

Expedited Bill No. 20-23
Concerning: OPT/SLT Bargaining Units –
Pension and Retirement Adjustments
Revised: 04/05/2023 Draft No. 1
Introduced: April 11, 2023
Enacted: July 25, 2023
Executive: August 7, 2023
Effective: August 7, 2023
Sunset Date: _____
Ch. 24, Laws of Mont. Co. 2023

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) amend Group E eligibility to add eligibility for certain ECC positions to the Group E Optional Retirement Plan and the Integrated Retirement Plan;
- (2) amend Group J eligibility to add eligibility for certain ECC positions to be designated by the Chief Administrative Officer;
- (3) amend credited service to provide credited service adjustments for military service;
- (4) separate Group E and Group J regarding pension multipliers;
- (5) adjust pension multipliers for Group E and Group J;
- (6) amend the guaranteed retirement savings plan to default into the guaranteed retirement savings plan certain part-time employees in the OPT/SLT bargaining unit;
- (7) amend the disability benefits plan; and
- (8) generally amend pension and retirement benefits.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-37, 33-41, 33-42, 33-115, 33-128, 33-131, 33-133, and 33-134

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

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 33-37, 33-41, 33-42, 33-115, 33-128, 33-131, 33-133, and 33-134 are amended as follows:

33-37. Membership requirements and membership groups.

* * *

(f) *Membership groups and eligibility.* Any full-time or part-time employee is eligible for membership in the appropriate membership group if the employee meets all of the requirements for the group:

* * *

(4) Group E: The Chief Administrative Officer, the Executive Director of the Office of the County Council, the hearing examiners, the County Attorney and each head of a principal department or office of the County government, if appointed to that position before July 30, 1978, or a member having held that position on or before October 1, 1972. Any sworn deputy sheriff or uniformed County correctional officer in the position of Correctional Officer I, Correctional Officer II, Correctional Officer III, Correctional Dietary Officer I, Correctional Dietary Officer II, Resident Supervisor I, Resident Supervisor II, Resident Supervisor III, Correctional Supervisor-Sergeant, Correctional Dietary Supervisor, Correctional Shift Commander-Lieutenant, Correctional Unit Commander-Captain, Deputy Warden, or Warden, or the following positions in the Emergency Communications Center: Public Safety Emergency Communications Specialist I, Public Safety Emergency Communications Specialist II, Public Safety Emergency Communications Specialist III, Public Safety Emergency Communications Specialist IV, Senior Public Safety Emergency

28 Communications Specialist, Public Safety Communications
 29 Supervisor, Public Safety Emergency Communications Manager,
 30 or Emergency Communications MLS Manager 2. Any [group]
 31 Group E member who has reached elective early retirement date
 32 may retain membership in [group] Group E if the member transfers
 33 from the position which qualified the member for [group] Group
 34 E. Any [group] Group E member who is temporarily transferred
 35 from the position which qualified the member for [group] Group
 36 E may retain membership in [group] Group E as long as the
 37 temporary transfer from the [group] Group E position does not
 38 exceed 3 years. Notwithstanding the foregoing provisions in
 39 [group] Group E, any employee who is eligible for membership in
 40 [group] Group E must participate in the guaranteed retirement
 41 income plan or the retirement savings plan under Article VIII if the
 42 employee:

- 43 (A) (i) begins, or returns to, County service on or after
 44 October 1, 1994 (except as provided in the last
 45 sentence of subsection (e)(2));
- 46 (ii) is not represented by an employee organization; and
 47 (iii) does not occupy a bargaining unit position; or
- 48 (B) (i) begins County service on or after October 1, 1994;
 49 and
- 50 (ii) is subject to the terms of a collective bargaining
 51 agreement between the County and an employee
 52 organization which requires the employee to
 53 participate in the guaranteed retirement income plan
 54 or the retirement savings plan.

* * *

- 55
- 56 (8) Group J: Any County member who works in a correctional facility
- 57 or the Emergency Communications Center and due to the required
- 58 duties of the member's position, is designated by the Chief
- 59 Administrative Officer. Any [group] Group J member who has
- 60 reached elective early retirement date may retain membership in
- 61 [group] Group J if the member transfers from the position which
- 62 qualified the member for [group] Group J. Any [group] Group J
- 63 member who is temporarily transferred from the position which
- 64 qualified the member for [group] Group J may retain membership
- 65 in [group] Group J as long as the temporary transfer from the
- 66 [group] Group J position does not exceed 3 years.
- 67 Notwithstanding the foregoing provisions in [group] Group J, any
- 68 employee who is eligible for membership in [group] Group J must
- 69 participate in the guaranteed retirement income plan or the
- 70 retirement savings plan under Article VIII if the employee:
- 71 (A) (i) begins, or returns to, County service on or after
- 72 October 1, 1994 (except as provided in the last
- 73 sentence of subsection (e)(2));
- 74 (ii) is not represented by an employee organization; and
- 75 (iii) does not occupy a bargaining unit position; or
- 76 (B) (i) begins County service on or after October 1, 1994;
- 77 and
- 78 (ii) is subject to the terms of a collective bargaining
- 79 agreement between the County and an employee
- 80 organization which requires the employee to

participate in the guaranteed retirement income plan
or the retirement savings plan.

