

***MARYLAND-NATIONAL
CAPITAL PARK
AND PLANNING
COMMISSION
MEETING***

***November 15, 2017
9:30 a.m. – 11:30 a.m.***

***Montgomery Regional Office
8787 Georgia Avenue
Silver Spring, MD 20910***

**MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MEETING
Wednesday, November 15, 2017
Montgomery Regional Office
9:30 a.m. – 11:30 a.m.**

| | | | <u>ACTION</u> | |
|----|--|--------------|---------------|--------|
| | | | Motion | Second |
| 1. | Approval of Commission Agenda (9:30) | (+*) Page 1 | | |
| 2. | Approval of Commission Minutes | | | |
| | a) Open Session – October 18, 2017 | (+*) Page 3 | | |
| | b) Closed Session – October 18, 2017 | | | |
| 3. | General Announcements (9:35) | | | |
| | a) Upcoming One-Commission Holiday Event – December 8 th , Newton White Mansion | | | |
| | b) Prince George’s Department of Parks and Recreation Winter Festival of Lights – Watkins Regional Park – November 20 th | | | |
| | c) Montgomery Parks Department “Holly Days” Garden of Lights Display – Brookside Gardens – December 14 th (6:30 p.m. – 8:30 p.m.) | | | |
| 4. | Committee Minutes/Board Reports (For Information Only): (9:40) | | | |
| | a) Executive Committee Meeting – November 1, 2017 | (LD) | | |
| | b) Regular Board of Trustees Meeting Minutes – October | (+) Page 7 | | |
| 5. | Action and Presentation Items (9:45) | | | |
| | a) FY18 GFOA Budget Award and Photo Op (Kroll) | | | |
| | b) Resolution #17-34, Actuarial Valuation Presentation from Andrea Rose and Boomershine Consulting Group with a Recommendation to Approve an Employer Contribution in the Amount of \$24,792,093 for Fiscal Year 2019 | (+*) Page 11 | | |
| | c) Follow-up on Defined Contribution Plan (McDonald/Boomershine Consulting Group) | (+) Page 31 | | |
| | d) Resolution #17-35, Approval of Employees’ Retirement System Plan Amendments for the Inspector General and Plan C Military Buy Back | (+*) Page 39 | | |
| | e) Classification and Compensation Study Briefing (Spencer/King) | (+) Page 161 | | |
| | f) Sustainability Update (/Aparicio/Nolan) | (+) Page 175 | | |
| 6. | Officers’ Reports (11:00) | | | |
| | a) Executive Director’s Report (For Information Only) Employee Evaluations Not Completed by Due Date (October 2017) | (+) Page 193 | | |
| | b) Secretary Treasurer (For Information Only) Investment Report (July, August, September – 2017) | (+) Page 195 | | |
| | c) General Counsel | | | |
| | 1) Litigation Report (For Information Only) | (+) Page 213 | | |
| | 2) Legislative Update | | | |



Commission Meeting
Open Session Minutes
October 18, 2017

The Maryland-National Capital Park and Planning Commission met at Newton White Mansion, in Riverdale, Maryland.

PRESENT

Prince George's County Commissioners

Elizabeth M. Hewlett, Chair
Dorothy Bailey
Manuel Geraldo
A. Shuanise Washington

Montgomery County Commissioners

Casey Anderson, Vice-Chair
Gerald Cichy
Norman Dreyfuss
Tina Patterson

ABSENT

William Doerner

Natali Fani-Gonzalez

Chair Hewlett convened the meeting at 10:39 a.m.

ITEM 1

APPROVAL OF COMMISSION AGENDA

Executive Director Barney added "Increase in Minimum Wage and Pay Schedule Adjustments" to the agenda.

ACTION: Motion of Bailey
Seconded by Geraldo
8 approved the motion

ITEM 2

APPROVAL OF COMMISSION MINUTES

- a) Open Session – September 20, 2017
- b) Closed Session – September 20, 2017

ACTION: Motion of Geraldo
Seconded by Dreyfuss
8 approved the motion

ITEM 3

GENERAL ANNOUNCEMENTS

Chair Hewlett made the following announcements:

- Commission-wide Service Awards Luncheon Honoring Employees with 25 or more years of service, Newton White Mansion (following Commission meeting)
- October is:
 - Breast Cancer Awareness Month
 - National Domestic Violence Awareness Month – The M-NCPPC Police are sponsoring a Domestic Violence Awareness event on October 28th.
 - National Bullying Prevention Month
 - National Substance Abuse Prevention Month
 - National Disability Employment Awareness Month
 - Italian Heritage Month
- REMINDER. M-NCPPC Open Enrollment (October 16th through November 3rd)

- Montgomery County Planning Director Gwen Wright received the Best Award for Excellence by the Commercial Real Estate Organization. The District of Columbia Maryland Chapter of the National Association for Industrial Office Parks honored the Montgomery County Planning Department with the Best of the Best Award at the 15th Annual Awards Gala held on October 15th in Washington, DC. The Potomac Valley Chapter of the American Institute of Architects will be honoring Planning Director Gwen Wright with the Fall KIA Medal on October 19th
- Commissioner Fani-Gonzalez was named one of Washingtonian Magazine's 100 Most Powerful Women in Washington, DC.
- Early happy birthday to Commissioner Fani-Gonzalez and to Vice-Chair Anderson.
- The County-wide Listening Session for the Zoning Rewrite for the South Region will be held at Harmony Hall, on the 25th the Listening Session for the North Region will be held at the Laurel Beltsville Senior Activity Center on October 25th, and the Listening Session for the Central Area will be held on October 26th at the Wayne K. Curry Sports and Learning Complex. Chair Hewlett Congratulated the Prince George's County Planning Department for their magnificent efforts put forth on this project.
- The Prince George's County Department of Parks and Recreation was recognized for:
 - The Kinderfest
 - The Hispanic Heritage Event
 - SteamFest – November 4th, 11:00 a.m. – 2:00 p.m., at Show Place Arena
- Executive Director Barney announced that Senior Technical Writer Gayla Williams will be moving to a position in the Office of the Chief Information Officer. Chair Hewlett and Executive Director Barney thanked Ms. Williams for her support over the years.

ITEM 4 **COMMITTEE MINUTES/BOARD REPORTS (For Information Only)**

- a) 115 Trust OPEB Meeting – June 21, 2017
- b) Executive Committee – Open Session – October 4, 2017

ITEM 5 **ACTION AND PRESENTATION ITEMS**

- a) **Resolution #17-31, Land Exchange between The Maryland-National Capital Park and Planning Commission and E. Stuart Parker and Francis H. Parker (Asan)**

ACTION: Motion of Geraldo
 Seconded by Dreyfuss
 8 approved the motion

- b) **Resolution #17-32 – Appoint Acting Inspector General (Gardner)**

ACTION: Motion of Geraldo
 Seconded by Bailey
 8 approved the motion

Chair Hewlett thanked Chief Internal Auditor Renee Kenney for her service as the Chief Internal Auditor, and as a member of the past Audit Committee. Ms. Kenney has assumed a new role as Acting Inspector General.

- c) **Increase in Minimum Wage and Pay Schedule Adjustments (Barney)**

ACTION: Motion of Geraldo
 Seconded by Dreyfuss
 8 approved the motion

- d) **CIO Briefing (Chilet)**

Chief Information Officer (CIO) Mazen Chilet presented for Commission approval, the final drafts of the Commission IT Governance Vision and Policy Statements, as comprised in the meeting packet. The Vision and Policy Statements were supported by the IT Council, the Department Heads, and the Executive Committee. If the Commission approves the "Vision and Policy Statements," the Corporate Policy and Management Operations division will work with the CIO to formalize the Policy into a Commission Practice. Following the discussion

session, a vote was taken to support the IT Council Commission IT Governance Vision and Policy Statements.

ACTION: Motion of Washington
Seconded by Geraldo
8 approved the motion

ITEM 7 OFFICERS' REPORTS

- a) Executive Director's Report (For information only)
Employee Evaluations Not Completed by Due Date (September 2017)

- b) General Counsel (For information only)
 - 1) Litigation Report (September 2017)
 - 2) General Counsel Gardner reported that the Circuit Court ruled against the M-NCPPC in the Peace Cross case, with a 2 to 1 decision. General Counsel Gardner will be suggesting options.

At 11:24 a.m., Chair Hewlett requested a motion to move to closed session pursuant to Maryland General Provisions Article of the Annotated Code of Maryland, Section 3-305 (b)(7) & (b)(9), to consult with counsel for legal advice, conduct collective bargaining discussions, and consider matters that relate to negotiations.

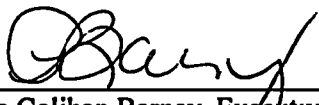
ACTION: Motion of Geraldo
Seconded by Bailey
8 approved the motion

At 12:01 p.m., Chair Hewlett requested a motion to move back to open session and adjourn the meeting.

ACTION: Motion of Anderson
Seconded Washington
8 approved the motion



Gayla I. Williams, Senior Technical Writer



Patricia Colihan Barney, Executive Director



EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission

REGULAR BOARD OF TRUSTEES MEETING
MINUTES

Tuesday, September 5, 2017; 10:00 A.M.
ERS/Merit Board Conference Room

The regular meeting of the Board of Trustees convened in the ERS/Merit Board Conference Room on Tuesday, September 5, 2017 at 10:00 a.m. Voting members present were Khalid Afzal, Patricia Barney, CPA, Howard Brown, Gerald R. Cichy, Pamela F Gogol, Amy Millar, Barbara Walsh and Joe Zimmerman, CPA. Dr. Alicia Hart, Elizabeth M. Hewlett, and Sheila Morgan-Johnson were absent.

ERS staff present were: Andrea L. Rose, Administrator; Heather D. Brown, Senior Administrative Specialist; and, Sheila S. Joynes, Accounting Manager

Presentations by Wilshire Associates - Bradley A. Baker, Vice President and Ashley Bazzani, Associate and M-NCPPC Legal Department - LaTonya Reynolds, Senior Counsel.

1. CONSENT AGENDA

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- A. Approval of the September 5, 2017 Board of Trustees Meeting Agenda
- B. Minutes of Regular Meeting, July 11, 2017
- C. Minutes of Closed Session, July 11, 2017
- D. Disbursements Granted Reports – June and July 2017
- E. Transfer of \$23,000,000 to Cover Administrative Expenses and Benefit Payments for September - December 2017

In the absence of CHAIRMAN HEWLETT, VICE CHAIRMAN CICHY opened the meeting.

Andrea Rose explained a change to the Estimated Statement of Cash Flow (Item 1.E.). Wilshire's Brad Baker recommended transferring cash to cover benefit payments, expenses, and capital calls for two months at a time versus monthly. Many plans have 3-4 months of liquidity on hand. Operationally, transferring less often reduces trading costs and allows the plan to be nimble in paying capital calls.

MS. BARNEY made a motion, seconded by MS. WALSH to approve the Consent Agenda, as submitted. The motion PASSED unanimously (8-0). (Motion #17-49)

2. CHAIRMAN'S ITEMS

- A. Board of Trustees Conference Summary

3. MISCELLANEOUS

MS. BARNEY said it was time for a new Investment Monitoring Group (IMG) Chairman since she has been Chairman since 2001. In their absences, MS. BARNEY explained MS. MORGAN-JOHNSON agreed to Chair the IMG and CHAIRMAN HEWLETT approved the change. Effective immediately, Vice Chairman Cichy appointed MS. MORGAN-JOHNSON as the IMG Chairman. MS. BARNEY remains a member of the IMG.

4. MANAGER REPORTS/PRESENTATIONS

A. Board of Trustees Self-Assessments

Presentation by Pamela F Gogol, Montgomery County Public Member

- i. Memorandum dated September 5, 2017
 - a. Recommendation to Conduct Self-Assessments

MS. GOGOL explained an emerging governance "best practice" for trustees and other management oversight bodies is a self-assessment which is a review of the board and not individual trustees. MS. GOGOL provided a sample self-assessment questionnaire and explained typically each trustee anonymously completes the questionnaire and the results are aggregated by an independent party. Board members agreed to have the Administrator explore whether the auditor, SB & Company, provides self-assessment services. The Board tabled further discussion until the next Board meeting.

B. Wilshire Associates

Presentations by Bradley A. Baker, Vice President and Ashley Bazzani, Associate

- i. Executive Summary of Investment Performance and Manager Comparison - 3yr and 5yr Rolling Returns; June 30, 2017
- ii. Summary of Investment Performance; June 30, 2017
- iii. Merger of Aberdeen Asset Management PLC and Standard Life PLC
- iv. Recommendation to Adopt Tiered Fee Schedule with Earnest Partners
 - a. Wilshire Memorandum dated September 5, 2017 re: Earnest Partners International Equity – Fee Adjustment

Brad Baker reported on the fund's performance for the quarter ending June 30, 2017. The ERS' total fund return was 3.42% (net of fees) for the quarter, outperforming the actual policy index return of 2.91%. The ERS fund return was 14.68% for the one-year ending June 30, 2017, 4.77% for the three-years, and 8.15% for the five-years versus the actual policy index which returned 11.26%, 3.25% and 6.91%, respectively. The total market value through June 30, 2017 was \$870.4 million.

Mr. Baker reported on the merger of Aberdeen Asset Management PLC and Standard Life PLC. Wilshire is comfortable with the current investments, but probably would not recommend new investments now. Wilshire will continue to monitor merger activities.

At the May 16, 2017 Investment Monitoring Group (IMG) meeting, Earnest Partner's was asked to lower the current investment management fee of a 0.68% (68 basis points) on assets under management. Earnest Partners proposed a tiered fee schedule which is the most advantageous fee available due to most-favored nation clauses which have implications across the firm's business. The proposed tiered fee schedule follows: 0.70% on the first \$25mm, 0.65% on the next \$50mm, 0.60% thereafter.

Based on current valuation levels, the new tiered fee schedule would save the ERS approximately \$18,500 annually with an effective fee of 0.66% (66 basis points) compared to the existing flat fee schedule of 0.68% (68 basis points). The proposed fee schedule would be more advantageous until the account value declines to under \$62.5 million. In the event assets drop to this level, the Board can revisit the fee with Earnest Partners.

MS. BARNEY made a motion, seconded by MS. GOGOL to approve the new tiered fee schedule (0.70% on the first \$25mm, 0.65% on the next \$50mm, 0.60% thereafter) for Earnest Partners, as recommended by Wilshire. The motion PASSED unanimously (8-0). (Motion #17-50)

5. REPORT OF THE ADMINISTRATOR

Presentation by Administrator, Andrea L. Rose

A. Administrator's Report dated August 24, 2017

Andrea Rose presented the Administrator's Report dated August 24, 2017

The actuarial data was submitted to the ERS' actuary, Boomershine Consulting Group, and the actuarial valuation results and report are expected at the November 2017 Board meeting.

Staff have been preparing the Financial Statements and the Comprehensive Annual Financial Report (CAFR). Following completion of the CAFR, staff will prepare the Popular Annual Financial Report for members.

The pension software was upgraded in early July as previously reported. Staff have successfully loaded job, position and other foundation data in preparation for loading employee salary history data from the Commission's ERP system. Once salary data is loaded and tested, staff can evaluate whether the Annual Statements for members will include normal retirement projections. To date, it appears this alternate load process can replace two of Lawson's interfaces which have not worked since the Commission's go-live more than two years ago.

Ms. Rose noted a September 1, 2017 update from Principal regarding Hurricane Harvey. Principal reported no material issues of water intrusion. Some assets sustained minor water leaks because of the hurricane force winds; however, the impact appears to be minimal with no major property damage discovered. Principal will provide additional updates that would have a material negative impact on assets.

There was an inquiry at the July Board meeting regarding how proxy voting is handled for securities on loan. Ms. Rose reported the Master Custody Agreement indicates the right to vote the securities transfers to the borrower. Gerald J. Sinish, Relationship Manager, confirmed when a security is on loan to a borrower, the proxy voting rights are with the borrower until the asset is returned. Proxy voting may be one of the various reasons an entity may want to borrow an asset. Clients have flexibility and can get an asset returned, or block a specific asset from being loaned, for the purposes of voting a proxy a specific way. Clients need to communicate requests with enough lead time to get the asset back from the borrower in advance of the proxy vote or to block the asset from lending.

Ms. Rose presented a new publication from the International Foundation of Employee Benefit Plans titled, *One of a Kind! - A Practical Guide for 21st Century Public Pension Trustees*. The book provides direct and practical advice on how to fulfill fiduciary duties, navigate complex decisions, and oversee the ERS. It is written by those with broad public pension experience and shares lessons learned and practical guidance for some of the challenges trustees face. Each chapter concludes with self-assessment questions for boards to ask and address.

Ms. Rose recommended the book for all trustees, new and experienced, and suggested the Board consider amending the Trustee Training Guidelines to make this mandatory reading for board members. Trustees present requested a copy of the book; therefore, Ms. Rose said copies will be ordered for all trustees.

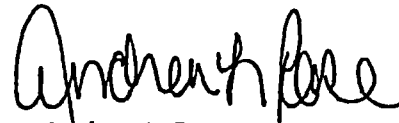
MS. BARNEY made a motion, seconded by MS. WALSH to adjourn the Board of Trustees Meeting of September 5, 2017 The motion PASSED unanimously (8-0). (Motion #17-51)

The Board of Trustees meeting of September 5, 2017 adjourned at 11:46 a.m.

Respectfully,



Heather D. Brown
Senior Administrative Specialist



Andrea L. Rose
Administrator

MEMORANDUM

EMPLOYEES' RETIREMENT SYSTEM
 The Maryland-National Capital Park and Planning Commission
 6611 Kenilworth Avenue, Suite 100
 Riverdale, Maryland 20737

(301) 454-1415 - Telephone
 (301) 454-1413 - Facsimile
<http://ers.mnccppc.org>

BOARD OF TRUSTEES

Chairman Elizabeth M. Hewlett
 Vice Chairman Gerald R. Cichy

Andrea L. Rose
 Administrator

Khalid Afzal
 Howard Brown
 Alicia Hart
 Sheila Morgan-Johnson
 Joseph C. Zimmerman, CPA

Patricia Colihan Barney, CPA
 Pamela F. Gogol
 Amy Millar
 Barbara Walsh

TO: The Commission

DATE: November 7, 2017

VIA: Elizabeth M. Hewlett
 Chairman, Board of Trustees

FROM: Andrea L. Rose
 ERS Administrator

Subject: **Resolution #17-34 - Recommendation to Approve an Employer Contribution in the Amount of \$24,792,093 for Fiscal Year 2019**

RECOMMENDATION

At its November 7, 2017 meeting, the Employees' Retirement System (ERS) Board of Trustees ("Board") accepted the July 1, 2017 Actuarial Valuation presented by Boomershine Consulting Group. As a result, the Board recommends the Commission approve Resolution #17-34 which adopts an employer contribution in the amount of \$24,792,093 (16.4% of covered payroll) for fiscal year 2019.

BACKGROUND

Each year the ERS has an independent actuarial valuation performed to determine the funding requirements for the ERS. The actuarial valuation is designed to measure the current and future cost of retiree benefits based on employee demographics, assets and liabilities, plan provisions, and actuarial assumptions and methods. The actuary recommends an employer contribution in order to ensure sufficient assets are available for future benefits.

A pension plan is well funded when it has enough money in reserve to meet all expected future obligations to participants. The ERS' funding objective is to meet long-term benefit promises through employee and employer contributions that remain approximately level as a percent of member payroll. The July 1, 2017 actuarial valuation indicated a funded ratio (based on the actuarial value of assets) of 90.7%, which is up from 90.2% in 2016.

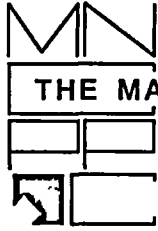
The July 1, 2017 actuarial valuation includes a change in the investment return assumption from 7.00% to 6.95%, which was approved earlier this year following an annual review by Boomershine Consulting Group.

In order to meet the ERS' funding objectives, the recommended employer contribution of \$24,792,093 (16.4% of covered payroll) is payable July 1, 2018 for fiscal year 2019. The recommended employer contribution decreased slightly from \$24,822,301 (17.3% of covered payroll) as of July 1, 2016 primarily due to a net actuarial gain.

Boomershine Consulting Group's David S. Boomershine, Senior Consulting Actuary will present the attached presentation at the Commission's November 15, 2017 meeting.

Thank you in advance for your consideration.

Attachment



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20737

M-NCPPC RESOLUTION NO 17-34

**RECOMMENDATION TO APPROVE AN EMPLOYER RETIREMENT CONTRIBUTION
IN THE AMOUNT OF 24,792,093 FOR FISCAL YEAR 2019**

WHEREAS, the Maryland-National Capital Park and Planning Commission (the "Commission") as Plan Sponsor entered into a Pension Trust Agreement as of July 26, 1972 and amended on June 13, 1979 ("the Agreement") with the Employees' Retirement System of the Maryland-National Capital Park and Planning Commission ("ERS" or the "Plan"); and

WHEREAS, the "FIRST" section the Agreement states that the Board of Trustees shall be responsible for the collection of contributions to the Plan; and

WHEREAS, Section 2.3(g) of the ERS Plan Document states that the Board of Trustees shall recommend to the Commission the contributions to be made by the Commission under the provisions of the Retirement System; and

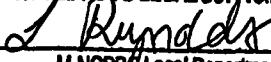
WHEREAS, the Board of Trustees engaged Boomershine Consulting Group, L.L.C. ("the Actuary") to prepare an ERS Actuarial Valuation as of July 1, 2017; and

WHEREAS, the ERS Actuarial Valuation as of July 1, 2017 projected a Fiscal Year 2019 Plan Sponsor contribution in the amount of \$24,792,093.

NOW THEREFORE, BE IT RESOLVED, that the Commission as Plan Sponsor approves a \$24,792,093 payment to the ERS Trust Fund; and

BE IT FURTHER RESOLVED, that the Maryland-National Capital Park and Planning Commission does hereby authorize the Executive Director and other officers to take action as may be necessary to implement this resolution.

APPROVED AS TO LEGAL SUFFICIENCY



M-NCPPC Legal Department
Date 11/7/2017



**Employees' Retirement System
Actuarial Review as of July 1, 2017
Commissioners Meeting
November 2017**



Demographic Highlights

| | 7/1/2016 | 7/1/2017 | % Change |
|---------------------------------------|---------------|---------------|-------------|
| Number of Members | | | |
| Active | 2,073 | 2,102 | 1.4% |
| Terminated Vested | 263 | 260 | (1.2%) |
| Terminated Non-Vested | - | 379 | - |
| Retirees, Disableds and Beneficiaries | <u>1,396</u> | <u>1,461</u> | <u>4.7%</u> |
| Total | 3,732 | 4,202 | 12.6% |
| Active Participants | | | |
| Annual Compensation | \$143,534,600 | \$150,820,889 | 5.1% |
| Average Annual Compensation | \$70,257 | \$72,860 | 3.7% |
| Average Age | 47.91 | 47.76 | (0.3%) |
| Average Service | 12.73 | 12.48 | (2.0%) |

Market Value of Assets Changes

| | | |
|---|--------------------|---------------|
| Market Value of Assets as of 7/1/2016 | | \$796,606,613 |
| Employer Contributions for 2016 Plan Year | \$20,268,189 | |
| Less Receivable for 2016 Plan Year | (20,268,185) | |
| Employee Contributions | 6,751,196 | |
| Net Investment Income | 111,662,056 | |
| Benefit Payments | (45,189,395) | |
| Administrative Expenses | <u>(1,674,654)</u> | |
| Market Value of Assets as of 6/30/2017 | | \$868,155,816 |
| Receivable Contribution as of 7/1/2017 | | \$24,822,301 |
| Market Value of Assets as of 7/1/2017 | | \$892,978,117 |

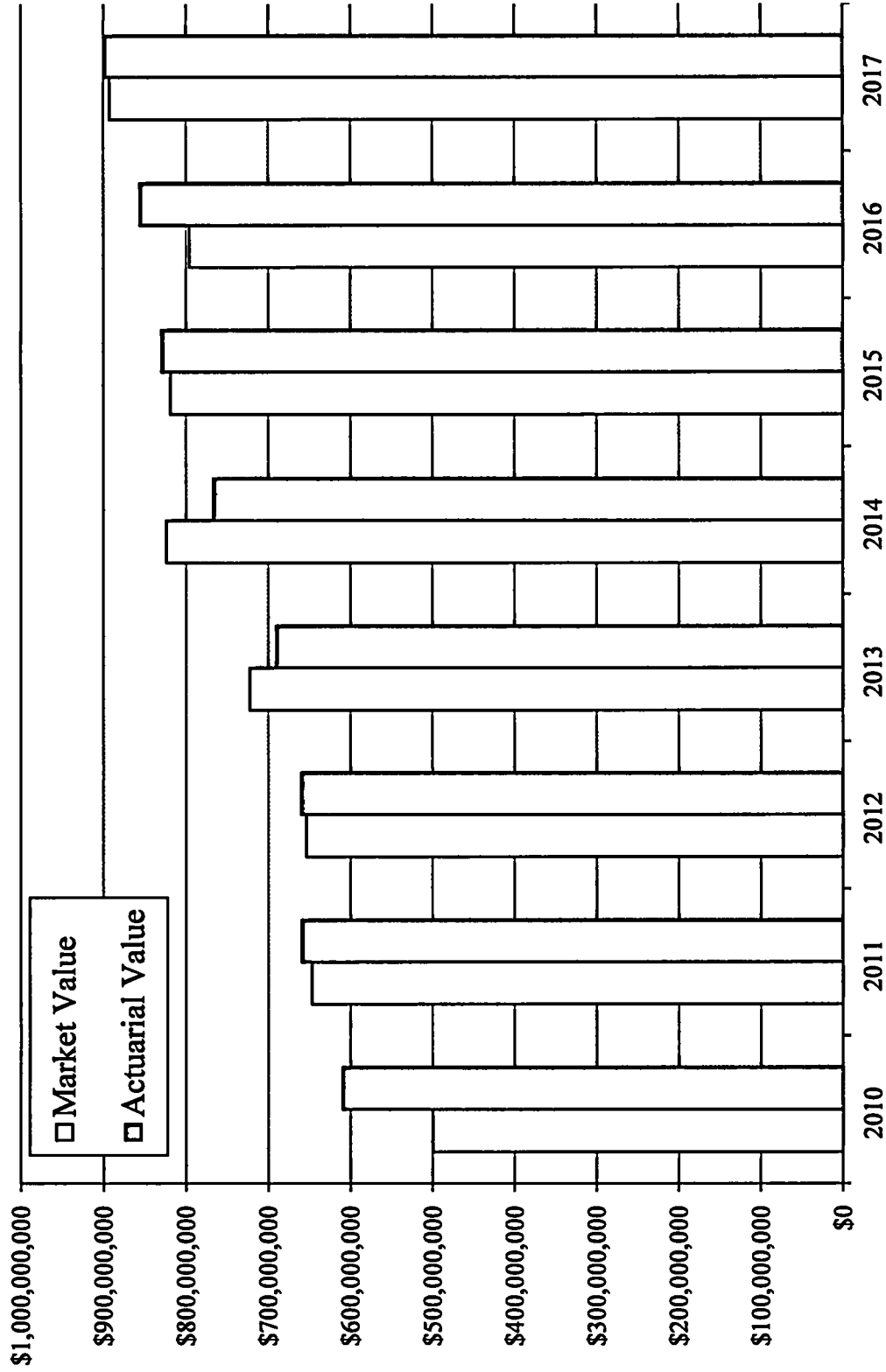
Plan Assets: Market Value and Actuarial Value

| | 7/1/2016 | 7/1/2017 |
|-------------------|---------------|---------------|
| Market Value | \$796,606,613 | \$892,978,117 |
| Investment Return | (0.61%) | 14.37% |
| Actuarial Value | \$856,279,531 | \$899,336,519 |
| Investment Return | 5.42% | 6.97% |

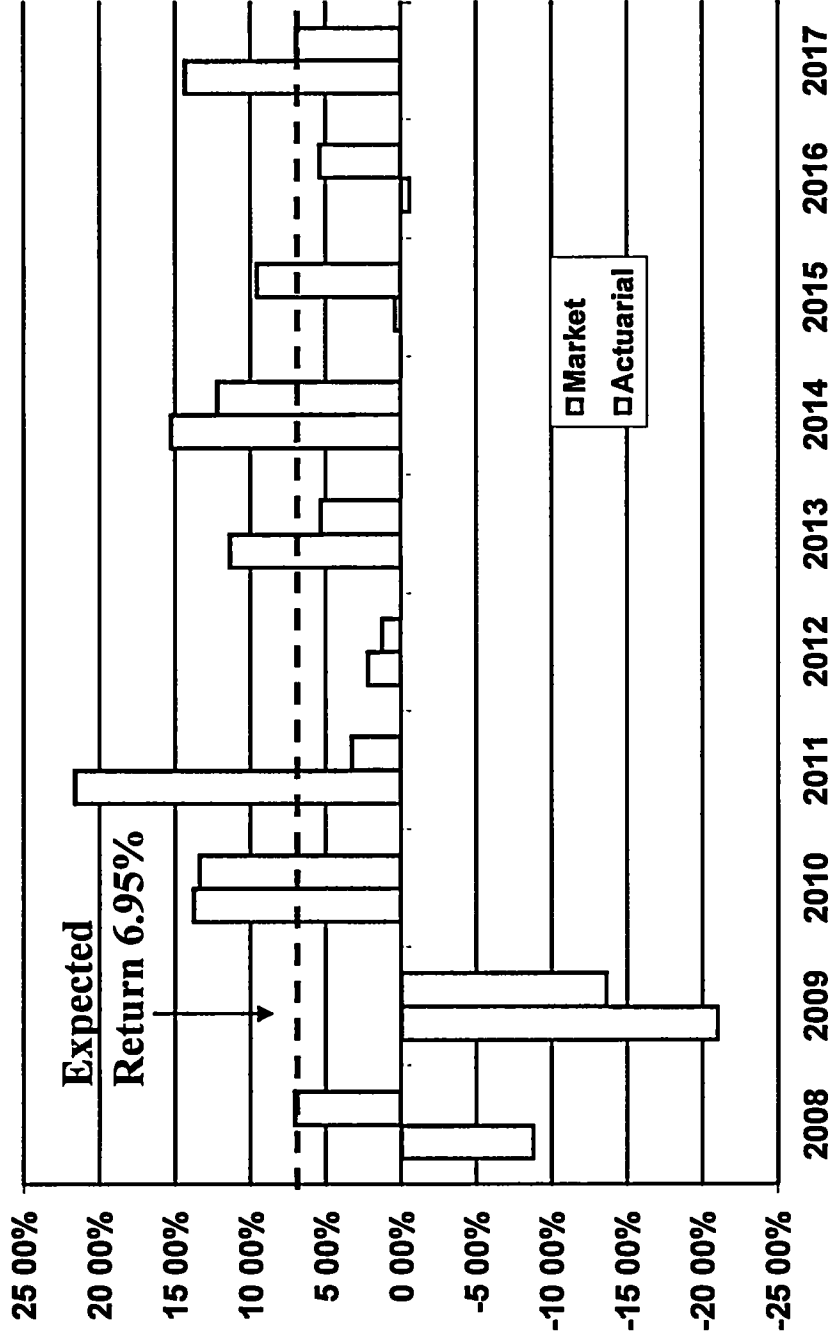
5-Year Compound Return

| | 7/1/2016 | 7/1/2017 |
|-----------------|----------|----------|
| Market Value | 5.56% | 7.95% |
| Actuarial Value | 6.71% | 7.88% |

8-Year History of Plan Asset Values



Rates of Return on Plan Asset Values



Year end June 30

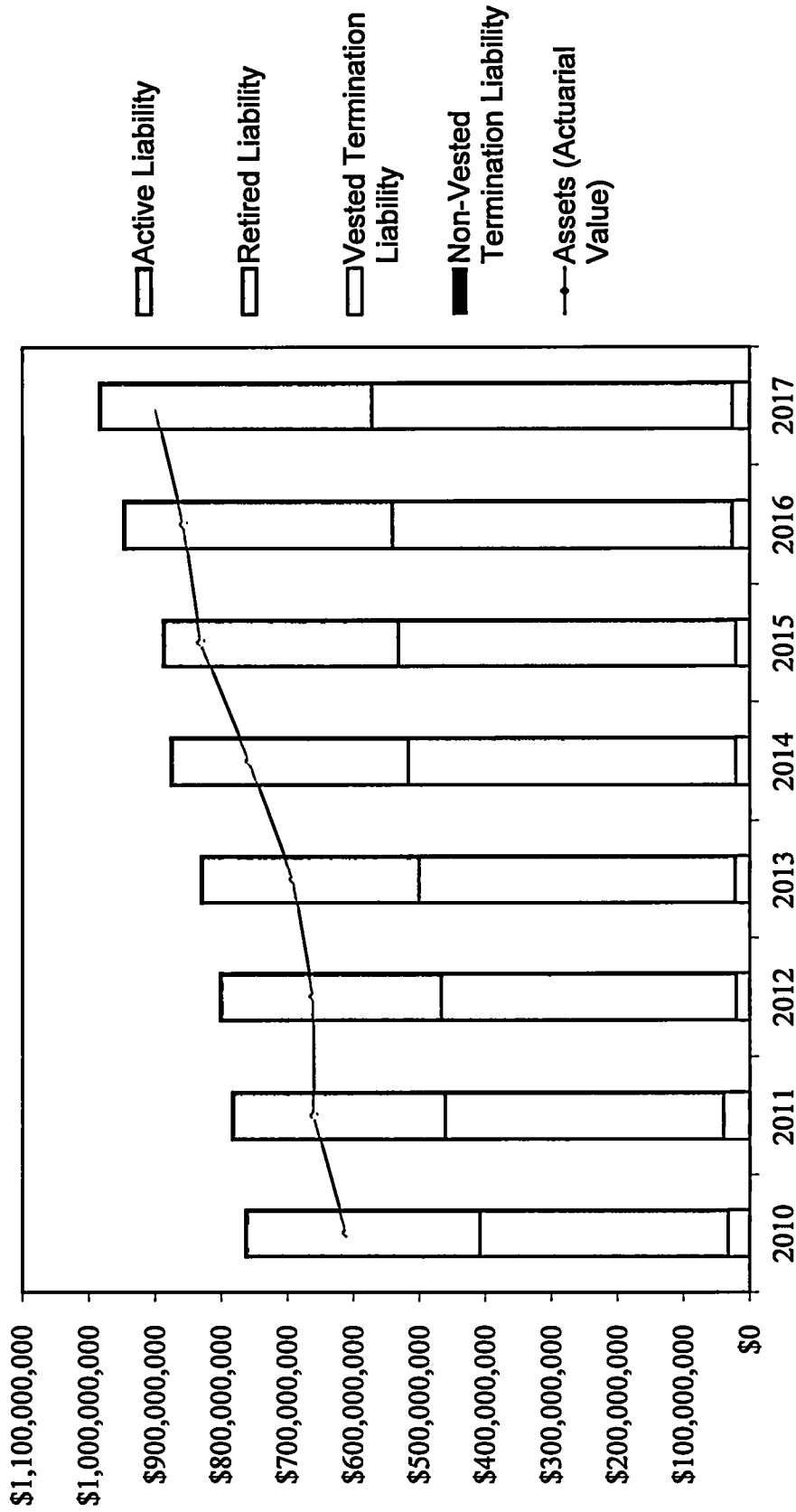
2017 Valuation Assumptions

| | |
|---|--|
| Note Separate assumptions for Police and Non-Police | |
| Investment Return | 6.95% (Last Year – 7.00%) |
| Unused Sick Leave | 0.03 additional months per year of service |
| Salary Increases | 2.50% per year plus additional merit increases for 2017 and later |
| Retirement Age | Rate of Retirement based on years of service |
| Mortality | RP 2000 (+1M, +2F) with Generational Scale BB factors |
| Disability | Table based on age |
| Withdrawal | Table based on years of service |
| Spouses | 90% of males and 50% of females assumed married |
| Post Retirement Adjustment | 2.40% compounded annually for benefits based on credited service accrued until July 1, 2012, and sick leave accrued until January 1, 2013, 2.0% compounded annually thereafter |
| Expenses | 0.2% of total liability |
| Asset Valuation | 5 year asset return smoothing method* |
| * Based on 80%/120% corridor around market value | |

