

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date:	10/30/2001	Reference No.:	CB-62-2001
Proposer:	County Executive	Draft No.:	3
Sponsors:	Russell, Bailey, Estepp, Maloney, Scott, Hendershot, Gourdine, Shapiro, Wilson		
Item Title:	An Act to amend Salary Schedule G to reflect modified benefits under the Prince George's County Supplemental Pension Plan for General Schedule Employees		

Drafter:	Joseph Adler Personnel and Labor Relations	Resource Personnel:	Joseph Adler Personnel and Labor Relations
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LEGISLATIVE HISTORY:

Date Presented:	7/31/2001	Executive Action:	11/19/2001	S
Committee Referral:	7/31/2001	PSFM	Effective Date:	1/4/2002
Committee Action:	9/20/2001	FAV(A)		
Date Introduced:	10/2/2001			
Public Hearing:	10/30/2001	1:30 P.M.		
Council Action:	10/30/2001	ENACTED		
Council Votes:	RVR:A, DB:A, JE:A, IG:A, TH:A, AS:A, PS:A, MW:A			
Pass/Fail:	P			
Remarks:	Sections 1, 2 and 3 take effect 1/1/2002			

10/2/2001: Amended on the floor (DR-3) introduced.

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT Date: 9/20/01

Committee Vote: Favorable as amended, 3-1, (Favorable: Councilmembers: Bailey, Scott and Shapiro. Opposed: Maloney).

This bill will amend the Salary Plan of the County to reflect the modified benefits of the Supplemental Pension Plan for participating General Schedule Employees.

The benefit accrual rate will increase by 0.2% in the Supplemental Pension Plan multiplier. The new multiplier will be 1% for all participating employees, effective January 1, 2002. Currently, an

employee who completes 25 years of service receives a pension allowance equal to 20% of the average of 36 consecutive months at the highest salary. Increasing the multiplier to 1% has the effect of raising the pension allowance to 25% of this average. Allowing benefits to accrue to 30 years instead of the current 25 years increases the final pension allowance by another 5% per year to 30% of the highest 36 months.

Currently, the contributions required to the General Schedule Supplemental Pension Plan are 3.69% of base pay for employees and 4.07% for the County. If the enhancements are approved the employee contribution will remain the same. Employer contribution, however, will increase to 7.56%.

A former County employee submitted a letter requesting that any General Schedule employee who retire(d) from July 1 through December 31, 2001, become eligible to receive the enhanced benefit effective January 1, 2002, as proposed in CB-62-2001.

The Legislative Officer identified conflicts between the codified language of Section 16-232.02 and the language of CB-62 relating to the funding of the proposed benefits. The Committee directed the Legislative Officer, the Personnel Officer and the Office of Law to prepare amendments to Section 16-232.02 that will reflect the funding obligations for the benefit improvements contained in CB-62.

There will be a negative fiscal impact on the County in the amount of approximately \$2,030,600 per year. This estimated amount does not take into consideration increases in compensation in future years.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

This legislation will amend Salary Schedule G to reflect modified benefits under the Prince George's County Supplemental Pension Plan for General Schedule Employees by increasing the benefit accrual rate from 0.8% to 1.0% times the number of years of creditable service and increasing the maximum number of years of creditable service from twenty-five years to thirty years.

CODE INDEX TOPICS: