

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2025 Legislative Session

Legislative Day No. 3

Bill No. 15 -2025

Introduced by: The Chairperson at the request of the County Executive

Short Title: Police and Fire Employees' Retirement Plan – Maryland Police Corps Service

Title: AN ACT amending the Howard County Police and Fire Employees' Retirement Plan in order to authorize Police Officers with Maryland Police Corps service to purchase an additional 5 months of eligibility service and creditable service and adding provisions relating to the impact of such service on DROP II participation and generally relating to the Howard County Police and Fire Employees' Retirement Plan.

Introduced and read first time _____, 2025. Ordered posted and hearing scheduled.

By order _____
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2025.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2025 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2025 at ___ a.m./p.m.

By order _____
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive _____, 2025

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland that the Howard
2 County Code is amended as follows:

3 1. *By Amending Title 1. Human Resources*

4 *Subtitle 4A Police and Fire Employees' Retirement Plan*

5 *Sec. 1.419A. Transfer of credited service; special provisions.*

6 *Section 1.438A Deferred Retirement Option Program II*

7
8 **Title 1. Human Resources.**

9 **Subtitle 4A. Police and Fire Employees' Retirement Plan**

10 **Article 2A. Credited Service.**

11
12 **Sec. 1.419A. Transfer of credited service; special provisions.**

13 Effective July 1, 1993 a participant may receive credit for years of eligibility service and years of
14 creditable service for periods of employment with another Government employer under the
15 circumstances described in this section 1.419A, provided that such service has not been
16 transferred and recognized under sections 1.416A through 1.418A above OR THROUGH
17 SUBSECTIONS (E) AND (F) OF THIS SECTION 1.419A. If such service is transferred and recognized
18 under the plan, either:

19 (a) *Adjustment of Retirement Date.* The participant's early retirement date and normal retirement
20 date shall be adjusted in accordance with paragraph (c) below, and/or

21 (b) *Amount of Benefit Payable to Participant.* The amount of the benefit payable to the
22 participant pursuant to section 1.428A and the participant's accrued benefit shall be adjusted in
23 accordance with paragraph (d) below.

24 (c) *Adjustment of Early Retirement Date and Normal Retirement Date.* For the sole purpose of
25 calculating whether a participant has reached his or her early retirement date or normal
26 retirement date under the plan, a participant's years of eligibility service include the following:

27 (1) Up to five years of eligibility service will be credited for periods of full-time employment
28 with another Government employer provided that such periods of full-time employment
29 are in a position classification which is comparable to one or more of the position
30 classifications of covered employees.

31 (2) Up to two years of eligibility service will be credited for periods of full-time employment
32 with the County in the position classification of Police Cadet or with another Government

1 employer within the State of Maryland, provided that such periods of full-time
2 employment are in a position classification which is comparable to Police Cadet.

3 (3) The total years of eligibility service credited under this subsection shall not exceed five
4 years of eligibility service.

5 (d) *Adjustment of the Amount of Benefit Payable.* For the sole purpose of calculating a
6 participant's accrued benefit and his or her retirement benefits payable under section 1.428A, any
7 participant may irrevocably elect, within one year of performing an hour of service as a covered
8 employee, to transfer to the plan the amount of any participant contributions made to another
9 Government employer retirement plan under which the participant was covered, together with
10 interest previously credited by such plan, provided that such plan permits transfer of
11 contributions to this plan. If a participant so elects, the amount of his or her accrued benefit and
12 the amount of retirement benefit as calculated under section 1.428A shall include an actuarial
13 adjustment for the participant contributions which are transferred.

14 (e) *Purchase of Credited Service—Normal and Early Retirement Benefits.*

15 (1) (i) *General.* Any participant may elect, at any time after becoming a participant and prior
16 to reaching a termination date, to receive credit for years of creditable service
17 performed with another government employer, provided that such service has not
18 been previously recognized under sections 1.416A through 1.418A [[or section
19 1.419A(a)—(d)]] OR UNDER SUBSECTIONS (A), (B), (C), (D) OR (F) OF THIS SECTION
20 1.419A.

