



Bill No. 24-20
Concerning: Amend the Frederick County Uniformed
Employees Retirement Plan
Introduced November 19, 2024
Revised: _____ Draft No. _____
Enacted: _____
Effective: _____
Expires: February 16, 2025
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 Uniformed Employees Retirement Plan effective July 1, 2025, to reflect the terms of the Deferred Retirement Option Program for law enforcement officers and corrections officers, pursuant to (a) the Agreement between the Sheriff of Frederick County and the Frederick County Deputy Sheriff's Fraternal Order of Police Lodge No. 102, Inc. effective July 1, 2024, through June 30, 2025, and (b) the Agreement between the Sheriff of Frederick County and the Fraternal Order of Police 102A effective July 1, 2024, through June 30, 2025.

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 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.

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2
3 The County Council of Frederick County, Maryland, finds it necessary and appropriate to
4 amend the Frederick County Uniformed Employees Retirement Plan to implement the changes to
5 the Deferred Retirement Option Program for Law Enforcement Officers and Corrections Officers.
6

7 NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF
8 FREDERICK COUNTY, MARYLAND, that the Frederick County Uniformed Employees
9 Retirement Plan be, and it is hereby, amended as shown on the attached Exhibit 1.
10

11 AND BE IT FURTHER ENACTED, that the amendments shown in Exhibit 1 will be
12 effective as provided in Exhibit 1 on or after the effective date of this Bill.
13
14
15
16

17 _____
18 Brad W. Young, President
19 County Council of Frederick County,
20 Maryland

Article XVI of the Frederick County Uniformed Employees Retirement Plan is amended to read as follows effective July 1, 2025:

ARTICLE XVI

DEFERRED RETIREMENT OPTION PROGRAM - LAW ENFORCEMENT OFFICERS AND
CORRECTIONS OFFICERS

16.1 Definitions - In this section, the following words have the meanings indicated:

(a) “DROP” means the Deferred Retirement Option Program established pursuant to this Section.

(b) “DROP Account” means the account established for the DROP Participant in accordance with Section 16.7.

[(c) “DROP Effective Date” means July 1, 2021.]

[(d)]c) “DROP Participant” means a Participant in the Plan who:

(i) is eligible to participate in DROP as provided in this Article XVI; and

(ii) elects to participate in DROP as provided in this Article XVI.

16.2 Eligibility - A Participant in the Plan is eligible to participate in DROP if the Participant:

(a) Is a Uniformed Participant in the category of law enforcement officer or corrections officer,

(b) [Either: (i)]Has attained the service requirement for the Participant’s Normal Retirement Date[, as of the DROP Effective Date, or (ii) Attains the service requirement for the Participant’s Normal Retirement Date after the DROP Effective Date];

(c) Has earned no more than 27.0 Years of Eligibility Service[as of the DROP Effective Date] (for DROP commencement beginning on or after July 1, 2021, and before July 1, 2025) or no more than 30.0 Years of Eligibility Service (for DROP commencement beginning on or after July 1, 2025); and

(d) Has an acceptable performance rating from the Sheriff’s Office.

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1 16.3 Election; Duration of Participation

2
3 An eligible Participant may elect to participate in DROP for a period of between 12 and 36
4 months; provided, however, that the elected DROP participation period cannot cause the Participant's
5 anticipated Years of Eligibility Service at the end of the DROP participation period to exceed 28.0
6 Years of Eligibility Service (for DROP commencement beginning on or after July 1, 2021, and before
7 July 1, 2025) or 31.0 Years of Eligibility Service (for DROP commencement beginning on or after
8 July 1, 2025).

