



Bill No. 23-24

Concerning: Amendment to Frederick County

Employees Retirement Plan

Introduced: November 21, 2023

Revised: _____ Draft No. _____

Enacted: _____

Effective: _____

Expires: February 19, 2024

Frederick County Code, Chapter _____

Section(s) _____

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

By: Council President Brad W. Young on behalf of County Executive Jessica Fitzwater

AN ACT to: amend the Frederick County Employees Retirement Plan, effective July 1, 2024, to provide for full vesting for all participants after the participant earns five Years of Eligibility Service and to eliminate the requirement of earning ten Years of Eligibility Service for participants with a date of hire on or after July 1, 2012.

Date Council Approved: _____ Date Transmitted to Executive: _____

Executive: _____ Date Received: _____

Approved: _____ Date: _____

Vetoed: _____ Date: _____

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

By amending:

Frederick County Code, _____ Section(s) _____

Other: Frederick County 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.

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2 The County Council of Frederick County, Maryland, finds it necessary and appropriate to
3 amend the Frederick County Employees Retirement Plan to implement changes to decrease the
4 time for a participant hired on and after July 1, 2012 to become fully vested in retirement plan
5 benefits from ten years to five years.

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

9
10 AND BE IT FURTHER ENACTED, that the amendments shown on Exhibit 1 will be
11 effective as provided in the Exhibit 1 on or after the effective date of this Bill.

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13
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15 _____
16 Brad W. Young, President
17 County Council of Frederick County,
18 Maryland

Section 6.5 of the Frederick County Employees Retirement Plan is amended to read as follows effective July 1, 2024:

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 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, unless the Participant receives a Cash-Out, in which case, such Cash-Out shall be made within an administratively reasonable period of time following the Participant's termination of employment for the County. In addition, a lump sum distribution of the Participant's Pick-Up Contributions Benefit shall be made within an administratively reasonable period of time following the Participant's termination of employment for the County if he is entitled to the benefit.

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

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

Non-Uniformed Employees [whose Employment Commencement Date is Prior to July 1, 2012]:

Years of Eligibility Service	Percentage Vested
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Underlining indicates matter added to existing law.

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

*** - indicates existing law unaffected by bill.

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Less than 5	0%
5 or more	100%

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

<u>Years of Eligibility</u> <u>Service</u>	<u>Percentage</u> <u>Vested</u>
Less than 10	0%
10 or more	100%]

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

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

Underlining indicates matter added to existing law.

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

*** - indicates existing law unaffected by bill.

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