21 (ii) Any participant who has received credit for eligibility service pursuant to subsection
22 (c)(2) of this section 1.419A may elect, at any time after June 30, 2014 and prior to
23 reaching a termination date, to receive credit for up to two years of creditable service
24 for periods of full-time employment with the County in the position classification of
25 Police Cadet.

26 (2) *Cost of purchase.*

27 (i) It is the intent of the County that a participant who elects to purchase credit for
28 service [[hereunder]] UNDER THIS SUBSECTION (E) will pay the full actuarial cost of the
29 credit for service.

1 (ii) The participant's election to purchase service shall include an election by the
2 participant of an assumed retirement date (the "assumed retirement date") upon which
3 the cost to purchase service will be based.

4 (iii) The cost of the purchase equals the present value of the participant's projected
5 accrued benefit including the credit for the service purchased hereunder and
6 calculated on the basis of the participant's assumed retirement date, less the present
7 value of the participant's projected accrued benefit without the service credit
8 purchased hereunder.

9 (iv) Present value will be determined using the interest, post-retirement mortality, post-
10 retirement benefit increase and pay increase assumptions most recently adopted by
11 the Committee, except that the interest assumption will be net of investment expenses
12 and the actuary will use the unisex version of the mortality table used to determine
13 post-retirement mortality.

14 (3) *Methods of payment for purchased service.* The participant's election to purchase credit
15 for service shall also include an election of the method by which the participant will
16 purchase the credit for service.

17 (i) The participant may pay over to the plan the amounts calculated pursuant to
18 subsection (ii) hereof by either:

- 19 a. A lump sum cash payment to the plan;
- 20 b. A rollover from another employer's qualified retirement plan;
- 21 c. Following the effective date of section 1.426A(a)(3), periodic installment
22 payments by payroll deduction; or
- 23 d. Effective May 1, 2004, the participant may also purchase credit for service
24 through one or more of the following methods:
 - 25 1. A rollover from an individual retirement account to the extent permitted under
26 section 408(d)(3) of the Internal Revenue Code;
 - 27 2. A rollover or direct trustee-to-trustee transfer from a deferred compensation
28 plan established by a Governmental employer pursuant to section 457(b) of
29 the Internal Revenue Code to the extent provided for by sections 457(e)(16)
30 and 457(e)(17) of the Internal Revenue Code;

1 3. A direct trustee-to-trustee transfer from a tax deferred annuity established
2 pursuant to section 403(b) of the Internal Revenue Code to the extent provided
3 for by section 403(b)(13) of the Internal Revenue Code; or

4 (ii) If the participant chooses to purchase the credit in whole or in part by periodic
5 installment payments, such a purchase shall be pursuant to a binding, irrevocable
6 payroll deduction authorization between the County and the participant which
7 provides for the number of deductions and the dollar amount of each deduction.

8 (iii) Notwithstanding the foregoing, the participant's election of the method of payment
9 for purchased service may be modified by the County to the extent necessary to
10 conform to section 415 of the Internal Revenue Code.

11 (4) *Retirement before or after assumed retirement date.*

12 (i) If a participant reaches a termination date on a date other than the participant's
13 assumed retirement date, but after the participant's normal retirement date, the credit
14 for service purchased by the participant will be adjusted so that the amount of credit
15 purchased equals the amount that would have been purchased (based on the
16 participant's actual contributions) if the actual termination date had been used (rather
17 than the assumed retirement date) for purposes of calculating the cost of the service.

18 (ii) If the adjustment increases the amount of credit purchased over the credit which
19 would have been awarded if the participant terminated employment on the assumed
20 retirement date, the excess will be used to provide an additional monthly benefit to
21 the participant.

22 (5) *Participant elects return of payments.* If a participant reaches a termination date after
23 having been credited with at least five years of eligibility service and prior to his normal
24 retirement date, the participant, or the participant's beneficiary, may elect to receive a
25 return of the payments made pursuant to this section 1.419A(e) plus interest at the rate
26 specified in (2) hereof, in the form of either:

27 (i) A lump sum payment; or

28 (ii) A monthly benefit equivalent to a lump sum payment, with the equivalence to be
29 determined pursuant to the factors set forth in (2) hereof.