* * *

(k) *Eligibility for the guaranteed retirement income plan.*

* * *

(7) A member of the Office, Professional and Technical (OPT) or the Service, Labor and Trades (SLT) collective bargaining unit of the County government must participate in the guaranteed retirement income plan unless the employee makes a one-time irrevocable election to participate in the retirement savings plan during the first 150 days of [full time] employment, if the employee:

(A) is hired as a full-time employee on or after July 1, 2015; [or]

(B) is a part time employee who does not participate in the retirement savings plan and becomes a full-time employee on or after July 1, 2015[.]; or

(C) is hired as a part time employee on or after July 1, 2023, and does not elect to forego participation in either the guaranteed retirement income plan or the retirement savings plan.

* * *

33-41. Credited Service.

* * *

(e) *Credited service for prior military service.*

* * *

(4) A Group E member with 5 years of membership in the Employees' Retirement System enrolled or re-enrolled on or after July 1, 1978, may elect to obtain credited service for all or part of any military service in the uniformed services of the United States up to a

108 maximum of 48 months, up to 24 months of which will be credited
 109 by the County Government at no cost to the member. A member
 110 exercising this option must pay, in a lump sum or an extended
 111 payment basis, the actuarial cost for credited service above the 24
 112 months credited by the County Government.

113 * * *

114 (r) Positions added to Group E eligibility.

115 (1) Notwithstanding subsection (a)(2), an employee in the position of
 116 Public Safety Emergency Communications Specialist I, Public
 117 Safety Emergency Communications Specialist II, Public Safety
 118 Emergency Communications Specialist III, Public Safety
 119 Emergency Communications Specialist IV, Senior Public Safety
 120 Emergency Communications Specialist, Public Safety
 121 Communications Supervisor, Public Safety Emergency
 122 Communications Manager, or Emergency Communications MLS
 123 Manager 2 who was hired on or before July 1, 2023, and who was
 124 participating in the guaranteed retirement income plan or the
 125 retirement savings plan prior to eligibility in Group E may:

126 (A) make a one-time irrevocable election to purchase credited
 127 service with their entire existing guaranteed retirement
 128 income plan or retirement savings plan balances within 150
 129 days of Group E eligibility, in accordance with an actuarial
 130 determination of the value transferred; or

131 (B) retain guaranteed retirement income plan or retirement
 132 savings plan balances, will no longer participate in the
 133 guaranteed retirement income plan or retirement savings
 134 plan, and will enter Group E with a credited service balance

135 of 0 years, unless the employee is otherwise eligible to
 136 purchase other service credits provided for in this section.

137 (2) Eligible employees who elect to purchase credited service under
 138 this subsection may not apply any years of service while a member
 139 of the guaranteed retirement income plan or the retirement savings
 140 plan for the purposes of calculating years of service under either
 141 the optional retirement plan or the integrated retirement plan.

142 (3) Eligibility for early or normal retirement will be based upon the
 143 credited service at the time the employee enters Group E plus any
 144 credited service purchased by the employee.

145 (4) The vesting provisions in subsection (a)(2) will apply to employees
 146 listed in subsection (r)(1) regardless of whether they elect to
 147 purchase service credit under this subsection.

148 (s) *Positions added to Group J eligibility.*

149 (1) Notwithstanding subsection (a)(2), a County member who was
 150 hired on or before July 1, 2023, and who was participating in the
 151 guaranteed retirement income plan or the retirement savings plan
 152 prior to Group J eligibility, and who becomes Group J eligible after
 153 July 1, 2023 may:

154 (A) make a one-time irrevocable election to purchase credited
 155 service with their entire existing guaranteed retirement
 156 income plan or retirement savings plan balances within 150
 157 days of Group J eligibility, in accordance with an actuarial
 158 determination of the value transferred; or

159 (B) retain guaranteed retirement income plan or retirement
 160 savings plan balances, will no longer participate in the
 161 guaranteed retirement income plan or retirement savings

162 plan, and will enter Group J with a credited service balance
163 of 0 years, unless the employee is otherwise eligible to
164 purchase other service credits provided for in this section.

165 (2) Eligible employees who elect to purchase credited service under
166 this subsection may not apply any years of service while a member
167 of the guaranteed retirement income plan or the retirement savings
168 plan for the purposes of calculating years of service under either
169 the optional retirement plan or the integrated retirement plan.

170 (3) Eligibility for early or normal retirement will be based upon the
171 credited service at the time the employee enters Group J plus any
172 credited service purchased by the employee.

173 (4) The vesting provisions in subsection (a)(2) will apply to employees
174 listed in subsection (s)(1) regardless of whether they elect to
175 purchase service credit under this subsection.

176 * * *

177 **33-42. Amount of pension at normal retirement date or early retirement date.**

178 * * *

179 (b) *Amount of pension at normal retirement date.*

180 (1) Pension amount for an Optional Retirement Plan member.

181 * * *

182 (B) For a Group E [or Group J] member who is a member of the
183 optional plan and retires on a normal retirement, the annual
184 pension must equal [2.4] 2.6 percent of average final
185 earnings for each of the first 25 years of credited service
186 completed, and [2] 2.25 percent of average final earnings
187 for each year of credited service of more than 25 years, to a
188 maximum of [31] 30 years plus sick leave credits. Years of

189 credited service of less than one full year must be prorated.
 190 Sick leave credits used for years in excess of 25 years must
 191 be credited at 2 percent of average final earnings. The
 192 maximum benefit with the application of sick leave credits
 193 must not exceed [76] 80.25 percent of average final
 194 earnings.

195 * * *

196 (E) For a Group J member who is a member of the optional plan
 197 and retires on a normal retirement, the annual pension must
 198 equal 2.5 percent of average final earnings for each of the
 199 first 25 years of credited service completed, and 2 percent
 200 of average final earnings for each year of credited service of
 201 more than 25 years, to a maximum of 30 years plus sick
 202 leave credits. Years of credited service of less than one full
 203 year must be prorated. Sick leave credits used for years in
 204 excess of 25 years must be credited at 2 percent of average
 205 final earnings. The maximum benefit with the application of
 206 sick leave credits must not exceed 76.5 percent of average
 207 final earnings.

208 * * *

209 (2) Pension amount for an Integrated Retirement Plan member.

210 * * *

211 (C) For a Group E [or Group J] member in the integrated
 212 retirement plan who retires on a normal retirement, the
 213 annual pension must be computed as follows:

214 (i) From the date of retirement to the month that the
 215 member reaches Social Security retirement age: [2.4]

216 2.6 percent of average final earnings for each of the
 217 first 25 years of credited service completed, and [2]
 218 2.25 percent of average final earnings for each year
 219 of credited service of more than 25 years, to a
 220 maximum of [31] 30 years plus sick leave credits.
 221 Years of credited service of less than one full year
 222 must be prorated. Sick leave credits used for years in
 223 excess of 25 years must be credited at 2 percent of
 224 average final earnings. The maximum benefit with
 225 the application of sick leave credits must not exceed
 226 [76] 80.25 percent of average final earnings.
 227 Beginning July 1, 2024, from the date of retirement
 228 to the month that the member reaches the maximum
 229 Social Security retirement benefit age: 2.6 percent of
 230 average final earnings for each of the first 25 years of
 231 credited service completed, and 2.25 percent of
 232 average final earnings for each year of credited
 233 service of more than 25 years, to a maximum of 30
 234 years plus sick leave credits. Years of credited service
 235 of less than one full year must be prorated. Sick leave
 236 credits used for years in excess of 25 years must be
 237 credited at 2 percent of average final earnings. The
 238 maximum benefit with the application of sick leave
 239 credits must not exceed 80.25 percent of average
 240 final earnings.

241 (ii) From the month the member reaches Social Security
 242 normal retirement age: [1.65%] 1.25 percent of

243 average final earnings up to the Social Security
244 maximum covered compensation in effect on the date
245 of retirement for each year of credited service to a
246 maximum of [31] 30 years plus sick leave credits,
247 plus [2.4%] 2.6 percent of average final earnings
248 above the Social Security maximum covered
249 compensation in effect on the date of retirement for
250 each of the first 25 years of credited service
251 completed, and [2%] 2.25 percent of average final
252 earnings above the Social Security maximum
253 covered compensation in effect on the date of
254 retirement for each year of credited service of more
255 than 25 years, to a maximum of [31] 30 years plus
256 sick leave credits. Years of credited service of less
257 than one full year must be prorated. Sick leave credits
258 used for years in excess of 25 years must be credited
259 at 2 percent of average final earnings above the Social
260 Security maximum covered compensation in effect
261 on the date of retirement. The County must increase
262 this initial amount by the cost-of-living adjustments
263 provided under Section 33-44(c) for the period from
264 the member's date of retirement to the month in
265 which the member reaches Social Security retirement
266 age. Beginning July 1, 2024, from the month the
267 member reaches the maximum Social Security
268 retirement benefit age: 1.25 percent of average final
269 earnings up to the Social Security maximum covered

270 compensation in effect on the date of retirement for
 271 each year of credited service to a maximum of 30
 272 years plus sick leave credits, plus 2.6 percent of
 273 average final earnings above the Social Security
 274 maximum covered compensation in effect on the date
 275 of retirement for each of the first 25 years of credited
 276 service completed, and 2.25 percent of average final
 277 earnings above the Social Security maximum
 278 covered compensation in effect on the date of
 279 retirement for each year of credited service of more
 280 than 25 years, to a maximum of 30 years plus sick
 281 leave credits. Years of credited service of less than
 282 one full year must be prorated. Sick leave credits used
 283 for years in excess of 25 years must be credited at 2
 284 percent of average final earnings above the Social
 285 Security maximum covered compensation in effect
 286 on the date of retirement. The County must increase
 287 this initial amount by the cost-of-living adjustments
 288 provided under Section 33-44(c) for the period from
 289 the member's date of retirement to the month in
 290 which the member reaches the maximum Social
 291 Security retirement benefit age.

292 * * *

293 (F) For a Group J member in the integrated retirement plan who
 294 retires on a normal retirement, the annual pension must be
 295 computed as follows:

296 (i) From the date of retirement to the month that the
297 member reaches Social Security retirement age: 2.5
298 percent of average final earnings for each of the first
299 25 years of credited service completed, and 2 percent
300 of average final earnings for each year of credited
301 service of more than 25 years, to a maximum of 30
302 years plus sick leave credits. Years of credited service
303 of less than one full year must be prorated. Sick leave
304 credits used for years in excess of 25 years must be
305 credited at 2 percent of average final earnings. The
306 maximum benefit with the application of sick leave
307 credits must not exceed 76.5 percent of average final
308 earnings. Beginning July 1, 2024, from the date of
309 retirement to the month that the member reaches the
310 maximum Social Security retirement benefit age: 2.5
311 percent of average final earnings for each of the first
312 25 years of credited service completed, and 2 percent
313 of average final earnings for each year of credited
314 service of more than 25 years, to a maximum of 30
315 years plus sick leave credits. Years of credited service
316 of less than one full year must be prorated. Sick leave
317 credits used for years in excess of 25 years must be
318 credited at 2 percent of average final earnings. The
319 maximum benefit with the application of sick leave
320 credits must not exceed 76.5 percent of average final
321 earnings.

322 (ii) From the month the member reaches Social Security
323 normal retirement age: 1.25 percent of average final
324 earnings up to the Social Security maximum covered
325 compensation in effect on the date of retirement for
326 each year of credited service to a maximum of 30
327 years plus sick leave credits, plus 2.5 percent of
328 average final earnings above the Social Security
329 maximum covered compensation in effect on the date
330 of retirement for each of the first 25 years of credited
331 service completed, and 2 percent of average final
332 earnings above the Social Security maximum
333 covered compensation in effect on the date of
334 retirement for each year of credited service of more
335 than 25 years, to a maximum of 30 years plus sick
336 leave credits. Years of credited service of less than
337 one full year must be prorated. Sick leave credits used
338 for years in excess of 25 years must be credited at 2
339 percent of average final earnings above the Social
340 Security maximum covered compensation in effect
341 on the date of retirement. The County must increase
342 this initial amount by the cost-of-living adjustments
343 provided under Section 33-44(c) for the period from
344 the member's date of retirement to the month in
345 which the member reaches Social Security retirement
346 age. Beginning July 1, 2024, from the month the
347 member reaches the maximum Social Security
348 retirement benefit age: 1.25 percent of average final

349 earnings up to the Social Security maximum covered
 350 compensation in effect on the date of retirement for
 351 each year of credited service to a maximum of 30
 352 years plus sick leave credits, plus 2.5 percent of
 353 average final earnings above the Social Security
 354 maximum covered compensation in effect on the date
 355 of retirement for each of the first 25 years of credited
 356 service completed, and 2 percent of average final
 357 earnings above the Social Security maximum
 358 covered compensation in effect on the date of
 359 retirement for each year of credited service of more
 360 than 25 years, to a maximum of 30 years plus sick
 361 leave credits. Years of credited service of less than
 362 one full year must be prorated. Sick leave credits used
 363 for years in excess of 25 years must be credited at 2
 364 percent of average final earnings above the Social
 365 Security maximum covered compensation in effect
 366 on the date of retirement. The County must increase
 367 this initial amount by the cost-of-living adjustments
 368 provided under Section 33-44(c) for the period from
 369 the member's date of retirement to the month in
 370 which the member reaches the maximum Social
 371 Security retirement benefit age.