Total Funded Status

| Ongoing Basis | 7/1/2016 | 7/1/2017 |
|---------------------------------------|-----------------|-----------------|
| Actuarial Accrued Liability | \$949,298,226 | \$991,624,737 |
| Actuarial Value of Assets | 856,279,531 | 899,336,519 |
| Unfunded Actuarial Accrued Liability | 93,018,695 | 92,288,218 |
| Funded Ratio (AVA/AAL) | 90 2% | 90 7% |
| Accrued Benefit Basis | 7/1/2016 | 7/1/2017 |
| Present Value of Accumulated Benefits | \$838,846,606 | \$885,795,700 |
| Market Value of Assets | 796,606,613 | 892,978,117 |
| Unfunded PV of Accumulated Benefits | 42,239,993 | (\$7,182,417) |
| Funded Ratio (MVA/PVAB) | 95 0% | 100 8% |

8-Year History of Funded Status



Year end June 30

Total Recommended Commission Contribution

| | 2016 | 2017 | Change |
|--|--------------|--------------|------------|
| Normal Cost | \$13,653,596 | \$13,736,623 | \$83,027 |
| Normal Cost as a % of Payroll | 9.5% | 9.1% | (0.4%) |
| Amortization of Unfunded | 9,544,816 | 9,444,389 | (100,427) |
| Total Recommended Contribution Payable at the Beginning of the Year | 23,198,412 | 23,181,012 | (17,400) |
| As a % of Payroll | 16.2% | 15.4% | (0.8%) |
| Total Recommended Employer Contribution Payable at the End of the Year | \$24,822,301 | \$24,792,093 | (\$30,208) |
| As a % of Payroll | 17.3% | 16.4% | (0.9%) |

Commentary

- ⇒ Funded Ratios
 - Increase on Funding Basis using Actuarial Value of Assets
 - 90.2 % to 90.7%
 - Increase on an Accrued Benefit Basis using Market Value of Assets
 - 95.0% to 100.8%
- ⇒ Recommended Contribution
 - Percent of Pay cost decreased from 17.3% to 16.4% (based on payment at end of year)

5-Year Contribution Projection

Dollar amounts in millions

| Year Payable July 1 | Prior Year Participant Payroll | Employer Normal Cost | Amortization of Unfunded | Interest to End of Year | Total Employer Cost | Employer Cost as % of Payroll |
|---------------------|--------------------------------|----------------------|--------------------------|-------------------------|---------------------|-------------------------------|
| 2018 | \$150.80 | \$13.74 | \$9.44 | \$1.61 | \$24.79 | 16.4% |
| 2019 | \$154.59 | \$13.99 | \$9.36 | \$1.62 | \$24.97 | 16.2% |
| 2020 | \$158.46 | \$14.28 | \$10.37 | \$1.71 | \$26.36 | 16.6% |
| 2021 | \$162.42 | \$14.55 | \$10.07 | \$1.71 | \$26.34 | 16.2% |
| 2022 | \$166.48 | \$14.84 | \$8.46 | \$1.62 | \$24.91 | 15.0% |
| 2023 | \$170.64 | \$15.12 | \$8.12 | \$1.62 | \$24.85 | 14.6% |

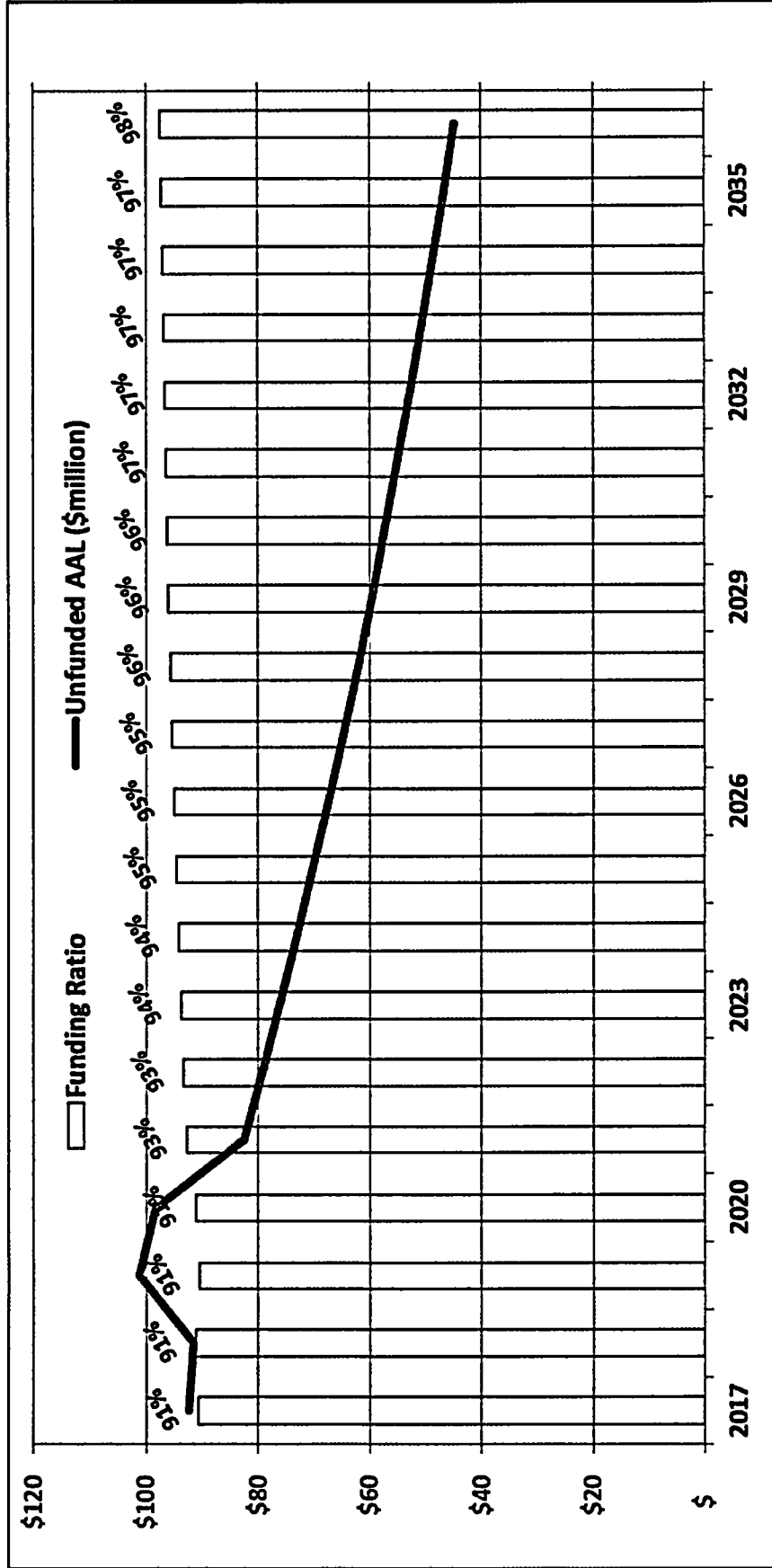
Assumptions

Future investment returns = 6.95%

Payroll increases = 2.50%

No future gains or losses

Funding Outlook - Baseline



Assumptions

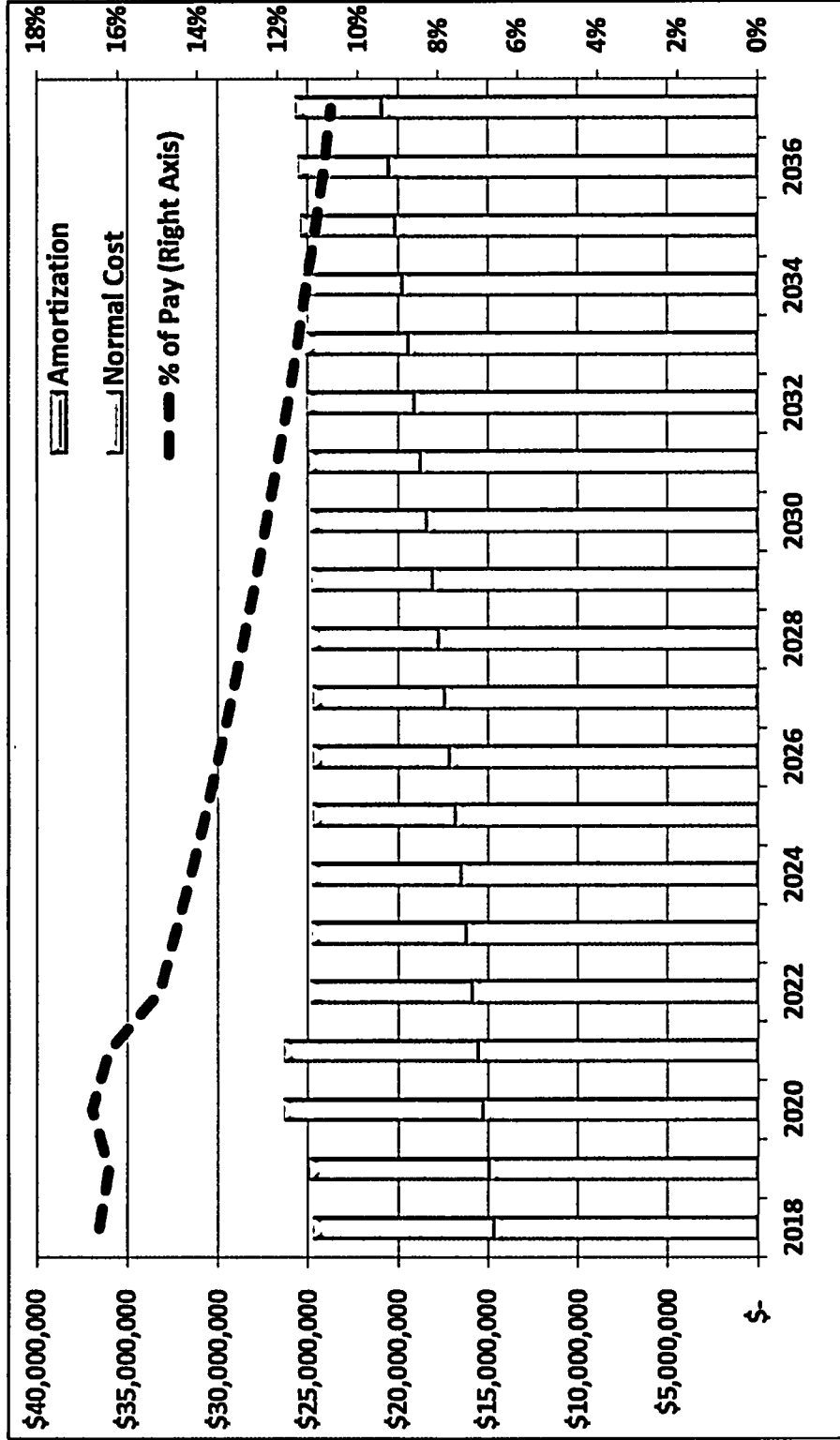
Future investment returns = 6.95%

Payroll increases = 2.50%

No future gains or losses

12

Baseline Contribution Projection



Assumptions
 Future investment returns = 6.95%
 Payroll increases = 2.50%
 No future gains or losses

Total contribution =
 Normal Cost + Amortization



GASB 67: Net Pension Liability

⇒ The Net Pension Liability (NPL) is a measure of unfunded liability

(\$ in millions)

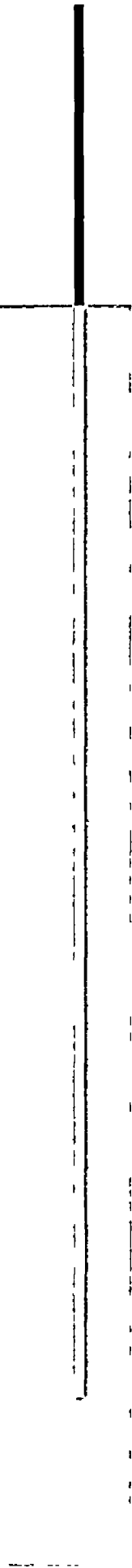
| | <u>6/30/2016</u> | <u>6/30/2017</u> |
|--|------------------|------------------|
| – Total Pension Liability* | \$924 | \$991 |
| – Plan Fiduciary Net Position (assets) | \$776 | \$868 |
| – System’s Net Pension Liability | \$148 | \$150 |
| – Funding ratio (for GASB) | 84% | 90% |

*Note 6/30/2017 Liability based on prior year valuation (always a one year lag for non-investment experience)

GASB 68: Commission's Pension Expense

| For FY ended 6/30/2017 | |
|---|-------------------|
| Item | Amount |
| Service Cost | 20,196,060 |
| Interest on Total Pension Liability | 66,311,451 |
| Changes in Benefit Terms | (6,233) |
| Difference between expected and actual experience | (4,186,280) |
| Changes in actuarial assumptions | 4,242,553 |
| Employee contributions | (6,751,196) |
| Projected Earnings on Plan investments | (54,340,658) |
| Difference between projected and actual earnings | 12,193,128 |
| Administrative Expense | 1,674,654 |
| Other changes in Fiduciary Net Position | 0 |
| Total Commission Pension Expense | 39,333,479 |

For Informational purposes only, does not apply to funding or Retirement Board.



**Educational Session
Follow-up**

Alternative Retirement Plan Approaches

David Boomershine – Senior Actuary
November, 2017

ITEM 5c

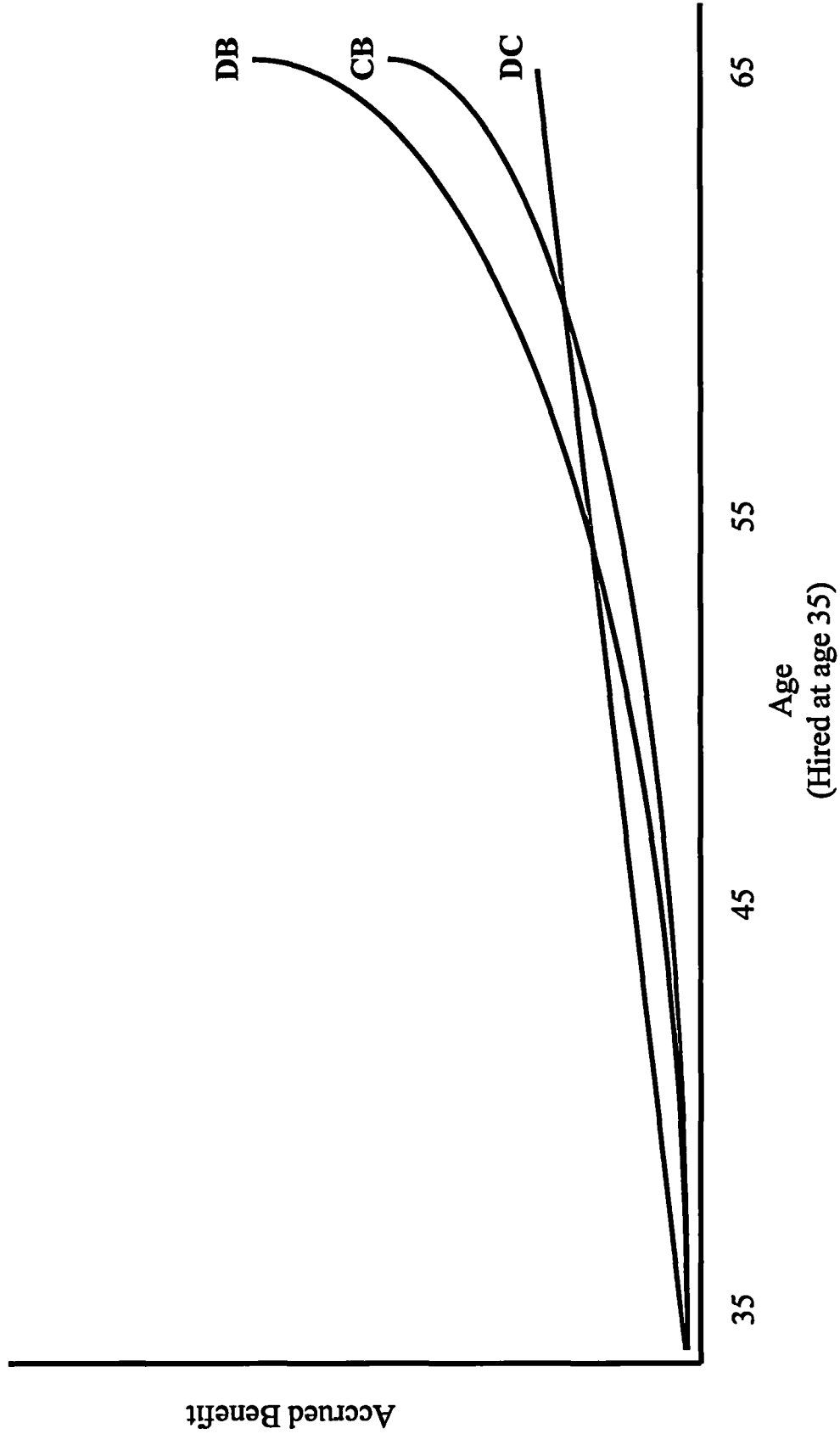


Alternative Plan Designs-Case Study

Generic Sample Plans:

- DB Plan: Benefit Formula = 1.5% times final average pay times service, up to 35 years
- DC Plan: Employer contribution formula = 7% of pay plus 50% match of employee's 1st 6% of pay savings
- CB Plan: Employer contribution credit = 10% of pay for each year of service

Typical Benefit Accrual Patterns



Cost Comparisons

Employer Cost - As a % of payroll:

- DB Plan 8.5%
- DC Plan 9.0%
- CB Plan 8.0%

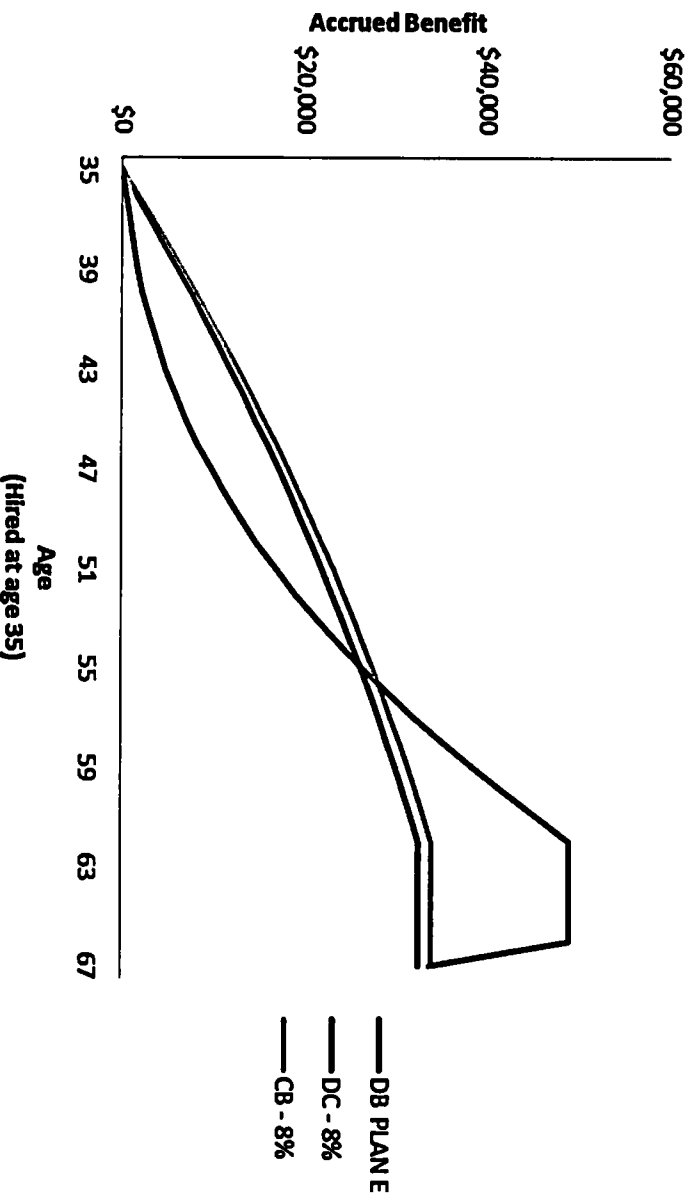
Alternative Plan Designs-Case Study

Current Plans for New Employees.

- DB Plan
Plan E
Benefit Formula up to SSNRA = 2.0% times final average pay times service, up to 35 years
Benefit Formula at SSNRA = 1.5% times final average pay up to Covered Compensation plus 2.0% of final average pay in excess of Covered Compensation, times service up to 35 years
- Montgomery County
DC Plan
Employer contribution formula = 8% of pay
- Montgomery County
CB Plan
Employer contribution credit = 8% of pay for each year of service, minimum fund return of 7.25%/year

Current Plans for New Employees

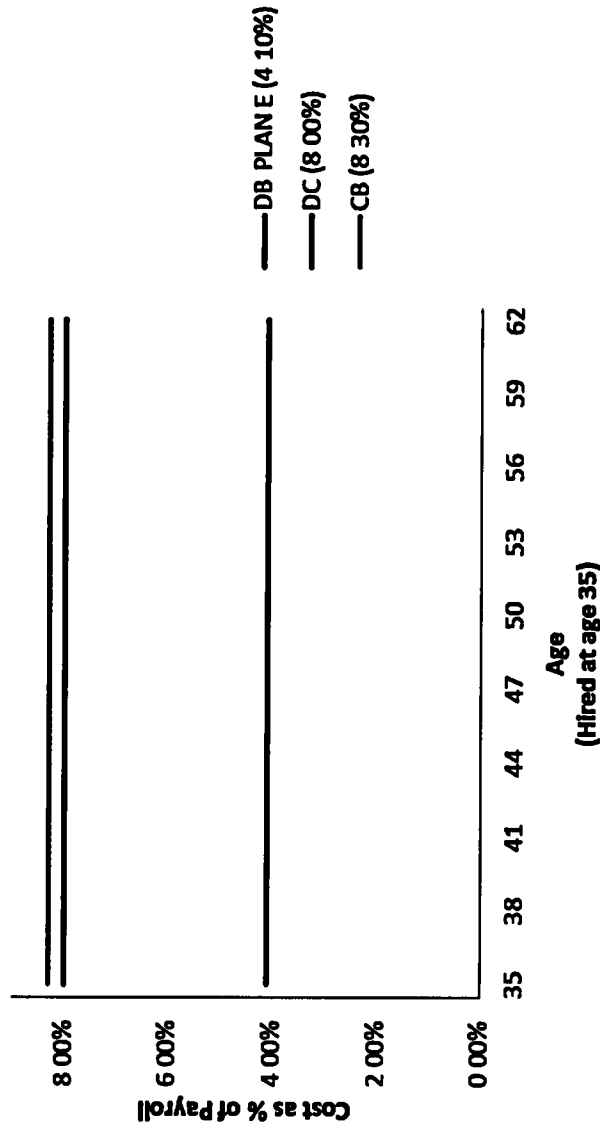
Employer Provided Lifetime Benefit



Note DB Plan E benefits in graph do not include COLAS, benefits step down at SSNRA
 CB Plan includes minimum account return of 7.25%/year
 Assumed fund return 6.95%/year

Current Plans for New Employees

Employer Costs



Note DB Plan E benefits in graph do not include COLAS, benefits step down at SSNRA
 CB Plan includes minimum account return of 7.25%/year
 Assumed fund return 6.95%/year

MEMORANDUM

ITEM 5d



EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737

(301) 454-1415 - Telephone
(301) 454-1413 - Facsimile
<http://ers.mncppc.org>

Andrea L. Rose
Administrator

BOARD OF TRUSTEES


Chairman Elizabeth M. Hewlett
Vice Chairman Gerald R. Cichy

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Sheila Morgan-Johnson
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Amy Millar
Barbara Walsh

To: The Commission

Date: November 7, 2017

Via: Elizabeth M. Hewlett 
Chairman, Board of Trustees

From: Andrea L. Rose
ERS Administrator

Subject: *Resolution #17-35 - Recommendation for Adoption of Employees' Retirement System Plan Document Amendments Effective October 1, 2017*

RECOMMENDATION

On behalf of the Board of Trustees ("Board") of the Maryland-National Capital Park and Planning Commission ("Commission") Employees' Retirement System (ERS), I recommend the Commission approve Resolution #17-35 which adopts the ERS Plan Document amendments effective October 1, 2017

BACKGROUND

At its November 7, 2017 meeting, the Board adopted the attached Plan Document amendments effective October 1, 2017

The amended language in Sections C-3.1 Credited Service and C-3.5 Purchase of Credited Service allows Participants in Plan C the opportunity to purchase a maximum of two years Credited Service for time served in the U.S. military as previously approved by Commission Resolution 17-26, "Adoption of Amended Collective Bargaining Agreement with the Fraternal Order of Police Lodge No. 30", and Resolution 17-28, "Purchase of Military Service – Pass through to Park Police Command Staff and Candidates" Participants must pay the entire actuarial value of the Credited Service to be purchased during a specified window of time from the adoption of the plan amendments, at hire or immediately prior to retirement.

The amended language in Plans B and E recognize the new position of Inspector General and require the position to participate in the Employees' Retirement System as a condition of employment as previously approved by Commission Resolution 17-29, "Amendments to the Maryland-National

Capital Park and Planning Commission Employees' Retirement System – Inclusion of the Inspector General in Plans B and E” Since Plan B is closed to new members, only a person who is a Member or Participant in Plan B would be able to continue to accrue Credited Service in Plan B after appointment to the position of Inspector General. Plan E is modified to allow the Inspector General, who can serve no more than two 4-year terms, to vest in five years rather than ten years.

Attachment



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20737

M-NCPPC RESOLUTION NO. 17-35

**RECOMMENDATION FOR ADOPTION OF EMPLOYEES' RETIREMENT SYSTEM
PLAN DOCUMENT AMENDMENTS EFFECTIVE OCTOBER 1, 2017**

WHEREAS, the Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS) was established effective July 1, 1972 and amended from time to time; and

WHEREAS, the ERS currently consists of five (5) plans, Plans A, B, C, D and E, and

WHEREAS, Section 3 of the Plan Document reserves the right of the Maryland-National Capital Park and Planning Commission ("Commission"), as Plan Sponsor, to amend any or all of the provisions of the Plans from time to time, provided that, no amendments shall adversely affect benefits that have accrued prior to the effective date of any such amendments; and

WHEREAS, the substance of certain amendments to Plan C was approved by Commission Resolution 17-26, "Adoption of Amended Collective Bargaining Agreement with the Fraternal Order of Police Lodge No. 30", and Resolution 17-28, "Purchase of Military Service – Pass through to Park Police Command Staff and Candidates"; and

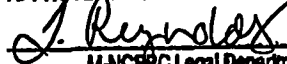
WHEREAS, the substance of certain amendments to Plans B and E was approved by Commission Resolution 17-29, "Amendments to the Maryland-National Capital Park and Planning Commission Employees' Retirement System – Inclusion of the Inspector General in Plans B and E"; and

WHEREAS, the ERS Board of Trustees is recommending that the Commission adopt the changes in the language of the Plan Document that reflect the approved substantive changes to the Plan; and

WHEREAS, the Board of Trustees recommends that the amendments be effective retroactively to October 1, 2017

NOW THEREFORE, BE IT RESOLVED, that the Maryland-National Capital Park and Planning Commission does hereby adopt the amendments to the ERS Plan Document as presented in Attachment A, effective October 1, 2017

APPROVED AS TO LEGAL SUFFICIENCY


M-NCPPC Legal Department
Date 11/7/2017



EMPLOYEES' RETIREMENT SYSTEM
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

**PLAN
DOCUMENT**

Plan A

Plan B

Plan C

Plan D

Plan E

January 1, 2015 October 1, 2017

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
EMPLOYEES' RETIREMENT SYSTEM**

PREAMBLE

The Maryland-National Capital Park and Planning Commission Retirement Plan was established effective July 1, 1972, and administered by the Board of Trustees in accordance with the Trust Agreement between the Board and the Commission. Until that date, Commission employees were covered under the Employees' Retirement System of the State of Maryland. Employees who had been covered by the State System were given the option of remaining with that system or transferring to the Commission's Plan. For those employees who chose to leave the Maryland State System, an actuarially determined amount of money was transferred from the State System to the Commission's Plan and they were given full credit for service previously credited under the State System.

New employees hired after July 1, 1972, and those employees who had not been covered by the State System, had the option of joining the new M-NCPPC Plan.

Revisions to the Social Security Tax structure and other fiscal considerations persuaded the Commission in 1978 that it was necessary and prudent to develop a new retirement plan and benefit structure based on the principle of Social Security excess, and to make this new plan mandatory for new full-time employees and available to current employees and new part-time employees.

The old Plan - open for new membership from July 1, 1972 until December 31, 1978 - was designated Plan A and two new plans were instituted effective January 1, 1979 and were designated Plans B and C. A new plan for Park Police was instituted effective July 1, 1990 until June 30, 1993 and was designated as Plan D. Plan C was reopened for Park Police July 1, 1993.

Fiscal considerations prompted the Commission to establish a new retirement plan for employees (except Park Police) hired on or after January 1, 2013. This Plan is designated as Plan E.

PLAN A. This Plan was the M-NCPPC Retirement Plan from July 1, 1972 until December 31, 1978. This Plan continues in effect for all employees who were covered under it by December 31, 1978, and who have not chosen to transfer to Plan B, Plan C, or Plan D. The Plan was closed to new members on that date.

PLAN B: This Plan is mandatory for all full-time career Merit System employees (except Park Police) employed on or after January 1, 1979; for individuals employed by the M-NCPPC Employees' Retirement System on or after March 1, 1994; and mandatory, effective January 1, 2009, for part-time career Merit System employees, Appointed Officials, and employees exempted from the Merit System who are appointed by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204 (formerly Article 28, Sections 2-112(a) and 7-111(c)), respectively, of the Annotated Code of Maryland. Effective January 1, 2013, Plan B is closed to individuals hired or appointed on or after January 1, 2013, except that Plan B is also mandatory for individuals that would otherwise be required to participate in Plan E but, as a result of their prior employment, are current Members of Plan B. Plan B is also mandatory for Participants in Plan A who chose to transfer to Plan B. Effective October 1, 2017, Plan B is mandatory for individuals appointed to the position of Inspector General pursuant to Land Use Article, Section 15-503 of the Annotated Code of Maryland if, as a result of prior employment, the individual is a current Member of Plan B.

PLAN C: This Plan was mandatory for full-time career Park Police hired on or after January 1, 1979, and prior to July 1, 1990. Effective July 1, 1990, all Plan C Members were transferred to Plan D, and Plan C was closed to new members. Effective July 1, 1993, this Plan was amended and reopened as mandatory for full-time Park Police hired after July 1, 1993. Plan C also includes members who elected, on or before October 25, 2002, to transfer from Plan D to Plan C.

PLAN D: This Plan is mandatory for full-time Park Police hired on or after July 1, 1990, and on or prior to July 1, 1993, for all former Plan C Participants, and for Participants in Plan A who choose to transfer. Pursuant to a 2002 collective bargaining agreement, Plan D members were given a one-time irrevocable election to transfer to Plan C on or before October 25, 2002.

PLAN E: This Plan is mandatory for all full-time and part-time career Merit System employees (except Park Police) employed on or after January 1, 2013, for individuals employed by the M-NCPPC Employees' Retirement System on or after January 1, 2013, for Appointed Officials appointed on or after January 1, 2013, and employees exempted from the Merit System who are appointed on or after January 1, 2013 by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland. Effective October 1, 2017, Plan E is mandatory for individuals appointed to the position of Inspector General pursuant to Land Use Article, Section 15-503 of the Annotated Code of Maryland if, as a result of prior employment, the individual is a current Member of Plan B. Plan E does not apply to individuals who, as a result of their prior employment, are current Members of Plan B.

As part of the responsibility for overseeing the entire M-NCPPC Employees' Retirement System, the Board of Trustees maintains an ongoing evaluation of the retirement provisions. The Board makes recommendations to the Commission for amendments when it deems them to be in the best interest of the membership of the Employees' Retirement System. Also, amendments will be considered and adopted by the Commission at the time changes are negotiated directly with the Commission by a collective bargaining unit. This document will be updated from time to time, when amendments are approved.