30 (6) *Mandatory return of payments.* If a participant reaches a termination date before having
31 been credited with five years of eligibility service, the participant, or the participant's

1 beneficiary, shall receive a return of the payments made pursuant to this section
2 1.419A(e) plus interest at the rate specified in (2) hereof, in the form of a lump sum
3 payment.

4 (F) POLICE CORPS SERVICE.

5 (1) MARYLAND POLICE CORPS WAS ESTABLISHED IN 1996 AS A FEDERAL SCHOLARSHIP
6 PROGRAM TO RECRUIT AND TRAIN COLLEGE GRADUATES TO SERVE AS COMMUNITY POLICE
7 OFFICERS AT THE COMPLETION OF THE PROGRAM. THE MARYLAND POLICE CORPS WAS
8 DEVELOPED THROUGH A PARTNERSHIP BETWEEN THE GOVERNOR'S OFFICE OF CRIME
9 CONTROL AND PREVENTION AND PARTICIPATING POLICE AGENCIES, INCLUDING THE
10 HOWARD COUNTY POLICE DEPARTMENT AND FUNDED BY THE U.S. DEPARTMENT OF
11 JUSTICE.

12 (2) MARYLAND POLICE CORPS SERVICE MEANS THE 5 MONTHS OF ELIGIBILITY SERVICE AND
13 CREDITABLE SERVICE THAT A POLICE OFFICER MAY ELECT TO PURCHASE UNDER
14 PARAGRAPH (3) OF THIS SUBSECTION (F).

15 (3) EFFECTIVE JANUARY 1, 2025, AN EMPLOYEE (I) WHO IS CLASSIFIED AS A POLICE OFFICER
16 UNDER SECTION 1.406A(AG) (II) WHOSE EMPLOYMENT COMMENCEMENT DATE IS NO
17 EARLIER THAN JUNE 30, 2000 AND NO LATER THAN JULY 20, 2003, (III) WHO IS A COVERED
18 EMPLOYEE ON JANUARY 1, 2025 AND (IV) WHO PARTICIPATED IN THE MARYLAND POLICE
19 CORPS MAY ELECT TO PURCHASE 5 MONTHS OF ELIGIBILITY SERVICE AND CREDITABLE
20 SERVICE FOR THEIR POLICE CORPS SERVICE.

21 (4) *COST TO PURCHASE POLICE CORPS SERVICE.* A POLICE OFFICER WHO ELECTS TO PURCHASE
22 HIS OR HER POLICE CORPS SERVICE WILL PAY AN AMOUNT BASED ON THE CONTRIBUTION
23 RATE THAT WAS IN EFFECT DURING THE INDIVIDUAL'S POLICE CORPS SERVICE AND THE
24 INDIVIDUAL'S COMPENSATION AT THEIR EMPLOYMENT COMMENCEMENT DATE.

25 (5) *PAYMENT METHODS.* A POLICE OFFICER MAY PURCHASE THE SERVICE UNDER THIS
26 SUBSECTION (F) THROUGH A LUMP SUM CASH PAYMENT TO THE PLAN, A ROLLOVER OR
27 DIRECT TRUSTEE-TO-TRUSTEE TRANSFER FROM A DEFERRED COMPENSATION PLAN
28 ESTABLISHED BY A GOVERNMENTAL EMPLOYER PURSUANT TO SECTION 457(B) OF THE
29 INTERNAL REVENUE CODE TO THE EXTENT PROVIDED FOR BY SECTIONS 457(E)(16) AND
30 457(E)(17) OF THE INTERNAL REVENUE CODE, OR A DIRECT TRUSTEE-TO-TRUSTEE
31 TRANSFER FROM A TAX DEFERRED ANNUITY ESTABLISHED PURSUANT TO SECTION 403(B) OF

1 THE INTERNAL REVENUE CODE TO THE EXTENT PROVIDED FOR BY SECTION 403(B)(13) OF
2 THE INTERNAL REVENUE CODE; PROVIDED THAT THE PURCHASE IS COMPLETED ON OR
3 BEFORE SEPTEMBER 30, 2025.

4 (6) *IMPACT ON DROP II ELIGIBILITY DATE.* A PARTICIPANT WHO DOES NOT HAVE 25 YEARS OF
5 CREDITABLE SERVICE ON JANUARY 1, 2025 WITHOUT CONSIDERATION OF HIS OR HER
6 MARYLAND POLICE CORPS SERVICE BUT HAS COMPLETED THE PURCHASE OF HIS POLICE
7 CORPS SERVICE UNDER PARAGRAPH (5) AND HAS 25 YEARS OF CREDITABLE SERVICE OR
8 MORE UPON RECOGNITION OF HIS MARYLAND POLICE CORPS SERVICE MAY ELECT TO JOIN
9 DROP II ON A RETROACTIVE BASIS, AS OF JANUARY 1, 2025 OR THE FIRST DAY OF ANY
10 LATER MONTH ON WHICH HIS OR HER SERVICE INCLUDING HIS MARYLAND POLICE CORPS
11 SERVICE EQUALS 25 YEARS OF CREDITABLE SERVICE.

12
13 **Title 1. Human Resources.**

14 **Subtitle 4A. Police and Fire Employees' Retirement Plan.**

15 **Article IIIA. Trust Fund.**

16
17 **Sec. 1.438A. Deferred Retirement Option Program II.**

18 (a) *Definitions.* In this section, the following words have the meanings indicated:

19 (1) *DROP II* means the Deferred Retirement Option Program established under this section
20 1.438A, pursuant to which a participant agrees to delay receipt of retirement benefits
21 while the participant continues to work.

22 (2) *DROP II participant* means a participant who is eligible and who elects to participate in
23 DROP II.

24 (3) *DROP II participation period* means the time during which a participant participates in
25 DROP II while actively employed by the county. DROP II participation periods may
26 begin on the first day of any month on or after January 1, 2015.

27 (4) *DROP II account* means the account established for a DROP II participant in accordance
28 with subsection (h) into which the participant's employee contributions and retirement
29 benefits plus interest are paid while the participant continues to work for the county.

30 (5) *DROP II effective date* means January 1, 2015.

1 (6) *Applicable interest rate* means 3.5 percent per annum; provided, however, that if the
2 assumed rate of return (net of investment expenses) on the Plan's investments
3 ("investment return rate") as most recently adopted by the Committee changes from the
4 current investment return rate of 7.5 percent, the applicable interest rate shall be the
5 investment return rate minus 4.0 percent; but further provided that the applicable interest
6 rate shall not be less than 1.5 percent.

7 (b) *Eligibility.*

8 (1) Except as provided in paragraphs (2) and (3) of this subsection (b) AND IN SUBSECTION
9 (F) OF SECTION 1.419A, a participant in the Plan is eligible to participate in DROP II if
10 the participant has completed at least 25 years of creditable service.

11 (2) A participant in DROP I who has not reached the last day of his or her DROP I
12 participation period as of January 1, 2015 is eligible to participate in DROP II under the
13 transfer provisions of section 1.437A(k) of this subtitle.

14 (3) A covered employee who, on January 1, 2015, has accrued 33 or more years of creditable
15 service will be allowed until April 1, 2015 to elect to enter DROP II for a DROP II
16 participation period of two years which will begin as of January 1, 2015 and end on
17 December 31, 2016.

18 (4) For purposes of this subsection, years of creditable service attributable to unused sick
19 leave that may otherwise be credited pursuant to subsection 1.428A(c) shall not be
20 counted. All other years of creditable service are counted for purposes of this subsection.

21 (c) *Term of DROP II Participation.* The term of DROP II participation shall be determined by
22 the DROP II participant; provided, however, that, except as provided in subsection (b)(3) of this
23 section, the minimum DROP participation period is two years and the maximum DROP
24 participation period is five years. A participant who enters DROP II but does not complete the
25 minimum participation period of two years before his or her termination date shall have his or
26 her retirement income recalculated as if he or she never entered DROP. In such a case, the
27 participant's DROP II account will be zero dollars. For purposes of this subsection (c), DROP
28 participation period is the total of a participant's DROP I participation period plus his or her
29 DROP II participation period. THE TERM OF DROP II PARTICIPATION SHALL INCLUDE ANY PERIOD
30 OF RETROACTIVE DROP II PARTICIPATION TO WHICH A DROP II PARTICIPANT IS ENTITLED UNDER
31 SUBSECTION (F) OF SECTION 1.419A.

