



**Committee:** GO  
**Committee Review:** At a future date  
**Staff:** Robert H. Drummer, Senior Legislative Attorney  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #RetirementDROP

AGENDA ITEM #16.5A  
July 27, 2021  
**Introduction**

## SUBJECT

Expedited Bill 33-21, Personnel – Employee’s Retirement System – Group E - Amendments

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Should resident supervisors in DOCR be eligible for the DROP?

## DESCRIPTION/ISSUE

The Bill would move resident supervisors working in DOCR from Group J of the Retirement Plan to Group E. This would make them eligible for the DROP currently available for sworn deputy sheriffs and uniformed correctional officers. The Bill would also clarify the application of credited service for employees who move from the GRIP to Group E.

## SUMMARY OF KEY DISCUSSION POINTS

- What is the cost over time?

### **This report contains:**

Staff Report  
E-Bill 33-21  
LRR

Pages 1-2  
© #1  
© #7

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**MEMORANDUM**

July 22, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Expedited Bill 33-21, Personnel – Employee’s Retirement System – Group E – Amendments

PURPOSE: Introduction – No Council vote required

Expedited Bill 33-21, Personnel – Employee’s Retirement System – Group E – Amendments, sponsored by Lead Sponsor Council President at the Request of the Executive, is scheduled to be introduced on July 27, 2021. A public hearing will be scheduled for a later date.<sup>1</sup>

Bill 33-21 would move resident supervisors working in DOCR from Group J of the Retirement Plan to Group E. This would make them eligible for the Deferred Retirement Option Plan (DROP) currently available for sworn deputy sheriffs and uniformed correctional officers. The Bill would also clarify the application of credited service for employees who move from the GRIP to Group E.

**Background**

The Executive requested this Bill to implement an Agreement with MCGEO that was rejected by the Council in May 2020 when the Council approved a same services operating budget during the early stages of the COVID-19 pandemic. DOCR resident supervisors are currently in Group J of the Employees’ Retirement Plan. Group J is a defined benefit retirement plan that is identical to the Group E defined benefit plan for sworn deputy sheriffs and uniformed correctional officers except for eligibility to enter the DROP. This Bill would move these resident supervisors from Group J to Group E and thereby make them eligible to enter the DROP.

The DROP for sworn deputy sheriffs and uniformed correctional officers was established in Bill 20-15 pursuant to an Agreement with MCGEO. The DROP for Group E is similar to the Plans previously established for Fire and Rescue Employees and sworn Police Officers.

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<sup>1</sup> #RetirementDROP

Under the DROP, an eligible employee could choose to enter the DROP at full retirement. Once in the DROP, the employee would continue to work and receive his or her normal salary for up to 3 years. The employee would stop making retirement contributions and stop earning more service time for retirement while in the DROP. The County would pay the employee's retirement pension into a separate DROP account. The employee must choose investment options for these funds similar to the RSP. When the DROP period is over, the employee must leave County service and not return. The employee would receive the DROP account balance plus the pension the employee earned before entering the DROP with enhancements to the pension for cost-of-living adjustments the employee missed while in the DROP. As with the DROP for police and fire, the employee receives this enhanced retirement benefit in return for providing management with advance notice of retirement to aid management in succession planning.

This packet contains:

Expedited Bill 33-21

Legislative Request Report

Circle #

1

7

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Expedited Bill No. 33-21  
Concerning: Personnel – Employee’s  
Retirement System – Group E -  
Amendments  
Revised: July 21, 2021 Draft No. 1  
Introduced: July 27, 2021  
Expires: January 27, 2023  
Enacted: [date]  
Executive: [date signed]  
Effective: [date takes effect]  
Sunset Date: [date expires]  
Ch. [#], Laws of Mont. Co. [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council President at the Request of the Executive

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**AN EXPEDITED ACT** to:

- (1) move resident supervisors in the Department of Correction and Rehabilitation from Group J to Group E;
- (2) permit resident supervisors to participate in the Deferred Retirement Option Plan for sworn deputy sheriffs and uniformed correctional officers;
- (3) clarify the application of credited service for employees who move from the GRIP to Group E; and
- (4) generally amend the retirement laws.

By amending

Montgomery County Code  
Chapter 33, Personnel and Human Resources  
Sections 33-37; 33-38A; 33-41; and 33-45

<b>Boldface</b>	<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:*

1           **Sec. 1. Sections 33-37, 33-38A, 33-41, 33-45 are amended as follows:**

2   **33-37. Membership requirements and membership groups.**

3   \*       \*       \*

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

7   \*       \*       \*

8           (4)   Group E: The Chief Administrative Officer, the Executive  
9                   Director of the Office of the County Council, the hearing  
10                  examiners, the County Attorney and each head of a principal  
11                  department or office of the County government, if appointed to  
12                  that position before July 30, 1978, or a member having held that  
13                  position on or before October 1, 1972. Any sworn deputy sheriff  
14                  or uniformed County correctional officer in the position of  
15                  Correctional Officer I, Correctional Officer II, Correctional  
16                  Officer III, Correctional Dietary Officer I, Correctional Dietary  
17                  Officer II, Resident Supervisor I, Resident Supervisor II,  
18                  Resident Supervisor III, Correctional Supervisor-Sergeant,  
19                  Correctional Dietary Supervisor, Correctional Shift  
20                  Commander-Lieutenant, Correctional Unit Commander-  
21                  Captain, Deputy Warden, or Warden. Any group E member who  
22                  has reached elective early retirement date may retain  
23                  membership in group E if the member transfers from the position  
24                  which qualified the member for group E. Any group E member  
25                  who is temporarily transferred from the position which qualified  
26                  the member for group E may retain membership in group E as  
27                  long as the temporary transfer from the group E position does not

