

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**1998 Legislative Session**Resolution No. CR-33-1998Proposed by Chairman (by request - County Executive)Introduced by Council Members Del Giudice, Scott and Wilson

Co-Sponsors

Date of Introduction April 7, 1998**RESOLUTION**

A RESOLUTION concerning

General Schedule Employees

For the purpose of amending the Salary Plan of the County to reflect the employee contribution rate for the Supplemental Pension Plan and other modified benefits for General Schedule employees.

WHEREAS, pursuant to Section 903 of Article IX of the Prince George's County Charter and Section 16-125(a) of the Prince George's County Code, amendments to the County's Salary Plan are to be submitted to the County Council in resolution form; and,

WHEREAS, the County Executive has recommended that the Salary Plan be amended to reflect the new pension contribution rate and other modified benefits for General Schedule employees;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the County Council hereby approves the amendments to Salary Schedule G, Schedule of Pay Grades - General Schedule Employees, submitted and recommended by the County Executive on March 25, 1998, amending Sections XI, XII, XIII, and XIV to read as follows:

XI. RETIREMENT BENEFITS AND CONTRIBUTIONS

A. Employees paid in accordance with this Salary Schedule and who are enrolled in the Maryland State Employees' Retirement System shall pay retirement contributions at the rate of five percent (5%) or seven percent (7%) of base salary, depending on the plan in which the employee is enrolled.

B. Current participants in the Employees' Retirement System may transfer to the Employees' Pension System, which is non-contributory up to the Social Security Wage Base.

C. All classified employees hired on or after January 1, 1980, must enroll in the Employees' Pension System.

D. The County's contribution rate shall be that amount as established from time to time by the State. Employee contributions (where applicable) shall be made through payroll deductions. If changes/improvements in retirement benefits are made, contributions may be adjusted accordingly.

E. Supplemental Pension Benefit

1. Benefit Accrual and Amounts.

Employees hired before January 1, 1991 covered by this Salary Schedule who elected to participate in the Supplemental Pension Plan and all employees hired on or after January 1, 1991 will participate in a supplemental pension benefit program pursuant to rules established in the Supplemental Pension Plan. The rate of accrual and amount of the benefit payable under this program are determined as follows:

a. Benefit accrual is at the rate of 0.8% times the number of years of actual and continuous service the employee has as a full-time Prince George's County employee, to a maximum of twenty-five years of actual and continuous service, multiplied by the employee's average annual compensation, as determined pursuant to paragraph 5, below.

b. The Board of Trustees for the Supplemental Pension Plan may establish contribution and benefit accrual rates, maximum benefits and special retirement incentives or provisions as it deems appropriate; provided, however, that employee benefits under this plan may not be reduced without prior approval of the County Council.

2. Vesting.

a. Minimum Continuous Service Requirements

No employee covered by this Salary Schedule shall be entitled to any benefit described in this Section until the employee has completed a minimum of five (5) years of actual and continuous service as an employee for Prince George's County.

b. Vested Benefit

An employee completing the minimum continuous service requirements of paragraph 2.a., above, shall be entitled to receive a monthly benefit as determined pursuant to the Plan; provided, however, that no employee terminated for disciplinary reasons will be entitled to any benefit under this Section.

3. **Benefit Payment.**

The benefit accrued by an employee under either paragraphs 1 or 2, above, shall not be payable until retirement at the earlier of age fifty-five (55) and fifteen (15) years of service or age sixty-two (62) and five (5) years of service; or after thirty (30) years of service regardless of age; or has attained State normal retirement date.

4. **Funding.**

The cost of funding the supplemental pension benefit described in this Section E will be shared by the employee and the County through regular contributions each pay period. The employee shall contribute, through payroll deduction, an amount equal to one half the cost of providing this benefit. Effective with the pay period beginning on [January 8, 1995, employee contribution to the Supplemental Pension Plan will be at a rate of 3.70% of base salary.

Effective the first pay period following the adoption of the resolution,] May 24, 1998, employee contribution to the Supplemental Pension Plan will be at a rate of four and [forty-five] twenty-seven hundredths percent [(4.45%)] (4.27 %) of base salary.

5. **Definitions.**

a. **Actual Service** means service while employed as an employee of Prince George's County.

b. **Average Annual Compensation** means an amount computed by dividing by three the compensation actually received by an employee during whatever period of thirty-six (36) consecutive months of continuous service will provide the largest total compensation for any such period.

c. **Compensation** means the basic compensation actually received by an employee for service rendered as an employee for Prince George's County, excluding any overtime or other premium pay, bonuses or other additional compensation.

d. **Continuous Service** means the most recent unbroken period of employment as an employee of Prince George's County.

6. Discontinued Service Benefit.

In accordance with CR-41-1995, any employee separating from County Service on or after July 6, 1995 shall not be eligible for the Discontinued Service Benefit.

7. IRS Pickup Plan.

The County shall pick up, within the meaning of Section 414(h) (2) of the Internal Revenue Code, the employee contributions required by paragraph 4. (Funding) hereof. Such amounts:

(1) are designated as employee contributions to be picked up by the County within the meaning of Section 414 (h) (2) of the Internal Revenue Code and shall be treated as employer contributions in determining the tax treatment of such amounts under that section;

(2) shall reduce the taxable compensation of the employee in an amount that equals the employee contributions picked up by the County;

(3) shall be paid by the County from the same source of funds that is used to pay compensation to the employee;

(4) shall, for all other purposes, be treated in the same manner and to the same extent as employee contributions made before establishment of the pickup plan.

Employees shall not be entitled to receive such amounts directly in lieu of having such amounts picked up by the County. This pickup plan becomes effective for pay periods beginning on or after its approval by the County Executive and the County Council. The County shall apply to the Internal Revenue Service for a private letter ruling or other approval with respect to the pickup plan, but neither the application nor the receipt of such a ruling or approval are prerequisites to the implementation of the pickup plan.

XII. GROUP HEALTH INSURANCE

A. The Employer shall contribute seventy-five percent (75%) to the cost of the County's point of service or indemnity health insurance plans for any employee who elects to

participate in [that] either of these plans. Participating employees shall contribute the remaining twenty-five percent (25%).

B. For those employees who elect to enroll in a pre-paid group health plan or Health Maintenance Organization (HMO), the County's contribution shall be equal to eighty [five] percent [(85%)] (80%) of the cost of HMO coverage and the participating employee's contribution shall equal the remaining [fifteen] twenty percent [(15%)] (20%). [For coverage effective July 1, 1994, the Employer's contribution shall be equal to eighty percent (80%) of the cost of HMO coverage and the participating employee's contribution shall equal the remaining twenty percent (20%).]

C. Employees who provide proof of other medical coverage may choose to receive a credit instead of enrolling in a medical plan with the County.

[C]D. The Employer shall contribute ninety percent (90%) to the County's prescription drug and vision care programs for any employee who elects to participate in either program. The participating employee shall contribute the remaining ten percent (10%). Employees who choose not to enroll in the Prescription Drug Plan may choose to receive a credit instead.

[D]E. [A] Two Dental Plans [is] are available to employees, the cost of which is paid by the employee if the employee elects to enroll in either of the plans.

F. Employees may choose to enroll in a Long-Term Disability Program offering fifty percent (50%) or sixty percent (60%) of annual salary up to normal social security retirement age. Employees will pay the full cost of whichever option is chosen.

G. Employees may contribute up to \$5,000 in a dependent flexible spending account and up to \$3,000 in a medical flexible spending account. The minimum that may be contributed to either account is \$5 per pay period for the 1999 Plan Year.

XIII. LIFE INSURANCE

The County shall pay one hundred percent (100%) of the monthly premium for County life insurance for each employee in the amount of two (2) times the employee's annual salary up to a maximum amount of one hundred fifty thousand dollars (\$150,000). Employees may choose to increase their life insurance from one to four times their annual salary up to a total of \$750,000 including the base amount provided by the County. Employees will pay for the

increased coverage at rates based on their age. Employees may choose to reduce their life insurance to one times their annual salary and receive a credit.

The County shall pay a death benefit of \$5,000 upon the death of any County employee whose death results from an accidental personal injury arising out of and in the course of his/her employment.

XIV. SOCIAL SECURITY

Effective January 1, [1996] 1998, the County and each employee paid in accordance with this Salary Schedule shall make contributions to the Social Security fund of 7.65% of the first [\$62,700] \$68,400, and 1.45% of the remainder paid in wages per employee per calendar year. Employee contributions shall be made through payroll deductions.

Subsequent changes in the Social Security tax rate and/or the taxable wage base as enacted through Federal legislation shall be applied in computing Social Security contributions by the County and each employee.

BE IT FURTHER RESOLVED that all other provisions of the Salary Schedule approved and adopted by CR-60-1996 and CR-62-1997 remain unchanged.

Adopted this 12th day of May, 1998.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:
Ronald V. Russell
Chairman

ATTEST:

Joyce T. Sweeney

Clerk of the Council