

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2016 Legislative Session

Legislative Day No. 07

Resolution No. 46-2016

Introduced by: The President of the Council at the request of the County Executive

A RESOLUTION ADOPTING AMENDMENT 2016-1 TO THE RETIREMENT PLAN FOR EMPLOYEES OF WICOMICO COUNTY AND THE BOARD OF EDUCATION OF WICOMICO COUNTY.

WHEREAS, Wicomico County and the Board of Education of Wicomico County sponsor a Retirement Plan for Employees; and

WHEREAS, Wicomico County has negotiated a Collective Bargaining Agreement with the Wicomico County Fraternal Order of Police, Inc., Lodge #111 (hereinafter "FOP") for July 1, 2016 through June 30, 2021; and

WHEREAS, said Collective Bargaining Agreement, in Article XXVIII, provides for a Deferred Retirement Option Program (DROP) to be established for FOP members who meet the eligibility requirements to participate in the program; and

WHEREAS, to implement this negotiated benefit, an amendment to the Retirement Plan for Employees of Wicomico County and the Board of Education of Wicomico County is needed; and

WHEREAS, the proposed amendment will not affect employees of the Wicomico County Board of Education or any other employees of Wicomico County other than the qualifying FOP members; and

WHEREAS, in accordance with the power reserved to it in Section 7.1 of the plan, the Employer may amend the Plan at any time and from time to time, subject to certain conditions not now relevant.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Wicomico County, Maryland that Amendment 2016-1 to the Retirement Plan for the Employees of Wicomico County and the Board of Education of Wicomico County attached hereto as Exhibit A is hereby approved and adopted.

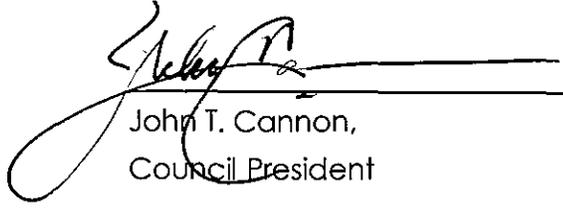
Done at Salisbury, Maryland, this 5th day of April, 2016.

ATTEST:

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND



Matthew E. Creamer,
Council Administrator

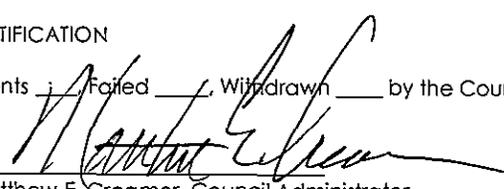


John T. Cannon,
Council President

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments , Failed , Withdrawn by the County Council on April 5, 2016.

Certified by


Matthew E. Creamer, Council Administrator

**AMENDMENT NO. 2016-1
TO THE
RETIREMENT PLAN FOR EMPLOYEES OF WICOMICO COUNTY AND
THE BOARD OF EDUCATION OF WICOMICO COUNTY**

Wicomico County Maryland (the "Plan Sponsor") wishes to amend the Retirement Plan for Employees of Wicomico County and the Board of Education of Wicomico County (the "Plan") to make certain desired changes.

Accordingly, effective July 1, 2016, the Plan is amended as follows:

1. The following new Section 3.13 is added to the Plan:

3.13 DROP PROGRAM FOR CERTAIN COUNTY EMPLOYEES. The Plan includes a Deferred Retirement Option Program ("DROP") for certain Participants who are employed by the County, in accordance with the following provisions:

(a) Only Participants who are Eligible DROP Participants are eligible to participate in the DROP. An Eligible DROP Participant is a Participant who is a full-time Sworn Sheriff's Deputy employed by the County and who is credited with at least 25 years of Service.

(b) An Eligible DROP Participant who wishes to participate in the DROP, must provide notice, using a form or process designated by the County, to the County no later than 45 days before the date he or she wishes to enter DROP ("DROP Participation Date"). The DROP Participation Date must be no earlier than the first day of the month coincident with or next following the date the Eligible DROP Participant's periods of Service (excluding Service attributable to unused sick leave) first equal 25 years, including up to five years of service credited pursuant to Section 3.1 based on military service. An election to participate in DROP will be made by the Participant in writing on a form supplied by the County ("DROP Election Form"), which will include a release of all claims the Participant may have against the County and its officers and employees, the Plan and the fiduciaries of the Plan. A participant who elects to participate in the DROP also will make a binding election to retire from employment with the County on or before a particular date (the "Expected Retirement Date"), indicated by the Participant on the DROP Election Form. In no event will the Expected Retirement Date of a DROP Participant be later than the five-year anniversary of the Participant's DROP Participation Date.

(c) The election of an Eligible DROP Participant to participate in the DROP may be revoked by the Participant by notice in writing delivered to the County at any time within seven days after the election is made and thereafter will be irrevocable.

(d) For an Eligible DROP Participant who makes an election to participate in DROP (a DROP Participant"), the following provisions apply:

(i) The DROP Participant's Accrued Benefit as of his or her DROP Participation Date will not be increased after that date. A DROP Participant's date of retirement from Service with the County ("Termination Date") will be no later than the day before the fifth anniversary of the DROP Participant's DROP Participation Date.

(ii) The County will establish and maintain on behalf of the DROP Participant a bookkeeping account (the "Account") to which will be credited (A) the amount of the monthly retirement benefit the DROP Participant would have received had he or she retired on his or her DROP Participation Date and elected the Plan's Normal Form of benefit (a single life annuity), and (B) interest credits as determined below. The amount described in (A) will be credited as of the first day of each calendar month commencing with the DROP Participation Date and ending with the first day of the calendar month immediately preceding the Participant's Termination Date.

(iii) Neither the establishment of an Account nor the crediting of amounts to an Account will be construed as an allocation of Plan assets to, or a segregation of such assets in, such an Account, or as otherwise creating a right in any person to receive specific assets of the Plan. The benefit attributable to the DROP Participant's Account will be paid from the general assets of the Plan attributable to County contributions.

(iv) As of the last day of each calendar month commencing with the last day of the calendar month in which falls the DROP Participation Date and ending with the last day of the calendar month coincident with or immediately preceding the Participant's Termination Date (subject to the last sentence of subsections (e) and (f) and the second sentence of subsection (g)), the Account maintained on behalf of a DROP Participant will be credited with interest equal to 4% per year, compounded annually.

(v) A DROP Participant will not receive credit for Service during the period that the DROP member participates in the DROP.

(vi) A DROP Participant's compensation during the DROP period will not be:

(A) subject to the employer pickup provisions of Section 6.3 or any reduction as an employee contribution for pension or retirement purposes, or

(B) used to increase the DROP Participant's Final Average Earnings.

(vii) During the DROP period, the DROP participant will:

(A) continue to receive any benefits to which he or she is entitled as an employee of Wicomico County,

(B) be subject to the personnel law, regulations and policies applicable to an employee of Wicomico County, and

(C) receive retirement benefits only to the extent provided in this Section 3.13.

(e) Upon his or her Termination Date, a DROP Participant will be eligible to receive, notwithstanding any other provision of this Plan to the contrary, a lump sum distribution equal to the balance of his or her Account upon his or her Termination Date and, in accordance with the applicable provisions of Article 3, a monthly retirement benefit equal to the benefit the DROP Participant would have received had he or she retired as of his or her DROP Participation

Date and elected the Plan's Normal Form of benefit (or, if the DROP Participant elects, pursuant to Section 3.7, a form of benefit other than the Normal Form, a monthly retirement benefit equal to the Actuarial Equivalent of the benefit the DROP Participant would have received had he or she retired as of his or her DROP Participation Date and elected the Normal Form of benefit). In lieu of a lump sum distribution, a DROP Participant may elect to receive the Actuarial Equivalent of the balance of his or her Account upon his or her Termination Date in the same form of benefit in which he or she elects to receive the monthly retirement benefit referred to in the previous sentence. If elected, the lump sum distribution will be paid as soon as administratively feasible following the DROP Participant's Termination Date (or, if the DROP Participant so elects, as soon as administratively feasible following the January 1 next following his or her Termination Date), and the monthly benefit will commence as of the first day of the month coincident with or next following his or her Termination Date. If a DROP Participant elects to defer payment of his or her lump sum distribution pursuant to the preceding sentence, his or her Account will be credited with interest pursuant to paragraph (d)(iv) above through and including the December 31 next following his or her Termination Date.

(f) If a DROP Participant reaches a Termination Date on or after his or her DROP Participation Date by reason of becoming disabled (as determined for purposes of qualifying for disability retirement benefits under Section 3.5 or 3.6), the DROP Participant will be eligible to receive, notwithstanding any other provision of this Plan to the contrary, a lump sum distribution of cash equal to the balance of his or her Account upon his or her termination Date and, in accordance with the applicable provisions of Article 3, a monthly retirement benefit equal to the benefit the DROP Participant would have received had he or she retired as of his or her DROP Participation Date and elected the life only option (or, if the DROP Participant elects, pursuant to Section 3.7, a form of benefit other than the life only option, a monthly retirement benefit equal to the Actuarial Equivalent of the benefit the DROP Participant would have received had he or she retired as of his or her DROP Participation Date and elected the Plan's Normal Form of benefit). In lieu of a lump sum distribution, a DROP Participant may elect to receive the Actuarial Equivalent of the balance of his or her Account upon his or her employment termination date in the same form of benefit in which he or she elects to receive the monthly retirement benefit referred to in the previous sentence. If elected, the lump sum distribution will be paid as soon as administratively feasible following the DROP Participant's Termination Date (or, if the DROP Participant so elects, as soon as administratively feasible following the January 1 next following the Termination Date), and the monthly benefit will commence as of the first day of the month coincident with or next following the Termination Date. If a DROP Participant elects to defer payment of his or her lump sum distribution pursuant to the preceding sentence, his or her Account will be credited with interest pursuant to paragraph (d)(iv) above through and including the December 31 next following the Termination Date.

(g) If a DROP Participant dies on or after the DROP Participation Date and before his or her Termination Date under the DROP, his or her Beneficiary will receive, in addition to the death benefit otherwise payable under Article 4, a lump sum distribution equal to the balance of the DROP Participant's Account upon his or her death. Notwithstanding the preceding sentence, if a DROP Participant has deferred payment of his or her lump sum distribution pursuant to subsection (e) or (f) and dies before such lump sum is paid, his or her Account will be credited with interest pursuant to paragraph (d)(iv) through the last day of the month coincident with or next preceding the date of death and his or her Beneficiary will receive a lump sum distribution in cash equal to the balance of his or her Account upon death. A lump sum distribution payable pursuant to this subsection (g) will be paid as soon as administratively feasible following the Participant's death.

IN WITNESS WHEREOF, the Plan Sponsor has caused this Amendment to be duly executed under seal on its behalf, effective as specified herein.

ATTEST/WITNESS:

WICOMICO COUNTY MARYLAND

By: _____ (SEAL)

Print Name: _____

Print Name: _____

Title: _____

Date: _____