9
10 16.4 Application; Limitation on Enrollment

11
12 (a) Participant's Election: An eligible Participant who elects to participate
13 in DROP shall:

14
15 (i) provide a written application to the employee designated by the
16 Retirement Plan Committee (the "DROP Coordinator") on a form approved by or acceptable to the
17 Retirement Plan Committee, stating:

18
19 (A) the Participant's intention to participate in DROP;

20
21 (B) the date, which shall be the first day of a month, when
22 the Participant desires to begin participation in DROP; and

23
24 (C) such other information required by the Retirement Plan
25 Committee to implement DROP with respect to the Participant, including a binding letter of resignation
26 accepted by the Sheriff in accordance with the Sheriff's Office policies and procedures then in effect,
27 setting forth the date the Participant intends to terminate employment following completion of the
28 Participant's elected DROP period; and

29
30 (ii) submit the application to the DROP Coordinator no later than
31 the first day of the month that is no less than two and no more than three months prior to the first day
32 of the month coincident with the date the Participant elects to begin participation in DROP. If the due
33 date for the election falls on a Saturday, Sunday or day when the County's offices are closed, the due
34 date shall be the next day during which the County's offices are open.

35
36 (b) Limitation on Enrollment in DROP

37
38 (i) The application to participate in DROP by no more than one
39 percent of the Frederick County Sheriff's Office Uniformed Law Enforcement officers workforce will
40 be accepted for any one month. The application to participate in DROP by no more than one percent
41 of the Frederick County Sheriff's Office Uniformed Corrections officers workforce will be accepted
42 for any one month. In determining this one percent limitation, the number of Participants eligible to
43 elect to enter DROP will be rounded up to the next highest whole number and will be determined as
44 of the first day of the payroll period that is two months in advance of the elected DROP participation
45 date.

46
47 (ii) If more Participants submit an application to participate in
48 DROP than can be accepted due to the limitations set forth in subsection (b)(i) above, the Participants

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1 whose applications will be accepted will be determined on the basis of seniority within the Frederick
2 County Sheriff's Office.

3
4 (iii) The applications of Participants whose applications are
5 deferred pursuant to subsection (b)(ii) above will be considered for the following months on the same
6 basis as set forth in subsections (b)(i) and (b)(ii); provided, however, that a Participant whose
7 application is deferred past the date the Participant earns [27.0]the maximum Years of Eligibility
8 Service in effect at the time of the Participant's election to participate in DROP as defined in Section
9 16.2(c) will not be eligible to participate in DROP.

10 11 16.5 Irrevocability of Election

12
13 A Participant's election to participate in DROP is irrevocable as of the fifteenth day following
14 the DROP Coordinator's receipt of the Participant's election to participate in DROP, provided that the
15 acceptance of the Participant's election is not deferred pursuant to Section 16.4(b). In the event the
16 Participant's application to participate in DROP is deferred pursuant to Section 16.4(b), the election is
17 irrevocable as of the fifteenth calendar day following the acceptance of the Participant's election to
18 participate in DROP and notification of the acceptance being provided to the Participant. If the due
19 date for the revocation of an election to participate in DROP falls on a Saturday, Sunday or day when
20 the County's offices are closed, the due date shall be the next day during which the County's offices
21 are open.

22 23 16.6 Suspension of Participation; Termination of Participation

24
25 (a) Suspension of Participation - Participation in DROP is suspended upon
26 the Participant receiving a performance rating from the Sheriff's Office of less than acceptable. During
27 the time of suspension, no additions will be made to the Participant's DROP Account. The suspension
28 will be lifted and the Participant will be reinstated to DROP for the remaining DROP participation
29 period elected by the Participant upon the reinstatement of an acceptable performance rating from the
30 Sheriff's Office after exhaustion of the Participant's appeal rights under the Frederick County
31 Personnel Rules in effect at the time; provided, however, that the credits to the Participant's DROP
32 Account provided for in Section 16.7(b)(i) during the period of suspension will be reinstated to the
33 DROP Participant's DROP Account following a Participant's successful appeal of his or her
34 performance rating. In the event that the DROP Participant does not appeal the assignment of the
35 performance rating or is unsuccessful in the appeal of the assignment of the performance rating, [the
36 DROP Participant's DROP Account will be reduced to zero dollars and]the DROP Participant's
37 retirement benefit determined as of the Participant's Termination Date will be determined in
38 accordance with Section 16.8(c) as if the DROP Participant reached a Termination Date prior to the
39 end of the DROP Participant's elected DROP participation period.

40
41 (b) Termination of Participation - Participation in DROP terminates when
42 the DROP Participant reaches a Termination Date.