1 (d) *Application.* An eligible participant who elects to participate in DROP II shall:

2 (1) Complete and submit a written election to the coordinator on a form approved by or
3 acceptable to the Committee, stating:

- 4 a. The participant's intention to participate in DROP II;
5 b. The date when the participant intends to begin to participate in DROP II; and
6 c. Such other information required by the Committee to implement DROP II with
7 respect to the participant.

8 (2) Except as provided in paragraphs (3) ~~[[and (4)]]~~ THROUGH (5) of this subsection (d), submit
9 the application to the coordinator between 90 and 30 days prior to the date the participant
10 intends to begin to participate in DROP II.

11 (3) A participant who transfers from DROP I to DROP II pursuant to section 1.437A(k) of
12 this subtitle shall submit an application to the coordinator no later than April 1, 2015.

13 (4) A covered employee who, as of January 1, 2015, has accrued 33 or more years of
14 creditable service and elects to participate in DROP II shall submit an application to the
15 coordinator no later than April 1, 2015.

16 (5) A COVERED EMPLOYEE WHO APPLIES FOR RETROACTIVE PARTICIPATION IN DROP II UNDER
17 SECTION 1.419A(F)(3) OF THIS SUBTITLE SHALL SUBMIT AN APPLICATION TO THE
18 COORDINATOR NO LATER THAN SEPTEMBER 30, 2025.

19 (e) *Termination of Participation.* Participation in DROP II terminates if the DROP II participant:

- 20 (1) Reaches a termination date by reason of death, disability or termination of employment;
21 (2) Accrues 35 years of creditable service (except as provided in subsection (b)(3), or
22 (3) Reaches the fifth anniversary of his or her DROP participation date.

23 (f) *Termination of DROP II Participation Period.*

24 (1) A DROP II participant shall provide at least 18 months' written notice to the coordinator
25 of his or her intent to terminate employment and end the DROP participation period prior
26 to the date he or she accrues 35 years of creditable service or reaches the fifth anniversary
27 of his or her DROP participation date. This notice shall be irrevocable 60 days after the
28 notice is received by the coordinator.

29 (2) *Termination of DROP II participation.* Except as provided in subsection (1) of this section
30 1.438A, the termination date of a DROP II participant shall be the last day of his or her
31 DROP II participation period. The DROP II participant will begin receiving a retirement

1 benefit as of the first day of the month following the end of the DROP II participation
2 period. The termination date of a participant who fails to submit the documents
3 requesting retirement shall be the date he or she completes five years as a DROP
4 participant.

5 (3) *Penalty for Early Termination.* A DROP II participant who has completed two years of
6 DROP II participation and terminates employment prior to completion of the 18 month
7 period provided in the notice described in subsection (f)(1) of this section shall forfeit a
8 portion of the interest accrued in the previous months. The number of months of interest
9 forfeited is equal to the lesser of (a) 12 months or (b) 18 minus the number of full
10 calendar months actually served after written notice of intent to terminate employment
11 and end the DROP participation period was provided to the coordinator. If a DROP II
12 participant fails to give any notice, the interest penalty shall be 12 months. There shall be
13 no penalty under this subsection (f)(3) with respect to a DROP II participant who (i)
14 transfers from DROP I to DROP II pursuant to subsection (k) of section 1.437A after
15 having completed three or more years of DROP I participation, (ii) terminates DROP II
16 on the date he or she accrues 35 years of creditable service or reaches the fifth
17 anniversary of his or her DROP participation date, or (3) is subject to an involuntary
18 termination of employment.

19 (4) *Extension of Participation.* A DROP II participant who has declared his or her written
20 intent to terminate employment and end his or her DROP II participation may request a
21 one-time extension of not more than six months. Approval of the extension shall be at the
22 discretion of the County Executive or his or her designee. No extension shall extend the
23 length of DROP participation to more than five years.

24 (g) *Status During Participation.*

25 (1) *Plan participant.* A DROP II participant will remain a participant in the Plan until the last
26 day of his or her DROP II participation period.

27 (2) *Application of Cost of Living Adjustments.* During the DROP II participation period, the
28 monthly retirement income of DROP II participants which is accumulated in their DROP
29 II accounts will not be subject to cost of living adjustments under section 1.435A.

30 (3) A DROP II participant will not accrue credit for years of creditable service during the
31 period of DROP II participation.

- 1 (4) A DROP II participant's compensation during the DROP II participation period:
- 2 a. Shall be subject to the county pick up contributions provided for in section 1.426A
- 3 until such time as the provisions of subsection 1.426A(b) apply to the DROP II
- 4 participant assuming, solely for purposes of this subsection (g)(4)a., that the DROP II
- 5 participant continues to earn years of creditable service while a DROP II participant;
- 6 and
- 7 b. Shall not be used to increase the DROP II participant's average compensation.

8 (5) During the period of a DROP II participant's participation in DROP II, the DROP II

9 participant shall continue to be eligible to participate in any Health and Welfare Plan and

10 Deferred Compensation Plan, and receive any other benefits otherwise available to

11 County employees who are Police Officers or Firefighters (as applicable) and shall

12 continue to be subject to the personnel laws, regulations and policies applicable to Police

13 Officers or Firefighters (as applicable).

14 (h) *DROP II Account.*

15 (1) As of the effective date of participation in DROP II, the coordinator shall establish and

16 maintain a DROP II account for each DROP II participant. The DROP II account is

17 maintained solely for purposes of accounting for the DROP II participant's benefit from

18 DROP II. The Committee shall be under no obligation to segregate funds from the trust

19 for the participant's DROP II account.

20 (2) During the period of the DROP II participant's participation in DROP II, the coordinator

21 shall credit each month the following amounts to the DROP II participant's DROP II

22 account:

23 a. The DROP II participant's monthly retirement income determined pursuant to section

24 1.428A, as of the participant's DROP II participation date without the adjustment for

25 unused sick leave pursuant to subsection 1.428A(c), and without adjustment for cost

26 of living increases provided to retirees under section 1.435A of this subtitle and

27 subsection (g)(4)a of this section.

28 b. Subject to subsection (g)(4)a of this section, an amount equal to the participant's

29 compensation as defined in section 1.406A(k) of this subtitle multiplied by the

30 contribution rate applicable to the participant under section 1.426A of this subtitle.

31 Solely for the purposes of this subparagraph, the contribution rate will be zero percent

1 for every month following the date the participant has attained 30 years of creditable
2 service.

3 c. Interest on the amounts described in subparagraphs a. and b. in accordance with the
4 following rules:

5 (i) Interest compounded monthly, but with an effective annual rate equal to the
6 applicable interest rate, will be applied to the balance of the DROP II account as
7 of the last day of each month during the DROP II participation period.

8 (ii) No interest will be applied to additions to the account made during the current
9 calendar month.

10 (3) *Statement of account balance.* At least once a year, the coordinator shall provide to a
11 *DROP participant* a statement of the account balance credited to the *DROP account* as
12 described in paragraph (2).

13 (i) *Disability during DROP II participation.* If during the period of a DROP II participant's
14 participation in DROP II, the participant reaches a termination date by reason of total and
15 permanent disability in accordance with section 1.431A, the participant, individually, or by a
16 representative if the participant is unable to make an election due to the disability, may elect to
17 receive one of the following benefits:

18 (1) The benefit calculated pursuant to section 1.431A, based upon the participant's actual
19 years of creditable service, if applicable, and average compensation earned through the
20 termination date and calculated as if the DROP II participant had not elected to
21 participate in DROP II. A DROP II participant who elects the benefit provided for in this
22 subsection (i)(1) will forfeit his or her DROP II account; or

23 (2) The sum of:

24 a. The balance of the participant's DROP II account as of the participant's termination
25 date, paid in the form described in subsection 1.438A(k)(2)a. or 1.438A(k)(2)b., plus

26 b. The monthly benefit calculated pursuant to section 1.431A, based upon the
27 participant's actual years of creditable service, if applicable and average
28 compensation earned through the day before he or she became a DROP participant.

29 (j) *Death during DROP II participation.*

30 (1) If during the period of a DROP II participant's participation in DROP II, the participant
31 reaches a termination date by reason of death, one of the following benefits will be paid:

- 1 a. The participant's beneficiary will receive:
- 2 (i) The general benefit described in subsection 1.439A(a)(1), plus
- 3 (ii) One hundred percent of the balance of the participant's DROP II account as of the
- 4 DROP II participant's termination date, paid in the form described in subsection
- 5 1.438A(k)(2)a. or 1.438A(k)(2)b., or
- 6 b. The participant's surviving spouse or surviving children, as applicable, will receive:
- 7 (i) One hundred percent of the balance of the participant's DROP II account as of the
- 8 DROP II participant's termination date, paid in the form described in subsection
- 9 1.438A(k)(2)a. or 1.438A(k)(2)b., plus
- 10 (ii) The monthly benefit determined pursuant to subsection 1.439A(a)(2) or
- 11 1.439A(b) based upon the participant's actual years of creditable service and
- 12 average compensation earned through the date of death and calculated as if the
- 13 DROP II participant had not elected to participate in DROP II.
- 14 c. Benefits will be paid to the DROP II participant's surviving spouse or surviving
- 15 children only to the extent the requirements of subsections 1.439A(a)(2) and
- 16 1.439A(b)(2) or 1.439A(b)(3) are met. If the requirements of subsections
- 17 1.439A(a)(2) and 1.439A(b)(2) or 1.439A(b)(3) are not met, the DROP II participant's
- 18 surviving spouse or surviving children, as applicable, will receive the benefit
- 19 described in subsection (j)(1).

20 (k) *Retirement Benefits of DROP II Participants.* On the first day of the month following the

21 DROP II participant's termination date, the DROP II participant, or to the DROP II participant's

22 beneficiary, if the participant has died before benefits commence, shall be entitled to receive the

23 following benefits under the Plan:

24 (1) *Monthly income.* A monthly retirement income determined in accordance with section

25 1.428A or 1.442A, adjusted for unused sick leave, pursuant to subsection 1.428A(c).

26 (2) *DROP payment.* The amount accrued in the participant's DROP II account, determined in

27 accordance with subsection (h) at the end of the DROP II participant's participation, in

28 the form of:

- 29 a. An eligible rollover distribution, pursuant to section 1.444A; or
- 30 b. A lump sum distribution, reduced by any withholding taxes remitted to the Internal
- 31 Revenue Service or other taxing authority;

- 1 c. The normal form of monthly benefit specified in section 1.428A if the participant's
2 monthly income is payable in the normal form of monthly benefit specified in section
3 1.428A and the form of annuity selected shall be consistent with the form elected for
4 the base pension amount; or
- 5 d. The form of monthly benefit elected by the DROP II participant in accordance with
6 section 1.442A with respect to the DROP II participant's monthly income and the
7 form of annuity selected shall be consistent with the form elected for the base pension
8 amount.

9 *(l) Employment of Chief of Police and Chief, Fire and Rescue Services following conclusion of*
10 *DROP II Participation.*

11 (1) If the Chief of Police or the Chief, Fire and Rescue Services (Chief) is a DROP II
12 Participant, the Chief may remain in the employ of the County as the Chief beyond the
13 last day of DROP II participation period with the written approval of the County
14 Executive or his or her designee.

15 (2) The compensation of the Chief during and after his or her DROP I or DROP II
16 participation period shall not be included in the determination of his or her DROP I or
17 DROP II account balance or the determination of average compensation under subsection
18 1.406A(f).

19 (3) If the Chief participates in DROP II for any portion of his or her DROP participation
20 period, the Chief's DROP II Account shall accrue interest in the manner described in
21 subsection (h)(2)c from the first day of his or her DROP participation period until the
22 date county employment is terminated.

23 (4) An individual's compensation during periods prior to July 1, 2015 shall be included in
24 determining the individual's average compensation under subsection 1.406A(f) if the
25 individual:

26 (i) Holds the position of Chief and is participating in DROP II on July 1, 2015;

27 (ii) Does not voluntarily terminate employment in the position of Chief prior to
28 December 31, 2018; and

29 (iii) Is not terminated for cause prior to December 31, 2018.

30
31 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland that
32 *this Act shall become effective 61 days after its enactment.*