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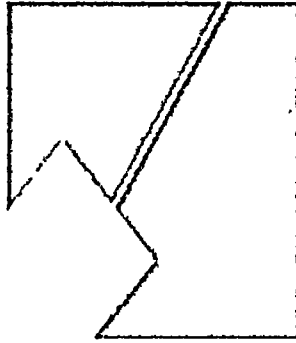
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GENERAL ARTICLE
Sections Applicable to The M-NCPPC Employees' Retirement System
(Retirement Plans A, B, C, D, and E)

SECTION 1 - DEFINITIONS

The following words and phrases used in Plan A, Plan B, Plan C, Plan D, and Plan E of the Employees' Retirement System shall have the following meanings, unless a different meaning is plainly required by the context:

- 1.1 **Actuarial Equivalent** means a benefit provided in the Retirement System Plans, that is determined by the actuary for the System, to be the equivalent of some other benefit provided in this System, based on the interest rate, and the mortality, and other tables and assumptions being used at the time of any such determination, to compute the contributions required to provide the benefits under the System. To the extent not otherwise set forth in the Plans, the actuarial assumptions described in the preceding sentence shall be set forth in a written resolution adopted by the Board of Trustees or its designee, which may be amended from time to time. For purposes of applying the limits in Section 6, the applicable interest rate shall be 5% and the applicable mortality table shall be the mortality table required under Code section 415(b)(2)(E)(v).
- 1.2 **Administrator** means the person designated under Section 2.7 herein by the Board of Trustees to handle the administrative details of the System.
- 1.3 **Annuitant** means a retired Member who is entitled to receive benefits as provided by this Retirement System.
- 1.4 **Average Annual Earnings** for purposes of Plan A, B, C, or D, means the average of the annual Base Pay of a Participant covered in Plan A, B, C, or D while an employee of the Commission or the M-NCPPC Employees' Retirement System during the three consecutive years of Credited Service that produce the highest total earnings prior to the Member's actual retirement date; prior to the date on which the Participant qualifies for and begins receiving benefits under the Commission's Long-Term Disability Plan, or the Commission's Comprehensive Disability Benefits Program for Park Police; or, if less than three years of Credited Service with the Commission or the M-NCPPC Employees' Retirement System, the average of the annual Base Pay for the entire period of Credited Service with the Commission or the M-NCPPC Employees' Retirement System. For a Member who became eligible for Long-Term Disability Benefits under the Commission's Long-Term Disability Plan as amended August 1, 1982, or the Commission's Comprehensive Disability Benefits Program for Park Police, and who has accrued Credited Service while receiving disability benefits under this Long-Term Disability Plan or Comprehensive Disability Benefits Program for at least three years prior to his/her Normal Retirement Date, Average Annual Earnings shall mean the highest Base Pay attained by the Member prior to the date he/she became eligible for Long-Term Disability Benefits or Comprehensive Disability Benefits for Park Police.

For a Member covered by Plan E, for purposes of determining benefits under Plan E, Average Annual Earnings shall mean the average of the annual Base Pay of a Participant while an employee of the Commission or the M-NCPPC Employees' Retirement System during the five consecutive years of Credited Service that produce the highest total earnings prior to the Participant's actual retirement date; prior to the date on which the Participant qualifies for and begins receiving benefits under the Commission's Long-Term Disability Plan; or, if less than five years of Credited Service with the Commission or the M-NCPPC Employees' Retirement System, the average of the annual Base Pay for the entire period of Credited Service with the Commission or the M-NCPPC Employees' Retirement System. For a Participant who became eligible for

Long-Term Disability Benefits under the Commission's Long-Term Disability Plan and who has accrued Credited Service while receiving disability benefits under this Long-Term Disability Plan for at least five years prior to his/her Normal Retirement Date, Average Annual Earnings shall mean the highest Base Pay attained by the Participant prior to the date he/she became eligible for Long-Term Disability Benefits.

For a one-time only period (between October 5, 1988, and December 5, 1988, Participants eligible for, and irrevocably electing, Normal Retirement to begin on or after November 1, 1988, and no later than March 1, 1989), Average Annual Earnings shall mean the current annual Base Pay of the Participant on the final date of employment prior to Normal Retirement.

Effective July 1, 1996, the Base Pay of any Member who becomes a Participant on or after July 1, 1996, for purposes of calculating retirement benefits, shall not exceed \$150,000, as will periodically be adjusted by the Secretary of the Treasury at the same time, and in the same manner, as under Section 415(d) of the Internal Revenue Code.

Notwithstanding the foregoing, effective July 1, 2002, the foregoing limit shall be increased to the amount set forth in Code section 401(a)(17)(A), as amended by EGTRRA, which amount shall be adjusted from time to time as set forth in Code section 401(a)(17)(B). For years beginning prior to July 1, 2002, the amount of Base Pay taken into account shall also be subject to a \$200,000 dollar limitation in lieu of the limit previously established for such year pursuant to the preceding paragraph.

Notwithstanding the foregoing, to the extent that a Member is covered by more than one Plan, Average Annual Earnings shall be calculated with respect to each Plan based only on the compensation, as described above in the preceding paragraphs, credited to the Member while covered by each such Plan.

- 1.5 **Base Pay** means the established rate of gross earnable compensation at which a Participant is employed by the Commission or the M-NCPPC Employees' Retirement System, exclusive of any overtime pay or additional compensation of any kind.
- 1.6 **Beneficiary** means retired Participant, Contingent Annuitant, any person or other designee named by the Member, including his/her Executors and Administrators, entitled to receive benefits as provided by this Retirement System.
- 1.7 **Board of Trustees** means the Board of Trustees provided for in Article 2 hereof, to administer the Retirement System and to hold, invest, and reinvest the assets of the Trust Fund.
- 1.8 **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- 1.9 **Commission** means The Maryland-National Capital Park and Planning Commission.
- 1.10 **Contingent Annuitant** means any person designated by a Participant to receive benefits under the optional form of benefits provided for in Plan A, B, C, D, and E of this Retirement System.
- 1.11 **Credited Service** means the total period of years and months of completed service as credited under the terms and conditions of this Retirement System. Effective January 1, 1994, part-time employees electing to participate in the ERS shall begin to accrue credited service in his/her part-

time capacity based on the actual number of paid hours in a calendar year divided by the normal (1950 or 2080) full-time hours for the class of work of the position that the part-time employee occupies. In no instance shall a part-time employee accrue more service (weekly, bi-weekly, or annually) than a full-time employee. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued service will be used. Part-time employees participating in the ERS as of December 31, 1993, will have an option to participate irrevocably in the full pro rated accrual for his/her part-time service, or to retain the 20 hour per week accrual. Further, part-time credited service accrued prior to January 1, 1994, will be retained at 20 hours per week for benefit calculation purposes.

- 1 12 Medical Review Committee means the Committee referred to in the provisions of this Retirement System, with regard to determinations of disability, which shall be appointed by the Board of Trustees, or by the Administrator on its behalf, and shall be composed of three physicians licensed in the State of Maryland, none of whom are employees of the Commission, and at least two of whom should be specialists in the field of medicine primarily involved in the particular disability application.
- 1.13 Member means any individual included in the membership of the Retirement System as provided herein, including Annuitants and former Participants that have not elected to apply for a refund of their accumulated contributions.
- 1 14 Participant means an employee currently employed and making contributions to the Retirement System pursuant to Plan A, Plan B, Plan C, Plan D, or Plan E; or long-term Disability Plan, or an employee previously making contributions to the Retirement System who, subsequent to August 1, 1982, has qualified for and is receiving benefits under the Commission's Comprehensive Disability Benefits Program for Park Police.
- 1 15 Vested Participant means:
- (i) A Participant with five or more years of Credited Service (with respect to Participants in Plan A, Plan B, Plan C, or Plan D);
 - (ii) A Participant with ten or more years of Credited Service (with respect to Participants in Plan E);
 - (iii) A Participant of Plan E with five or more years of Credited Service, who has been appointed to the position of Inspector General at any time during his or her employment;
 - (iv) An Appointed Official with immediate vesting, who is automatically entitled to a retirement annuity; or
 - (iv) An individual who is vested pursuant to the terms of Section 5 of the Retirement System.
- 1.16 Plan means Plan A, Plan B, Plan C, Plan D, or Plan E of the Employees' Retirement System.
- 1 17 Prior Plan means the Employees' Retirement System of the State of Maryland.
- 1 18 Trust Fund means the assets held in trust by the Board of Trustees under the Trust Agreement.

1.19 **Vested Member** means a former Participant who has terminated his/her employment with the Commission, has qualified under the Vested Benefits provisions, and has not elected to apply for a refund of his/her accumulated contributions.

SECTION 2 - ADMINISTRATION OF EMPLOYEES' RETIREMENT SYSTEM --
BOARD OF TRUSTEES

- 2.1 **Board of Trustees; Composition.** The Employees' Retirement System shall be administered by a Board of Trustees which shall be properly constituted as provided in this Section.
- 2.1.1 **Commissioners.** The Board of Trustees shall, at all times, include as voting members two (2) members of the Commission, one (1) of whom shall reside in Montgomery County and one (1) of whom shall reside in Prince George's County. The term of office shall be three (3) years. Commissioners appointed as Trustees shall serve at the pleasure of the Commission and hold office until a successor is appointed, and may be re-appointed as a Trustee, provided they retain the qualifications of a Commissioner. A Commissioner appointed as a Trustee may resign by giving notice to the Chairperson and Vice-Chairperson of the Commission and the Commission shall appoint a replacement Trustee.
- 2.1.2 **Officers.** The Board of Trustees shall, at all times, include as voting members the Executive Director and Secretary Treasurer of the Commission. Their terms of office as Trustees shall be concurrent with their tenure in office. In the event of a vacancy in either office, the interim replacement appointed by the Commission shall complete the term as Trustee. Temporary vacancies due to vacation or similar temporary absence shall not be grounds for replacement as a Trustee.
- 2.1.3 **Public Members.** The Board of Trustees shall, at all times, include as voting members two (2) persons who shall be designated as Public Trustees. One (1) shall be a resident of Montgomery County and one (1) shall be a resident of Prince George's County; and neither may be a member, officer or employee of the Commission. One (1) of the Public Trustees, but not both, may be an Annuitant of the Plan. Neither Public Trustee may be a member, officer or employee of the Commission. The terms of the Public Trustees at the time of the adoption of this provision shall expire on June 30, 2002 and thereafter shall be appointed for terms of three (3) years. Public Trustees shall be appointed by the Commission and serve at the pleasure of the Commission. A Public Trustee shall serve until a successor is appointed. In the event of a vacancy in the office of Public Trustee, any successor shall be appointed to fill the remaining term of the person placed. There shall be no limit to the number of terms.
- 2.1.4 **Open Trustees.**
- (a) Except as otherwise provided in this section, the Board of Trustees shall, at all times, include as voting members three (3) persons who shall be designated as Open Trustees. To be eligible to serve as an Open Trustee, a person must be employed by the Commission on a career basis; subject to the Commission's Merit System as provided by Maryland law; and may not be a member or officer of the Commission. One (1) Open Trustee shall be regularly assigned for duty to a unit of the Commission located in Montgomery County; one (1) shall be regularly assigned for duty to a unit of the Commission located in Prince George's County; and, one (1) shall be regularly assigned for duty to the Commission's Department of Human Resources and Management, the Finance Department, or the Legal Department or their applicable successors. No Open Trustee shall be

eligible for appointment as a Represented Trustee, as that term is defined in this section.

- (b) Open Trustees shall be elected from among the persons eligible for selection as an Open Trustee within each of the three (3) classes of regular duty assignment described in this subsection. Polling shall be conducted by the Retirement System staff by written, secret ballot in accordance with its written procedures adopted in advance.
- (c) Open Trustees shall continue in office until their successors are elected. There shall be no limit to the number of terms. In the event of a vacancy in a position, there shall be a special election from among the employees in the category from which the former Trustee was chosen. The replacement Trustee shall serve for the remainder of the term of the Open Trustee who vacated office.
- (d) There shall be five (5) Open Trustees until June 30, 2003. At that time, one each of the Open Trustee positions from Montgomery County and Prince George's County shall expire and those positions shall be abolished. Thereafter, the remaining provisions of this subsection shall apply

2.1.5 Represented Trustees.

- (a) The Board of Trustees shall, effective as of September 1, 2001, include as voting members two (2) persons designated as Represented Trustees, provided that no Represented Trustee may be a member or officer of the Commission.
- (b) Effective as of September 1, 2001, one (1) Represented Trustee must at all times, be: (1) a sworn Park Police Officer and a member of and represented by the exclusive representative established pursuant to Land Use Article, Section 16-302, Annotated Code of Maryland, as amended from time to time and; (2) employed by the Commission on a career basis and subject to the Commission's Merit System as provided by Maryland law; and, (3) selected pursuant to an internal election process established by such exclusive representative which permits the members of the unit to select the Represented Trustee. In the event of a vacancy in the position after election as the Represented Trustee according to this provision, there shall be a special election from among the employees in the represented class from which the former Trustee was chosen, and the replacement Trustee shall serve for the remainder of the term of the Represented Trustee who vacated the office.
- (c) Effective as of September 1, 2001, and at all times on or before June 30, 2009, one (1) Represented Trustee must be a member of, and represented by the exclusive representative established pursuant to Section 2-112.1, Article 28, Annotated Code of Maryland, as amended from time to time, elected by the members of such exclusive representative. Polling shall be conducted by the Retirement System staff by written, secret ballot in accordance with its written procedures established in advance. In the event of a vacancy in the position after election as the Represented Trustee according to this provision, there shall be a special election from among the employees in the represented class from which

the former Trustee was chosen, and the replacement Trustee shall serve for the remainder of the term of the Represented Trustee who vacated office.

- (d) Effective as of July 1, 2009, one (1) Represented Trustee may be qualified for appointment to the Board by the written designation duly authorized and made for that purpose by the chief executive officer of an exclusive representative established pursuant to Land Use Article, Section 16-202, Annotated Code of Maryland, as amended from time to time, provided, that any Represented Trustee appointed according to this provision may, but need not, be employed by the Commission on a career basis and subject to the Commission's Merit System as provided by Maryland law. In the event of a vacancy in the position after appointment of the Represented Trustee according to this provision, the exclusive representative which made that selection may designate a replacement, and that replacement Trustee shall serve for the remainder of the term of the Represented Trustee who vacated the position.
- (e) Represented Trustees shall continue in office until their successors are elected or appointed according to this section. There shall be no limit to the number of terms. The initial Represented Trustees shall serve concurrently for terms ending June 30, 2004 and for terms of three (3) years thereafter.

2.2 The Board of Trustees shall elect from its voting membership a Chairman and Vice Chairman, who shall serve for a period of two years. The Board shall maintain an accurate record of its proceedings, which shall be available for inspection by the Commission upon reasonable notice. A majority of all the members of the Board shall constitute a quorum for the purpose of taking or authorizing any action or duty under, or pursuant to the Trust Agreement executed in connection with, this Retirement System. Each Trustee who is a voting member shall be entitled to one vote.

2.3 The Board of Trustees shall have power and duty to take all action and make all decisions, which shall be necessary, and proper in order to carry out provisions of the Retirement System and, without limiting the generality of the foregoing, the Board of Trustees shall have the following powers and duties:

- (a) To make and enforce such rules and regulations as it shall deem necessary and proper for the efficient administration of the Retirement System;
- (b) To interpret the Plan provisions of the Retirement System, its interpretation thereof to be final and conclusive;
- (c) To decide questions concerning the Plans of the Retirement System and the eligibility of any employee of the Commission to participate therein, and the right of any person to receive benefits thereunder;
- (d) To determine the mortality and other tables and interest rates to be used from time to time in actuarial and other computations for the purpose of the Retirement System;
- (e) To compute the amount of benefit which shall be payable to any person in accordance with the provisions of the Plans of the Retirement System;

- (f) To disburse and authorize any disbursement required under the Retirement System;
- (g) To recommend to the Commission the contributions to be made by the Commission under the provisions of the Retirement System;
- (h) To take or authorize the taking of any legal action which may be necessary for the protection or administration of the Retirement System.

- 2.4 The Board of Trustees may employ or engage an actuary to make actuarial evaluations of the liabilities under the Retirement System, to recommend to it the mortality and other tables and the interest rates to be used from time to time in actuarial and other computations for any purpose of the Retirement System, to recommend to it the amounts of contributions to be made by the Commission and to perform such other services as the Board of Trustees shall deem necessary or desirable in connection with the administration of the Retirement System.
- 2.5 The Board of Trustees shall be authorized to employ and consult with legal counsel who may also be counsel to the Commission, with respect to the meaning or construction of this Retirement System and the obligations and duties of the Trustees hereunder. In addition, the Board shall be authorized to hire such other experts, as it may deem necessary or desirable in connection with the administration of the Retirement System.
- 2.6 Subject to approval by the Commission, the Board of Trustees shall be authorized to employ one or more custodians to hold the assets of the Trust Fund, and maintain accurate and detailed records and accounts of all receipts, investments, disbursements, and other transactions made with respect to the Trust Fund. All such accounts, books, and records relating to the Trust Fund shall be available at all reasonable times for inspection and audit by the Commission.
- 2.7 The Board of Trustees shall be authorized to designate an Administrator of the Retirement System, who shall perform such duties, as the Board shall direct.
- 2.8 Any Member or Beneficiary who wishes to appeal a decision of the Administrator on any matter regarding his/her rights under the Employees' Retirement System may file an appeal, in writing, to the Board of Trustees. Such appeal shall state, in detail, the pertinent facts relative to the action, which he/she is appealing. The Board of Trustees may decide the appeal on the written submission, it may permit oral argument, or it may conduct whatever hearing it deems necessary or desirable. In any appeal, the burden of proof shall be on the applicant to establish the entitlement to benefits, and the burden of proof shall be on the Board of Trustees where it is proposed that benefits be removed from a Member or Beneficiary
- 2.9 In administering the Retirement System, neither the Board of Trustees nor any individual Trustee, nor any person to whom it may delegate any power or duty in connection with administering the Retirement System, nor any member of the Commission shall be liable for any action or failure to act, except for its own willful malfeasance or misfeasance. The Board of Trustees, and each individual Trustee, and each person to whom it may delegate any duty and power in connection with administering the Retirement System, and the Commission or its duly designated representative, shall be entitled to rely conclusively upon, and shall be fully protected in any action taken by them or any of them in good faith in reliance upon any table, evaluation, certificate, opinion, or report which shall be furnished to them or any of them by any actuary,

accountant, counsel, or other expert who shall be employed or engaged by either the Commission or the Board of Trustees. Unless otherwise directed by the Commission, no bond or other securities shall be required of any member of the Board of Trustees as such.

- 2.10 In order to receive any benefits under the Plans of the Employees' Retirement System, a Participant must furnish to the Administrator such information as may be requested for the purpose of proper administration of the Retirement System.
- 2.11 The Board of Trustees is empowered to act in accordance with the Ethics Policy of the Employees' Retirement System effective December 4, 2007 and as amended from time to time. The Ethics Policy is incorporated herein by reference. Pursuant to the Ethics Policy, the Board of Trustees is authorized to pursue remedies for violation of the Ethics Policy by a Board member, including, but not limited to, removal.

SECTION 3 - AMENDMENTS

The Commission reserves the right at any time, and from time to time, to amend in whole or in part, any or all of the provisions of the Plans of the Employees' Retirement System, provided, however, that no amendment shall affect adversely the benefits that have accrued prior to the effective date of such amendment, except as may be legally required to qualify the Plans of the Retirement System under Section 401(a) of the Internal Revenue Code or any successor thereto of similar importance.

SECTION 4 - MISCELLANEOUS

- 4.1 **Facility of Payment.** In the event it shall be legally determined that any payee receiving benefits under this Retirement System is legally incompetent or incapable of receiving such benefits; payments or any parts thereof may be made to a duly appointed guardian or other legal representative of such payee. Such payment will constitute a full discharge of all liability of the Fund to the extent of the payment.
- 4.2 **Non-Assignment.** All payments, benefits, and refunds under this Retirement System to a Participant or other payee are for the support and maintenance of such payee, and no such payments, benefits, or refunds shall be assignable or anticipated. All rights and interests of any Participant shall be free from the claim of all creditors to the fullest extent permitted by law. The non-assignment provisions of this Section shall not, however, be construed contrary to Maryland Law concerning Qualified Domestic Relations Orders.
- 4.3 **No Enlargement of Employment Rights.** The Retirement System shall not be deemed to constitute a contract between the Employer and a Participant. Nothing in this Retirement System shall be deemed to give any Participant the right to be retained in the service of the Commission, and all the Participants shall remain subject to termination to the same extent as if the Retirement System had never existed.
- 4.4 **Forfeitures.** Forfeitures arising under the Retirement System for any reason cannot be applied to increase the benefits of any Participants at any time prior to the termination of the Retirement System or any of the Plans included therein. Forfeitures must be taken into consideration in the computation of the actuarial cost of the Retirement System and in the amount of the Commission's contributions.
- 4.5 **Applicable Law.** The provisions of the Employees' Retirement System shall be construed according to the applicable laws of the State of Maryland and the United States.
- 4.6 **Gender.** Unless otherwise clear from the context, the masculine shall refer also to the feminine and vice versa, and the singular shall include the plural and vice versa.
- 4.7 **Electronic Administration.** In establishing rules and regulations for the administration of the Retirement System, the Board of Trustees or the Administrator, as applicable, may provide for the use of electronic communications and other media as permitted by applicable Treasury Regulations and other applicable law.
- 4.8 **Errors and Misstatements.** In the event of any error by any person responsible for the administration of the Retirement System or misstatement, error, or omission of fact by a Member or Beneficiary to the Retirement System resulting in payment of benefits in an incorrect amount, the Retirement System shall promptly cause the amount of future payments to be corrected upon discovery of the facts and shall cause the Retirement System to pay the Member or Beneficiary any underpayment in cash in a lump sum or to recoup any overpayment from future payments to the Member or Beneficiary in such amounts as the Board of Trustees or Administrator shall direct or to proceed against the Member or Beneficiary for recovery of any such overpayment. The foregoing authority shall also empower the Board of Trustees or the Administrator to recover any delinquent contributions from a Member in any manner as permitted by applicable law.

SECTION 5 - TERMINATION OF RETIREMENT SYSTEM

In the event of the termination of the Employees' Retirement System or a complete or permanent discontinuance of contributions thereunder by the Commission, (1) any individual who is a Participant at such time shall be 100% vested in his/her Employees' Retirement System benefits and (2) the Trust Fund shall be allocated to Members and Beneficiaries, in the order set forth below:

- (a) First, with respect to each Beneficiary to whom payments are being made at the date of discontinuance (hereinafter called the Termination Date) any balance of the Trust Fund which remains unallocated shall be allocated in proportion to the ratio which the actuarial reserve for such Beneficiary at the Termination Date bears to the total of such actuarial reserves for all such Beneficiaries, but in no case shall amounts so allocated exceed the actuarial reserve for such Beneficiary
- (b) Second, with respect to each of the remaining Members and Beneficiaries, any balance of the Trust Fund which remains unallocated shall be allocated in proportion to the ratio which the actuarial reserve for such Member or Beneficiary at the Termination Date bears to the total of such actuarial reserves for all such Members and Beneficiaries, but in no case shall the amount so allocated exceed the actuarial reserve for such Member or Beneficiary

The respective amounts to be allocated in accordance with the provisions of this Section shall be determined by the Board of Trustees as of the Termination Date. When the determination of such amounts shall be completed, such amounts shall be allocated to the respective Members and Beneficiaries in the order stated in the foregoing clauses (a) and (b) to the extent to which the Trust Fund shall suffice and in proportion to the total interest of the class described in the particular one of the two clauses (a) and (b) that may be involved. The allocation provided for in this Section shall be accomplished through: (1) a distribution of cash in a lump sum or in payments over such period as may be determined by the Board of Trustees; (2) the purchase of annuity contracts; and/or (3) the continuance of the Trust Fund or the establishment of one or more new Trust Funds, as shall be determined by the Board of Trustees.

SECTION 6 - LIMITATION OF BENEFITS

- 6.1 General Code Section 415(b) Rule. In addition to other limitations set forth in the Plans and notwithstanding any other provisions of this Retirement System, the annual accrued benefit payable to a Member or Vested Member under the Plans of this System shall not exceed the limit under Code section 415(b)(1)(A), as periodically adjusted by the Secretary of the Treasury under Code section 415(d). This adjustment shall also apply to a Member or Vested Member who has had a severance from employment or, if earlier, an annuity starting date. Benefits paid by the Retirement System that are subject to Code section 415(b) shall comply with the foregoing limit in each year during which payments are made. The foregoing limit shall be adjusted pursuant to the requirements of Code sections 415(b)(2)(C) and (D) relating to the commencement of benefits at a date prior to age 62 or after age 65, subject to other applicable rules. Any Member or Vested Member whose benefits were limited by the application of Code section 415 immediately prior to its amendment by the Economic Growth and Tax Relief Reconciliation Act of 2001 shall, for limitation years ending on or after July 1, 2002, have his/her benefit increased to the amount computed under the Retirement System, but not in excess of the limits of Code section 415(b)(1)(A), as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001
- 6.2 Definition of Code Section 415 Compensation. For purposes of the limitations set forth in Code section 415, "compensation" shall mean compensation as defined in Code section 415(c)(3) and in Treasury Regulation section 1.415(c)-2(a) after the applicable effective date of the final Code section 415 regulations issued in May 2007 (in Treasury Regulation section 1.415-2(d)(1) prior to the foregoing applicable effective date). Notwithstanding the foregoing, effective July 1, 2001, "compensation" shall include amounts described in Code section 132(f)(4), and effective January 1, 2009, "compensation" shall include amounts received as "differential wage payments" as defined in Code section 3401(h)(2).
- 6.3 Grandfathered Benefits. The application of the provisions of this Section 6 shall not cause the maximum annual retirement allowance for any Member or Vested Member to be less than the Member's or Vested Member's accrued benefit under all the defined benefit plans of the Commission or a predecessor of the Commission as of the end of the last limitation year beginning before July 1, 2008 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last limitation year beginning before July 1, 2007, as described in Treasury Regulation section 1.415(a)-1(g)(4).
- 6.4 Cost of Living Adjustments. No adjustment shall be required to a benefit described in Treasury Regulation section 1.415(b)-1(c)(5).
- 6.5 Actuarial Assumptions for Code Section 417(e) Purposes. To the extent that Code section 415 and the Treasury Regulations thereunder require that an interest rate under Code section 417(e) apply, the applicable lookback month shall be the 1st calendar month preceding the start of the Retirement System's Plan Year.
- 6.6 Other Code Section 415(b) Requirements. Notwithstanding any provision of the Retirement System to the contrary, Members' or Vested Member's accrued benefits under the Plans of this

Retirement System shall be determined in accordance with the requirements of Code section 415(b) and the Treasury Regulations thereunder. Notwithstanding the foregoing, effective July 1, 2004, the Plan shall comply with the provisions of the Pension Funding Equity Act of 2004 modifying the rules set forth in Code section 415, to the extent applicable. The limitation year is the Plan Year.

SECTION 7 - MISCELLANEOUS

- 7 1 (a) **General Rule.** Notwithstanding any provision of the Retirement System, any "eligible rollover distribution" (within the meaning of Code Section 402(c)(4)) may be rolled over to an "eligible retirement plan"
- (b) **Definition of Eligible Retirement Plan.** For purposes of (the preceding sentence) Section 7 1(a), an "eligible retirement plan" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts a distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to a surviving spouse, an "eligible retirement plan" is an individual retirement account or individual retirement annuity Effective January 1, 2002, the term "eligible retirement plan" shall also mean an annuity contract described in Code section 403(b) and an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. Effective for distributions made after December 31, 2007, an eligible retirement plan shall also mean a Roth IRA described in Code section 408A. The general definition of "eligible retirement plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).
- (c) **Definition of Eligible Rollover Distribution.** For purposes of Section 7.1(a), an "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any hardship distribution; the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 during a year. Effective January 1, 2002, a portion of a distribution shall not fail to be an "eligible rollover distribution" merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code section 408(a) or (b), or to a qualified defined contribution plan described in Code section 401(a) or 403(a), or after December 31, 2006, to a qualified defined benefit plan described in Code section 401(a) or to an annuity contract described in Code section 403(b), that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.
- (d) **Rollover by Non-spouse Beneficiary** Effective July 1, 2010, a non-spouse Beneficiary may elect to make a direct rollover to an inherited individual retirement account or annuity described in Code section 408(a) or Code section 408(b), or a Roth individual

retirement account or annuity described in Code section 408A that is established on behalf of the Beneficiary. Such rollover shall be made in a manner consistent with Code section 402(c)(11) and any other applicable guidance.

- (e) Compliance With Code Section 401(a)(31). The election and rollover of an "eligible rollover distribution" shall be effected in a manner consistent with Code Section 401(a)(31) under procedures established by the Board of Trustees.

7.2 Military Leave. Notwithstanding any provision of the Retirement System to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u). Effective January 1, 2007, the Beneficiary of a Member on a leave of absence to perform military service with reemployment rights described in Code section 414(u), where the Member cannot return to employment on account of his/her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the Plan had the Member died as an active Employee, in accordance with Code section 401(a)(37).

7.3 Minimum Required Distributions.

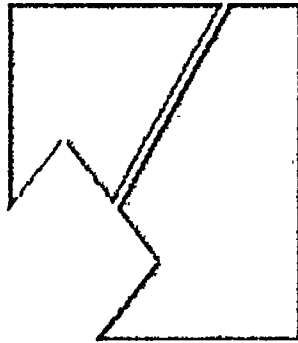
- (a) General Rule. Notwithstanding any provision of the Retirement System to the contrary, on an after a Member's required beginning date, benefits under the Retirement System shall be paid in accordance with Code section 401(a)(9), including the minimum distribution incidental benefit rules of Code section 401(a)(9)(G). The Retirement System shall apply a reasonable and good faith interpretation of Code section 401(a)(9) as permitted by the Pension Protection Act of 2006 and any applicable Treasury Regulations.
- (b) Required Beginning Date. A Member's required beginning date is the April 1 of the calendar year following the later of calendar year in which he/she retires or attains age 70½.

7.4 Special Transfer Rules.

- (a) When a Commission employee participating in Plan A, Plan B, or Plan E transfers from a non-public safety position to a position as a police officer the employee shall be transferred to Retirement Plan C and the officer will be required to either pay 100% of the difference between the amount of contributions the employee made to the former plan and the amount of contributions that would have been required for that same period of participation by Plan C, or alternatively accept an actuarial deficiency at the time of payment of retirement benefits in the amount of the actuarial impact of the difference in contributions.
- (b) The amounts identified in paragraph 7.4(a) above must be paid either in a lump sum by the 3 month anniversary of employment as a police officer, or through pro rata after-tax payroll deductions over a period of 5 calendar years commencing in the first pay period following the 3 month anniversary as a police officer.
- (c) When a Commission employee participating in Retirement Plan C or D transfers from a position as a police officer to a non-police officer position, the employee shall be transferred to Retirement Plan E. Upon transfer to Plan E, the Participant may apply for

and receive a refund of all excess after-tax employee contributions. Excess pre-tax employee contributions shall only be payable at retirement. Excess employee contributions shall be calculated on the basis of the difference between his/her actual contributions made or transferred to Retirement Plan C or D and the amount he/she has now subsequently transferred to Retirement Plan E. Should the Participant not opt to apply for and receive a refund of all excess after-tax employee contributions at the time of transfer to Plan E, the Participant will be eligible for return of the excess employee contributions at or before retirement. All benefits, to which the Participant or his/her designee may thereafter be entitled, shall be pursuant to the provisions and benefit criteria set forth in Plan E.

- 7.5 Marital Status. Effective June 26, 2013 and in accordance with Revenue Ruling 2013-17, the term "spouse" as used in the Plan will be interpreted to mean any spouse who is in a marriage, including a same-sex marriage, that is legal under the laws of the state or foreign country where the ceremony was performed, without regard to the place a Member or Participant resides or works. For this purpose, the term "state" means any domestic or foreign jurisdiction having the legal authority to sanction marriages.



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ARTICLE A -
Sections Applicable to Plan A of
The M-NCPPC Employees' Retirement System

SECTION A-1 - DEFINITIONS

- A-1.1 Disability Retirement Date means the first day of the month, prior to his/her Normal Retirement Date, coinciding with or following a determination of disability of a Participant who, prior to August 1, 1982, filed his/her application for disability retirement under Section A-4.3 of this Plan.
- A-1.2 Early Retirement Date means the first day of any month prior to a Participant's Normal Retirement Date as of which:
- (a) He/she has completed 15 or more years of Credited Service and has reached the age of 55; or
 - (b) He/she has completed 25 years of Credited Service regardless of age; or
 - (c) He/she has completed 20 or more years of Credited Service as a member of the Commission's Park Police.

For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued credited service will be used as calculated in Section A-3.

A-1.3 Effective Date means July 1, 1972.

A-1.4 Employee means (a) any individual employed by the Commission as a career Merit System employee on a continuous full-time, year-round basis; (b) any individual appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or other full-time positions appointed by the Commission and exempted from the Merit System; (c) any individual appointed by the respective County to serve as a Commissioner of The Maryland-National Capital Park and Planning Commission; (d) effective July 1, 1991, any Plan A member, vested, or non-vested, employed by the Commission as a career part-time Merit System employee on a continuance year round basis, eligible to be a Plan A Participant; and (e) an individual exempted from the Merit System, who is appointed by the respective County Planning Board to serve as a Director or as a Deputy Chief of Park Police, as provided in Land Use Article, Sections 16-102, 20-204 and 17-305, respectively, of the Annotated Code of Maryland.

A-1.5 Normal Retirement Date means the earliest of (a) the first day of the month coinciding with or immediately following the date on which a Member covered by this Plan A has both attained age 60 and completed five years of Credited Service; or (b) the first day of the month coinciding with or immediately following the date on which a Member, regardless of age, has completed 30 years of Credited Service; or (c) the first day of the month coinciding with or immediately following the date on which a Member who is a member of the Park Police attains the age of 55; or has completed 25 years of Credited Service as a member of the Park Police. Notwithstanding the foregoing, a Commissioner or a Member who has been appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or another full-time position appointed by the Commission, and exempted from the Merit System reaches his or her Normal Retirement Date once he or she has attained age 60 and five years have elapsed since he or she was first credited with Credited Service under the Plans, regardless of whether he or she has actually completed five years of Credited Service under the Plans.

For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued credited service will be used as calculated in Section A-3.

- A-1.6 Plan A Participant means an employee who elected to become a member of the Plan prior to January 1, 1979, as provided in Section A-2 and has not (1) terminated his/her employment, (2) retired, (3) died, or (4) elected to transfer to Plan B, Plan C, or Plan D of the Employees' Retirement System under the provisions therein contained.
- A-1.7 Plan A means the Retirement Plan for employees of The Maryland-National Capital Park and Planning Commission established by the Commission effective July 1, 1972, covering employees who prior to January 1, 1979, elected to participate in the Employees' Retirement Plan.
- A-1.8 Represented Plan A Participant means a Plan A Participant who is represented on or after July 1, 2005 for collective bargaining purposes by the exclusive representative elected pursuant to Land Use Article, Title 16, Subtitle 2, Annotated Code of Maryland, as amended from time to time, and represented as of the date upon which any applicable Participant election, action or determination prescribed under this Plan A is permitted or required with respect to a Represented Plan A Participant.

SECTION A-2 - REQUIREMENTS FOR PARTICIPATION

- A-2.1 (a) **Employees on June 30, 1972, covered by Prior Plan.** An Employee who was covered by the Prior Plan on June 30, 1972, could elect to become a Participant in this Plan on the Effective Date if he/she agreed in writing to turn over to the Trust Fund the entire amount available under the Prior Plan as a result of his/her participation in the Prior Plan. If he/she did not elect to become a Participant in this Plan on the Effective Date, he/she could not thereafter elect to become a Participant in this Plan unless his/her employment with the Commission terminated after the Effective Date and he/she later was reemployed by the Commission as a new employee and was not covered by the Prior Plan at the time of said reemployment.
- (b) **Employees on June 30, 1972, not covered by Prior Plan and Employees employed after June 30, 1972, but prior to January 1, 1979** Every Employee on June 30, 1972, who was not covered by the Prior Plan on that date, and every Employee employed after June 30, 1972, but prior to January 1, 1979, could elect on or before December 31, 1978, to become a Participant in this Plan on the first day of any month after the later of June 30, 1972, or the date of his/her employment by the Commission.
- A-2.2 **Method of Election to Participate.** Each Employee who elected to become a Participant in this Plan filled out, signed, and filed with the Administrator not later than December 31, 1978, an application form furnished by the Administrator, which included an authorization for the deduction by the Commission from the compensation of the Employee, the contributions required of the Employee under the Plan, and the payments of said deducted contributions by the Commission to the Trust Fund under the Plan. This authorization includes, without limitation, an authorization for the recapture by the Commission of deficient contributions. Said applications also contained an agreement by the Employee to be bound by the provisions of the Plan, as then in effect, and as thereafter amended in the manner provided in the Plan.
- A-2.3 **Withdrawal of Contributions.** A Participant of the Plan may not withdraw his/her contributions from the Plan except upon termination of employment. As is set forth above, no other Participant may discontinue membership except upon termination.

SECTION A-3 - CREDITED SERVICE

A-3.1 Credited Service means the total completed years and months of employment of a Member, not to exceed a maximum of 40 years, to be used in computing retirement benefits under the Plan. Effective January 1, 1994, part-time employees electing to participate in the ERS shall begin to accrue credited service in his/her part-time capacity based on the actual number of paid hours in a calendar year divided by the normal (1950 or 2080) full-time hours for the class of work of the position that the part-time employee occupies. In no instance shall a part-time employee accrue more service (weekly, bi-weekly, or annually) than a full-time employee. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued service will be used. Part-time employees participating in the ERS as of December 31, 1993, will have an option to participate irrevocably in the full pro rated accrual for his/her part-time service, or to retain the 20 hour per week accrual. Further, part-time credited service accrued prior to January 1, 1994, will be retained at 20 hours per week for benefit calculation purposes. Credited service shall be the total of the following:

- (a) Employment by the Commission while a Participant in this Plan.
- (b) Employment by the Commission prior to the Effective Date, which was credited in the Prior Plan, provided the Employee was participating in the Prior Plan on June 30, 1972, and elected to join this Plan on the Effective Date.
- (c) Service of a Member in the uniformed services of the United States provided that the members are reemployed in accordance with federal law
- (d) Any period prior to his/her Normal Retirement Date while a Participant is receiving disability retirement benefits under the provisions of Plan A (formerly Employees' Retirement Plan).
- (e) Any Credited Service purchased, accrued and applied for a Represented Plan A Participant in accordance with Section A-3.5 of this Plan.

A-3.2 Credited Service shall include all periods while on approved leave of absence, for whatever purpose and whether with or without pay, provided that the Employee returns to active service at the end of the leave period, and provided that, in cases where no employee contribution has been made, the Employee pays to the Employees' Retirement System within 90 days of return to active duty, an after-tax sum equal to the employee contributions which would have been paid had normal contributions been made. Additionally, as of July 1, 1991, Credited Service shall include pro-rated service for all periods while a member in approved part-time career status, provided that, in cases where no employee contribution has been made, the Employee pays to the Employees' Retirement System within ninety (90) days of return to active participation, an after-tax sum equal to the Employee contributions which would have been paid had normal contributions been made. If he/she does not, then no portion of the period while on leave of absence shall be counted as Credited Service. All leaves of absence shall be granted in accordance with a uniform and non-discriminatory leave policy of the Commission.

A-3.3 Creditability for Accumulated Sick Leave. In computing Credited Service for Normal or Early Retirement (as may be applicable pursuant to the terms of Plan A), a Member who is entitled to

a benefit under this Plan A shall be entitled to receive an additional credit for earned and unused sick leave, except that such credit shall not apply for meeting minimum retirement eligibility requirements for age nor for the purpose of determining the highest three years for Average Annual Earnings. A maximum of 301 workdays of earned and unused sick leave may be used to qualify for length of service. To be entitled to such additional credit, a Member must have accumulated unused sick leave, which would equate to a minimum of one full month of service credit (twenty-two [22] work days). After allowing for the appropriate amount of additional credit on the basis of full months (twenty-two [22] work days), an additional month of Credited Service will be given for any remainder equating to fifteen (15) or more work days, but no credit will be given for any remainder of less than fifteen (15) work days.

A-3.4 For Members who qualify to receive benefits under the Commission's Long-Term Disability Insurance Plan subsequent to August 1, 1982, Credited Service shall include the total of full months in which the Member, prior to his/her Normal Retirement Date, received or was entitled to receive disability benefits. Should a Member who has been receiving disability benefits subsequently be disqualified for further benefits, then the accrual of Credited Service under this provision shall cease simultaneously with the cessation of benefits under the Commission's Long Term Disability Insurance Plan.

A-3.5 Purchase of Credited Service by Represented Plan A Participants.

- (a) Service Eligible for Purchase. Effective as of July 1, 2009 during the period from 90 to 120 days immediately following the date of adoption of this Section A-3.5 or between 60 and 31 days immediately prior to the date of a Participant's actual retirement as permitted under Sections A-4.1 and A-4.2, a Represented Plan A Participant may elect to purchase additional Credited Service not to exceed a total of five (5) years for certain time in public service and qualified as follows:
- (1) Any period of employment by the Commission prior to retirement under this Plan and during which the Participant was eligible to participate in either this Plan or the Prior Plan, but was not a Participant in this Plan or the Prior Plan, respectively
 - (2) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit or credit pursuant to Code section 414(u), any period during which the Participant was in an active duty status of a uniformed service of the United States (limited to the United States Army, Navy, Air Force, Marine Corps, Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, the Public Health Service of the United States, or active duty service in the National Guard of any state of the United States as set forth in applicable Department of Labor Regulations) and not an active Participant in this Plan, the Prior Plan, or any other contributory retirement plan of an agency of a state, federal or local government.
 - (3) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit, any period during which that Participant was a member/participant in the retirement plan of another agency of state or local government in the State of Maryland prior to retirement under this Plan, and during which period the Participant was not a participant in this Plan or the Prior Plan. The foregoing shall only be available if the Participant will no

longer receive credit for service for the same period of time under the other plan referenced in this subsection.

- (4) Notwithstanding other provisions of this Section, and except as expressly required under federal law, a Participant must not be granted or permitted to purchase credited service for any period of actual or credited service under another retirement system if that Participant is receiving retirement benefits or has retained a vested right to retirement benefits from that system and all purchases of service credit shall comply with Code section 415(n).
- (b) **Irrevocable Election.** An election to purchase additional Credited Service is irrevocable. When an election to purchase service is made 60 to 31 days before the proposed retirement date, the election to retire becomes immediately irrevocable notwithstanding any other provision of this Plan.
 - (c) **Calculation of Service Cost.**
 - (1) The Participant shall contribute to the Plan the entire cost of his/her additional credit determined as the Actuarial Equivalent of additional benefits attributable to the additional Credited Service.
 - (2) For Participants who elect to purchase service during the election window commencing 90 days after the adoption of the Plan amendment, adding this Section A-3.5 to the Plan, the Participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the election date due to the additional service. For the purpose of this calculation the present value will be based on an assumed benefit commencement date that will be the later of the election date or the projected normal retirement date. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.
 - (3) For Participants who elect to purchase service between 60-31 days prior to their retirement, the Participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the actual date of retirement due to the additional service. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.
 - (d) **Contribution Methods.** The electing Represented Plan A Participant shall contribute the cost for additional Credited Service before retirement in (1) a lump sum or sums paid within thirty (30) days of the Participant's election, or (2) in a number of equal installments payable over no more than five (5) years from the date of such election, provided that installments must be collected by after-tax payroll deduction made while the Participant is employed by the Commission and all of which must be paid before retirement. A lump sum payment made within the thirty (30) days required pursuant to this Section A-3.5(d) may be made by a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan in which the Participant also participates that permits such a transfer in a manner consistent with the Code. Under any circumstance, the Retirement System has no obligation to accept payment of any installment or a partial payment that is not the final payment in any manner other than by after-tax payroll deduction transmitted by the

Commission on behalf of the electing Participant. If the electing Participant makes the contributions required in any installment payable after thirty (30) days of the election, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section A-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. A Represented Plan A Participant who elects to purchase additional Credited Service in this manner and to pay his/her contribution obligation in any number of installments may prepay all, but not part, of the obligation and accrued interest at any time after the election is made and before retirement. Pre-tax payment is not permitted except by means of a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan.

- (e) **Effect of Failure to Make Contributions.** If a Participant who has elected to purchase service credit under this Section A-3.5 elects to make installment payments and does not qualify for any reason for Commission payroll deductions (either at the time of the election or at a later date during which installments are still being paid) or (2) otherwise fails without legal excuse to pay within ten (10) days of when due all or part of any payment (installment or lump sum) required in accordance with his/her election, that election shall lapse, be of no further force or effect, and the Participant shall not be entitled to vest in any additional Credited Service that has not yet been paid for pursuant to Section A-3.5(d). If the electing Participant makes the contributions required in any installment payable after ten (10) days of when due, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section A-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. Unless and until the electing Participant pays his/her total contribution obligation in full, together with any interest accrued, the additional Credited Service shall vest and apply for purposes of this Plan A only on a pro rata basis determined by a fraction, the numerator of which is the sum of all installments paid excluding any interest paid or accrued, and the denominator of which is the Participant's total contribution obligation determined pursuant to Section A-3.5(c).
- (f) **Limited Recognition of Purchased Service.** Notwithstanding any provision of the Plan to the contrary, additional credit purchased pursuant to this Section A-3.5 does not apply for meeting minimum retirement eligibility requirements for age, vesting, nor for the purpose of determining the highest three years for Average Annual Earnings or for any purpose under this Plan other than for the calculation of service credit for the purpose of determining the amount of the benefit.

SECTION A-4 - RETIREMENT BENEFITS

- A-4.1 Retirement at or after Normal Retirement Date. The annual amount of retirement benefit payable to an Annuitant who retires on or after his/her Normal Retirement Date shall be an amount equal to 2% of his/her Average Annual Earnings, multiplied by his/her Credited Service. The annual benefit payable, however, shall not be in excess of 100% of his/her Average Annual Earnings.
- A-4.2 Retirement at Early Retirement Date. The annual amount of retirement benefit payable to an Annuitant who retires at an Early Retirement Date shall be an amount equal to the benefit he/she would have been entitled to under Section A-4.1 hereof if his/her Early Retirement Date had been his/her Normal Retirement Date, but based on his/her Credited Service and Average Annual Earnings at his/her Early Retirement Date, reduced by 1/180 for each month by which the commencement date of the early retirement benefit precedes the date that would have been his/her Normal Retirement Date if he/she had continued as a Participant. An Annuitant who retires on an Early Retirement Date may elect to have his/her retirement benefits commence on the first day of any month thereafter, beginning with his/her Early Retirement Date. His/her retirement benefits must commence no later than the date that would have been his/her Normal Retirement Date if he/she had continued to be a Participant.
- A-4.3 Retirement at Disability Retirement Date.
- (a) Retirement Benefit Prior to Normal Retirement Date. The annual retirement benefit payable prior to his/her Normal Retirement Date to a Participant who files an application for Disability Retirement prior to August 1, 1982, and retires at a Disability Retirement Date shall be computed as provided in this Section A-4.3. Effective August 1, 1982, Disability Retirement Benefits are prospectively discontinued under this Retirement System in favor of a comprehensive Commission-sponsored Long-Term Disability Insurance Plan.
- (1) Service-Connected Disability Upon approval of the application of a Plan A Participant or the Head of his/her Department, filed prior to August 1, 1982, if:
- (i) the Participant is so disabled, mentally or physically, that he/she cannot perform the duties of his/her job, or of a substantially equivalent job with the Commission that is available for him/her, (ii) the disability is not due to his/her willful act, (iii) the disability is likely to be permanent, and (iv) the disability resulted from an accident, illness, or disease occurring or incurred while the Participant was engaged in the performance of the duties of his/her employment with the Commission, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following (but not to exceed his/her Average Annual Earnings):
- (A) Two-thirds of his/her Average Annual Earnings as of his/her Disability Retirement Date, plus an annuity which shall be the actuarial equivalent of his/her accumulated contributions at the time of retirement;
 - (B) The retirement benefit computed under Section A-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date.

(2) **Non-Service-Connected Disability** Upon approval of the application of a Plan A Participant or the Head of his/her Department filed prior to August 1, 1982, if (i) the Participant has five years of Credited Service, (ii) is so disabled mentally or physically, that he/she cannot perform the duties of his/her job, or of a substantially equivalent job with the Commission that is available for him/her, (iii) the disability is not due to his/her willful act, (iv) the disability is likely to be permanent, and (v) the disability is not covered by Section A-4.3(a)(1) hereof, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following:

(A) The retirement benefit computed under Section A-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date; or

(B) 30% of his/her Average Annual Earnings.

(b) **Retirement Benefit After Normal Retirement Date.** From and after the date that would have been his/her Normal Retirement Date if he/she had not retired on a Disability Retirement Date, the annual retirement benefit payable to a Participant who retires on a Disability Retirement Date, and is still receiving benefits under Section A-4.3(a) hereof at said Normal Retirement Date, shall be in an amount computed under Section A-4.1, based on his/her Average Annual Earnings at his/her Disability Retirement Date and his/her Credited Service to said Normal Retirement Date.

(c) **Determination of Disability** In no event shall an application for disability retirement be permitted, or disability retirement benefits granted, on behalf of a Participant who has attained his/her Normal Retirement Date, or who has applied for a disability retirement on or after August 1, 1982. All determinations shall be made by the Merit System Board, with a recommendation to the Board of Trustees, whose determination shall be final. A disability determination shall be begun upon written application of a Participant, or the Head of his/her Department, filed with the Administrator, and referred to the Merit System Board.

Before making its determination, the Merit System Board shall obtain a written opinion from the Medical Review Committee with regard to the nature, cause, degree of permanence, and effect of alleged disability. The Medical Review Committee so conducts such inquiry as it deems necessary and proper under the circumstances in order to give said opinion, in addition to its medical examination of the Participant.

In cases of doubt, or upon request of the Participant or the Board of Trustees, the Merit System Board shall hold a hearing for the purpose of reviewing medical and other testimony pertinent to the Participant's application for disability retirement.

(d) **Continuation of Disability Retirement Benefits.** Disability Retirement Benefits shall continue so long as the Participant remains disabled, as defined in this Section A-4.3. The Merit System Board may require a physical re-examination from time to time to determine the continuance of disability. The Merit System Board may also require the Participant to participate in a program of rehabilitation, provided at no expense to the Participant, to attempt to ameliorate or remove the disability. If the Participant does not participate in

such a program in good faith, in the opinion of the Merit System Board, his/her Disability Retirement Benefits shall cease forthwith, and shall not begin again until he/she does so participate. Disability Retirement Benefits shall not be terminated after a Participant has reached what would have been his/her Normal Retirement Date under this Plan if he/she had not retired on a Disability Retirement Date.

- (e) Reemployment of Member Receiving Disability Retirement Benefits - Payment of Rehabilitation Stipend. This provision is intended to facilitate offering of career opportunities to disability retirees. Should a Member, retired under the Disability Retirement provisions of this Retirement System, be reemployed by the Commission in a career Merit System position, the Member's Disability Retirement benefits shall cease on the first of the month coinciding with or immediately following his/her reemployment. If the Annual Base Pay (Mid-Point Salary Level) for the position in which the Member is reemployed, should be less than the Member's Base Pay immediately preceding his/her Disability Retirement Date, a monthly Rehabilitation Stipend shall be paid to the Member until the earlier of his/her Normal Retirement Date, or the first of the month coinciding with or immediately following the date upon which the Member attains a salary level in his/her new position which, at that point in time, is equal to or greater than the maximum salary then being paid for the position held by the Member immediately preceding his/her Disability Retirement Date. The amount of the monthly stipend shall be calculated as one-twelfth of the difference between the annual Base Pay of the Member immediately preceding his/her Disability Retirement Date and the initial annual Base Pay (Mid-Point Salary Level) for the new position which the Member is assuming, but in no event shall the Rehabilitation Stipend exceed the Disability Retirement benefits being paid to the Member immediately preceding his/her reemployment. The Member shall again become a Participant in the Plan in which he/she participated at Disability Retirement Date; he/she shall again make employee contributions as a percentage of Base Pay provided for by that Plan; and, he/she shall again accrue Credited Service as a participating Member of the Employees' Retirement System. The Member's Normal Retirement Benefits shall subsequently be based on his/her total Credited Service and his/her Average Annual Earnings, based on actual annual Base Pay without regard to any Rehabilitation Stipends received.

A-4.4 Change in Amount of Retirement Benefits Due to Change in Cost-of-Living Index.

- (a) Adjustments Due to Change in Consumer Price Index. The retirement benefits payable under this Plan may be increased or decreased as of each July 1st after the Effective Date, for any Beneficiary who had been receiving his/her retirement benefits for at least six months. The increase or decrease shall be determined by the percentage increase or decrease in the Consumer Price Index--All Items Annual Average, Urban Index for Major U. S. Cities, for the preceding 12 months, prepared by the United States Department of Labor, above or below the level of said Index on the immediately preceding December 31st. If the percentage increase or decrease in the Consumer Price Index, for any year, is 3% or less, the retirement benefits payable shall be adjusted by 100% of the increase or decrease. If the percentage increase or decrease in the Consumer Price Index, for any year, is greater than 3%, the retirement benefits payable shall be adjusted by 3% plus one-half of the percentage increase or decrease above 3%. The maximum adjustment for any year shall be 5%. No decrease shall reduce the retirement benefit below its initial amount. No decrease shall be made except to the extent that the retirement benefit is, at that time,

in excess of the level it would have then attained if it had been increased by the total percentage increase in the Index since the first July 1st on which an adjustment under this paragraph could have been made without regard to the limitations provided in this paragraph.

Notwithstanding the foregoing, (1) effective July 1, 2012, retirement benefits payable under this Plan shall not be decreased because of a decrease in the Consumer Price Index described above; (2) effective July 1, 2012, the portion of a person's retirement benefits attributable to Credited Service (other than Credited Service based on earned and unused sick leave as which shall be governed by (3) below) credited for periods on or after July 1, 2012, shall be subject to a maximum adjustment of 2.5% in any Plan year; and, (3) effective January 1, 2013, Credited Service based on earned and unused sick leave pursuant to the terms of the Plan attributable to full pay periods beginning on or after January 1, 2013, shall be subject to a maximum adjustment of 2.5% in any Plan year. For purposes of interpreting the preceding sentence, (A) Credited Service attributable to a transfer or purchase of service credit not commenced prior to July 1, 2012, pursuant to procedures established for the Plan, shall be considered attributable to a pay period beginning on or after July 1, 2012, and thus subject to the 2.5% maximum adjustment and (B) Credited Service attributable to after-tax payments within ninety (90) days after a leave of absence shall be deemed to relate to the period of the leave of absence.

- (b) Supplemental Adjustment to Benefits Payable to Certain Beneficiaries. Effective January 1, 1984, the monthly annuity of any Beneficiary with an initial benefit commencement date prior to December 31, 1981, shall be increased by one percent (1%) for each two (2) years he or she, or the original Annuitant in the case of a Contingent Annuitant, was entitled to receive benefits between July 1, 1974, and December 31, 1981. The Supplemental Adjustment for months equating to less than a full year will be pro-rated. The amount of Supplemental Adjustment to which a Beneficiary is entitled shall, on January 1, 1984, be added to his/her base annuity for the purpose of any future adjustments to be made under the provisions of Paragraph (a), Section A-4.4.

A-4.5 Payment of Retirement Benefits. Retirement benefits under Plan A shall be payable in equal monthly installments, unless some other payment schedule has been established as provided in the Plan. The first payment of Normal or Early Retirement Benefits may be made on the date a Beneficiary first becomes entitled to the retirement benefit. The first payment of Disability Retirement Benefits shall be made on the date established by the Board of Trustees, but not later than the first of the month following approval by the Board of Trustees of the application for Disability Retirement. The last payment shall be made on the first day of the calendar month in which the Beneficiary dies, unless (a) payments have been made for less than 10 years, or (b) the Member had selected an optional form of benefit payment under Section A-4.6 of the Plan. If said retirement benefits have been paid for less than 10 years, the Beneficiary designated by the Member shall receive the remaining payments that would have been made to the Member until benefits have been paid for 10 years. If an optional form of benefit payment has been selected, payments will be made as required by the option selected.

A-4.6 Optional Forms of Benefit Payments.

- (a) **Options Available.** A Member may elect one of the following forms of payment of his/her retirement benefit payable at Normal Retirement Date, Early Retirement Date, or Disability Retirement Date, in place of the method of payment provided in Section A-4.5 of this Plan. Each of these optional methods of payment shall be the actuarial equivalent of said retirement benefit as payable under Section A-4.5. The optional methods of payment are as follows:
- (1) A Member may elect to receive a reduced retirement benefit during his/her lifetime, and to have all or a specified portion of such reduced retirement benefit paid to a Contingent Annuitant. The Board of Trustees shall make uniform rules as to what portion or portions of the reduced retirement benefits may be made payable to a Contingent Annuitant, subject to the restrictions in the next paragraph hereof.
 - (2) A Member may elect to receive a benefit described in Section A-4.6(a)(1) that provides that, on the death of the Contingent Annuitant prior to the death of the Member, a Member's retirement benefit will revert to the amount that would have been payable as a single life annuity when the Member's retirement benefit originally commenced (as adjusted for cost-of-living adjustments granted since benefit commencement). There shall be no additional right of survivorship after the death of a Contingent Annuitant.
 - (3) A Member may elect any other optional method of payment of his/her monthly retirement income that is acceptable to the Board of Trustees, but no option may be elected that would (a) permit the interest of any Member to be retained in the Trust Fund after the Member becomes entitled to retirement benefits under this Plan, and only the interest thereon to be paid to the Member during his/her lifetime, the balance to be paid after the death of the Member; or (b) permit installment payments to a Contingent Annuitant to continue for a longer period than the longest of (i) the life of the Member's spouse, (ii) the life expectancy of the Member on the commencement date of his/her retirement benefits, or (iii) the joint life and last survivor expectancy of the Member and his/her spouse on the commencement date of the Member's retirement benefit, or (c) permit installment payments in other than equal amounts, except to the extent that, in accordance with uniform rules adopted by the Board of Trustees, the Member may elect to receive a greater retirement benefit prior to the commencement of his/her Federal Social Security Act benefits and a lesser retirement benefit thereafter, in order to provide him/her with retirement benefits in the aggregate of equivalent actuarial value which will give him/her, insofar as practicable, a level total income for life under the Plan and the Social Security Act.
 - (4) A fully Vested Member, whose employment with the Commission terminated on or after the date he/she was eligible for Early Retirement benefits, may elect in writing to defer benefits until his/her Normal Retirement Date, rather than receive an actuarially reduced Early Retirement benefit. A Member, who has made this election, may irrevocably elect any of the foregoing optional forms of payment,

which shall be effective with the commencement of benefits at Normal Retirement Date. Should the Member die prior to Normal Retirement Date, his/her Contingent Annuitant shall be entitled to receive, effective with the date that would have been the Member's Normal Retirement Date, the appropriate income, as survivor, under the option selected.

- (b) Exercise of Election and Designation of Contingent Annuitant. The election of an optional method of payment and the designation of a Contingent Annuitant must be in writing. It must be filed with the Board of Trustees prior to the commencement date of the Member's retirement benefits under the Plan. With the exception of an irrevocable election under Section A-4.6(a)(4), either the election, or the designation, or both, may be changed by the Member, from time to time, at any time prior to the commencement date of his/her retirement benefits under this Plan.
- (c) Revocation of Election by Occurrence of Certain Events. If a Member who has elected an optional form of payment dies before the commencement date of his/her retirement benefits under this Plan, no retirement annuity shall be paid to his/her Contingent Annuitant. The payment shall be made in accordance with the provisions of Section A-6: Death Benefits. If a Contingent Annuitant dies prior to the commencement date of the Member's retirement benefits under the Plan, the election and the designation shall be void, irrespective of when made, except in the case of a Vested Member who has selected an option under the provisions of Section A-4.6(a)(4). If a Contingent Annuitant dies after the commencement date of the Member's retirement benefits under this Plan, the Annuitant shall continue to receive the appropriate retirement benefit to which he/she is entitled under the option he/she selected. If a Vested Member, who has selected an option under the provisions of Section A-4.6(a)(4), dies prior to the commencement date of his/her retirement benefits, his/her Contingent Annuitant shall receive the appropriate retirement benefit to which he/she is entitled under the option selected, commencing with what would have been the Vested Member's Normal Retirement Date. If both the Annuitant and his/her designated primary Beneficiary die prior to completion of payments under an option providing for a guaranteed number of payments, the commuted value of the balance of the payments shall be paid in a lump sum to the next Beneficiary designated in writing by the Annuitant or, in the absence of such designation, if a person so designated is not then living, to the estate of the last to die of the Annuitant and his/her primary Beneficiary

A-4.7 Monthly Payments of Less than Twenty-Five Dollars. Anything in the Plan to the contrary notwithstanding, if monthly payments that shall be payable to any Beneficiary under the Plan shall be less than \$25.00; then, if the Board of Trustees shall so direct, the aggregate of the amounts which shall be payable to him or her hereunder in any year shall be paid in quarterly, semi-annual, or annual payments or, with the payee's approval, the actuarial lump sum value of the amounts that shall be payable to him/her hereunder shall be paid in one sum of payments over a specified period of time.

A-4.8 Incapacity of Beneficiary If, for any reason, the Board of Trustees shall determine that it is not desirable, because of the incapacity of the person who shall be entitled to receive any payment in accordance with the provisions of this Plan, to make such payment direct to such person, the Board of Trustees shall give notice to said person of its intention to make alternate payment. Said person shall be advised of the time, date, and place of the meeting at which such action shall take

place, and the basis upon which the Board proposes to alter the manner of payment. The Beneficiary shall have the right to be represented by counsel, at his/her own expense, and to present witnesses and testimony in opposition to the Board's action. In any such proceeding, the burden of proof shall be on the Board. The Board's decision shall be based upon the evidence presented at the hearing. If the Board of Trustees is presented with a certified copy of a judicial decree of a court of competent jurisdiction, determining that a Beneficiary entitled to receive benefits is incompetent and appointing a guardian, the Board of Trustees shall be entitled to act upon that court order without further inquiry. In the event the Board proposes to act on the basis of a court order, it shall give advance notice of the time, date, and place of the meeting at which such action shall take place.

A-4.9 Missing Member or Beneficiary If the Board of Trustees is not able to locate any person to whom a benefit is due under this Plan, after making all reasonable efforts to do so, such benefit shall not be payable to such person until he/she has been located. Reasonable efforts shall mean the use of the Social Security Administration Employer Reporting Service or any other methodology deemed appropriate by the Board of Trustees or its delegate. If, after a period of two years and eleven months from the date on which the earliest unpaid benefit was due, he/she is not located, the person's interest in the Plan and any unpaid benefits to which he/she would otherwise be entitled shall be forfeited. If the person later makes a request for the forfeited benefit, such benefit shall be reinstated and paid to the person, but without earnings or interest thereon.

A-4.10 Reduction of Benefits by Benefits Under Other Plans. If a Member under this Plan is entitled to benefits under any other retirement plan, or would have been entitled to said benefits if he/she had not elected to receive a refund of his/her contributions under said plan, on account of service that is also Credited Service under this Plan, the benefits under this Plan shall be actuarially reduced by the benefits under the other retirement plan attributable to said service. Social Security benefits, to which a Member is entitled, are specifically exempted from this provision.

A.4.11 Early Retirement Window for Certain Participants. Effective January 1, 2009, 2011, 2013, and 2015, a Represented Plan A Participant with not less than twenty-nine (29) years of Credited Service and not more than thirty (30) years of Credited Service under Plan A may apply to retire any time prior to reaching thirty (30) years of Credited Service and have that date deemed the Participant's Normal Retirement Date for the purpose of his/her Plan and shall have his or her benefit determined under Section A-4.1

SECTION A-5 - BENEFITS UPON TERMINATION OF EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT

A-5.1 A Member, whose employment with the Commission terminates, other than by death, or retirement on a Disability Retirement Date, an Early Retirement Date, or Normal Retirement Date, shall be entitled to one or the other of the following:

(a) **Refund of Contributions.** He/she may elect to receive a lump sum cash refund of his/her contributions to the Trust Fund, with interest thereon at the rate of 4-1/2% per year. Said election shall be in lieu of any other benefits under the Plan.

(b) **Vested Benefits.**

(1) If a Member, who has completed five or more years of credited service, terminates employment on or after September 1, 2001 and does not elect to receive a refund of required Member contributions, the Member shall be entitled to receive an annual benefit, commencing with what would have been his/her Normal Retirement Date assuming continued active participation in the Plan. The benefits shall be computed as provided in Section A-4.1 of this Plan, on the basis that the first of the month coinciding with or next following his/her date of termination of employment is his/her Normal Retirement Date. Members whose employment terminated prior to September 1, 2001 shall have benefits calculated utilizing the following vesting schedule and the completed years and months of service as of the date of termination:

| <u>Completed Years of Credited Service</u> | <u>Percentage</u> |
|--|-------------------|
| 5 | 50% |
| 6 | 60% |
| 7 | 70% |
| 8 | 80% |
| 9 | 90% |
| 10 or More | 100% |

Payment of said benefits shall be made in accordance with Sections A-4.5 and A-4.6 of this Plan.

(2) A Member whose job is abolished and who is not offered a substantially equal job with the Commission, and a Member whose employment by the Commission is on an appointive basis and is not renewed at the end of his/her term of appointment, shall be entitled to receive, commencing with what would have been his/her Normal Retirement Date if his/her participation in the Plan had continued, a maximum annual benefit computed as provided in Section A-4.1 of the Plan on the basis that the first of the month coinciding with or next following the date of his/her termination of employment had been his/her Normal Retirement Date, and payable in accordance with Sections A-4.5 and A-4.6 of the Plan. A Commissioner or a Member who has been appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or another full-time position appointed by the Commission, and exempted from the Merit

System, and who has otherwise reached his or her Normal Retirement Date with his or her eligibility for Normal Retirement intact, shall be entitled to 100% vesting regardless of years of service, and shall be entitled to a maximum annual benefit as set forth above.

SECTION A-6 - DEATH BENEFITS

A-6.1 Spouse's and Children's Benefits – Death During Participation. If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant died either (a) as a result of a service-connected accident or illness, as that term is defined in Section A-4.3(a) or (b) after completing at least ten years of Credited Service, the spouse shall be entitled to an annual benefit, commencing with the first of the month coinciding with or next following the date of death of the Participant, in an amount equal to the larger of the following:

- (a) An amount computed under Section A-4.1 of this Plan on the basis that the deceased had continued as a Participant to what would have been his/her Normal Retirement Date, at the same annual earnings received during his/her last completed year of employment with the Commission; effective January 1, 1994, for part-time Participants this will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death;
- (b) 25% of the Final Annual Base Pay of the Participant; effective January 1, 1994, for part-time Participants this will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death;
- (c) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section A-6.1, Paragraphs (a) or (b) of this Plan; or if a surviving spouse entitled to the benefits herein should die, and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section A-6.1, Paragraph (a) or (b) of this Plan shall be payable to the surviving children of the Participant under the age of 18, or under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.

In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section A-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.

A-6.2 Ordinary Death Benefits.

- (a) **General Rule.** If a Participant or Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, without an option selection made under the provisions of Section A-4.6(a)(4), and does not leave a surviving spouse or children entitled to the benefits provided for in Section A-6.1 of this Plan, the Beneficiary designated by him/her, in a written instrument filed with the Administrator, shall be entitled to a lump sum cash payment in an amount equal to the sum of the following:

- (1) 50% of his/her Average Annual Earnings; plus

(2) His/her total contributions to the Trust Fund, with interest thereon at the rate of 4-1/2% per annum.

(b) Special Rule for Vested Members With An Option Selection on File. If a Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, with an option selection made under the provisions of Section A-4.6(a)(4), the benefit payable shall be the survivor benefit, if any, under the option selected under Section A-4.6(a)(4).

A-6.3 Post-Retirement Death Benefits. Upon the receipt of proper proof of the death of a retired member on or after July 9, 1986, there shall be paid to such person as the member shall have designated and filed with the Board of Trustees, otherwise to his/her estate, a lump sum benefit in the amount of \$10,000. A member may designate a trust or any other entity as the beneficiary of the lump sum benefit, so long as the trust or entity has legal status as identified by a Federal Tax ID number, and so long as the designation is otherwise properly on file with the Board of Trustees.

SECTION A-7 - CONTRIBUTIONS

A-7.1 Employee Contributions. Each Plan A Participant who is not a member of the Park Police shall contribute to the Trust Fund 6.5% of his/her Base Pay for each pay period. Each Plan A Participant who is a member of the Park Police shall contribute to the Trust Fund 7% of his/her Base Pay for each pay period. Notwithstanding the foregoing, effective July 1, 2014, each Plan A Participant who is not a member of the Park Police shall contribute to the Trust Fund 7% of his/her Base Pay for each pay period.

Effective January 1, 1984, the Commission shall pick up the employee contributions required by this Section for all Base Pay earned after December 31, 1983, and the contributions so picked up shall, subject to approval by the Internal Revenue Service, be treated as employer contributions in determining Federal and State income tax treatment under Section 414(h) of the United States Internal Revenue Code. These contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The Commission shall pay these employee contributions from the same source of funds, which is used in paying earnings to the employee. The Commission may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up, they shall be treated for all purposes of this Section A-7 in the same manner and to the same extent as employee contributions made prior to the date picked up.

A-7.2 Employer Contributions. The Commission shall contribute to the Trust Fund from time to time such amounts as are actuarially determined to be required to provide for the benefits under the Plans of this Retirement System.

A-7.3 No Reversion of Employer Contributions. No contributions to the Trust Fund by the Commission shall be used for or diverted to purposes other than for the exclusive benefit of Members and Beneficiaries, prior to the satisfaction of all liabilities under this Retirement System.

ARTICLE B
Sections Applicable to Plan B of the M-NCPPC
Employees' Retirement System

EFFECTIVE JANUARY 1, 2013, PLAN B IS GENERALLY CLOSED TO NEW
MEMBERS WITH INDIVIDUALS WHO WOULD HAVE BEEN COVERED BY PLAN B
NOW COVERED BY PLAN E.

SECTION B-1 - DEFINITIONS

- B-1.1 Appointed Officials means Commissioners of The Maryland-National Capital Park and Planning Commission; and, the Executive Director, the General Counsel and Secretary-Treasurer, serving at the pleasure of the Commission.
- B-1.2 Condition of Employment means mandatory participation in this Retirement Plan for any individual other than Park Police employed by the Commission on or after January 1, 1979, as a career full-time Merit System Employee, and for individuals employed by the M-NCPPC Employees' Retirement System on or after March 1, 1994. Effective January 1, 2009, Condition of Employment also means mandatory participation in this Retirement Plan for Appointed Officials, employees exempted from the Merit System who are appointed by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland, and eligible career Part-Time Employees. Effective January 1, 2013, Condition of Employment also means mandatory participation in this Retirement Plan for individuals that would otherwise be required to participate in Plan E but, as a result of prior employment, remain as (vested or non-vested) Members of Plan B on rehire or appointment.
- B-1.3 Credited Service means the total period of years and months of completed service credited under this Retirement Plan, computed, as provided in Section B-3 of this Plan. Effective January 1, 1994 for part-time employees electing to participate in the ERS and effective January 1, 2009 for part-time employees required to participate in the ERS, part-time employees shall accrue credited service in his/her part-time capacity based on the actual number of paid hours in a calendar year divided by the normal (1950 or 2080) full-time hours for the class of work of the position that the part-time employee occupies. In no instance shall a part-time employee accrue more service (weekly, bi-weekly, or annually) than a full-time employee. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued service will be used. Part-time employees participating in the ERS as of December 31, 1993, will have an option to participate irrevocably in the full pro rated accrual for his/her part-time service, or to retain the 20 hour per week accrual. Further, part-time credited service accrued prior to January 1, 1994, will be retained at 20 hours per week for benefit calculation purposes.
- B-1.4 Disability Retirement Date means the first day of the month, prior to his/her Normal Retirement Date, coinciding with or following a determination of disability of a Plan B Participant who, prior to August 1, 1982, filed his/her application for disability retirement under Section B-4.3 of this Plan.
- B-1.5 Early Retirement Date means the first day of any month prior to a Participant's Normal Retirement Date as of which:
- (a) He/she has both completed 15 or more years of Credited Service and has reached the age of 55; or
 - (b) He/she has completed 25 years of Credited Service regardless of age.

For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued credited service will be used as calculated in Section B-3.

- B-1.6 Employee means (a) any individual employed by the Commission as a career full-time Merit System employee except Park Police; (b) any individual appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or other full-time position appointed by the Commission and exempted from the Merit System; (c) any individual appointed by the respective County to serve as a Commissioner of The Maryland-National Capital Park and Planning Commission; (d) any individual exempted from the Merit System, who is appointed by the respective County Planning Board, as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland; (e) any individual appointed to the position of Inspector General pursuant to Land Use Article, Section 15-503 of the Annotated Code of Maryland; (fe) any individual employed by the Commission as a career part-time Merit System employee on a year-round basis; and (gf) any individual employed by the M-NCPPC Employees' Retirement System.
- B-1 7 Integrated Retirement Plan means Plan B, which provides full retirement benefits until the retired Member is eligible for full Social Security retirement benefits, and provides supplemental benefits thereafter.
- B-1.8 Normal Retirement Date means the earlier of (a) the first day of the month coinciding with or immediately following the date on which a Member of Plan B has both attained age 60 and completed five years of Credited Service; or (b) the first day of the month coinciding with or immediately following the date on which a Member of Plan B, regardless of age, has completed 30 years of Credited Service. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata service will be used as calculated in Section B-3. Notwithstanding the foregoing, a Commissioner or a Participant who has been appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or another full-time position appointed by the Commission, and exempted from the Merit System, except the position of Inspector General, reaches his or her Normal Retirement Date once he or she has attained age 60 and five years have elapsed since he or she was first credited with Credited Service under the Plans, regardless of whether he or she has actually completed five years of Credited Service under the Plans.
- B-1.9 Part-Time Employee means a career Merit System employee who is employed on a year-round part-time basis, but working not less than half of a normal workweek.
- B-1 10 Plan B Participant means an employee who (a) has enrolled in Plan B as a Condition of Employment or (b) elected to transfer to Plan B from Plan A pursuant to the provisions of Article A, Section A-2.4 of this Retirement System.
- B-1.11 Social Security Wage Base means the annual taxable wages under the Federal Social Security Act.
- B-1 12 Social Security Covered Compensation Level is the average (without indexing) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of

the calendar year in which a Member attains Social Security retirement age. For purposes of this Section B-1.12, Social Security retirement age is rounded up to the next integer age.

The Social Security Covered Compensation Level is the result determined above, rounded to the next lower multiple of 12. The determination of the Covered Compensation Level as of any date shall be calculated without regard to increases in the Maximum Taxable Wage Base occurring after that date. Social Security Covered Compensation Level will be determined at the time of separation from service for any Member who, at the time of such separation, has a non-forfeitable right to benefits

B-1 13 Represented Plan B Participant means a Plan B Participant who is represented on or after July 1, 2005, for collective bargaining purposes by an exclusive representative elected pursuant to Land Use Article, Title 16, Subtitle 2, Annotated Code of Maryland, as amended from time to time, and represented as of the date upon which any Participant applicable election, action or determination prescribed under this Plan B is permitted or required with respect to a Represented Plan B Participant.

SECTION B-2 - REQUIREMENTS FOR PARTICIPATION

- B-2.1 (a) **Employees on December 31, 1978, not covered by Plan A of the Employees' Retirement System.** Any eligible employee, other than Park Police employees, who was not a Plan A Participant on December 31, 1978, may elect to become a Participant in Plan B on the first day of any month on or after January 1, 1979
- (b) **New Employees Hired by the Commission on or After January 1, 1979 and Employees Hired by the M-NCPPC Employees' Retirement System on or after March 1, 1994 and Prior to January 1, 2013.** Every Employee, other than the categories of individuals listed in sub-section B-2.1(c) below, hired by the Commission between January 1, 1979 and December 31, 2012 or hired by the M-NCPPC Employees' Retirement System between March 1, 1994 and December 31, 2012, shall as a Condition of Employment become a Participant in Plan B of the Employees' Retirement System on the first day of the month following the date of his/her employment.
- (c) **Appointed Officials, Employees Exempted From the Merit System and Part-Time Employees.** Effective January 1, 2009, Appointed Officials, employees exempted from the Merit System who are appointed by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland, and part-time Merit System employees appointed or hired prior to January 1, 2013 shall, as a Condition of Employment, become a Participant in Plan B of the Employees' Retirement System on the later of the first day of the month following the date of his/her employment and January 1, 2009
- (d) **Members of Plan B Hired or Appointed On or After January 1, 2013.** Employees hired or appointed on or after January 1, 2013 that, as a result of prior employment or appointment with the Commission or Employees' Retirement System, are Members of Plan B shall as a Condition of Employment become a Participant in Plan B of the Employees' Retirement System on the first day of the month following the date of his/her reemployment or appointment.
- (e) Participation in the Plan shall be mandatory and may not be waived under any circumstances.
- (f) Except as provided in Sections B-2.1(a) and B-2.1(d) above, effective January 1, 2013 Plan B is closed to new Plan B Participants.

B-2.2 **Method of Election to Participate.** Each Employee, who as a Condition of Employment must participate in Plan B shall fill out, sign, and file with the Administrator, an application form furnished by the Administrator, which shall include an authorization for the deduction by the Commission from the compensation of the Employee, the contributions required of the Employee under Plan B, and the payment of said deducted contributions by the Commission to the Trust Fund under this Plan. This authorization includes, without limitation, an authorization for the recapture by the Commission of deficient contributions. Said application shall also contain an agreement by the Employee to be bound by the provisions of the Plan, and the Employees' Retirement System, as then in effect, and as thereafter amended in the manner provided for in the Retirement System. A Member of this Plan may not withdraw his/her contributions from the

Retirement System except upon termination of employment. As is set forth above, no other Employee may discontinue membership except upon termination.

SECTION B-3 - CREDITED SERVICE

B-3.1 Credited Service means the total completed years and months of employment of a Member, not to exceed a maximum of 35 years, to be used in computing Retirement Benefits under Plan B, and shall be the total of the following:

- (a) Employment by the Commission in pay status while a contributing Participant in Plan B of this Retirement System.
- (b) Service transferred to this Retirement System pursuant to Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, as applicable at the time of transfer.
- (c) Service transferred to Plan B from Plan A of the M-NCPPC Employees' Retirement System.
- (d) Service of a Member in the uniformed services of the United States provided that the members are reemployed in accordance with federal law
- (e) Any Credited Service purchased, accrued and applied for a Represented Plan B Participant in accordance with Section B-3.4 of this Plan.

B-3.2 Creditability for Accumulated Sick Leave. In computing Credited Service for Normal or Early Retirement (as may be applicable pursuant to the terms of Plan B), a Member who is entitled to a benefit under this Plan B shall be entitled to receive an additional credit for earned and unused sick leave, except that such credit shall not apply for meeting minimum retirement eligibility requirements for age, nor for the purpose of determining the highest three years of Average Annual Earnings. A maximum of 301 workdays of earned and unused sick leave may be used to qualify for length of service. To be entitled to such additional credit, a Member must have accumulated unused sick leave, which would equate to a minimum of one full month of service credit (twenty-two [22] work days). After allowing for the appropriate amount of additional credit on the basis of full months (twenty-two [22] work days), an additional month of Credited Service will be given for any remainder equating to fifteen (15) or more work days, but no credit will be given for any remainder of less than fifteen (15) work days.

B-3.3 For Members who qualify to receive benefits under the Commission's Long Term Disability Insurance Plan subsequent to August 1, 1982, Credited Service shall include the total of full months in which the Member, prior to his or her Normal Retirement Date, received or was entitled to receive disability benefits. Should a Member who has been receiving disability benefits subsequently be disqualified for further benefits, and then the accrual of Credited Service under this provision shall cease simultaneously with the cessation of benefits under the Commission's Long-Term Disability Insurance Plan.

B-3.4 Purchase of Credited Service by Represented Plan B Participants.

- (a) **Service Eligible for Purchase.** Effective as of July 1, 2009 during the period from 90 to 120 days immediately following the date of adoption of this Section B-3.4 or at least 31 but not more than 60 days immediately prior to the date of a Participant's actual retirement as permitted under Sections B-4.1 and B-4.2, a Represented Plan B Participant

may elect to purchase additional Credited Service not to exceed a total of five (5) years for certain time in public service and qualified as follows:

- (1) Any period of employment by the Commission prior to retirement under this Plan and during which the Participant was eligible to participate in either this Plan or the Prior Plan, but was not a Participant in this Plan or the Prior Plan, respectively
 - (2) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit or credit pursuant to Code section 414(u), any period during which the Participant was in an active duty status of a uniformed service of the United States (limited to the United States Army, Navy, Air Force, Marine Corps, Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, the Public Health Service of the United States, or active duty service in the National Guard of any state of the United States as set forth in applicable Department of Labor regulations) and not an active Participant in this Plan, the Prior Plan, or any other contributory retirement plan of an agency of a state, federal or local government.
 - (3) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit, any period during which that Participant was a member/participant in the retirement plan of another agency of state or local government in the State of Maryland prior to retirement under this Plan, and during which period the Participant was not a participant in this Plan or the Prior Plan. The foregoing shall only be available if the Participant will no longer receive credit for service for the same period of time under the other plan referenced in this subsection.
 - (4) Notwithstanding other provisions of this Section, and except as expressly required under federal law, a Participant must not be granted or permitted to purchase credited service for any period of actual or credited service under another retirement system if that Participant is receiving retirement benefits or has retained a vested right to retirement benefits from that system and all purchases of service credit shall comply with Code section 415(n).
- (b) **Irrevocable Election.** An election to purchase additional Credited Service is irrevocable. When an election to purchase service is made at least 31 but not more than 60 days before the proposed retirement date, the election to retire becomes immediately irrevocable notwithstanding any other provision of this Plan.
- (c) **Calculation of Service Cost.**
- (1) The Participant shall contribute to the Plan the entire cost of his/her additional credit determined as the Actuarial Equivalent of additional benefits attributable to the additional Credited Service.
 - (2) For Participants who elect to purchase service during the election window commencing 90 days after the adoption of the Plan amendment, adding this Section B-3.4 to the Plan, the participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the election date due

to the additional service. For the purpose of this calculation the present value will be based on an assumed benefit commencement date that will be the later of the election date or the projected normal retirement date. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.

- (3) For Participants who elect to purchase service at least 31 but not more than 60 days prior to their retirement, the Participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the actual date of retirement due to the additional service. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.
- (d) Contribution Methods. The electing Represented Plan B Participant shall contribute the cost for additional Credited Service before retirement in (1) a lump sum or sums paid within thirty (30) days of the Participant's election, or (2) in a number of equal installments payable over no more than five (5) years from the date of such election, provided that installments must be collected by after-tax payroll deduction made while the Participant is employed by the Commission and all of which must be paid before retirement. A lump sum payment made within the thirty (30) days required pursuant to this Section B-3.45(d) may be made by a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan in which the Participant also participates that permits such a transfer in a manner consistent with the Code. Under any circumstance, the Retirement System has no obligation to accept payment of any installment or a partial payment that is not the final payment in any manner other than by after-tax payroll deduction transmitted by the Commission on behalf of the electing Participant. If the electing Participant makes the contributions required in any installment payable after thirty (30) days of the election, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section B-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. A Represented Plan B Participant who elects to purchase additional Credited Service in this manner and to pay his/her contribution obligation in any number of installments may prepay all, but not part, of the obligation and accrued interest at any time after the election is made and before retirement. Pre-tax payment is not permitted except by means of a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan.
- (e) Effect of Failure to Make Contributions. If a Participant who has elected to purchase service credit under this Section B-3.4 elects to make installment payments and does not qualify for any reason for Commission payroll deductions (either at the time of the election or at a later date during which installments are still being paid) or (2) otherwise fails without legal excuse to pay within ten (10) days of when due all or part of any payment (installment or lump sum) required in accordance with his/her election, that election shall lapse, be of no further force or effect, and the Participant shall not be entitled to vest in any additional Credited Service that has not yet been paid for pursuant to B-3.4(d). If the electing Participant makes the contributions required in any installment payable after ten (10) days of when due, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution

obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section B-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. Unless and until the electing Participant pays his/her total contribution obligation in full, together with any interest accrued, the additional Credited Service shall vest and apply for purposes of this Plan B only on a pro rata basis determined by a fraction, the numerator of which is the sum of all installments paid excluding any interest paid or accrued, and the denominator of which is the Participant's total contribution obligation determined pursuant to Section B-3.45(c).

- (f) Limited Recognition of Purchased Service. Notwithstanding any provision of the Plan to the contrary, additional credit purchased pursuant to this Section B-3.4 does not apply for meeting minimum retirement eligibility requirements for age, vesting, nor for the purpose of determining the highest three years for Average Annual Earnings or for any purpose under this Plan other than for the calculation of service credit for the purpose of determining the amount of the benefit.

SECTION B-4 - RETIREMENT BENEFITS

B-4.1 Integrated Retirement Benefits at or after Normal Retirement Date.

- (a) The annual amount of retirement benefits payable to a Plan B Annuitant from date of retirement to date of attaining statutory age of eligibility for full Social Security retirement benefits shall be 2% of Average Annual Earnings multiplied by years of Credited Service up to a maximum of 35 years, plus sick leave credit. Years of Credited Service of less than a full year will be prorated. The annual benefit payable, however, shall not be in excess of 100% of his/her Average Annual Earnings.
- (b) Commencing September 1, 2001, for members who have reached the eligibility date for full Social Security retirement benefits, the amount of retirement benefits payable from the Plan shall be one and one half percent (1½%) of Average Annual Earnings up to the Social Security Covered Compensation Level, plus 2% of Average Annual Earnings in excess of the Social Security Covered Compensation Level, multiplied by years of Credited Service, up to a maximum of thirty-five (35) years, plus sick leave credit, together with any accumulated cost-of-living adjustments received from the date of retirement to the eligibility date for full Social Security retirement benefits. Years of Credited Service of less than a full year will be prorated.

B-4.2 Retirement at Early Retirement Date. The annual amount of retirement benefits payable to a Plan B Annuitant who retires on an Early Retirement Date, shall be an amount equal to the benefit he/she would have been entitled to receive under Sections B-4.1(a) and (b), if his/her Early Retirement Date had been his/her Normal Retirement Date, but based on his/her Credited Service and Average Annual Earnings at his/her Early Retirement Date, reduced by 1/180 for each month by which the commencement date of the Early Retirement Benefit precedes the date that would have been his/her Normal Retirement Date if he/she had continued as a Participant. An Annuitant who retires on an Early Retirement Date may elect to have his/her retirement benefits commence on the first day of any month thereafter, beginning with his/her Early Retirement Date. His/her retirement benefits must commence no later than the date that would have been his/her Normal Retirement Date if he/she had continued to be a Participant.

B-4.3 Retirement at Disability Retirement Date. The annual retirement benefit payable to an Annuitant who retires at a Disability Retirement Date shall be computed as provided in this Section B-4.3. Effective August 1, 1982, Disability Retirement Benefits are prospectively discontinued under this Retirement System in favor of a comprehensive Commission-sponsored Long-Term Disability Insurance Plan.

- (a) Service-Connected Disability Upon approval of the application of a Participant or of the Head of his/her Department, filed prior to August 1, 1982, any Participant who has been totally and permanently incapacitated for any duty with the Commission as a result of an accident, illness, or disease occurring or incurred while the Participant was engaged in the performance of the duties of his/her employment with the Commission, without willful negligence on his/her part, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following (but not to exceed his/her Average Annual Earnings):

- (1) Two-thirds of his/her Average Annual Earnings as of his/her Disability Retirement Date, plus an annuity which shall be the actuarial equivalent of his/her accumulated contributions at the time of disability retirement;
 - (2) The retirement benefit computed under Section B-4.1(a) hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date.
- (b) **Ordinary Disability** Upon approval of the application of a Participant or of the Head of his/her Department, filed prior to August 1, 1982, if (1) the Participant has five years or more of Credited Service, (2) is so disabled mentally or physically, that he/she cannot perform the duties of his/her job, or of a substantially equivalent job with the Commission that is available for him/her, (3) disability is not due to his/her willful act, (4) the disability is likely to be permanent, and (5) the disability is not covered by Section B-4.3(a) hereof, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following:
- (1) The retirement benefit computed under Section B-4.1(a) hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date; or
 - (2) 30% of his/her Average Annual Earnings.
- (c) **Benefit Limitations.** If the retirement benefit payable to a member retired on a disability retirement, plus disability benefits which the member receives from Social Security and any other Commission-sponsored insurance program, exceeds 100% of his/her final Base Pay, the Member's Disability Retirement Benefits shall be reduced to the extent that the total initial benefit from all sources equals, but does not exceed, 100% of his/her final Base Pay
- (d) **Determination of Disability** In no event shall an application for disability retirement be permitted or Disability Retirement Benefits granted on behalf of a Participant who has attained his/her Normal Retirement Date, or who has applied for a disability retirement on or after August 1, 1982. All determinations shall be made by the Merit System Board, with a recommendation to the Board of Trustees, whose determination shall be final. A disability determination shall be begun upon written application of a Participant or the Head of his/her Department, filed with the Administrator and referred to the Merit System Board. Before making its determination, the Merit System Board shall obtain a written opinion from the Medical Review Committee with regard to the nature, cause, degree of permanence, and effect of alleged disability. The Medical Review Committee conducts such inquiry as it deems necessary and proper under the circumstances in order to give said opinion, in addition to its medical examination of the Participant. In cases of doubt, or upon request of the Participant or the Board of Trustees, the Merit System Board shall hold a hearing for the purpose of reviewing medical and other testimony pertinent to the Participant's application for disability retirement.
- (e) **Continuation of Disability Retirement.** Disability Retirement Benefits shall continue so long as the Member remains disabled, as defined in this Section B-4.3. The Merit System Board may require physical re-examination from time to time to determine the continuance of disability. The Merit System Board may also require the Member to participate in a program of rehabilitation, provided at no expense to the Member, to

attempt to ameliorate or remove the disability. If the Member does not participate in such a program in good faith, in the opinion of the Merit System Board, his/her disability retirement shall cease forthwith, and shall not begin again until he/she does so participate. Disability Retirement Benefits shall not be terminated after a Member has reached what would have been his/her Normal Retirement Date under this Plan if he/she had not retired on a Disability Retirement Date.

- (f) Reemployment of Member Receiving Disability Retirement Benefits - Payment of Rehabilitation Stipend. This provision is intended to facilitate offering of career opportunities to disability retirees. Should a Member, retired under the Disability Retirement provisions of this Retirement System, be reemployed by the Commission in a career Merit System position, the Member's Disability Retirement Benefits shall cease on the first of the month coinciding with or immediately following his/her reemployment. If the Annual Base Pay (Mid-Point Salary Level) for the position in which the Member is reemployed, should be less than the Member's Base Pay immediately preceding his/her Disability Retirement Date, a monthly Rehabilitation Stipend shall be paid to the Member until the earlier of his/her Normal Retirement Date, or the first of the month coinciding with or immediately following the date upon which the Member attains a salary level in his/her new position which, at that point in time, is equal to or greater than the maximum salary then being paid for the position held by the Member immediately preceding his/her Disability Retirement Date. The amount of the monthly stipend shall be calculated as one-twelfth of the difference between the annual Base Pay of the Member immediately preceding his/her Disability Retirement Date and the initial annual Base Pay (Mid-Point Salary Level) for the new position which the Member is assuming, but in no event shall the Rehabilitation Stipend exceed the Disability Retirement benefit being paid to the Member immediately preceding his/her reemployment. The Member shall again become a Participant in the Plan in which he/she participated at Disability Retirement Date; he/she shall again make employee contributions as a percentage of Base Pay provided for by the Plan; and he/she shall again accrue Credited Service as a participating Member of the Employees' Retirement System. The Member's Normal Retirement Benefits shall subsequently be based on his/her total Credited Service and his/her Average Annual Earnings, based on actual annual Base Pay without regard to any Rehabilitation Stipends received.

B-4.4 Change in Amount of Retirement Benefits Due to Change in Cost-Of-Living Index. The retirement benefits payable under this Plan may be increased or decreased as of each July 1st, after the Effective Date, for any Beneficiary who had been receiving his/her retirement benefits for at least six months. The increase or decrease shall be determined by the percentage increase or decrease in the Consumer Price Index - All Items Annual Average, Urban Index for Major U.S. Cities, for the preceding 12 months, prepared by the United States Department of Labor, above or below the level of said Index on the immediately preceding December 31st. If the percentage increase or decrease in the Consumer Price Index, for any year, is 3% or less, the retirement benefits payable shall be adjusted by 100% of the increase or decrease. If the percentage increase or decrease in the Consumer Price Index, for any year, is greater than 3%, the retirement benefits payable shall be adjusted by 3% plus one-half of the percentage increase or decrease above 3%. The maximum adjustment for any year shall be 5%. No decrease shall reduce the retirement benefit below its initial amount. No decrease shall be made except to the extent that the retirement benefit is, at that time, in excess of the level it would have then attained if it had been increased by the total percentage increase in the Index since the first July 1st on

which an adjustment under this paragraph could have been made without regard to the limitation provided in this paragraph.

Notwithstanding the foregoing, (1) effective July 1, 2012, retirement benefits payable under this Plan shall not be decreased because of a decrease in the Consumer Price Index described above; (2) effective July 1, 2012, the portion of a person's retirement benefits attributable to Credited Service (other than Credited Service based on earned and unused sick leave as which shall be governed by (3) below) credited for periods on or after July 1, 2012, shall be subject to a maximum adjustment of 2.5% in any Plan year; and, (3) effective January 1, 2013, Credited Service based on earned and unused sick leave pursuant to the terms of the Plan attributable to full pay periods beginning on or after January 1, 2013, shall be subject to a maximum adjustment of 2.5% in any Plan year. For purposes of interpreting the preceding sentence, (A) Credited Service attributable to a transfer or purchase of service credit not commenced prior to July 1, 2012, pursuant to procedures established for the Plan, shall be considered attributable to a pay period beginning on or after July 1, 2012, and thus subject to the 2.5% maximum adjustment and (B) Credited Service attributable to after-tax payments within ninety (90) days after a leave of absence shall be deemed to relate to the period of the leave of absence.

B-4.5 Payment of Retirement Benefits. Retirement benefits under Plan B shall be payable in equal monthly installments, unless another payment schedule has been established as provided in the Plan. The first payment of Normal or Early Retirement Benefits may be made on the date a Beneficiary first becomes entitled to the retirement benefit. The first payment of Disability Retirement Benefits shall be made on the date established by the Board of Trustees, but not later than the first of the month following approval by the Board of Trustees of the application for Disability Retirement. The last payment shall be made on the first day of the calendar month in which the Beneficiary dies, unless he/she has elected an optional form of benefits. If the Beneficiary has not elected an optional form of benefits and dies before receiving benefits in an amount equal to the Member's contributions plus credited interest, the difference will be payable to the surviving Beneficiary or Beneficiaries.

B-4.6 Optional Forms of Benefit Payments Available. A Member may elect one of the following optional forms of payment of his/her retirement benefit payable at Normal Retirement Date, Early Retirement Date, or Disability Retirement Date, in place of the method of payment provided in Section B-4.5 of this Plan. Each of these optional methods of payment shall be the actuarial equivalent of said retirement benefit as payable under Section B-4.5. The optional methods of payment are as follows:

- (a) A Member may elect to receive a reduced retirement benefit during his /her lifetime and to have all or a specified portion of such reduced retirement benefits paid to the Contingent Annuitant. The Board of Trustees shall make uniform rules as to which portion or portions of the reduced retirement benefits may be made payable to a Contingent Annuitant, subject to the restrictions in the next paragraph hereof.
- (b) A Member may elect to receive a benefit described in Section B-4.6(a) that provides that, on the death of the Contingent Annuitant prior to the death of the Member, a Member's retirement benefit will revert to the amount that would have been payable as a single life annuity when the Member's retirement benefit originally commenced (as adjusted for cost-of-living adjustments granted since benefit commencement). There shall be no additional right of survivorship after the death of a Contingent Annuitant.

- (c) A Member may elect any other optional method of payment of his/her monthly retirement income that is acceptable to the Board of Trustees in accordance with uniform rules adopted by the Board of Trustees, but no option may be elected that would:
- (1) Permit the interest of a Member to be retained in the Trust Fund after the Member becomes entitled to retirement benefits under this Plan, and only the interest thereon to be paid to the Member during his/her lifetime, the balance to be paid after the death of the Member; or
 - (2) Would permit installment payments to a Contingent Annuitant to continue for a longer period than the longest of the life of the Member's spouse, the life expectancy of the Member on the commencement date of his/her retirement benefits, or the joint life and last survivor expectancy of the Member and his/her spouse on the commencement date of the Member's retirement benefit.
- (d) A fully Vested Member, whose employment with the Commission terminated on or after the date he/she was eligible for Early Retirement Benefits, may elect in writing to defer benefits until his/her Normal Retirement Date, rather than receive an actuarially reduced Early Retirement Benefit. A Member, who has made this election, may irrevocably elect any of the foregoing optional forms of payment, which shall be effective with the commencement of benefits at Normal Retirement Date. Should the Member die prior to Normal Retirement Date, his/her Contingent Annuitant shall be entitled to receive, effective with the date that would have been the Member's Normal Retirement Date, the appropriate income, as survivor, under the option selected.

B-4.7 Exercise of Election and Designation of Contingent Annuitant. The election of an optional method of payment and the designation of a Contingent Annuitant must be in writing. It must be filed with the Board of Trustees prior to the commencement date of the Member's retirement benefits under this Plan. With the exception of an irrevocable election under Section B-4.6(d), either the election, or the designation, or both, may be changed by the Member, from time to time, at any time prior to the commencement date of his/her retirement benefits under this Plan.

B-4.8 Revocation of Election by Occurrence of Certain Events. If a Member who has elected an optional form of payment dies before the commencement date of his/her retirement benefits under this Plan, no retirement annuity shall be paid to his/her Contingent Annuitant. The payment shall be made in accordance with the provisions of Section B-6: Death Benefits. If a Contingent Annuitant dies prior to the commencement date of the Member's retirement benefits under this Plan, the election and the designation shall be void, irrespective of when made, except in the case of a Vested Member who has selected an option under the provisions of Section B-4.6(d). If a Contingent Annuitant dies after the commencement date of the Member's retirement benefits under this Plan, the Annuitant shall continue to receive the appropriate retirement to which he/she is entitled under the option, which he/she selected. If a Vested Member, who has selected an option under the provisions of Section B-4.6(d), dies prior to the commencement date of his/her retirement benefits, his/her Contingent Annuitant shall receive the appropriate retirement benefit to which he/she is entitled under the option selected, commencing with what would have been the Vested Member's Normal Retirement Date. If both the Annuitant and his/her designated primary Beneficiary die prior to completion of payments under an option providing for a guaranteed number of payments, the commuted value of the balance of the

payments shall be paid in a lump sum to the next Beneficiary designated in writing by the Annuitant or, in the absence of such designation, or if a person so designated is not then living, to the estate of the last to die of the Annuitant and his/her primary Beneficiary

B-4.9 Incapacity of Beneficiary If, for any reason, the Board of Trustees shall determine that it is not desirable, because of the incapacity of the person who shall be entitled to receive any payment in accordance with the provisions of this Plan, to make such payment direct to such person, the Board of Trustees shall give notice to said person of its intention to make alternate payment. Said person shall be advised of the time, date, and place of the meeting at which such action shall take place, and the basis upon which the Board proposes to alter the manner of payment. The Beneficiary shall have the right to be represented by counsel, at his/her own expense, and to present witnesses and testimony in opposition to the Board's action. In any such proceeding, the burden of proof shall be on the Board. The Board's decision shall be based upon the evidence presented at the hearing. If the Board of Trustees is presented with a certified copy of a judicial decree of a court of competent jurisdiction, determining that a Beneficiary entitled to receive benefits is incompetent and appointing a guardian, the Board of Trustees shall be entitled to act upon that court order without further inquiry. In the event the Board proposes to act on the basis of a court order, it shall give advance notice of the time, date, and place of the meeting at which such action shall take place.

B-4.10 Missing Member or Beneficiary If the Board of Trustees is not able to locate any person to whom a benefit is due under this Plan, after making all reasonable efforts to do so, such benefit shall not be payable to such person until he/she has been located. Reasonable efforts shall mean the use of the Social Security Administration Employer Reporting Service or any other methodology deemed appropriate by the Board of Trustees or its delegate. If, after a period of two years and eleven months from the date on which the earliest unpaid benefit was due, he/she is not located, the person's interest in the Plan and any unpaid benefits to which he/she would otherwise be entitled, shall be forfeited. If the person later makes a request for the forfeited benefit, such benefit shall be reinstated and paid to the person, but without earnings or interest thereon.

B-4.11 Reduction of Benefits by Benefits Under Other Plans. If a Member under this Plan is entitled to benefits under any other retirement plan, for service that is also Credited Service under this Plan, the benefits under this Plan shall be actuarially reduced by the benefits under the other retirement plan attributable to said service. Social Security benefits, to which a Member is entitled, are specifically exempted from this provision.

B-4.12 Early Retirement Window for Certain Participants. Effective January 1, 2009, 2011, 2013, and 2015, a Represented Plan B Participant with not less than twenty-nine (29) years of Credited Service and not more than thirty (30) years of Credited Service under Plan B may apply to retire any time prior to reaching thirty (30) years of Credited Service and have that date deemed the Participant's Normal Retirement Date for the purpose of his/her Plan and shall have his or her benefit determined under Section B-4.1

SECTION B-5 - BENEFITS UPON TERMINATION OF EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT

B-5.1 A Member, whose employment with the Commission terminates, other than by death, or retirement on a Disability Retirement Date, an Early Retirement Date, or Normal Retirement Date, shall be entitled to one or the other of the following:

(a) **Refund of Contributions.** He/she may elect to receive a lump sum cash refund of his/her contributions to the Trust Fund, with interest thereon at the rate of 4-1/2% per year. Said election shall be in lieu of any other benefits under the Plan.

(b) **Vested Benefits.**

(1) If a Member, who has completed five (5) or more years of credited service, terminates employment on or after September 1, 2001 and does not elect to receive a refund of required Member contributions, the Member shall be entitled to receive an annual benefit, commencing with what would have been his/her Normal Retirement Date assuming continued active participation in the Plan. The benefit shall be computed as provided in Section B-4.1 of this Plan, on the basis that the first of the month coinciding with or next following his/her date of termination of employment is his/her Normal Retirement Date. Members whose employment terminated prior to September 1, 2001 shall have benefits calculated utilizing the following vesting schedule and the completed years and months of service as of the date of termination:

| <u>Completed Years of Credited Service</u> | <u>Percentage</u> |
|--|-------------------|
| 5 | 50% |
| 6 | 60% |
| 7 | 70% |
| 8 | 80% |
| 9 | 90% |
| 10 or More | 100% |

Payment of said benefits shall be made in accordance with Sections B-4.5 and B-4.6 of this Plan.

(2) A Member whose job is abolished and who is not offered a substantially equal job with the Commission shall be entitled to receive, commencing with what would have been his/her Normal Retirement Date if his/her participation in the Plan had continued, a maximum annual benefit computed, as provided in Section B-4.1 of this Plan, on the basis that the first of the month coinciding with or next following the date of his/her termination of employment had been his/her Normal Retirement Date, and payable in accordance with Sections B-4.5 and B-4.6 of this Plan. Appointed Officials and employees exempted from the Merit System who are appointed by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland, and who has otherwise reached his or her Normal Retirement Date

with his or her eligibility for Normal Retirement intact, shall be entitled to 100% vesting regardless of years of service.

SECTION B-6 - DEATH BENEFITS

B-6.1 Spouse's and Children's Benefits – Death During Participation.

(a) Service-Connected Death.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant dies as a result of a service-connected accident or illness, as that term is defined in Section B-4.3(a) of the Plan, the spouse shall be entitled to an annual benefit, payable until death, commencing with the first of the month coinciding with or next following the date of death of the Participant, in an amount equal to the greater of the following:
 - (A) An amount computed under Section B-4.1(a) and (b) of this Plan on the basis that the deceased had continued as a Participant to what would have been his/her Normal Retirement Date, at the same Base Pay received during his/her last completed year of employment with the Commission. If the spouse is receiving benefits on the date the Participant would have otherwise reached his/her eligibility date for full Social Security retirement benefits, the amount which the spouse is receiving shall be calculated as provided in Section B-4.1(b). Effective January 1, 1994, Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death; or
 - (B) 25% of the Final Annual Base Pay of the Participant. Effective January 1, 1994, Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death.
- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section B-6.1, Paragraph (a)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section B-6.1, Paragraph (a)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, or under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section B-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.

(b) Non-Service-Connected Death.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant dies as a result of a non-service-connected accident or illness, the spouse shall be entitled to an annual benefit until death, commencing with the first day of the month coinciding with or next following the date of death of the Participant, in an amount equal to 25% of the Final Annual Base Pay of the Participant. Effective January 1, 1994, Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death.
- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section B-6.1, Paragraph (b)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die, and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section B-6.1, Paragraph (b)(1) of this Plan shall be payable to the surviving children of the Participant under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section B-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.
- (4) No Beneficiary entitled to benefits under Section B-6.1(a) shall receive any benefits on account of Non-Service-Connected Death.

B-6.2 Ordinary Death Benefits.

- (a) **General Rule.** If a Participant or Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date, or at or after Normal Retirement Date, without an option selection made under the provisions of Section B-4.6(d), and does not leave a surviving spouse or surviving children entitled to the benefits provided in Section B-6.1 of this Plan, the Beneficiary designated by him/her, in a written instrument filed with the Administrator, shall be entitled to a lump sum cash payment in an amount equal the sum of the following:
 - (1) 50% of his/her Average Annual Earnings; plus
 - (2) His/her total contributions to the Trust Fund, with interest thereon at a rate of 4-1/2% per annum.
- (b) **Special Rule for Vested Members With An Option Selection on File.** If a Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, with an option selection made under the provisions of

Section B-4.6(d), the benefit payable shall be the survivor benefit, if any, under the option selected under Section B-4.6(d).

B-6.3 Post-Retirement Death Benefits. Upon the receipt of proper proof of the death of a retired member on or after July 9, 1986, there shall be paid to such person as the member shall have designated and filed with the Board of Trustees, otherwise to his/her estate, a lump sum benefit in the amount of \$10,000. A member may designate a trust or any other entity as the beneficiary of the lump sum benefit, so long as the trust or entity has legal status as identified by a Federal Tax ID number, and so long as the designation is otherwise properly on file with the Board of Trustees.

SECTION B-7 - CONTRIBUTIONS

B-7.1 Employee Contributions. Each Participant of Plan B of this Retirement System shall contribute to the Trust Fund 3.5% of his/her Base Pay for each pay period in a calendar year up to the maximum Social Security Wage Base for that year, and 6.5% of his/her Base Pay in excess of the Social Security Wage Base for each calendar year. Effective July 1, 2014, each Participant of Plan B of this Retirement System shall contribute to the Trust Fund 4% of his/her Base Pay for each pay period in a calendar year up to the maximum Social Security Wage Base for that year, and 7% of his/her Base Pay in excess of the Social Security Wage Base for each calendar year.

Effective January 1, 1984, the Commission shall pick up the employee contributions required by this Section for all Base Pay earned after December 31, 1983, and the contributions so picked up shall, subject to approval by the Internal Revenue Service, be treated as employer contributions in determining Federal and State Income Tax treatment under Section 414(h) of the United States Internal Revenue Code. These contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The Commission shall pay these employee contributions from the same source of funds, which is used in paying earnings to the employee. The Commission may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up, they shall be treated for all purposes of this Section B-7 in the same manner and to the same extent as employee contributions made prior to the date picked up.

B-7.2 Employer Contributions. The Commission shall contribute to the Trust Fund, from time to time, such amounts as are actuarially determined to be required to provide for the benefits under the Plans of this Retirement System.

B-7.3 No Reversion of Employer Contributions. No contributions to the Trust Fund by the Commission shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Beneficiaries, prior to the satisfaction of all liabilities under this Retirement System.

ARTICLE C
Sections Applicable to Plan C of The M-NCPPC
Employees' Retirement System – Park Police Retirement Plan

EFFECTIVE JULY 1, 1990, PLAN C IS CLOSED TO NEW MEMBERS AND ALL PLAN C MEMBERS ARE MANDATORILY TRANSFERRED TO PLAN D OF THE M-NCPPC EMPLOYEES' RETIREMENT SYSTEM. EFFECTIVE JULY 1, 1993, A MODIFIED PLAN C WAS REOPENED FOR MANDATORY PARTICIPATION OF PARK POLICE OFFICERS HIRED AFTER JULY 1, 1993, AND PLAN D WAS CLOSED TO NEW MEMBERS.

SECTION C-1 - DEFINITIONS

- C-1.1 Condition of Employment means mandatory participation in Plan C of this Retirement System for any Park Police officer appointed by the Commission after July 1, 1993, as a career full-time employee.
- C-1.2 Credited Service means the total period of years and months of completed service credited under this Retirement Plan, completed as provided in Section C-3 of this Plan.
- C-1.3 Disability Retirement Date means the first day of the month, prior to his/her Normal Retirement Date, coinciding with or following a determination of disability of a Plan C Participant who, prior to August 1, 1982, filed his/her application for disability retirement under Section A-4.3, B-4.3, or C-4.3 of this Plan.
- C-1.4 Early Retirement Date means the first day of any month prior to a Participant's Normal Retirement Date as of which he/she has completed 20 or more years of Credited Service, regardless of age.
- C-1.5 Employee means a career Park Police officer appointed by the Commission, or a Park Police officer exempted from the Merit System and appointed by the respective County Planning Board, as provided in Land Use Article, Sections 16-102 and 17-305, respectively, of the Annotated Code of Maryland.
- C-1.6 Normal Retirement Date means the earlier of:
- (a) The first day of the month coinciding with or immediately following the date on which a Plan C Participant has both attained the age of 55 and completed 5 years of Credited Service; or
 - (b) The first day of the month coinciding with or immediately following the date on which a Plan C Participant has completed 25 years of Credited Service.
- C-1.7 Plan C Participant means a Park Police Officer who has:
- (a) Enrolled in Plan C as a Condition of Employment; or
 - (b) Elected to transfer to Plan C from Plan A pursuant to the provisions of Article A, Section A-2.4 of this Retirement System; or
 - (c) Elected to transfer to Plan C from Plan D pursuant to the provisions of Article D, Section D-2.3 of this Retirement System.

SECTION C-2 - REQUIREMENTS FOR PARTICIPATION

- C-2.1 New Employees appointed by the Commission after July 1, 1993** Every full-time Employee (Park Police Officer) who is appointed by the Commission after July 1, 1993, shall, as a Condition of Employment, become a Participant in Plan C of the Employees' Retirement System on the first day of the month following the date of his/her appointment. Participation in the Plan shall be mandatory and may not be waived under any circumstances.
- C-2.2 Method of Election to Participate.** Each Employee who, as a Condition of Employment, must participate in Plan C shall fill out, sign, and file with the Administrator, an application form furnished by the Administrator, which shall include an authorization for the deduction by the Commission from the compensation of the Employee, the contributions required of Employees under Plan C, and the payment of said deducted contributions by the Commission to the Trust Fund under this Plan. This authorization includes, without limitation, an authorization for the recapture by the Commission of deficient contributions. Said application shall also contain an agreement by the Employee to be bound by the provisions of the Plan and the Employees' Retirement System, as then in effect, and as thereafter amended in the manner provided for in the Retirement System. A Member of this Plan may not withdraw his/her contributions from the Retirement System, except upon termination of employment.
- C-2.3 Transfer from Plan C to Plan D** All Members of Plan C as of June 30, 1990, were transferred to Plan D effective July 1, 1990. Each Member's Credited Service under Plan C was transferred and credited under Plan D. All benefits to which the Member and/or his/her Beneficiary may be entitled shall be calculated pursuant to the provisions and the benefit criteria as set forth in Article D applicable to Plan D of the Employees' Retirement System.
- C-2.4 Transfer from Plan D to Plan C.** Each Plan D Member who elected pursuant to Section D-2.3 of this Retirement System to transfer from Plan D to this Plan C shall become a Plan C Participant as of November 1, 2002.

SECTION C-3 - CREDITED SERVICE

C-3.1 Credited Service means the total completed years and months of employment of a Member, not to exceed a maximum of thirty-years, to be used in computing Retirement Benefits under Plan C, and shall be the total of the following:

- (a) Employment by the Commission in pay status while a contributing Participant in Plan C of this Retirement System.**
- (b) Service transferred to this Retirement System pursuant to Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, as applicable at the time of transfer.**
- (c) Service transferred to Plan C from Plan A pursuant to Article A, Section A-2.4, and Article C, Section C-2.1(a) of the M-NCPPC Employees' Retirement System.**
- (d) Service of a Member in the uniformed services of the United States provided that the members are reemployed in accordance with federal law**
- (e) Service transferred to Plan C from Plan D pursuant to Article D, Section D-2.3, and Article C, Section C-2.4 of the M-NCPPC Employees' Retirement System.**
- (f) Any Credited Service purchased, accrued and applied in accordance with Section C-3.5 of this Plan.**

C-3.2 Creditability for Accumulated Sick Leave. In computing Credited Service for Normal or Early Retirement (as may be applicable pursuant to the terms of Plan C), a Member who is entitled to a benefit under this Plan C shall be entitled to receive an additional credit for earned and unused sick leave, except that such credit shall not apply for meeting minimum retirement eligibility requirements for age, nor for the purpose of determining the highest three years of Average Annual Earnings. A maximum of 301 workdays of earned and unused sick leave may be used to qualify for length of service. To be entitled to such additional credit, a Member must have accumulated unused sick leave, which would equate to a minimum of one full month of service credit (twenty-two [22] work days). After allowing for appropriate credit on the basis of full months (twenty-two [22] work days) an additional month of credited service will be given for any remainder equating to fifteen (15) or more work days, but no credit will be given for any remainder of less than fifteen (15) work days.

C-3.3 For Participants Members who qualify to receive benefits under the Commission's Long Term Disability Insurance Plan or Comprehensive Disability Benefits Program subsequent to August 1, 1982, Credited Service shall include the total of full months in which the Member, prior to his/her Normal Retirement Date, received or was entitled to receive disability benefits. Should a Member who has been receiving disability benefits subsequently be disqualified for further benefits, then the accrual of Credited Service under this provision shall cease simultaneously with the cessation of benefits under the Commission's Long Term Disability Insurance Plan or Comprehensive Disability Benefits Program.

C-3.4 For Members who have attained 10 or more years of Credited Service earned by employment with the Commission as a career Park Police Officer, Credited Service shall include all periods

while on approved leave of absence (after the 10 year minimum), for whatever purpose and whether with or without pay, provided that the employee returns to active service at the end of the leave period, and provided that, in cases where no employee contribution has been made, the Employee pays to the Employees' Retirement System within ninety (90) days of return to active duty, an after-tax sum equal to the employee contributions which would have been paid had normal contributions been made. If he/she does not, then no portion of the period while on leave of absence shall be counted as Credited Service.

For Members who have attained less than 10 years of Credited Service earned by employment with the Commission as a career Park Police Officer, Credited Service shall include all periods while on approved leave of absence (before the 10 year minimum), for whatever purpose and whether with or without pay, provided that the employee returns to active service at the end of the leave period, and provided that, in cases where no employee contribution has been made, the employee pays to the Employees' Retirement System within ninety (90) days of return to active duty, an after-tax sum equal to the employer and employee contributions which would have been paid had normal contributions been made. If he/she does not, then no portion of the period while on leave of absence shall be counted as Credited Service.

This provision shall not be construed so as to remove any Credited Service that a Member had attained prior to July 1, 1990.

C-3.5 Purchase of Credited Service.

(a) Service Eligible for Purchase. Effective as of July 1, 2017, a Participant in Plan C may elect to purchase additional Credited Service not to exceed a total of two (2) years for certain time in public service and qualified as follows:

(1) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit or credit pursuant to Code section 414(u), any period during which the Participant was in an active duty status of a uniformed service of the United States (limited to the United States Army, Navy, Air Force, Marine Corps, Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, the Public Health Service of the United States, or active duty service in the National Guard of any state of the United States as set forth in applicable Department of Labor regulations) and not an active Participant in this Plan, the Prior Plan, or any other contributory retirement plan of an agency of a state, federal or local government.

(b) Period of Election.

(1) Any Plan C Participant who was appointed as a Park Police Officer prior to July 1, 2017 may exercise the option to purchase Credited Service pursuant to this Section C-3.5 during the period that:

- i. begins on the date of the adoption of this Section C-3.5 and ends on February 1, 2018; or
- ii. is at least 31 but not more than 60 days immediately prior to the date of a Participant's actual retirement as permitted under Sections C-4.1 and C-4.2.

(2) Any Plan C Participant who was appointed as a Park Police Officer on or after July 1, 2017 may exercise the option to purchase Credited Service pursuant to this Section 3.5 during the period that:

- i. begins on the date of the adoption of this Section C-3.5 and ends 45 days after the date of adoption of this Section C-3.5; or
- ii. begins on the date of the Participant's appointment as a Park Police Officer and ends 45 days after the Participant's appointment as a Park Police Officer; or
- iii. is at least 31 but not more than 60 days immediately prior to the date of the Participant's actual retirement as permitted under Sections C-4.1 and C-4.2.

(c) Irrevocable Election. An election to purchase additional Credited Service is irrevocable. When an election to purchase service is made at least 31 but not more than 60 days before the proposed retirement date, the election to retire becomes immediately irrevocable notwithstanding any other provision of this Plan.

(d) Calculation of Service Cost.

- (1) The Participant shall contribute to the Plan the entire cost of his/her additional credit determined as the Actuarial Equivalent of additional benefits attributable to the additional Credited Service.
- (2) For Participants who elect to purchase service during an election window under Section C-3.5(b)(1)(i) or Sections C-3.5(b)(2)(i) or (ii), the participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the election date due to the additional service. For the purpose of this calculation the present value will be based on an assumed benefit commencement date that will be the later of the election date or the projected normal retirement date. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.
- (3) For Participants who elect to purchase service at least 31 but not more than 60 days prior to their retirement, the Participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the actual date of retirement due to the additional service. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.
- (4) Participants may request a calculation of the Actuarial Equivalent of additional benefits attributable to the additional Credited Service purchased under this Section C-3.5 prior to making the election to purchase the additional Credited Service however, if the Participant decides not to elect to purchase the additional Credited Service, the Participant shall pay to ERS the full cost of the actuary's calculation.

- (e) Contribution Methods. The electing Plan C Participant shall contribute the cost for additional Credited Service before retirement in (1) a lump sum or sums paid within thirty (30) days of the Participant's election, or (2) in a number of equal installments payable over no more than five (5) years from the date of such election, provided that installments must be collected by after-tax payroll deduction made while the Participant is employed by the Commission and all of which must be paid before retirement. A lump sum payment made within the thirty (30) days required pursuant to this Section C-3.5(e) may be made by a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan in which the Participant also participates that permits such a transfer in a manner consistent with the Code. Under any circumstance, the Retirement System has no obligation to accept payment of any installment or a partial payment that is not the final payment in any manner other than by after-tax payroll deduction transmitted by the Commission on behalf of the electing Participant. If the electing Participant makes the contributions required in any installment payable after thirty (30) days of the election, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section C-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. A Plan C Participant who elects to purchase additional Credited Service in this manner and to pay his/her contribution obligation in any number of installments may prepay all, but not part, of the obligation and accrued interest at any time after the election is made and before retirement. Pre-tax payment is not permitted except by means of a plan-to-plan transfer from a Code section 403(b) or Code section 457(b) plan.
- (f) Effect of Failure to Make Contributions. If a Participant who has elected to purchase service credit under this Section C-3.5 elects to make installment payments and does not qualify for any reason for Commission payroll deductions (either at the time of the election or at a later date during which installments are still being paid) or (2) otherwise fails without legal excuse to pay within ten (10) days of when due all or part of any payment (installment or lump sum) required in accordance with his/her election, that election shall lapse, be of no further force or effect, and the Participant shall not be entitled to vest in any additional Credited Service that has not yet been paid for pursuant to C-3.5(e). If the electing Participant makes the contributions required in any installment payable after ten (10) days of when due, interest shall compound and accrue on the outstanding principal balance of the electing Participant's outstanding contribution obligation, computed at the same rate applicable for a refund by the Trust Fund of Participant contributions determined according to Section C-5, such that the principal balance of the Participant's total contribution obligation for additional Credited Service is amortized on a normal basis over the number of installments elected. Unless and until the electing Participant pays his/her total contribution obligation in full, together with any interest accrued, the additional Credited Service shall vest and apply for purposes of this Plan C only on a pro rata basis determined by a fraction, the numerator of which is the sum of all installments paid excluding any interest paid or accrued, and the denominator of which is the Participant's total contribution obligation determined pursuant to Section C-3.5(d).

(g) Limited Recognition of Purchased Service. Notwithstanding any provision of the Plan to the contrary, additional credit purchased pursuant to this Section C-3.5 does not apply for meeting minimum retirement eligibility requirements for age, vesting, nor for the purpose of determining the highest three years for Average Annual Earnings or for any purpose under this Plan other than for the calculation of service credit for the purpose of determining the amount of the benefit.

SECTION C-4 - RETIREMENT BENEFITS

C-4.1 Retirement at or After Normal Retirement Date. The annual amount of retirement benefits payable to a Plan C Annuitant who retires on or after his/her Normal Retirement Date shall be in an amount equal to 2.4% of his/her Average Annual Earnings, multiplied by his/her Credited Service up to 25 years. For a Plan C Annuitant who retires with exactly 25 years of Credited Service, the annual amount of his/her retirement benefits shall be 60% of his/her Average Annual Earnings. The annual amount of retirement benefits payable to a Plan C Annuitant who retires with more than 25 years of Credited Service shall be in an amount equal to 60% of his/her Average Annual Earnings plus 2% of his/her Average Annual Earnings multiplied by his/her Credited Service in excess of 25 years. The annual benefit payable, however, shall not be in excess of 70% of his/her Average Annual Earnings (except as may occur pursuant to the operation of Section C-3.2).

C-4.2 Retirement at Early Retirement Date. The annual amount of retirement benefits payable to a Plan C Annuitant who retires at an Early Retirement Date shall be an amount equal to an applicable percentage of the benefit he/she would have been entitled to receive under Section C-4.1 hereof if his/her Early Retirement Date had been his/her Normal Retirement Date, but based on his/her Credited Service and Average Annual Earnings at his/her Early Retirement Date adjusted by applying the following percentages to account for the number of years and months by which a Plan C Annuitant's Early Retirement Date precedes his/her Normal Retirement Date:

| | | Years | | | | | |
|----------------------------|----|--------|-------|-------|-------|-------|-------|
| | | 0 | 1 | 2 | 3 | 4 | 5 |
| M o n t h s | 0 | 100.00 | 99.00 | 98.00 | 91.00 | 86.00 | 80.00 |
| | 1 | 99.92 | 98.92 | 97.42 | 90.58 | 85.50 | |
| | 2 | 99.83 | 98.83 | 96.84 | 90.17 | 85.00 | |
| | 3 | 99.75 | 98.75 | 96.26 | 89.75 | 84.50 | |
| | 4 | 99.67 | 98.67 | 95.68 | 89.33 | 84.00 | |
| | 5 | 99.58 | 98.58 | 95.10 | 88.92 | 83.50 | |
| | 6 | 99.50 | 98.50 | 94.52 | 88.50 | 83.00 | |
| | 7 | 99.42 | 98.42 | 93.94 | 88.08 | 82.50 | |
| | 8 | 99.33 | 98.33 | 93.36 | 87.67 | 82.00 | |
| | 9 | 99.25 | 98.25 | 92.78 | 87.25 | 81.50 | |
| | 10 | 99.17 | 98.17 | 92.20 | 86.83 | 81.00 | |
| | 11 | 99.08 | 98.08 | 91.62 | 86.42 | 80.50 | |

A Plan C Annuitant who retires on an Early Retirement Date may elect to have his/her retirement benefit commence on the first day of any month thereafter, beginning with his/her Early Retirement Date. His/her retirement benefits must commence no later than the date that would have been his/her Normal Retirement Date if he/she had continued to be a Participant.

C-4.3 Retirement at Disability Retirement Date. The annual retirement benefit payable to a Plan C Annuitant who retires at a Disability Retirement Date shall be computed, as provided in this Section C-4.3. Effective August 1, 1982, Disability Retirement Benefits are prospectively discontinued under this Retirement System in favor of a comprehensive Commission-sponsored Long-Term Disability Insurance Plan.

- (a) **Service-Connected Disability** Upon approval of the application of a Plan C Participant, or of the Head of his/her Department, filed prior to August 1, 1982, any Participant who has been totally and permanently incapacitated for any duty with the Commission as a result of an accident, illness, or disease occurring or incurred while the Participant was engaged in the performance of the duties of his/her employment with the Commission, without willful negligence on his/her part, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following (but not to exceed his/her Average Annual Earnings):
- (1) Two-thirds of his/her Average Annual Earnings as of his/her Disability Retirement Date, plus an annuity which shall be the actuarial equivalent of his/her accumulated contributions at the time of disability retirement;
 - (2) The retirement benefit computed under Section C-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date.
- (b) **Ordinary Disability** Upon approval of the application of a Participant, or of the Head of his/her Department, filed prior to August 1, 1982, if: (1) the Participant has five years or more of Credited Service, (2) is so disabled mentally or physically that he/she cannot perform the duties of his/her job, or of a substantially equivalent job with the Commission that is available for him/her, (3) the disability is not due to his/her willful act, (4) the disability is likely to be permanent, and (5) the disability is not covered by Section C-4.3(a) hereof, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following:
- (1) The retirement benefit computed under Section C-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date; or
 - (2) 30% of his/her Average Annual Earnings.
- (c) **Benefit Limitations.** If the retirement benefit payable to a member retired on a disability retirement, plus disability benefits which the member receives from Social Security and any other Commission-sponsored insurance program, exceeds 100% of final Base Pay, the Member's Disability Retirement Benefits shall be reduced to the extent that the total initial benefit from all sources equals, but does not exceed, 100% of his/her final Base Pay
- (d) **Determination of Disability** In no event shall an application for disability retirement be permitted or Disability Retirement Benefits granted, on behalf of a Participant who has attained his/her Normal Retirement Date, or who has applied for a disability retirement on or after August 1, 1982. All determinations shall be made by the Merit System Board, with a recommendation to the Board of Trustees, whose determination shall be final. A

disability determination shall be begun upon written application of a Participant or the Head of his/her Department, filed with the Administrator and referred to the Merit System Board. Before making its determination, the Merit System Board shall obtain a written opinion from the Medical Review Committee with regard to the nature, cause, degree of permanence, and effect of alleged disability. The Medical Review Committee conducts such inquiry as it deems necessary and proper under the circumstances in order to give said opinion, in addition to its medical examination of the Participant. In cases of doubt, or upon request of the Participant or the Board of Trustees, the Merit System Board shall hold a hearing for the purpose of reviewing medical and other testimony pertinent to the Participant's application for disability retirement.

- (e) Continuation of Disability Retirement. Disability Retirement Benefits shall continue so long as the Member remains disabled, as defined in this Section C-4.3. The Merit System Board may require physical re-examination from time to time to determine the continuance of disability. The Merit System Board may also require the Member to participate in a program of rehabilitation, provided at no expense to the Member, to attempt to ameliorate or remove the disability. If the Member does not participate in such a program in good faith, in the opinion of the Merit System Board, his/her disability retirement shall cease forthwith, and shall not begin again until he/she does so participate. Disability Retirement Benefits shall not be terminated after a Member has reached what would have been his/her Normal Retirement Date under this Plan if he/she had not retired on a Disability Retirement Date.

- (f) Reemployment of Member Receiving Disability Retirement Benefits - Payment of Rehabilitation Stipend. This provision is intended to facilitate offering of career opportunities to disability retirees. Should a Member, retired under the Disability Retirement provisions of this Retirement System, be reemployed by the Commission in a career Merit System position, the Member's Disability Retirement Benefits shall cease on the first of the month coinciding with or immediately following his/her reemployment. If the Annual Base Pay (Mid-Point Salary Level) for the position in which the Member is reemployed, should be less than the Member's Base Pay immediately preceding his/her Disability Retirement Date, a monthly Rehabilitation Stipend shall be paid to the Member until the earlier of his/her Normal Retirement Date, or the first of the month coinciding with or immediately following the date upon which the Member attains a salary level in his/her new position which, at that point in time, is equal to or greater than, the maximum salary then being paid for the position held by the Member immediately preceding his/her Disability Retirement Date. The amount of the monthly Stipend shall be calculated as one-twelfth of the difference between the Annual Base Pay of the Member immediately preceding his/her Disability Retirement Date and the initial Annual Base Pay (Mid-Point Salary Level) for the new position which the Member is assuming, but in no event shall the Rehabilitation Stipend exceed the Disability Retirement Benefit being paid to the Member immediately preceding his/her reemployment. The Member shall again become a Participant in the Plan in which he/she participated at Disability Retirement Date; he/she shall again make employee contributions as a percentage of Base Pay provided for by that Plan; and, he/she shall again accrue Credited Service as a participating Member of the Employees' Retirement System. The Member's Normal Retirement Benefits shall subsequently be based on his/her total Credited Service and his/her Average Annual Earnings, based on actual annual Base Pay without regard to any Rehabilitation Stipends received.

C-4.4 Change in Amount of Retirement Benefits Due to Change in Cost-of-Living Index. The retirement benefits payable under this Plan may be increased or decreased as of each July 1st after the Effective Date, for any Beneficiary who had been receiving his/her retirement benefits for at least six months. The increase or decrease shall be determined by the percentage increase or decrease in the Consumer Price Index – All Items Annual Average, Urban Index for Major U.S. Cities, for the preceding twelve months, prepared by the United States Department of Labor, above or below the level of said Index on the immediately preceding December 31st. If the percentage increase or decrease in the Consumer Price Index, for any year, is 3% or less, the retirement benefits payable shall be adjusted by 100% of the increase or decrease. If the percentage increase or decrease in the Consumer Price Index, for any year, is greater than 3%, the retirement benefits payable shall be adjusted by 3% plus one-half of the percentage increase or decrease above 3%. The maximum adjustment for any year shall be 5%. No decrease shall reduce the retirement benefit below its initial amount. No decrease shall be made except to the extent that the retirement benefit is, at that time, in excess of the level it would have then obtained if it had been increased by the total percentage increase in the Index since the first July 1st on which an adjustment under this paragraph could have been made without regard to the limitation provided in this paragraph.

Notwithstanding the foregoing, (1) effective July 1, 2012, retirement benefits payable under this Plan shall not be decreased because of a decrease in the Consumer Price Index described above; (2) effective July 1, 2012, the portion of a person's retirement benefits attributable to Credited Service (other than Credited Service based on earned and unused sick leave as which shall be governed by (3) below) credited for periods on or after July 1, 2012, shall be subject to a maximum adjustment of 2.5% in any Plan year; and, (3) effective January 1, 2013, Credited Service based on earned and unused sick leave pursuant to the terms of the Plan attributable to full pay periods beginning on or after January 1, 2013, shall be subject to a maximum adjustment of 2.5% in any Plan year. For purposes of interpreting the preceding sentence, (A) Credited Service attributable to a transfer or purchase of service credit not commenced prior to July 1, 2012, pursuant to procedures established for the Plan, shall be considered attributable to a pay period beginning on or after July 1, 2012, and thus subject to the 2.5% maximum adjustment and (B) Credited Service attributable to after-tax payments within ninety (90) days after a leave of absence shall be deemed to relate to the period of the leave of absence.

C-4.5 Payment of Retirement Benefits. Retirement benefits under Plan C shall be payable in equal monthly installments, unless another payment scheduled has been established as provided in the Plan. The first payment of Normal or Early Retirement Benefits may be made on the date a Beneficiary first becomes entitled to the retirement benefit. The first payment of Disability Retirement Benefits shall be made on the date established by the Board of Trustees, but not later than the first of the month following approval by the Board of Trustees of the application for Disability Retirement. The last payment shall be made on the first day of the calendar month in which the Beneficiary dies, unless: (a) payments have been made for less than 10 years; or (b) the Member had selected an optional form of benefit payment under Section C-4.6 of the Plan. If said retirement benefits have been paid for less than 10 years, the Beneficiary designated by the Member shall receive the remaining payments that would have been made to the Member until benefits have been paid for 10 years. If an optional form of benefit payment has been selected, payments will be made as required by the option selected.

C-4.6 Optional Forms of Benefit Payments. A Member may elect one of the following forms of payment of his/her retirement benefit payable at Normal Retirement Date, Early Retirement Date, or Disability Retirement Date, in place of the method of payment provided in Section C-4.5 of this Plan. Each of these optional methods of payment shall be the actuarial equivalent of said retirement benefit as payable under Section C-4.5. The optional methods of payment are as follows:

- (a) A Member may elect to receive a reduced retirement benefit during his/her lifetime, and to have all or a specified portion of such reduced retirement benefit paid to a Contingent Annuitant. The Board of Trustees shall make uniform rules as to what portion or portions of the reduced retirement benefits may be made payable to a Contingent Annuitant, subject to the restrictions in the next paragraph hereof.
- (b) A Member may elect to receive a benefit described in Section C-4.6(a) that provides that, on the death of the Contingent Annuitant prior to the death of the Member, a Member's retirement benefit will revert to the amount that would have been payable as a single life annuity when the Member's retirement benefit originally commenced (as adjusted for cost-of-living adjustments granted since benefit commencement). There shall be no additional right of survivorship after the death of a Contingent Annuitant.
- (c) A Member may elect any other optional method of payment of his/her monthly retirement income that is acceptable to the Board of Trustees, in accordance with uniform rules adopted by the Board of Trustees, but no option may be elected that would:
 - (1) Permit the interest of a Member to be retained in the Trust Fund after the Member becomes entitled to retirement benefits under this Plan, and only the interest thereon to be paid to the Member during his/her lifetime, the balance to be paid after the death of the Member; or
 - (2) Would permit installment payments to a Contingent Annuitant to continue for a longer period than the longest of the life of the Member's spouse, the life expectancy of the Member on the commencement date of his/her retirement benefits, or the joint life and last survivor expectancy of the Member and his/her spouse on the commencement date of the Member's retirement benefit.
 - (3) Permit installment payments in other than equal amounts, except to the extent that, in accordance with uniform rules adopted by the Board of Trustees, the Member may elect to receive a greater retirement benefit prior to the commencement of his/her Federal Social Security Act benefits and a lesser retirement benefit thereafter, in order to provide him/her with retirement benefits in the aggregate of equivalent actuarial value which will give him/her, insofar as practicable, a level total income for life under the Plan and the Social Security Act.
- (d) A fully Vested Member, whose employment with the Commission terminated on or after the date he/she was eligible for Early Retirement Benefits, may elect in writing to defer benefits until his/her Normal Retirement Date, rather than receive an actuarially reduced Early Retirement Benefit. A Member, who has made this election, may irrevocably elect any of the foregoing optional forms of payment, which shall be effective with the

commencement of benefits at Normal Retirement Date. Should the Member die prior to Normal Retirement Date, his/her Contingent Annuitant shall be entitled to receive, effective with the date that would have been the Member's Normal Retirement Date, the appropriate income, as survivor, under the option selected.

- (e) Anything in the Plan to the contrary notwithstanding, if monthly payments that shall be payable to any Beneficiary under the Plan shall be less than \$25.00; then if the Board of Trustees shall so direct, the aggregate of the amounts which shall be payable to him/her hereunder in any year shall be paid in quarterly, semi-annual, or annual payments, or, with the payee's approval, the actuarial lump sum value of the amounts that shall be payable to him/her hereunder shall be paid in one sum of payments over a specified period of time.

C-4.7 Exercise of Election and Designation of Contingent Annuitant. The election of an optional method of payment and the designation of a Contingent Annuitant must be in writing. It must be filed with the Board of Trustees prior to the commencement date of the Member's retirement benefits under this Plan. With the exception of an irrevocable election under Section C-4.6(d), either the election, or the designation, or both, may be changed by the Member, from time to time, at any time prior to the commencement date of his/her retirement benefits under this Plan.

C-4.8 Revocation of Election by Occurrence of Certain Events. If a Member who has elected an optional form of payment dies before the commencement date of his/her retirement benefits under this Plan, no retirement annuity shall be paid to his/her Contingent Annuitant. The payment shall be made in accordance with the provisions of Section C-6: Death Benefits. If a Contingent Annuitant dies prior to the commencement date of the Member's retirement benefits under this Plan, the election and the designation shall be void, irrespective of when made, except in the case of a Vested Member who has selected an option under the provisions of Section C-4.6(d). If a Contingent Annuitant dies after the commencement date of the Member's retirement benefits under this Plan, the Annuitant shall continue to receive the appropriate retirement to which he/she is entitled under the option, which he/she selected. If a Vested Member, who has selected an option under the provisions of Section C-4.6(d), dies prior to the commencement date of his/her retirement benefits, his/her Contingent Annuitant shall receive the appropriate retirement benefit to which he/she is entitled under the option selected, commencing with what would have been the Vested Member's Normal Retirement Date. If both the Annuitant and his/her designated primary Beneficiary die prior to completion of payments under an option providing for a guaranteed number of payments, the commuted value of the balance of the payments shall be paid in a lump sum to the next Beneficiary designated in writing by the Annuitant; or, in the absence of such designation, or if a person so designated is not then living, to the estate of the last to die of the Annuitant and his/her primary Beneficiary

C-4.9 Incapacity of Beneficiary If, for any reason, the Board of Trustees shall determine that it is not desirable, because of the incapacity of the person who shall be entitled to receive any payment in accordance with the provisions of this Plan, to make such payment direct to such person, the Board of Trustees shall give notice to said person of its intention to make alternate payment. Said person shall be advised of the time, date, and place of the meeting at which such action shall take place, and the basis upon which the Board proposes to alter the manner of payment. The Beneficiary shall have the right to be represented by counsel, at his/her own expense, and to present witnesses and testimony in opposition to the Board's action. In any such proceeding, the burden of proof shall be on the Board. The Board's decision shall be based upon the evidence presented at the hearing. If the Board of Trustees is presented with a certified copy of a judicial

decree of a court of competent jurisdiction, determining that a Beneficiary entitled to receive benefits is incompetent and appointing a guardian, the Board of Trustees shall be entitled to act upon that court order without further inquiry. In the event the Board proposes to act on the basis of a court order, it shall give advance notice of the time, date, and place of the meeting at which such action shall take place.

- C-4.10 Missing Member or Beneficiary. If the Board of Trustees is not able to locate any person to whom a benefit is due under this Plan, after making all reasonable efforts to do so, such benefit shall not be payable to such person until he/she has been located. Reasonable efforts shall mean the use of the Social Security Administration Employer Reporting Service or any other methodology deemed appropriate by the Board of Trustees or its delegate. If, after a period of two years and eleven months from the date on which the earliest unpaid benefit was due, he/she is not located, the person's interest in the Plan and any unpaid benefits to which he/she would otherwise be entitled, shall be forfeited. If the person later makes a request for the forfeited benefit, such benefit shall be reinstated and paid to the person, but without earnings or interest thereon.
- C-4.11 Reduction of Benefits by Benefits Under Other Plans. If a Member under this Plan is entitled to benefits under any other retirement plan for service that is also Credited Service under this Plan, the benefits under this Plan shall be actuarially reduced by the benefits under the other retirement plan attributable to said service. Social Security benefits, to which a Member is entitled, are specifically exempted from this provision.

SECTION C-5 - BENEFITS UPON TERMINATION OF EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT

C-5.1 A Member, whose employment with the Commission terminates, other than by death, or retirement on a Disability Retirement Date, an Early Retirement Date, or Normal Retirement Date, shall be entitled to one or the other of the following:

(a) **Refund of Contributions.** He/she may elect to receive a lump sum cash refund of his/her contributions to the Trust Fund, with interest thereon at the rate of 4 1/2% per year. Said election shall be in lieu of any other benefits under the Plan.

(b) **Vested Benefits.**

(1) If a Member, who has completed five (5) or more years of credited service, terminates employment on or after September 1, 2001 and does not elect to receive a refund of required Member contributions, the Member shall be entitled to receive an annual benefit, commencing with what would have been his/her Normal Retirement Date assuming continued active participation in the Plan. The benefit shall be computed as provided in Section C-4.1 of this Plan, on the basis that the first of the month coinciding with or next following his/her date of termination of employment is his/her Normal Retirement Date. Members whose employment terminated prior to September 1, 2001 shall have benefits calculated utilizing the following vesting schedule and the completed years and months of service as of the date of termination:

| <u>Completed Years of Credited Service</u> | <u>Percentage</u> |
|--|-------------------|
| 5 | 50% |
| 6 | 60% |
| 7 | 70% |
| 8 | 80% |
| 9 | 90% |
| 10 or More | 100% |

Payment of said benefits shall be made in accordance with Sections C-4.5 and C-4.6 of this Plan.

(2) A Member whose job is abolished and who is not offered a substantially equal job with the Commission shall be entitled to receive, commencing with what would have been his/her Normal Retirement Date if his/her participation in the Plan had continued, a maximum annual benefit computed as provided in Section C-4.1 of this Plan on the basis that the first of the month coinciding with or next following the date of his/her termination of employment had been his/her Normal Retirement Date, and payable in accordance with Sections C-4.5 and C-4.6 of this Plan.

SECTION C-6 - DEATH BENEFITS

C-6.1 Spouse's and Children's Benefits – Death During Participation.

(a) Service-Connected Death or Death of Long-Term Participant.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant died either: (a) as a result of a service-connected accident or illness; as that term is defined in Section C-4.3(a) of the Plan or (b) after the Participant had attained 10 or more years of Credited Service earned by employment with the Commission as a career Park Police Officer, the spouse shall be entitled to an annual benefit, payable until death, commencing with the first of the month coinciding with or next following the date of death of the Participant, in an amount equal to the greater of the following:
 - (A) An amount computed under Section C-4.1 of this Plan on the basis that the deceased had continued as a Participant to what would have been his/her Normal Retirement Date, at the same Base Pay received during his/her last completed year of employment with the Commission; or
 - (B) 25% of the Final Annual Base Pay of the Participant.
- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section C-6.1, Paragraph (a)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section C-6.1, Paragraph (a)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, or under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section C-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.

(b) Other Deaths.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant died as a result of a non-service-connected accident or illness, and the Participant had less than 10 years of Credited Service earned by employment with the Commission as a career Park Police Officer, the spouse shall be entitled to an annual benefit until death, commencing with the first day of the month coinciding with or next following the date of death of the Participant, in an amount equal to 25% of the Final Annual Base Pay of the Participant.

- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section C-6.1, Paragraph (b)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under C-6.1, Paragraph (b)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section C-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.
- (4) No Beneficiary entitled to benefits under Section C-6.1(a) shall receive any benefits under Section C-6.1(b).

C-6.2 Ordinary Death Benefits.

- (a) **General Rule.** If a Participant or Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date, or at or after Normal Retirement Date, without an option selection made under the provisions of Section C-4.6(d), and does not leave a surviving spouse or surviving children entitled to the benefits provided in Section C-6.1 of this Plan, the Beneficiary designated by him/her, in a written instrument filed with the Administrator, shall be entitled to a lump sum cash payment in an amount equal to the sum of the following:
 - (1) 50% of his/her Average Annual Earnings; plus
 - (2) His/her total contributions to the Trust Fund, with interest thereon at the rate of 4 1/2% per annum.
- (b) **Special Rule for Vested Members With An Option Selection on File.** If a Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, with an option selection made under the provisions of Section C-4.6(d), the benefit payable shall be the survivor benefit, if any, under the option selected under Section C-4.6(d).

C-6.3 Post-Retirement Death Benefits. Upon the receipt of proper proof of the death of a retired member on or after July 9, 1986, there shall be paid to such person as the member shall have designated and filed with the Board of Trustees, otherwise to his/her estate, a lump sum benefit in the amount of \$10,000. A member may designate a trust or any other entity as the beneficiary of the lump sum benefit, so long as the trust or entity has legal status as identified by a Federal Tax ID number, and so long as the designation is otherwise properly on file with the Board of Trustees.

SECTION C-7 - CONTRIBUTIONS

C-7.1 Employee Contributions. Each Participant of Plan C of this Retirement System shall contribute to the Trust Fund 8% of his/her Base Pay as of the first pay period following November 1, 2002 (7% of his/her Base Pay for prior pay periods). Effective January 1, 1984, the Commission shall pick up the employee contributions required by this Section for all Base Pay earned after December 31, 1983, and the contributions so picked up shall, subject to approval by the Internal Revenue Service, be treated as employer contributions in determining Federal and State Income Tax treatment under Section 414(h) of the United States Internal Revenue Code. These contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The Commission shall pay these employee contributions from the same source of funds, which is used in paying earnings to the employee. The Commission may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up, they shall be treated for all purposes of this Section C-7 in the same manner and to the same extent as employee contributions made prior to the date picked up. Effective for pay periods beginning on or after March 1, 2015, each Participant of Plan C shall contribute 8.5% of his/her Base Pay for each pay period. Effective for pay periods beginning on or after January 1, 2016, each Participant of Plan C shall contribute 9% of his/her Base Pay for each pay period.

C-7.2 Employer Contributions. The Commission shall contribute to the Trust Fund from time to time such amounts as are actuarially determined to be required to provide for the benefits under the Plans of this Retirement System.

C-7.3 No Reversion of Employer Contributions. No contributions to the Trust Fund by the Commission shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Beneficiaries, prior to the satisfaction of all liabilities under this Retirement System.

ARTICLE D
Sections Applicable to Plan D of The M-NCPPC
Employees' Retirement System – Park Police Retirement Plan

EFFECTIVE JULY 1, 1993, PLAN D WAS CLOSED TO NEW MEMBERS.

SECTION D-1 - DEFINITIONS

- D-1.1 Condition of Employment means mandatory participation in Plan D of this Retirement System for any Park Police Officer appointed by the Commission on or after July 1, 1990, through July 1, 1993, as a career full-time Merit System employee.
- D-1.2 Credited Service means the total period of years and months of completed service credited under this Retirement Plan, completed as provided in Section D-3 of this Plan.
- D-1.3 Disability Retirement Date means the first day of the month, prior to his/her Normal Retirement Date, coinciding with or following a determination of disability of a Plan D Participant who, prior to August 1, 1982, filed his/her application for disability retirement under Section A-4.3, B-4.3, or C-4.3 of these Plans.
- D-1.4 Early Retirement Date means the first day of any month prior to a Participant's Normal Retirement Date as of which he/she has completed 20 or more years of Credited Service, regardless of age.
- D-1.5 Employee means a career Park Police Officer appointed by the Commission, or a Park Police officer exempted from the Merit System and appointed by the respective County Planning Board, as provided in Land Use Article, Sections 16-102 and 17-305, respectively, of the Annotated Code of Maryland.
- D-1.6 Normal Retirement Date means the earlier of:
- (a) The first day of the month coinciding with or immediately following the date on which a Plan D Participant has both attained the age of 55 and completed 5 years of Credited Service; or
 - (b) The first day of the month coinciding with or immediately following the date on which a Plan D Participant has completed 22 years of Credited Service.
- D-1.7 Plan D Participant means a Park Police Officer who has:
- (a) Enrolled in Plan D as a Condition of Employment and did not elect to transfer to Plan C pursuant to Article D, Section D-2.3, or
 - (b) Elected to transfer to Plan D from Plan A pursuant to the provisions of Article A, Section A-2.4, of this Retirement System; or
 - (c) Participated in Plan C and, in accordance with a collective bargaining agreement, was mandatory transferred to Plan D, effective July 1, 1990, and did not elect to transfer to Plan C pursuant to Article D, Section D-2.3.

SECTION D-2 - REQUIREMENTS FOR PARTICIPATION

- D-2.1(a) **Park Police Officers employed on December 31, 1978, covered by The Maryland-National Capital Park and Planning Commission Employees' Retirement Plan (hereinafter designated as Plan A of the Employees' Retirement System).** Beginning March 1, 1992, a Park Police Officer who is a Plan A Participant may upon written notification to the Administrator, during the month of March each year, elect to transfer from Plan A to Plan D. All benefits to which the Participant and/or his/her Beneficiary may be entitled shall be calculated pursuant to the provisions and the benefit criteria, as set forth in Article D, applicable to Plan D of the Employees' Retirement System.
- (b) **Park Police Officers on June 30, 1990, not covered by Plan A or Plan C of the Employees' Retirement System.** Any eligible Employee (Park Police Officer) who was not a Plan A or Plan C Participant on June 30, 1990, may elect to become a Participant in Plan D on the first day of any month on or after July 1, 1990.
- (c) **All Plan C Members as of June 30, 1990.** Effective July 1, 1990, all Plan C Members shall mandatorily be transferred to Plan D of the Employees' Retirement System.
- (d) **New Employees appointed by the Commission on or after July 1, 1990.** Every full-time Merit System Employee (Park Police Officer) who was appointed by the Commission on or after July 1, 1990, was to become, as a Condition of Employment, a Participant in Plan D of the Employees' Retirement System on the first day of the month following the date of his/her appointment. Effective July 1, 1993, Plan D was closed.
- D-2.2 **Method of Election to Participate.** Each Employee who, as a Condition of Employment, must participate in Plan D; and shall fill out, sign, and file with the Administrator, an application form furnished by the Administrator, which shall include an authorization for the deduction by the Commission from the compensation of the Employee, the contributions required of Employee under Plan D, and the payment of said deducted contributions by the Commission to the Trust Fund under this Plan. This authorization includes, without limitation, an authorization for the recapture by the Commission of deficient contributions. Said application shall also contain an agreement by the Employee to be bound by the provisions of the Plan and the Employees' Retirement System, as then in effect, and as thereafter amended in the manner provided for in the Retirement System. A Member of this Plan may not withdraw his/her contributions from the Retirement System, except upon termination of employment.
- D-2.3 **Election to Transfer from Plan D to Plan C.** Beginning February 1, 2002, and ending October 25, 2002, any Plan D Participant may, upon his/her written notification to the Administrator on a form provided by the Administrator, elect to transfer from Plan D to Plan C. Any election to transfer from Plan D to Plan C shall be final and non-reversible, and the Participant's Credited Service under Plan D shall be transferred and credited under Plan C as of November 1, 2002. All benefits to which the Member and/or his/her Beneficiary may be entitled shall be calculated pursuant to the provisions and the benefit criteria as set forth in Article C applicable to Plan C of the Employees' Retirement System. Notwithstanding the foregoing, an election pursuant to this Section D-2.3 shall not take effect unless such Member is a Participant on November 1, 2002.

SECTION D-3 - CREDITED SERVICE

- D-3.1 Credited Service means the total completed years and months of employment of a Member, not to exceed a maximum of thirty-two (32) years, to be used in computing Retirement Benefits under Plan D, and shall be the total of the following:**
- (a) Employment by the Commission while a contributing Participant in Plan D of this Retirement System.**
 - (b) Service transferred to this Retirement System pursuant to Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, as applicable at the time of transfer.**
 - (c) Service transferred to Plan D from Plan A or Plan C, pursuant to Article A, Section A-2.4, Article C, Section C-2.3, and Article D, Section D-2.1 of the M-NCPPC Employees' Retirement System.**
 - (d) Service of a Member in the uniformed services of the United States provided that members are reemployed in accordance with federal law**
- D-3.2 Creditability for Accumulated Sick Leave. In computing Credited Service for Normal or Early Retirement (as may be applicable pursuant to the terms of Plan D), a Member who is entitled to a benefit under this Plan D shall be entitled to receive an additional credit for earned and unused sick leave, except that such credit shall not apply for meeting minimum retirement eligibility requirements for age, nor for the purpose of determining the highest three years of Average Annual Earnings. A maximum of 301 workdays of earned and unused sick leave may be used to qualify for length of service. To be entitled to such additional credit, a Member must have accumulated unused sick leave, which would equate to a minimum of one full month of service credit (twenty-two [22] work days). After allowing for appropriate credit on the basis of full months (twenty-two [22] work days) an additional month of credited service will be given for any remainder equating to fifteen (15) or more work days, but no credit will be given for any remainder of less than fifteen (15) work days.**
- D-3.3 For Members who qualify to receive benefits under the Commission's Long-Term Disability Insurance Plan or Comprehensive Disability Benefits Program subsequent to August 1, 1982, Credited Service shall include the total of full months in which the Member, prior to his/her Normal Retirement Date, received or was entitled to receive disability benefits. Should a Member who has been receiving disability benefits subsequently be disqualified for further benefits, then the accrual of Credited Service under this provision shall cease simultaneously with the cessation of benefits under the Commission's Long-Term Disability Insurance Plan or Comprehensive Disability Benefits Program.**
- D-3.4 For Members who have attained 10 or more years of Credited Service earned by employment with the Commission as a career Park Police Officer, Credited Service shall include all periods while on approved leave of absence (after the 10-year minimum), for whatever purpose and whether with or without pay, provided that the employee returns to active service at the end of the leave period, and provided that, in cases where no employee contribution has been made, the Employee pays to the Employees' Retirement System within ninety (90) days of return to active duty, an after-tax sum equal to the employee contributions which would have been paid had**

normal contributions been made. If he/she does not, then no portion of the period while on leave of absence shall be counted as Credited Service.

For Members who have attained less than 10 years of Credited Service earned by employment with the Commission as a career Park Police Officer, Credited Service shall include all periods while on approved leave of absence (before the 10 year minimum), for whatever purpose and whether with or without pay, provided that the employee returns to active service at the end of the leave period, and provided that, in cases where no employee contribution has been made, the employee pays to the Employees' Retirement System within ninety (90) days of return to active duty, an after-tax sum equal to the employer and employee contributions which would have been paid had normal contributions been made. If he/she does not, then no portion of the period while on leave of absence shall be counted as Credited Service.

This provision shall not be construed so as to remove any Credited Service that a Participant had attained prior to July 1, 1990.

SECTION D-4 - RETIREMENT BENEFITS

- D-4.1 Retirement at or after Normal Retirement Date. The annual amount of retirement benefits payable to a Plan D Annuitant who retires on or after his/her Normal Retirement Date shall be in an amount equal to 2.27% of his/her Average Annual Earnings, multiplied by his/her Credited Service up to 22 years. For a Plan D Annuitant who retires with exactly 22 years of Credited Service, the annual amount of his/her retirement benefits shall be 50% of his/her Average Annual Earnings. The annual amount of retirement benefits payable to a Plan D Annuitant who retires with more than 22 years of Credited Service shall be in an amount equal to 50% of his/her Average Annual Earnings plus 2% of his/her Average Annual Earnings multiplied by his/her Credited Service in excess of 22 years. The annual benefit payable, however, shall not be in excess of 100% of his/her Average Annual Earnings.
- D-4.2 Retirement at Early Retirement Date. The annual amount of retirement benefits payable to a Plan D Annuitant who retires at an Early Retirement Date shall be an amount equal to the benefit he/she would have been entitled to receive under Section D-4.1 hereof if his/her Early Retirement Date had been his/her Normal Retirement Date, but based on his/her Credited Service and Average Annual Earnings at his/her Early Retirement Date, reduced by 1/180 for each month by which the commencement date of the Early Retirement Benefit precedes the date that would have been his/her Normal Retirement Date if he/she had continued as a Participant. A Plan D Annuitant who retires on an Early Retirement Date may elect to have his/her retirement benefit commence on the first day of any month thereafter, beginning with his/her Early Retirement Date. His/her retirement benefits must commence no later than the date that would have been his/her Normal Retirement Date if he/she had continued to be a Participant.
- D-4.3 Retirement at Disability Retirement Date. The annual retirement benefit payable to a Plan D Annuitant who retires at a Disability Retirement Date shall be computed as provided in this Section D-4.3. Effective August 1, 1982, Disability Retirement Benefits were prospectively discontinued under this Retirement System in favor of a comprehensive Commission-sponsored Long-Term Disability Insurance Plan.
- (a) Service-Connected Disability Upon approval of the application of a Plan D Participant or of the Head of his/her Department, filed prior to August 1, 1982, any Participant who has been totally and permanently incapacitated for any duty with the Commission as a result of an accident, illness, or disease occurring or incurred while the Participant was engaged in the performance of the duties of his/her employment with the Commission, without willful negligence on his/her part, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following (but not to exceed his/her Average Annual Earnings):
- (1) Two-thirds of his/her Average Annual Earnings as of his/her Disability Retirement Date, plus an annuity which shall be the actuarial equivalent of his/her accumulated contributions at the time of disability retirement;
 - (2) The retirement benefit computed under Section D-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date.
- (b) Ordinary Disability Upon approval of the application of a Participant, or of the Head of his/her Department, filed prior to August 1, 1982, if: (1) the Participant has five years or

more of Credited Service, (2) is so disabled mentally or physically that he/she cannot perform the duties of his/her job, or of a substantially equivalent job with the Commission that is available for him/her, (3) the disability is not due to his/her willful act, (4) the disability is likely to be permanent, and (5) the disability is not covered by Section D-4.3(a) hereof, the Participant shall be entitled to an annual retirement benefit in an amount equal to the greater of the following:

- (1) The retirement benefit computed under Section D-4.1 hereof on the basis that his/her Disability Retirement Date was his/her Normal Retirement Date; or
 - (2) 30% of his/her Average Annual Earnings.
- (c) **Benefit Limitations.** If the retirement benefit payable to a Member retired on a disability retirement, plus disability benefits which the Member receives from Social Security and any other Commission-sponsored insurance program, exceeds 100% of final Base Pay, the Member's Disability Retirement Benefits shall be reduced to the extent that the total initial benefit from all sources equals, but does not exceed, 100% of his/her final Base Pay
- (d) **Determination of Disability** In no event shall an application for disability retirement be permitted or Disability Retirement Benefits granted, on behalf of a Participant who has attained his/her Normal Retirement Date, or who has applied for a disability retirement on or after August 1, 1982. All determinations shall be made by the Merit System Board, with a recommendation to the Board of Trustees, whose determination shall be final. A disability determination shall be begun upon written application of a Participant or the Head of his/her Department, filed with the Administrator and referred to the Merit System Board. Before making its determination, the Merit System Board shall obtain a written opinion from the Medical Review Committee with regard to the nature, cause, degree of permanence, and effect of alleged disability. The Medical Review Committee conducts such inquiry as it deems necessary and proper under the circumstances in order to give said opinion, in addition to its medical examination of the Participant. In cases of doubt, or upon request of the Participant or the Board of Trustees, the Merit System Board shall hold a hearing for the purpose of reviewing medical and other testimony pertinent to the Participant's application for disability retirement.
- (e) **Continuation of Disability Retirement.** Disability Retirement Benefits shall continue so long as the Member remains disabled, as defined in this Section D-4.3. The Merit System Board may require physical re-examination from time to time to determine the continuance of disability. The Merit System Board may also require the Member to participate in a program of rehabilitation, provided at no expense to the Member, to attempt to ameliorate or remove the disability. If the Member does not participate in such a program in good faith, in the opinion of the Merit System Board, his/her disability retirement shall cease forthwith, and shall not begin again until he or she does so participate. Disability Retirement Benefits shall not be terminated after a Member has reached what would have been his or her Normal Retirement Date under this Plan if he or she had not retired on a Disability Retirement Date.
- (f) **Reemployment of Member Receiving Disability Retirement Benefits - Payment of Rehabilitation Stipend.** This provision is intended to facilitate offering of career

opportunities to disability retirees. Should a Member, retired under the Disability Retirement provisions of this Retirement System, be reemployed by the Commission in a career Merit System position, the Member's Disability Retirement Benefits shall cease on the first of the month coinciding with or immediately following his or her reemployment. If the Annual Base Pay (Mid-Point Salary Level) for the position in which the Member is reemployed, should be less than the Member's Base Pay immediately preceding his/her Disability Retirement Date, a monthly Rehabilitation Stipend shall be paid to the Member until the earlier of his/her Normal Retirement Date, or the first of the month coinciding with or immediately following the date upon which the Member attains a salary level in his/her new position which, at that point in time, is equal to or greater than the maximum salary then being paid for the position held by the Member immediately preceding his/her Disability Retirement Date. The amount of the monthly stipend shall be calculated as one-twelfth of the difference between the Annual Base Pay of the Member immediately preceding his/her Disability Retirement Date and the initial Annual Base Pay (Mid-Point Salary Level) for the new position which the Member is assuming, but in no event shall the Rehabilitation Stipend exceed the Disability Retirement Benefit being paid to the Member immediately preceding his/her reemployment. The Member shall again become a Participant in the Plan in which he/she participated at Disability Retirement Date; he/she shall again make employee contributions as a percentage of Base Pay provided for by that Plan; and, he/she shall again accrue Credited Service as a participating Member of the Employees' Retirement System. The Member's Normal Retirement Benefits shall subsequently be based on his/her total Credited Service and his/her Average Annual Earnings, based on actual annual Base Pay without regard to any Rehabilitation Stipends received.

D-4.4 Change in Amount of Retirement Benefits Due to Change in Cost-of-Living Index. The retirement benefits payable under this Plan may be increased or decreased as of each July 1st after the Effective Date, for any Beneficiary who had been receiving his/her retirement benefits for at least six months. The increase or decrease shall be determined by the percentage increase or decrease in the Consumer Price Index - All Items Annual Average, Urban Index for Major U. S. Cities, for the preceding twelve months, prepared by the United States Department of Labor, above or below the level of said Index on the immediately preceding December 31st. If the percentage increase or decrease in the Consumer Price Index, for any year, is 3% or less, the retirement benefits payable shall be adjusted by 100% of the increase or decrease. If the percentage increase or decrease in the Consumer Price Index, for any year, is greater than 3%, the retirement benefits payable shall be adjusted by 3% plus one-half of the percentage increase or decrease above 3%. The maximum adjustment for any year shall be 5%. No decrease shall reduce the retirement benefit below its initial amount. No decrease shall be made except to the extent that the retirement benefit is, at that time, in excess of the level it would have then obtained if it had been increased by the total percentage increase in the Index since the first July 1st on which an adjustment under this paragraph could have been made without regard to the limitation provided in this paragraph.

Notwithstanding the foregoing, (1) effective July 1, 2012, retirement benefits payable under this Plan shall not be decreased because of a decrease in the Consumer Price Index described above; (2) effective July 1, 2012, the portion of a person's retirement benefits attributable to Credited Service (other than Credited Service based on earned and unused sick leave as which shall be governed by (3) below) credited for periods on or after July 1, 2012, shall be subject to a maximum adjustment of 2.5% in any Plan year; and, (3) effective January 1, 2013, Credited

Service based on earned and unused sick leave pursuant to the terms of the Plan attributable to full pay periods beginning on or after January 1, 2013, shall be subject to a maximum adjustment of 2.5% in any Plan year. For purposes of interpreting the preceding sentence, (A) Credited Service attributable to a transfer or purchase of service credit not commenced prior to July 1, 2012, pursuant to procedures established for the Plan, shall be considered attributable to a pay period beginning on or after July 1, 2012, and thus subject to the 2.5% maximum adjustment and (B) Credited Service attributable to after-tax payments within ninety (90) days after a leave of absence shall be deemed to relate to the period of the leave of absence.

D-4.5 Payment of Retirement Benefits. Retirement Benefits under Plan D shall be payable in equal monthly installments, unless another payment schedule has been established as provided in the Plan. The first payment of Normal or Early Retirement Benefits may be made on the date a Beneficiary first becomes entitled to the retirement benefit. The first payment of Disability Retirement Benefits shall be made on the date established by the Board of Trustees, but not later than the first of the month following approval by the Board of Trustees of the application for Disability Retirement. The last payment shall be made on the first day of the calendar month in which the Beneficiary dies, unless: (a) payments have been made for less than 10 years; or (b) the Member had selected an optional form of benefit payment under Section D-4.6 of the Plan. If said retirement benefits have been paid for less than 10 years, the Beneficiary designated by the Member shall receive the remaining payments that would have been made to the Member until benefits have been paid for 10 years. If an optional form of benefit payment has been selected, payments will be made as required by the option selected.

D-4.6 Optional Forms of Benefit Payments Available. A Member may elect one of the following optional forms of payment of his/her retirement benefit payable at Normal Retirement Date, Early Retirement Date, or Disability Retirement Date, in place of the method of payment provided in Section D-4.5 of this Plan. Each of these optional methods of payment shall be the actuarial equivalent of said retirement benefit as payable under Section D-4.5. The optional methods of payment are as follows:

- (a) A Member may elect to receive a reduced retirement benefit during his/her lifetime, and to have all or a specified portion of such reduced retirement benefit paid to the Contingent Annuitant. The Board of Trustees shall make uniform rules as to what portion or portions of the reduced retirement benefit may be made payable to a Contingent Annuitant, subject to the restrictions in the next paragraph hereof.
- (b) A Member may elect to receive a benefit described in Section D-4.6(a) that provides that, on the death of the Contingent Annuitant prior to the death of the Member, a Member's retirement benefit will revert to the amount that would have been payable as a single life annuity when the Member's retirement benefit originally commenced (as adjusted for cost-of-living adjustments granted since benefit commencement). There shall be no additional right of survivorship after the death of a Contingent Annuitant.
- (c) A Member may elect any other optional method of payment of his/her monthly retirement income that is acceptable to the Board of Trustees, in accordance with uniform rules adopted by the Board of Trustees, but no option may be elected that would:
 - (1) Permit the interest of a Member to be retained in the Trust Fund after the Member becomes entitled to retirement benefits under this Plan, and only the interest

thereon to be paid to the Member during his/her lifetime, the balance to be paid after the death of the Member; or

- (2) Permit installment payments to a Contingent Annuitant to continue for a longer period than the longest of the life of the Member's spouse, the life expectancy of the Member on the commencement date of his/her retirement benefits, or the joint life and last survivor expectancy of the Member and his/her spouse on the commencement date of the Member's retirement benefit; or
 - (3) Permit installment payments in other than equal amounts, except to the extent that, in accordance with uniform rules adopted by the Board of Trustees, the Member may elect to receive a greater retirement benefit prior to the commencement of his/her Federal Social Security Act benefits and a lesser retirement benefit thereafter, in order to provide him/her with retirement benefits in the aggregate of equivalent actuarial value which will give him/her, insofar as practicable, a level total income for life under the Plan and the Social Security Act.
- (d) A fully vested Member, whose employment with the Commission terminated on or after the date he/she was eligible for Early Retirement Benefits, may elect in writing to defer benefits until his/her Normal Retirement Date, rather than receive an actuarially reduced Early Retirement Benefit. A Member, who has made this election, may irrevocably elect any of the foregoing optional forms of payment, which shall be effective with the commencement of benefits at Normal Retirement Date. Should the Member die prior to Normal Retirement Date, his/her Contingent Annuitant shall be entitled to receive, effective with the date that would have been the Member's Normal Retirement Date, the appropriate income, as survivor, under the option selected.
- (e) Anything in the Plan to the contrary notwithstanding, if monthly payments that shall be payable to any Beneficiary under the Plan shall be less than \$25.00; then if the Board of Trustees shall so direct, the aggregate of the amounts which shall be payable to him/her hereunder in any year shall be paid in quarterly, semi-annual, or annual payments, or, with the payee's approval, the actuarial lump sum value of the amounts that shall be payable to him/her hereunder shall be paid in one sum of payments over a specified period of time.

D-4.7 Exercise of Election and Designation of Contingent Annuitant. The election of an optional method of payment and the designation of a Contingent Annuitant must be in writing. It must be filed with the Board of Trustees prior to the commencement date of the Member's retirement benefits under this Plan. With the exception of an irrevocable election under Section D-4.6(d), either the election, or the designation, or both, may be changed by the Member, from time to time, at any time prior to the commencement date of his/her retirement benefits under this Plan.

D-4.8 Revocation of Election by Occurrence of Certain Events. If a Member who has elected an optional form of payment dies before the commencement date of his/her retirement benefits under this Plan, no retirement annuity shall be paid to his/her Contingent Annuitant. The payment shall be made in accordance with the provisions of Section D-6: Death Benefits. If a Contingent Annuitant dies prior to the commencement date of the Member's retirement benefits under this Plan, the election and the designation shall be void, irrespective of when made, except

in the case of a Vested Member who has selected an option under the provisions of Section D-4.6(d). If a Contingent Annuitant dies after the commencement date of the Member's retirement benefits under this Plan, the Annuitant shall continue to receive the appropriate retirement to which he/she is entitled under the option, which he/she selected. If a Vested Member, who has selected an option under the provisions of Section D-4.6(d), dies prior to the commencement date of his/her retirement benefits, his/her Contingent Annuitant shall receive the appropriate retirement benefit to which he/she is entitled under the option selected, commencing with what would have been the Vested Member's Normal Retirement Date. If both the annuitant and his/her designated primary Beneficiary die prior to completion of payments under an option providing for a guaranteed number of payments, the commuted value of the balance of the payments shall be paid in a lump sum to the next Beneficiary designated in writing by the Annuitant; or, in the absence of such designation, or if a person so designated is not then living, to the estate of the last to die of the Annuitant and his/her primary Beneficiary

D-4.9 Incapacity of Beneficiary If, for any reason, the Board of Trustees shall determine that it is not desirable, because of the incapacity of the person who shall be entitled to receive any payment in accordance with the provisions of this Plan, to make such payment direct to such person, the Board of Trustees shall give notice to said person of its intention to make alternate payment. Said person shall be advised of the time, date, and place of the meeting at which such action shall take place, and the basis upon which the Board proposes to alter the manner of payment. The Beneficiary shall have the right to be represented by counsel, at his/her own expense, and to present witnesses and testimony in opposition to the Board's action. In any such proceeding, the burden of proof shall be on the Board. The Board's decision shall be based upon the evidence presented at the hearing. If the Board of Trustees is presented with a certified copy of a judicial decree of a court of competent jurisdiction, determining that a Beneficiary entitled to receive benefits is incompetent and appointing a guardian, the Board of Trustees shall be entitled to act upon that court order without further inquiry. In the event the Board proposes to act on the basis of a court order, it shall give advance notice of the time, date, and place of the meeting at which such action shall take place.

