

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND  
LEGISLATIVE SESSION DAY 2017-08**

**BILL NO. 2017-10**

**Title of Bill:** Public Safety Pension Plan - Purchase of Prior Service

**Synopsis:** A Bill to approve an amendment to the Cecil County Pension Plan for Public Service Employees to comply with the Internal Revenue Code of 1986, as amended, and to provide procedures for the purchase of prior service at retirement.

**Introduced by:** Council President on behalf of the County Executive

**Introduced, read first time and ordered posted on:** April 18, 2017

**Public hearing scheduled for:** May 16, 2017      **at:** 7:00 p.m.

**Consideration scheduled on:** June 6, 2017

By: James Massey  
Council Manager

**Public Hearing**

Notice of time and place of public hearing and title of Bill have been posted by April 18, 2017 at the County Administration Building, 200 Chesapeake Blvd., Elkton and having been published according to the Charter on May 3, 2017 and May 10, 2017, a public hearing was held on May 16, 2016, and concluded on May 16, 2017.

By: James Massey  
Council Manager

**Explanation:**    CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT  
~~Strike through~~ indicates language deleted from existing document  
Underlining indicates language added to document by amendment.  
~~Double Strike through~~ indicates language stricken from document by amendment.

Public Safety Pension Plan - Purchase of Prior Service

1           **WHEREAS**, the County has established a defined benefit pension plan for its full-time public safety  
2 employees who are paid in accordance with the County's Public Safety Pay Plan known as "The Cecil County  
3 Pension Plan for Public Safety Employees" (the "Plan") effective July 1, 2002, as amended; and

4           **WHEREAS**, the County recently received a favorable determination letter with respect to the Plan  
5 from the Internal Revenue Service, which favorable determination was made on the condition that the  
6 County adopt an amendment to Section 6.5(b)(iii) of the Plan; and

7           **WHEREAS**, the County also wishes to amend Section 3.1(h) of the Plan to provide for certain  
8 procedures to be followed in connection with the purchase of service by Plan participants at retirement;  
9 and

10           **WHEREAS**, Section 11.1(a) of the Plan provides that the County may, at any time, by legislation  
11 enacted in accordance with the Charter, modify or amend the Plan in whole or in part; and

12           **WHEREAS**, in accordance with Section 11.1(a) of the Plan, the County wishes to approve such  
13 amendments to the Plan, as more particularly described herein.

14           **NOW THEREFORE, BE IT HEREBY ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY,**  
15 **MARYLAND**, as follows:

16           Section 1. The Seventh Amendment to the Plan attached to this Act as Exhibit A is hereby approved.

17           Section 2. The provisions of this Act are severable, and if any provision, sentence, clause, section or  
18 part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances,  
19 such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the  
20 remaining provisions, sentences, clauses, sections, or parts of this Act or their application to other persons  
21 or circumstances. It is hereby declared to be the legislative intent that this Act would have been passed if  
22 such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included  
23 herein, and if the person or circumstances to which this Act or any part hereof are inapplicable had been  
24 specifically exempted therefrom.

25           **AND BE IT FURTHER ENACTED** that this Bill shall take effect 60 calendar days from the date that it  
26 becomes law.

27 **CERTIFICATION**

I, HEREBY CERTIFY that the above Bill was posted for the public on the public bulletin board with the date, time and location of the public hearing meeting, copies were made available for the public, a copy was distributed to the press, and copy was made available on the Cecil County website.

  
BY: Council Manager

**BILL NO: 2017-10**

**Title of Bill: Public Safety Pension Plan - Purchase of Prior Service**

is hereby submitted to the County Council of Cecil County, Maryland for enrollment as being the text as finally passed.

**CERTIFIED TRUE AND CORRECT**

**ENROLLED**

James Massey  
Council Manager

Jayce Rawlshey  
Council President

Date: April 4, 2017

Date: April 4, 2017

**BY THE COUNCIL**

Read the third time.