372 * * *

373 **33-115. Participant requirements and participant groups.**

374 (a) *Participant [Requirements] requirements.*

375 * * *

- 376 (7) Participation in the guaranteed retirement income plan.
- 377 (A) A participant who changes employment from the County
- 378 directly to a participating agency or from a participating
- 379 agency directly to the County must continue to participate
- 380 in his or her retirement plan and is not eligible to make an
- 381 election. A member of the Office, Professional and
- 382 Technical (OPT) or the Service, Labor and Trades (SLT)
- 383 collective bargaining unit of the County government must
- 384 participate in the Guaranteed Retirement Income Plan,
- 385 unless the employee makes a one-time irrevocable election
- 386 to participate in the Retirement Savings Plan during the first
- 387 150 days of [full time] employment, if the employee:
- 388 (i) is hired as a full-time employee on or after July 1,
- 389 2015; [or]
- 390 (ii) is a part time employee who does not participate in
- 391 the Retirement Savings Plan and becomes a full-time
- 392 employee on or after July 1, 2015[.]; or
- 393 (iii) is hired as a part time employee on or after July 1,
- 394 2023, and does not elect to forego participation in
- 395 either the guaranteed retirement income plan or the
- 396 retirement savings plan.

* * *

33-128. Definitions.

In this Division, the following words and phrases have the following meanings:

* * *

Employee means a County employee who[]:

402 (1)]] participates in the retirement savings plan under this Article or in the
 403 elected officials' plan under Article III or the guaranteed retirement
 404 income plan under Article III]; and

405 (2) is regularly scheduled to work 20 hours or more per week].

406 * * *

407 **33-131. Amount of benefits.**

408 * * *

409 (b) *Non-service-connected disability.* The annual amount of the non-service-
 410 connected disability benefit payment equals 2 percent of the employee's
 411 final earnings, multiplied by the number of years of credited service
 412 earned under Section 33-41 or Section 33-119. However, the benefit
 413 must be at least [30] 33 1/3 percent of the employee's final earnings, but
 414 no more than 60 percent of the employee's final earnings, less any
 415 reductions provided in Section 33-134.

416 * * *

417 **33-133. Termination of benefits.**

418 (a) *Non-public safety employee.* The administrator must terminate initial or
 419 continued disability benefits to a non-public safety employee if the
 420 employee:

- 421 (1) recovers from the disability, as determined by the administrator;
- 422 (2) does not provide the administrator with information that the
- 423 administrator requires; or
- 424 (3) attains age [70] 85, or a later age if required under federal law.

425 (b) *Public safety employee.* The administrator must terminate initial or
 426 continued disability benefits to a public safety employee if the employee:

- 427 (1) recovers from the disability, as determined by the administrator;

- 428 (2) does not provide the administrator with information that the
- 429 administrator requires; or
- 430 (3) attains age [70] 85, or a later age if required under federal law, if
- 431 the benefit is for a non-service connected disability.

432 **33-134. Reduction of benefits.**

433 (a) *Reduction by payments received.* Disability benefits must be reduced by
434 any amount the employee receives from:

435 * * *

- 436 (4) the optional or integrated plan of the employees' retirement system
- 437 under Article III; and
- 438 (5) the retirement savings plan under this Division, or amounts the
- 439 employee is entitled to receive under the retirement savings plan
- 440 for a public safety employee]; and
- 441 (6) employment, including net earnings from self-employment,
- 442 received directly or indirectly].

443 (b) Amount of reduction. The disability benefits must be reduced by[:

- 444 (1) one dollar for every three dollars of earnings under paragraph
- 445 (a)(6); and
- 446 (2)] one dollar for every one dollar of other payments under subsection
- 447 (a).

448 * * *

449 **Sec. 2. Effective date.** The Council declares that this legislation is necessary
450 for the immediate protection of the public interest. This Act takes effect on the date
451 on which it becomes law.

Approved:


Evan Glass, President, County Council

July 25, 2023

Date

Approved:


Marc Elrich, County Executive

August 7, 2023

Date

This is a correct copy of Council action.


Sara R. Tenenbaum, Clerk of the Council

August 7, 2023

Date