the 12 month anniversary of 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 the cost of living adjustment described in this Section 6.8.

(b) Computation of Cost of Living Adjustment. As of each July 1 (hereafter referred to as the “Valuation Date”) which occurs during the period beginning on the first Valuation Date occurring at least 12 months subsequent to the Participant’s Benefit Commencement Date and prior to July 1, 2023, the Participant’s monthly retirement benefit as of the Valuation Date shall be increased by one percent. As of each Valuation Date which occurs during the period beginning on the first Valuation Date occurring at least 12 months subsequent to the Participant’s Benefit Commencement Date and on and after July 1, 2023, the Participant’s monthly retirement benefit as of the Valuation Date shall be adjusted as determined by multiplying the Participant’s monthly retirement income by a fraction:

(i) The numerator of which is the Consumer Price Index (as defined in subsection (e) below) as of the March 1 preceding the Valuation Date for which the adjustment is being made, and

(ii) The denominator of which is the Consumer Price Index (as defined in subsection (e) below) as of the March 1 immediately preceding the March 1 preceding the Valuation Date for which the adjustment is being made.

Underlining indicates entirely new matter added to existing law.

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

*** - indicates existing law unaffected by bill

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(c) Limitations on Adjustment: The adjustment to a benefit shall not be less than one percent and shall not exceed three percent of the Participant's annual retirement income determined as of the day immediately preceding the Valuation Date.

(d) Periodic Evaluation of Cost of Living Adjustments. No less frequently than every three years ending prior to July 1, 2023 and in conjunction with the annual valuation of the Plan, the Retirement Plan Committee shall evaluate whether additional one-time and permanent cost of living adjustments should be recommended, taking into consideration the then current actuarially determined contribution rate, the rates of inflation, and the then current funding level of the Plan. Periodic evaluations shall not be required pursuant to this Section 6.8(d) for Plan Years beginning on and after July 1, 2023.

(e) Consumer Price Index: Cost of living adjustments will be based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) 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 Plan Administrator shall adopt any other index which, in its judgment, provides an accurate measure of cost-of-living changes, pending amendment of the Plan to change this Section 6.8.

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

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