Passed – LSD 2017-11

Failed of Passage – LSD \_\_\_\_\_

BY: James Massey  
Council Manager

**SEALED WITH THE COUNTY SEAL AND PRESENTED TO THE COUNTY EXECUTIVE** for approval this

9<sup>th</sup> day of June, 20 17 at 12:00 am/pm.  
(within 10 business days from adoption §306)



BY: James Massey  
Council Manager

BY THE EXECUTIVE:  
Al S. McLaughry  
Cecil County Executive

APPROVED Date: June 13, 2017

VETOED Date: \_\_\_\_\_  
(within 10 business days from presentation §306)

**BY THE COUNCIL**

Bill No. 2017-10 having been approved by the Executive and returned to the Council becomes law

on June 13, 2017 with an effective date of August 14, 2017

BY: James Massey  
Council Manager

**EXHIBIT A**

**SEVENTH AMENDMENT TO THE  
CECIL COUNTY PENSION PLAN FOR PUBLIC SAFETY EMPLOYEES**

This SEVENTH AMENDMENT to The Cecil County Pension Plan for Public Safety Employees is made by Cecil County, Maryland (the "County"). The County maintains The Cecil County Pension Plan for Public Safety Employees, effective as of July 1, 2002, as amended and restated effective December 31, 2015 (the "Plan").

WHEREAS, the County, pursuant to the authority granted under Section 11.1 of the Plan, wishes to amend the Plan provisions regarding (i) the procedures applicable to the purchase of service pursuant to Section 3.1(h) of the Plan and (ii) the definition of "Distributee" in Section 6.5(b)(iii) of the Plan.

NOW, THEREFORE, the Plan is amended as follows, effective January 1, 2017:

1. Section 3.1(h) of the Plan is hereby amended to read as follows:

(h) A Participant may purchase at retirement prior service as an employee of the State or any political subdivision of the State for which the Participant is not otherwise credited under the Plan, by (i) notifying the Administrator of the Plan or the County's Human Resources Director in writing of his or her intent to retire and the proposed retirement date at least one (1) year prior to such proposed retirement date and (ii) depositing with the Trust Fund at least one (1) month prior to such proposed retirement date, the full cost of the prior service, which shall be determined on an actuarial basis. ~~Upon such deposit, such prior service will be credited under the Plan as Creditable Service.~~ The Plan shall hold and apply such deposit in accordance with rules adopted from time to time by the Trustees. The prior service purchased in accordance with this paragraph will be credited under the Plan as Creditable Service on the Participant's retirement date; provided that if the Participant does not retire on the proposed retirement date, the deposit will be applied in accordance with rules adopted from time to time by the Trustees. Service purchased pursuant to this paragraph may not be used to determine Eligibility Service.

2. Section 6.5(b)(iii) of the Plan is hereby amended to read as follows:

"(iii) Distributee: A distributee includes (A) the Participant, (B) the Participant's surviving spouse, (C) the Participant's spouse or former spouse who is the alternate payee under a domestic relations order as defined in Section 10.3 of the Plan with respect to the interest of such spouse or former spouse, or (D) any surviving non-spouse Beneficiary of a deceased Participant, provided that, with respect to (D), the direct rollover is made to an individual retirement account described in Code section


408(a) ~~or 408A(b)~~ or an individual retirement annuity described in Code section 408(b) established for the purpose of receiving the distribution on behalf of the non-spouse Beneficiary, and provided that rollovers to such account or annuity will comply with Code section 402(c)(11) and distributions from such account or annuity will comply with Code section 401(a)(9)(B) (without regard to clause (iv) thereof)."

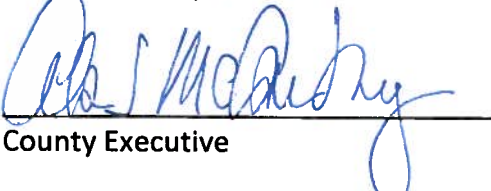
3. In all other respects, the Plan is hereby ratified and confirmed.

IN WITNESS WHEREOF, as evidence of the adoption of this Seventh Amendment, the County has caused the same to be executed by its duly authorized officers and its seal to be affixed hereto this 13<sup>th</sup> day of June, 2017.

ATTEST:

CECIL COUNTY, MARYLAND

  
\_\_\_\_\_  
Director of Administration

  
\_\_\_\_\_  
County Executive

[SEAL]

\_\_\_\_\_  
Key:

Double Underlining indicates language added to the Plan

~~Strikethrough~~ indicates language deleted from the Plan