43 44 16.7 Payment of Retirement Benefit, Accrual of Service Credit, Disposition of 45 Other Benefits During DROP Participation.

46
47 (a) Calculation of Retirement Benefit - As of the effective date of
48 participation in DROP, the DROP Participant's normal retirement benefit as provided for in Section

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6.1, in the form of payment elected by the Participant in accordance with Section 8.2 and without the adjustment for unused sick leave pursuant to Section 6.1(d), shall be determined.

(b) Credit to DROP Account - During the period of the DROP Participant's participation in DROP, the Plan Administrator shall:

(i) Credit the DROP Participant's monthly retirement income determined pursuant to Section 16.7(a) determined as of the DROP Participant's date of participation in DROP, to a DROP Account for the benefit of the DROP Participant;

(ii) Credit the DROP Participant's DROP Account with the investment gains and losses arising out of the individually-directed accounts maintained for this purpose in accordance with Section 16.10;[and]

(iii) Annually adjust the DROP Participant's credit to the DROP account for monthly retirement income under Section 16.7(b)(i) for cost of living increases in accordance with Section 6.8; and

(iv) Credit the DROP Participant's DROP Account with 5% out of the 9% of Compensation made as a pick-up contribution to the Plan pursuant to Section 5.4(a)(i).

(c) No Increase in Years of Eligibility or Credited Service - A DROP Participant will not accrue credit for additional Years of Eligibility or Credited Service during the period of DROP participation.

(d) Compensation during DROP Participation - A DROP Participant's Compensation earned during the period of DROP participation:

(i) Subject to Section 5.4(b), shall be subject to the County pick up contributions provided for in Section 5.4(a)(i), which contributions shall [not]be added to the Participant's DROP Account to the extent provided for in Section 16.7(b)(iv). The remaining 4% of Compensation paid as a pick-up contribution shall be added to the Trust; and

(ii) Shall not be used to increase the DROP Participant's Final Average Earnings.

(e) If during the period of a DROP Participant's participation in DROP, the Participant reaches a Termination Date by reason of Total and Permanent Disability in accordance with Section 6.4(a) ("Ordinary Disability"), the Participant shall receive the benefit calculated pursuant to Section 16.7(a), plus the Participant's DROP Account, calculated as of the Participant's Termination Date. If during the period of a DROP Participant's participation in DROP, the Participant reaches a Termination Date by reason of Total and Permanent Disability in accordance with Section 6.4(b) ("Line of Duty Disability"), the Participant shall receive payment of the DROP Account, plus the greater of: (i) the monthly retirement income calculated pursuant to Section 16.7(a) or (ii) the monthly retirement income calculated pursuant to Section 6.4(b).

(f) If during the period of a DROP Participant's participation in DROP, the Participant reaches a Termination Date by reason of death, the Participant's Beneficiary will receive

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1 the benefit described in Section 7.1, based upon the Participant's Years of Eligibility Service and
2 Highest Average Earnings earned at the DROP participation date, plus the Participant's DROP
3 Account. The DROP Participant's Beneficiary designated for purposes of receipt of the death benefits
4 described in Section 7.1 shall be the same Beneficiary designated for purposes of receipt of the DROP
5 Account. In the event there is no valid Beneficiary on file for the Participant, payment will be made in
6 accordance with Section 9.1.

7
8 16.8 Payment of Retirement Income and DROP Account At Termination Date.
9

10 (a) Payment of DROP Account – Termination Following End of Elected
11 DROP Participation Period: Upon the termination of a DROP Participant's employment with the
12 County, for reasons other than death or Total and Permanent Disability, as of or following the end of
13 the Participant's DROP participation period, the Trustees shall pay to the Participant the amount
14 accrued in the DROP Account for the DROP Participant, determined in accordance with Section 16.7,
15 as adjusted for investment gains and losses determined pursuant to Section 16.10 through as soon as
16 reasonably practical before the date of payment, and as elected by the DROP Participant, in the form
17 of:

- 18
19 (i) An Eligible Rollover Distribution, pursuant to Section 8.4;
20
21 (ii) A lump sum distribution, reduced by any elected or required
22 withholding for taxes; or
23
24 (iii) Any other form of payment allowed under the individually-
25 directed account.
26

