A BILL ENTITLED

AN ORDINANCE concerning: Pensions – Deferred Retirement Option Program – Term of Participation Period – Limitations on Interest

FOR the purpose of adding a certain classification to and removing certain classifications from the requirement of approval for the sixth year of DROP participation; establishing the rate of interest for the sixth year of the DROP for Fire Battalion Chiefs; allowing Battalion Chiefs to earn interest on their accounts during the sixth year of a DROP participation period; providing for the retroactive effect of this ordinance; and generally relating to pensions.

BY repealing and reenacting, with amendments: §§ 5-1-506(b); and 5-1-508(d) Anne Arundel County Code (2005, as amended)

SECTION 1. Be it enacted by the County Council of Anne Arundel County, Maryland, That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 5. PENSIONS

TITLE 1. GENERAL PROVISIONS
5-1-506. Participation period; mandatory retirement upon expiration.

(b) Term of participation period. The initial term of a DROP participation period is three years. The DROP participation period may be extended by no more than three additional one-year terms for all participants who qualify for participation in DROP under § 5-1-503. A DROP participant shall file an election for each extension on the form required by the Personnel Officer no fewer than 30 days before the end of the current term. Failure of a DROP participant to file a timely election for an extension results in the expiration of the DROP participation period at the end of the current term. A participant who is a member of the Detention Officers’ and Deputy Sheriffs’ Retirement Plan must have the approval of the appointing authority to extend the DROP participation period beyond the initial term and to continue employment with the County. [[Except for those in the classification of Battalion Chief, a]] A participant of the Fire Service RETIREMENT Plan, or of the Police Service Retirement Plan who is in the classification of [[Police Sergeant, Police Lieutenant,]] Police Captain, Police Major, Police Deputy Chief, or Police Chief must have the approval of the appointing authority to extend the DROP participation period beyond the fifth year.

5-1-508. DROP account.

(c) Account balance. The account balance credited to a DROP participant includes:

(2) [[except for those in the classification of Battalion Chief,]] for members of the Fire Service Retirement Plan, entering the sixth year of the DROP after July 1, 2018, the Police Service Retirement Plan and the Detention Officers’ and Deputy Sheriffs’ Retirement Plan, interest on amounts earned in years one through six of a member’s DROP participation compounded on the account balance as of the first day of each month, at an interest rate of .34745%, which provides an effective annual yield of 4.25%.

(d) Limitations on interest. No interest will be earned or credited after the expiration of any DROP participation period. [[For members of the Fire Service Retirement Plan who are in the classification of Battalion Chief, no interest will be earned or credited during the sixth year of a DROP participation period.]]

SECTION 2. And be it further enacted, That the provisions of this ordinance shall be retroactive to July 1, 2020.

SECTION 3. And be it further enacted, That this Ordinance shall take effect 45 days from the date it becomes law.

AMENDMENT ADOPTED: September 8, 2020

READ AND PASSED this 21st day of September, 2020

By Order:

JoAnne Gray
Administrative Officer
Bill No. 55-20
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PRESENTED to the County Executive for his approval this 22nd day of September, 2020

JoAnne Gray
Administrative Officer

APPROVED AND ENACTED this 25th day of September, 2020

Steuart Pittman
County Executive

EFFECTIVE DATE: November 9, 2020

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO. 55-20. THE ORIGINAL OF WHICH IS RETAINED IN THE FILES OF THE COUNTY COUNCIL.

JoAnne Gray
Administrative Officer