28 exceed 3 years. Notwithstanding the foregoing provisions in  
29 group E, any employee who is eligible for membership in group  
30 E must participate in the guaranteed retirement income plan or  
31 the retirement savings plan under Article VIII if the employee:

32 (A) (i) begins, or returns to, County service on or after  
33 October 1, 1994 (except as provided in the last  
34 sentence of subsection (e)(2));

35 (ii) is not represented by an employee organization; and

36 (iii) does not occupy a bargaining unit position; or

37 (B) (i) begins County service on or after October 1, 1994;  
38 and

39 (ii) is subject to the terms of a collective bargaining  
40 agreement between the County and an employee  
41 organization which requires the employee to  
42 participate in the guaranteed retirement income plan  
43 or the retirement savings plan.

44 \* \* \*

45 **Sec. 33-38A. Deferred Retirement Option Plans.**

46 \* \* \*

47 (c) *DROP Plan for Sworn Deputy Sheriffs and Uniformed Correctional*  
48 *Officers.*

49 (1) *Uniformed correctional officer* means Correctional  
50 Officer I, Correctional Officer II, Correctional Officer III,  
51 Correctional Dietary Officer I, Correctional Dietary  
52 Officer II, Resident Supervisor I, Resident Supervisor II,  
53 Resident Supervisor III, Correctional Supervisor-  
54 Sergeant, Correctional Dietary Supervisor, Correctional

55 Shift Commander-Lieutenant, Correctional Unit  
 56 Commander-Captain, Deputy Warden, and Warden. The  
 57 Director of the Department of Corrections must not begin  
 58 participation in the DROP after appointment as Director.

59 \* \* \*

### 60 **33-41. Credited Service**

61 (a) *Member's credited service.*

62 (1) A member's credited service is the total service rendered under  
 63 the employees' retirement system of Montgomery County, plus  
 64 any credited service earned under the employees' retirement  
 65 system of the State of Maryland and/or the Montgomery County  
 66 police relief and retirement fund law plus any other credited  
 67 service purchased or granted pursuant to this section.

68 (2) However, credited service earned while an individual is a  
 69 participant in the elected officials' plan must be used only for the  
 70 purposes described in Section 33-37(e) and Section 33-55A.  
 71 Credited service earned while an individual is a participant in the  
 72 retirement savings plan under Article VIII must be used only as  
 73 provided in Section 33-37(i). Credited service earned while an  
 74 individual is a participant in the GRIP must only be used for  
 75 GRIP and must not be used as credited service while an  
 76 individual is a member of the integrated plan. Notwithstanding  
 77 the preceding sentence, for purposes of determining vested  
 78 benefits in the integrated plan, a member must receive one year  
 79 of credited service for each year of County service and one  
 80 month of credited service for each month of County service  
 81 during which the member contributed to a County retirement

82 plan. Each year of County service ends on the anniversary of the  
83 member's date of retirement plan participation.

84 \* \* \*

85 **33-45. Vested benefits and withdrawal of contributions.**

86 (a) *Eligibility for vesting for optional and integrated plans.* A member  
87 must complete 5 years of membership before the member is qualified  
88 to vest, except that a member who has transferred service credit from a  
89 public retirement system in Maryland may use that service credit to  
90 qualify for vesting. A vested member must leave all member  
91 contributions, plus credited interest, in the fund to be eligible to receive  
92 retirement benefits. Notwithstanding the preceding, a member may use  
93 credited service under any County retirement plan as credited service  
94 for vesting purposes.

95 \* \* \*

96 **Sec. 2. Effective Date.**

97 The Council declares that this legislation is necessary for the immediate  
98 protection of the public interest. This Act takes effect on the date on which it becomes  
99 law.

100

101 *Approved:*

102

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Tom Hucker, President, County Council Date

103 *Approved:*

104

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Marc Elrich, County Executive Date



105 *This is a correct copy of Council action.*

106

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Selena Mendy Singleton, Esq., Clerk of the Council

Date

## LEGISLATIVE REQUEST REPORT

*Expedited Bill 33-21, Personnel – Employee’s Retirement System – Group E - Amendments*

**DESCRIPTION:** The Bill would move resident supervisors working in DOCR from Group J of the Retirement Plan to Group E. This would make them eligible for the DROP currently available for sworn deputy sheriffs and uniformed correctional officers. The Bill would also clarify the application of credited service for employees who move from the GRIP to Group E.

**PROBLEM:** The Bill would implement an Agreement with MCGEO.

**GOALS AND OBJECTIVES:** The goal is to implement the Agreement with MCGEO and provide parity of benefits with uniformed DOCR employees providing similar services.

**COORDINATION:** Office of Labor Relations, Retirement Plans

**FISCAL IMPACT:** OMB.

**ECONOMIC IMPACT:** To be requested.

**RACIAL EQUITY AND SOCIAL JUSTICE IMPACT:** To be requested.

**EVALUATION:** To be requested.

**EXPERIENCE ELSEWHERE:** To be researched.

**SOURCE OF INFORMATION:** Jennifer Harling, OLR, Linda Herman, Retirement Plans

**APPLICATION WITHIN MUNICIPALITIES:** NA.

**PENALTIES:** NA.