27 (b) Payment of Retirement Benefit - Termination Following End of
28 Elected DROP Participation Period: Upon the termination of a DROP Participant's employment with
29 the County for reasons other than death or Total and Permanent Disability, as of or following the end
30 of the Participant's DROP participation period, the Participant will receive the monthly retirement
31 income determined in accordance with Section 16.7, in the form of payment elected by the Participant
32 pursuant to Section 8.2 when the Participant elected to participate in DROP, as adjusted for cost of
33 living increases pursuant to Section 6.8 during the DROP participation period and as adjusted for hours
34 of unused sick leave, pursuant to Section 6.1(d), based upon the DROP Participant's unused sick leave
35 as of the DROP Participant's Termination Date. The DROP Participant's DROP Account will not be
36 affected by the changes in the DROP Participant's unused sick leave during the period of participation
37 in DROP.
38

39 (c) Termination Before End of Elected DROP Participation Period – Upon
40 the DROP Participant's reaching a Termination Date, for reasons other than death or Total and
41 Permanent Disability, prior to the end of the DROP Participant's elected DROP participation period,
42 the Participant will receive the monthly retirement income determined in accordance with Section
43 [6.1]16.7, in the form of payment elected by the Participant pursuant to Section 8.2 when the
44 Participant elected to participate in DROP, as adjusted for cost of living increases pursuant to Section
45 6.8 during the DROP participation period and as adjusted for hours of unused sick leave, pursuant to
46 Section 6.1(d), based upon the DROP Participant's unused sick leave as of the DROP Participant's
47 Termination Date. The DROP Participant's DROP Account will not be affected by the changes in the
48 DROP Participant's unused sick leave during the period of participation in DROP. The Participant's

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1 DROP Account will be adjusted for investment gains and losses determined pursuant to Section 16.10
2 through as soon as reasonably practical before the date of payment, but reduced by the principal amount
3 of Participant pick-up contributions made to the DROP Account pursuant to Section 16.7(b)(iv). The
4 principal amount of Participant pick-up contributions made to the Plan pursuant to Section 16.7(b)(iv)
5 will be retained in the Trust. The balance of the DROP will be paid as elected by the DROP Participant,
6 in the form of:], all determined as if the Participant had never elected to participate in DROP, but
7 payable in the form of benefit elected by the Participant when the DROP Participant elected to
8 participate in DROP. The Participant's DROP Account will then be reduced to zero dollars.]
9

10 (i) An Eligible Rollover Distribution, pursuant to Section 8.4;
11
12 (ii) A lump sum distribution, reduced by any elected or required
13 withholding for taxes; or
14
15 (iii) Any other form of payment allowed under the individually-
16 directed account.
17

18 16.9 Limitations; Other Benefits of Employment; Segregation of Assets

19

20 (a) The benefits payable pursuant to this Article XVI shall be adjusted, if
21 necessary, to conform to the limitations on the accrual of benefits pursuant to Section 6.6.
22

23 (b) During the period of a DROP Participant's participation in DROP, the
24 DROP Participant shall continue to be eligible to participate in any health and welfare plan and deferred
25 compensation plan, and receive any other benefits otherwise available to employees of the Frederick
26 County Sheriff's Office and shall continue to be subject to the personnel laws, regulations and policies
27 applicable to an Employee.
28

29 (c) The DROP Account is maintained solely for purposes of accounting
30 for the DROP Participant's benefit from DROP. The Trustees shall be under no obligation to segregate
31 funds from the Plan assets for the Participant's DROP Account.
32

33 16.10 Establishment of Investment Accounts

34

35 The DROP Account will be invested in one or more investment funds elected by the DROP
36 Participant from among investment options provided by the Trustees, in their discretion. The DROP
37 account will be adjusted monthly for earnings or losses based on the investment fund(s) selected by
38 the DROP Participant.
39

40 16.11 Review of DROP

41

42 The Administrator will engage the Plan's actuaries to review the operations of the DROP as of
43 July 1, 2026 to determine the level of the DROP's cost neutrality to the Plan.
44

45 END OF ARTICLE XVI

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