

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2000 Legislative Session

Resolution No. CR-1-2000

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Wilson, Bailey and Shapiro

Co-Sponsors _____

Date of Introduction February 1, 2000

RESOLUTION

1 A RESOLUTION concerning

2 County Employees – Pension Plan

3 For the purpose of stating the expectations of the County Executive and County Council
4 regarding the enhancement of pension benefits for County employees.

5 WHEREAS, on November 23, 1999, the County Council decided not to elect to participate
6 in the enhanced contributory pension benefit under Title 23 of the State Personnel and Pensions
7 Article; and

8 WHEREAS, during the discussion, concerns were raised regarding the lack of individual
9 choice for employees, the imposition of a mandatory 2% contribution rate, a lack of plan design
10 flexibility, and the increased employer cost of over \$3 million annually; and

11 WHEREAS, approximately two-thirds of non-public safety employees of the County
12 participate in a County-sponsored supplemental pension plan which, combined with the State
13 Pension System, provides a retirement benefit of 1.4% to 1.6% of annual salary times years of
14 service, a benefit comparable to that of surrounding jurisdictions; and

15 WHEREAS, approximately one-third of non-public safety employees of the County
16 voluntarily chose not to join the County supplemental plan when it was created and now only
17 belong to the State Pension System with a benefit level of less than 1% of annual salary times
18 years of service; and

19 WHEREAS, the County Executive has advised the County Council of his intentions in this
20 regard;

21 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
22 County, Maryland, that the Prince George's County Council expresses its full support for the

1 efforts to change the method by which the State of Maryland calculates the actuarial cost of
 2 withdrawing from the Municipal pool; preliminary cost estimates indicating that the State
 3 Retirement and Pension System is only willing to refund to the County 61% of the assets
 4 required to maintain current benefits for existing plan members.

5 BE IT FURTHER RESOLVED that if the County's efforts to achieve a change in the
 6 method of withdrawal are successful, it is the expectation of the County Council that the County
 7 Executive will design and submit to the Council for approval a comprehensive County
 8 administered retirement system containing the following broad outlines:

- 9 λ Withdrawal from the State Pension System, guaranteeing the right of employees to
 10 choose between a County-run plan or remaining with the State;
- 11 λ A retirement formula designed to match or exceed the current combination of State and
 12 County benefit ratios;
- 13 λ Preservation of the option of early retirement;
- 14 λ Creation of fair and reasonable enhancements for the employees who are in the State
 15 plan only, in order to increase their benefit ratio without creating a windfall situation;
- 16 λ Exploration of the feasibility of offering a modest defined contribution plan along with
 17 the County-run defined benefit plan so that employees will be encouraged to put aside
 18 more money for their retirement needs;
- 19 λ Protection of retirement benefits from inflationary impact.

20 BE IT FURTHER RESOLVED that if the State insists on keeping funds that rightly belong
 21 to Prince George's County and its employees, the County Executive will design proposed
 22 County pension benefit enhancements that will be equal to or better than the benefits provided by
 23 the contributory pension benefits of the Employees' Pension System and submit them to the
 24 County Council for approval within sixty (60) days from the date of the State's decision.

Adopted this 15th day of February, 2000.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Dorothy F. Bailey
Chair

ATTEST:

Joyce T. Sweeney
Clerk of the Council