D-4.10 Missing Member or Beneficiary If the Board of Trustees is not able to locate any person to whom a benefit is due under this Plan, after making all reasonable efforts to do so, such benefit shall not be payable to such person until he/she has been located. Reasonable efforts shall mean the use of the Social Security Administration Employer Reporting Service or any other methodology deemed appropriate by the Board of Trustees or its delegate. If, after a period of two years and eleven months from the date on which the earliest unpaid benefit was due, he/she is not located, the person's interest in the Plan and any unpaid benefits to which he/she would otherwise be entitled, shall be forfeited. If the person later makes a request for the forfeited benefit, such benefit shall be reinstated and paid to the person, but without earnings or interest thereon.

D-4.11 Reduction of Benefits by Benefits Under Other Plans. If a Member under this Plan is entitled to benefits under any other retirement plan for service that is also Credited Service under this Plan, the benefits under this Plan shall be actuarially reduced by the benefits under the other retirement plan attributable to said service. Social Security benefits, to which a Member is entitled, are specifically exempted from this provision.

SECTION D-5 - BENEFITS UPON TERMINATION OF EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT

D-5.1 A Member, whose employment with the Commission terminates, other than by death, or retirement on a Disability Retirement Date, an Early Retirement Date, or Normal Retirement Date, shall be entitled to one or the other of the following:

(a) **Refund of Contributions.** He/she may elect to receive a lump sum cash refund of his/her contributions to the Trust Fund, with interest thereon at the rate of 4 1/2% per year. Said election shall be in lieu of any other benefits under the Plan.

(b) **Vested Benefits.**

(1) If a Member, who has completed five (5) or more years of credited service, terminates employment on or after September 1, 2001 and does not elect to receive a refund of required Member contributions, the Member shall be entitled to receive an annual benefit, commencing with what would have been his/her Normal Retirement Date assuming continued active participation in the Plan. The benefit shall be computed as provided in Section D-4.1 of this Plan, on the basis that the first of the month coinciding with or next following his/her date of termination of employment is his/her Normal Retirement Date. Members whose employment terminated prior to September 1, 2001 shall have benefits calculated utilizing the following vesting schedule and the completed years and months of service as of the date of termination:

| <u>Completed Years of Credited Service</u> | <u>Percentage</u> |
|--|-------------------|
| 5 | 50% |
| 6 | 60% |
| 7 | 70% |
| 8 | 80% |
| 9 | 90% |
| 10 or More | 100% |

Payment of said benefits shall be made in accordance with Sections D-4.5 and D-4.6 of this Plan.

(2) A Member whose job is abolished and who is not offered a substantially equal job with the Commission shall be entitled to receive, commencing with what would have been his/her Normal Retirement Date if his/her participation in the Plan had continued, a maximum annual benefit computed as provided in Section D-4.1 of this Plan on the basis that the first of the month coinciding with or next following the date of his/her termination of employment had been his/her Normal Retirement Date, and payable in accordance with Sections D-4.5 and D-4.6 of this Plan.

SECTION D-6 - DEATH BENEFITS

D-6.1 Spouse's and Children's Benefits – Death During Participation.

(a) Service-Connected Death or Death of Long-Term Participant.

- (1)** If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant died either: (a) as a result of a service-connected accident or illness; as that term is defined in Section D-4.3(a) of the Plan or (b) after the Participant had attained 10 or more years of Credited Service earned by employment with the Commission as a career Park Police Officer, the spouse shall be entitled to an annual benefit, payable until death, commencing with the first of the month coinciding with or next following the date of death of the Participant, in an amount equal to the greater of the following:
 - (A)** An amount computed under Section D-4.1 of this Plan on the basis that the deceased had continued as a Participant to what would have been his/her Normal Retirement Date, at the same Base Pay received during his/her last completed year of employment with the Commission; or
 - (B)** 25% of the Final Annual Base Pay of the Participant.
- (2)** If the Participant does not leave a surviving spouse entitled to the benefits provided in Section D-6.1, Paragraph (a)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section D-6.1, Paragraph (a)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, or under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3)** In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section D-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.

(b) Other Deaths.

- (1)** If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant died as a result of a non-service-connected accident or illness, and the Participant had less than 10 years of Credited Service earned by employment with the Commission as a career Park Police Officer, the spouse shall be entitled to an annual benefit until death, commencing with the first day of the month coinciding with or next following the date of death of the Participant, in an amount equal to 25% of the Final Annual Base Pay of the Participant.

- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section D-6.1, Paragraph (b)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section D-6.1, Paragraph (b)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, or under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section D-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.
- (4) No Beneficiary entitled to benefits under Section D-6.1(a) shall receive any benefits under Section D-6.1(b).

D-6.2 Ordinary Death Benefits.

- (a) **General Rule.** If a Participant or Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, without an option selection made under the provisions of Section D-4.6(d) and does not leave a surviving spouse or surviving children entitled to the benefits provided in Section D-6.1 of this Plan, the Beneficiary designated by him/her, in a written instrument filed with the Administrator, shall be entitled to a lump sum cash payment in an amount equal to the sum of the following:
 - (1) 50% of his/her Average Annual Earnings; plus
 - (2) His/her total contributions to the Trust Fund, with interest thereon at the rate of 4 1/2% per annum.
- (b) **Special Rule for Vested Members With An Option Selection on File.** If a Vested Member dies prior to retiring on a Disability Retirement Date, an Early Retirement Date or, at or after Normal Retirement Date, with an option selection made under the provisions of Section D-4.6(d), the benefit payable shall be the survivor benefit, if any, under the option selected under Section D-4.6(d).

D-6.3 Post-Retirement Death Benefits. Upon the receipt of proper proof of the death of a retired member on or after July 9, 1986, there shall be paid to such person as the Member shall have designated and filed with the Board of Trustees, otherwise to his/her estate, a lump sum benefit in the amount of \$10,000. A member may designate a trust or any other entity as the beneficiary of the lump sum benefit, so long as the trust or entity has legal status as identified by a Federal Tax ID number, and so long as the designation is otherwise properly on file with the Board of Trustees.

SECTION D-7 - CONTRIBUTIONS

- D-7.1 Employee Contributions.** Each Participant of Plan D of this Retirement System shall contribute to the Trust Fund 7% of his/her Base Pay. Effective January 1, 1984, the Commission shall pick up the employee contributions required by this Section for all Base Pay earned after December 31, 1983, and the contributions so picked up shall, subject to approval of the Internal Revenue Service, be treated as employer contributions in determining Federal and State Income Tax treatment under Section 414(h) of the United States Internal Revenue Code. These contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The Commission shall pay these employee contributions from the same source of funds, which is used in paying earnings to the employee. The Commission may pick up these contributions by a reduction in the cash salary of the employee, or by an offset against a future salary increase, or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up they shall be treated for all purposes of this Section D-7 in the same manner and to the same extent as employee contributions made prior to the date picked up. Effective for pay periods beginning on or after March 1, 2015, each Participant of Plan D shall contribute 7.5% of his/her Base Pay for each pay period. Effective for pay periods beginning on or after January 1, 2016, each Participant of Plan D shall contribute 8% of his/her Base Pay for each pay period.
- D-7.2 Employer Contributions.** The Commission shall contribute to the Trust Fund from time to time such amounts as are actuarially determined to be required to provide for the benefits under the Plans of this Retirement System.
- D-7.3 No Reversion of Employer Contributions.** No contributions to the Trust Fund by the Commission shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Beneficiaries, prior to the satisfaction of all liabilities under this Retirement System.

ARTICLE E
Sections Applicable to Plan E of The M-NCPPC
Employees' Retirement System

SECTION E-1 - DEFINITIONS

- E-1.1 Appointed Officials means Commissioners of The Maryland-National Capital Park and Planning Commission; and, the Executive Director, the General Counsel and Secretary-Treasurer, serving at the pleasure of the Commission.
- E-1.2 Condition of Employment means mandatory participation in this Retirement Plan for any Employee, as defined in Section E-1.5 below, hired or appointed on or after January 1, 2013
- E-1.3 Credited Service means the total period of years and months of completed service credited under this Retirement Plan, computed, as provided in Section E-3 of this Plan. Part-time employees participating in the ERS shall accrue credited service in his/her part-time capacity based on the actual number of paid hours in a calendar year divided by the normal (1950 or 2080) full-time hours for the class of work of the position that the part-time employee occupies. In no instance shall a part-time employee accrue more service (weekly, bi-weekly, or annually) than a full-time employee. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued service will be used.
- E-1.4 Early Retirement Date means the first day of any month prior to a Participant's Normal Retirement Date as of which:
- (a) He/she has both completed 15 or more years of Credited Service and has reached the age of 57; or
 - (b) He/she has completed 25 years of Credited Service regardless of age.
- For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata accrued credited service will be used as calculated in Section E-3.
- E-1.5 Employee means (a) any individual employed by the Commission as a career full-time Merit System employee, except Park Police; (b) any individual appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or other full-time position appointed by the Commission and exempted from the Merit System; (c) any individual appointed by the respective County to serve as a Commissioner of The Maryland-National Capital Park and Planning Commission; (d) any individual exempted from the Merit System, who is appointed by the respective County Planning Board, as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland; (e) any individual appointed to the position of Inspector General pursuant to Land Use Article, Section 15-503 of the Annotated Code of Maryland; (fe) any individual employed by the Commission as a career part-time Merit System employee on a year-round basis; and (gf) any individual employed by the M-NCPPC Employees' Retirement System.
- E-1.6 Integrated Retirement Plan means Plan E, which provides full retirement benefits until the retired Member is eligible for full Social Security retirement benefits, and provides supplemental benefits thereafter.

E-1.7 Normal Retirement Date means the earlier of (a) the first day of the month coinciding with or immediately following the date on which a Member of Plan E has both attained age 62 and completed ten years of Credited Service or, if the Member has been appointed to the position of Inspector General at any time during his or her employment, the first day of the month coinciding with or immediately following the date on which said Member of Plan E has both attained age 62 and completed five years of Credited Service;; or (b) the first day of the month coinciding with or immediately following the date on which a Member of Plan E, regardless of age, has completed 30 years of Credited Service. For part-time employees, eligibility for receipt of benefits will be based upon calendar years and months of service; and for benefit formula purposes accumulated pro rata service will be used as calculated in Section E-3. Notwithstanding the foregoing, a Commissioner or a Participant who has been appointed by the Commission to the position of Executive Director, Secretary-Treasurer, General Counsel, or another full-time position appointed by the Commission, and exempted from the Merit System, except the Inspector General, reaches his or her Normal Retirement Date once he or she has attained age 62 and ten years have elapsed since he or she was first credited with Credited Service under the Plans, regardless of whether he or she has actually completed ten years of Credited Service under the Plans.

E-1.8 Part-Time Employee means a career Merit System employee who is employed on a year-round part-time basis, but working not less than half of a normal workweek.

E-1.9 Plan E Participant means an employee who has enrolled in Plan E as a Condition of Employment.

E-1 10 Social Security Wage Base means the annual taxable wages under the Federal Social Security Act.

E-1 11 Social Security Covered Compensation Level is the average (without indexing) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which a Member attains Social Security retirement age. For purposes of this Section E-1 11, Social Security retirement age is rounded up to the next integer age.

The Social Security Covered Compensation Level is the result determined above, rounded to the next lower multiple of 12. The determination of the Covered Compensation Level as of any date shall be calculated without regard to increases in the Maximum Taxable Wage Base occurring after that date. Social Security Covered Compensation Level will be determined at the time of separation from service for any Member who, at the time of such separation, has a non-forfeitable right to benefits

E-1 12 Represented Plan E Participant means a Plan E Participant who is represented for collective bargaining purposes by an exclusive representative elected pursuant to Land Use Article, Title 16, Subtitle 2 of the Annotated Code of Maryland, as amended from time to time, and represented as of the date upon which any Participant applicable election, action or determination prescribed under this Plan E is permitted or required with respect to a Represented Plan E Participant.

SECTION E-2 - REQUIREMENTS FOR PARTICIPATION

- E-2.1 (a) New Employees Hired or Appointed on or After January 1, 2013. Except individuals described in sub-section E-2.1(b) below, every Employee, as defined in E-1.5, hired or appointed on or after January 1, 2013 shall as a Condition of Employment become a Participant in Plan E of the Employees' Retirement System on the first day of the month following the date of his/her employment. Participation in the Plan shall be mandatory and may not be waived under any circumstances.
- (b) Notwithstanding sub-section E-2.1(a) above, Employees hired or appointed on or after January 1, 2013 that, as a result of prior employment or appointment with the Commission or Employees' Retirement System, are Members of Plan B shall be required to Participate in Plan B as a Condition of Employment pursuant to Section B-2.1(d).
- E-2.2 Method of Election to Participate. Each Employee, who as a Condition of Employment must participate in Plan E shall fill out, sign, and file with the Administrator, an application form furnished by the Administrator, which shall include an authorization for the deduction by the Commission from the compensation of the Employee, the contributions required of the Employee under Plan E, and the payment of said deducted contributions by the Commission to the Trust Fund under this Plan. This authorization includes, without limitation, an authorization for the recapture by the Commission of deficient contributions. Said application shall also contain an agreement by the Employee to be bound by the provisions of the Plan, and the Employees' Retirement System, as then in effect, and as thereafter amended in the manner provided for in the Retirement System. A Member of this Plan may not withdraw his/her contributions from the Retirement System except upon termination of employment. As is set forth above, no other Employee may discontinue membership except upon termination.

SECTION E-3 - CREDITED SERVICE

E-3.1 Credited Service means the total completed years and months of employment of a Member, not to exceed a maximum of 35 years, to be used in computing Retirement Benefits under Plan E, and shall be the total of the following:

- (a) Employment by the Commission in pay status while a contributing Participant in Plan E of this Retirement System.
- (b) Service transferred to this Retirement System pursuant to Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, as applicable at the time of transfer.
- (c) Service of a Member in the uniformed services of the United States provided that the members are reemployed in accordance with federal law
- (d) Any Credited Service purchased, accrued and applied for a Represented Plan E Participant in accordance with Section E-3.4 of this Plan.

E-3.2 Creditability for Accumulated Sick Leave. In computing Credited Service for Normal or Early Retirement (as may be applicable pursuant to the terms of the Plan E), a Member who is entitled to a benefit under this Plan E shall be entitled to receive an additional credit for earned and unused sick leave, except that such credit shall not apply for meeting minimum retirement eligibility requirements for age, nor for the purpose of determining the highest five years of Average Annual Earnings. A maximum of 301 workdays of earned and unused sick leave may be used to qualify for length of service. To be entitled to such additional credit, a Member must have accumulated unused sick leave, which would equate to a minimum of one full month of service credit (twenty-two [22] work days). After allowing for the appropriate amount of additional credit on the basis of full months (twenty-two [22] work days), an additional month of Credited Service will be given for any remainder equating to fifteen (15) or more work days, but no credit will be given for any remainder of less than fifteen (15) work days.

E-3.3 For Members who qualify to receive benefits under the Commission's Long Term Disability Insurance Plan, Credited Service shall include the total of full months in which the Member, prior to his or her Normal Retirement Date, received or was entitled to receive disability benefits. Should a Member who has been receiving disability benefits subsequently be disqualified for further benefits, and then the accrual of Credited Service under this provision shall cease simultaneously with the cessation of benefits under the Commission's Long-Term Disability Insurance Plan.

E-3.4 Purchase of Credited Service by Represented Plan E Participants.

- (a) **Service Eligible for Purchase.** Effective at least 31 but not more than 60 days immediately prior to the date of a Participant's actual retirement as permitted under Sections E-4.1 and E-4.2, a Represented Plan E Participant may elect to purchase additional Credited Service not to exceed a total of five (5) years for certain time in public service and qualified as follows:

- (1) Any period of employment by the Commission prior to retirement under this Plan and during which the Participant was eligible to participate in either this Plan or the Prior Plan, but was not a Participant in this Plan or the Prior Plan, respectively
 - (2) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit or credit pursuant to Code section 414(u), any period during which the Participant was in an active duty status of a uniformed service of the United States (limited to the United States Army, Navy, Air Force, Marine Corps, Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, the Public Health Service of the United States, or active duty service in the National Guard of any state of the United States as set forth in applicable Department of Labor regulations) and not an active Participant in this Plan, the Prior Plan, or any other contributory retirement plan of an agency of a state, federal or local government.
 - (3) Except to the extent that credit for that period already is allowed under this Plan as a result of a transfer of eligible service credit, any period during which that Participant was a member/participant in the retirement plan of another agency of state or local government in the State of Maryland prior to retirement under this Plan, and during which period the Participant was not a participant in this Plan or the Prior Plan. The foregoing shall only be available if the Participant will no longer receive credit for service for the same period of time under the other plan referenced in this subsection.
 - (4) Notwithstanding other provisions of this Section, and except as expressly required under federal law, a Participant must not be granted or permitted to purchase credited service for any period of actual or credited service under another retirement system if that Participant is receiving retirement benefits or has retained a vested right to retirement benefits from that system and all purchases of service credit shall comply with Code section 415(n).
- (b) **Irrevocable Election.** An election to purchase additional Credited Service is irrevocable. When an election to purchase service is made at least 31 but not more than 60 days before the proposed retirement date, the election to retire becomes immediately irrevocable notwithstanding any other provision of this Plan.
- (c) **Calculation of Service Cost.**
- (1) The Participant shall contribute to the Plan the entire cost of his/her additional credit determined as the Actuarial Equivalent of additional benefits attributable to the additional Credited Service.
 - (2) For Participants who elect to purchase service at least 31 but not more than 60 days prior to their retirement, the Participant cost to purchase additional service will be the present value of the increase in the accrued benefit at the actual date of retirement due to the additional service. For the purpose of this calculation, the present value will be based on the Plan's definition of Actuarial Equivalent.

- (d) **Contribution Methods.** The electing Represented Plan E Participant shall contribute the cost for additional Credited Service before retirement in a lump sum or sums paid within thirty (30) days of the Participant's election, all of which must be paid before retirement. A lump sum payment made within the thirty (30) days required pursuant to this Section E-3.4(d) may be made by a plan-to-plan transfer from Code section 403(b) or Code section 457(b) plan in which the Participant also participates that permits such a transfer in a manner consistent with the Code.

- (e) **Limited Recognition of Purchased Service.** Notwithstanding any provision of the Plan to the contrary, additional credit purchased pursuant to this Section E-3.4 does not apply for meeting minimum retirement eligibility requirements for age, vesting, nor for the purpose of determining the highest five years for Average Annual Earnings or for any purpose under this Plan other than for the calculation of service credit for the purpose of determining the amount of the benefit.

SECTION E-4 - RETIREMENT BENEFITS

E-4.1 Integrated Retirement Benefits at or after Normal Retirement Date.

- (a) The annual amount of retirement benefits payable to a Plan E Annuitant from date of retirement to date of attaining statutory age of eligibility for full Social Security retirement benefits shall be 2% of Average Annual Earnings multiplied by years of Credited Service up to a maximum of 35 years, plus sick leave credit. Years of Credited Service of less than a full year will be prorated. The annual benefit payable, however, shall not be in excess of 100% of his/her Average Annual Earnings.
- (b) For members who have reached the eligibility date for full Social Security retirement benefits, the amount of retirement benefits payable from the Plan shall be one and one half percent (1½%) of Average Annual Earnings up to the Social Security Covered Compensation Level, plus 2% of Average Annual Earnings in excess of the Social Security Covered Compensation Level, multiplied by years of Credited Service, up to a maximum of thirty-five (35) years, plus sick leave credit, together with any accumulated cost-of-living adjustments received from the date of retirement to the eligibility date for full Social Security retirement benefits. Years of Credited Service of less than a full year will be prorated.

E-4.2 Retirement at Early Retirement Date. The annual amount of retirement benefits payable to a Plan E Annuitant who retires on an Early Retirement Date, shall be an amount equal to the benefit he/she would have been entitled to receive under Sections E-4.1(a) and (b) if his/her Early Retirement Date had been his/her Normal Retirement Date, but based on his/her Credited Service and Average Annual Earnings at his/her Early Retirement Date, reduced by 1/180 for each month by which the commencement date of the Early Retirement Benefit precedes the date that would have been his/her Normal Retirement Date if he/she had continued as a Participant. An Annuitant who retires on an Early Retirement Date may elect to have his/her retirement benefits commence on the first day of any month thereafter, beginning with his/her Early Retirement Date. His/her retirement benefits must commence no later than the date that would have been his/her Normal Retirement Date if he/she had continued to be a Participant.

E-4.3 Change in Amount of Retirement Benefits Due to Change in Cost-Of-Living Index. The retirement benefits payable under this Plan may be increased as of each July 1st, after the Effective Date, for any Beneficiary who had been receiving his/her retirement benefits for at least six months. The increase shall be determined by the percentage increase in the Consumer Price Index - All Items Annual Average, Urban Index for Major U.S. Cities, for the preceding 12 months, prepared by the United States Department of Labor, above the level of said Index on the immediately preceding December 31st. If the percentage increase in the Consumer Price Index, for any year, is 2.5% or less, the retirement benefits payable shall be adjusted by 100% of the increase. The maximum adjustment for any year shall be 2.5%.

E-4.4 Payment of Retirement Benefits. Retirement benefits under Plan E shall be payable in equal monthly installments, unless another payment schedule has been established as provided in the Plan. The first payment of Normal or Early Retirement Benefits may be made on the date a Beneficiary first becomes entitled to the retirement benefit. The last payment shall be made on the first day of the calendar month in which the Beneficiary dies, unless he/she has elected an optional form of benefits. If the Beneficiary has not elected an optional form of benefits and dies

before receiving benefits in an amount equal to the Member's contributions plus credited interest, the difference will be payable to the surviving Beneficiary or Beneficiaries.

E-4.5 Optional Forms of Benefit Payments Available. A Member may elect one of the following optional forms of payment of his/her retirement benefit payable at Normal Retirement Date or Early Retirement Date, in place of the method of payment provided in Section E-4.4 of this Plan. Each of these optional methods of payment shall be the actuarial equivalent of said retirement benefit as payable under Section E-4.4. The optional methods of payment are as follows:

- (a) A Member may elect to receive a reduced retirement benefit during his/her lifetime, and to have all or a specified portion of such reduced retirement benefits paid to the Contingent Annuitant. The Board of Trustees shall make uniform rules as to which portion or portions of the reduced retirement benefits may be made payable to a Contingent Annuitant, subject to the restrictions in the next paragraph hereof.
- (b) A Member may elect to receive a benefit described in Section E-4.5(a) that provides that, on the death of the Contingent Annuitant prior to the death of the Member, a Member's retirement benefit will revert to the amount that would have been payable as a single life annuity when the Member's retirement benefit originally commenced (as adjusted for cost-of-living adjustments granted since benefit commencement). There shall be no additional right of survivorship after the death of a Contingent Annuitant.
- (c) A Member may elect any other optional method of payment of his/her monthly retirement income that is acceptable to the Board of Trustees in accordance with uniform rules adopted by the Board of Trustees, but no option may be elected that would:
 - (1) Permit the interest of a Member to be retained in the Trust Fund after the Member becomes entitled to retirement benefits under this Plan, and only the interest thereon to be paid to the Member during his/her lifetime, the balance to be paid after the death of the Member; or
 - (2) Would permit installment payments to a Contingent Annuitant to continue for a longer period than the longest of the life of the Member's spouse, the life expectancy of the Member on the commencement date of his/her retirement benefits, or the joint life and last survivor expectancy of the Member and his/her spouse on the commencement date of the Member's retirement benefit.
- (d) A fully Vested Member, whose employment with the Commission terminated on or after the date he/she was eligible for Early Retirement Benefits, may elect in writing to defer benefits until his/her Normal Retirement Date, rather than receive an actuarially reduced Early Retirement Benefit. A Member, who has made this election, may irrevocably elect any of the foregoing optional forms of payment, which shall be effective with the commencement of benefits at Normal Retirement Date. Should the Member die prior to Normal Retirement Date, his/her Contingent Annuitant shall be entitled to receive, effective with the date that would have been the Member's Normal Retirement Date, the appropriate income, as survivor, under the option selected.

E-4.6 Exercise of Election and Designation of Contingent Annuitant. The election of an optional method of payment and the designation of a Contingent Annuitant must be in writing. It must

be filed with the Board of Trustees prior to the commencement date of the Member's retirement benefits under this Plan. With the exception of an irrevocable election under Section E-4.5(d), either the election, or the designation, or both, may be changed by the Member, from time to time, at any time prior to the commencement date of his/her retirement benefits under this Plan.

E-4.7 Revocation of Election by Occurrence of Certain Events. If a Member who has elected an optional form of payment dies before the commencement date of his/her retirement benefits under this Plan, no retirement annuity shall be paid to his/her Contingent Annuitant. The payment shall be made in accordance with the provisions of Section E-6: Death Benefits. If a Contingent Annuitant dies prior to the commencement date of the Member's retirement benefits under this Plan, the election and the designation shall be void, irrespective of when made, except in the case of a Vested Member who has selected an option under the provisions of Section E-4.5(d). If a Contingent Annuitant dies after the commencement date of the Member's retirement benefits under this Plan, the Annuitant shall continue to receive the appropriate retirement to which he/she is entitled under the option, which he/she selected. If a Vested Member, who has selected an option under the provisions of Section E-4.5(d), dies prior to the commencement date of his/her retirement benefits, his/her Contingent Annuitant shall receive the appropriate retirement benefit to which he/she is entitled under the option selected, commencing with what would have been the Vested Member's Normal Retirement Date. If both the Annuitant and his/her designated primary Beneficiary die prior to completion of payments under an option providing for a guaranteed number of payments, the commuted value of the balance of the payments shall be paid in a lump sum to the next Beneficiary designated in writing by the Annuitant or, in the absence of such designation, or if a person so designated is not then living, to the estate of the last to die of the Annuitant and his/her primary Beneficiary

E-4.8 Incapacity of Beneficiary If, for any reason, the Board of Trustees shall determine that it is not desirable, because of the incapacity of the person who shall be entitled to receive any payment in accordance with the provisions of this Plan, to make such payment direct to such person, the Board of Trustees shall give notice to said person of its intention to make alternate payment. Said person shall be advised of the time, date, and place of the meeting at which such action shall take place, and the basis upon which the Board proposes to alter the manner of payment. The Beneficiary shall have the right to be represented by counsel, at his/her own expense, and to present witnesses and testimony in opposition to the Board's action. In any such proceeding, the burden of proof shall be on the Board. The Board's decision shall be based upon the evidence presented at the hearing. If the Board of Trustees is presented with a certified copy of a judicial decree of a court of competent jurisdiction, determining that a Beneficiary entitled to receive benefits is incompetent and appointing a guardian, the Board of Trustees shall be entitled to act upon that court order without further inquiry. In the event the Board proposes to act on the basis of a court order, it shall give advance notice of the time, date, and place of the meeting at which such action shall take place.

E-4.9 Missing Member or Beneficiary If the Board of Trustees is not able to locate any person to whom a benefit is due under this Plan, after making all reasonable efforts to do so, such benefit shall not be payable to such person until he/she has been located. Reasonable efforts shall mean the use of the Social Security Administration Employer Reporting Service or any other methodology deemed appropriate by the Board of Trustees or its delegate. If, after a period of two years and eleven months from the date on which the earliest unpaid benefit was due, he/she is not located, the person's interest in the Plan and any unpaid benefits to which he/she would otherwise be entitled, shall be forfeited. If the person later makes a request for the forfeited

benefit, such benefit shall be reinstated and paid to the person, but without earnings or interest thereon.

E-4.10 Reduction of Benefits by Benefits Under Other Plans. If a Member under this Plan is entitled to benefits under any other retirement plan, for service that is also Credited Service under this Plan, the benefits under this Plan shall be actuarially reduced by the benefits under the other retirement plan attributable to said service. Social Security benefits, to which a Member is entitled, are specifically exempted from this provision.

SECTION E-5 - BENEFITS UPON TERMINATION OF EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT

E-5.1 A Member, whose employment with the Commission terminates, other than by death, or retirement on an Early Retirement Date or Normal Retirement Date, shall be entitled to one or the other of the following:

(a) **Refund of Contributions.** He/she may elect to receive a lump sum cash refund of his/her contributions to the Trust Fund, with interest thereon at the rate of 4-1/2% per year. Said election shall be in lieu of any other benefits under the Plan.

(b) **Vested Benefits.**

(1) If a Member, who has completed ten (10) or more years of credited service, or a Member who has been appointed to the position of Inspector General and has completed five (5) or more years of credited service, terminates employment and does not elect to receive a refund of required Member contributions, the Member shall be entitled to receive an annual benefit, commencing with what would have been his/her Normal Retirement Date assuming continued active participation in the Plan. The benefit shall be computed as provided in Section E-4.1 of this Plan, on the basis that the first of the month coinciding with or next following his/her date of termination of employment is his/her Normal Retirement Date.

Payment of said benefits shall be made in accordance with Sections E-4.4 and E-4.5 of this Plan.

(2) A Member whose job is abolished and who is not offered a substantially equal job with the Commission shall be entitled to receive, commencing with what would have been his/her Normal Retirement Date if his/her participation in the Plan had continued, a maximum annual benefit computed, as provided in Section E-4.1 of this Plan, on the basis that the first of the month coinciding with or next following the date of his/her termination of employment had been his/her Normal Retirement Date, and payable in accordance with Sections E-4.4 and E-4.5 of this Plan. Appointed Officials and employees exempted from the Merit System who are appointed by the respective County Planning Board as provided in Land Use Article, Sections 16-102 and 20-204, respectively, of the Annotated Code of Maryland, and who has otherwise reached his or her Normal Retirement Date with his or her eligibility for Normal Retirement intact, shall be entitled to 100% vesting regardless of years of service.

SECTION E-6 - DEATH BENEFITS

E-6.1 Spouse's and Children's Benefits – Death During Participation.

(a) Service-Connected Death.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant dies as a result of a service-connected accident or illness, occurring or incurred while the Participant was engaged in the performance of the duties of his/her employment with the Commission, without willful negligence on his/her part, as that term is defined in Section E-4.3(a), the spouse shall be entitled to an annual benefit, payable until death, commencing with the first of the month coinciding with or next following the date of death of the Participant, in an amount equal to the greater of the following:
 - (A) An amount computed under Section E-4.1(a) and (b) of this Plan on the basis that the deceased had continued as a Participant to what would have been his/her Normal Retirement Date, at the same Base Pay received during his/her last completed year of employment with the Commission. If the spouse is receiving benefits on the date the Participant would have otherwise reached his/her eligibility date for full Social Security retirement benefits, the amount which the spouse is receiving shall be calculated as provided in Section E-4.1(b). Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death; or
 - (B) 25% of the Final Annual Base Pay of the Participant. Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 36 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death.
- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section E-6.1, Paragraph (a)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section E-6.1, Paragraph (a)(1) of this Plan shall be payable to the surviving children of the Participant, under the age of 18, or under age 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section E-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.

(b) Non-Service-Connected Death.

- (1) If a Participant is survived by a spouse, who has not been specifically excluded by the Participant for entitlement to survivor death benefits, and the Participant dies as a result of a non-service-connected accident or illness, the spouse shall be entitled to an annual benefit until death, commencing with the first day of the month coinciding with or next following the date of death of the Participant, in an amount equal to 25% of the Final Annual Base Pay of the Participant. Final Annual Base Pay for part-time Participants will be the average base salary of the Participant for the 60 calendar month period, or for the 12 calendar month period if greater, immediately preceding his/her death.
- (2) If the Participant does not leave a surviving spouse entitled to the benefits provided in Section E-6.1, Paragraph (b)(1) of this Plan; or, if a surviving spouse entitled to the benefits provided therein should die, and there are one or more surviving children under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support; then the benefits provided under Section E-6.1, Paragraph (b)(1) of this Plan shall be payable to the surviving children of the Participant under the age of 18, under the age of 23 if a full-time student, or regardless of age if totally disabled and incapable of self-support.
- (3) In the event the accumulated total benefit paid under this provision is less than the benefit, which would have been paid under Section E-6.2(a), the difference shall be paid in a lump sum to the surviving children, regardless of age. In the absence of any such eligible Beneficiaries, the difference shall be paid to the estate of the Participant.
- (4) No Beneficiary entitled to benefits under Section E-6.1(a) shall receive any benefits on account of Non-Service-Connected Death.

E-6.2 Ordinary Death Benefits.

- (a) General Rule. If a Participant or Vested Member dies prior to retiring on an Early Retirement Date or at or after Normal Retirement Date, without an option selection made under the provisions of Section E-4.5(d), and does not leave a surviving spouse or surviving children entitled to the benefits provided in Section E-6.1 of this Plan, the Beneficiary designated by him/her, in a written instrument filed with the Administrator, shall be entitled to a lump sum cash payment in an amount equal the sum of the following:
 - (1) 50% of his/her Average Annual Earnings; plus
 - (2) His/her total contributions to the Trust Fund, with interest thereon at a rate of 4-1/2% per annum.
- (b) Special Rule for Vested Members With An Option Selection on File. If a Vested Member dies prior to retiring on an Early Retirement Date or, at or after Normal Retirement Date, with an option selection made under the provisions of Section E-4.5(d), the benefit

payable shall be the survivor benefit, if any, under the option selected under Section E-4.5(d).

E-6.3 Post-Retirement Death Benefits. Upon the receipt of proper proof of the death of a retired member, there shall be paid to such person as the member shall have designated and filed with the Board of Trustees, otherwise to his/her estate, a lump sum benefit in the amount of \$10,000. A member may designate a trust or any other entity as the beneficiary of the lump sum benefit, so long as the trust or entity has legal status as identified by a Federal Tax ID number, and so long as the designation is otherwise properly on file with the Board of Trustees.

SECTION E-7 - CONTRIBUTIONS

- E-7.1 Employee Contributions.** Each Participant of Plan E of this Retirement System shall contribute to the Trust Fund 4% of his/her Base Pay for each pay period in a calendar year up to the maximum Social Security Wage Base for that year, and 8% of his/her Base Pay in excess of the Social Security Wage Base for each calendar year.

The Commission shall pick up the employee contributions required by this Section for all Base Pay earned on or after January 1, 2013, and the contributions so picked up shall, subject to approval by the Internal Revenue Service, be treated as employer contributions in determining Federal and State Income Tax treatment under Section 414(h) of the United States Internal Revenue Code. These contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The Commission shall pay these employee contributions from the same source of funds, which is used in paying earnings to the employee. The Commission may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up, they shall be treated for all purposes of this Section E-7 in the same manner and to the same extent as employee contributions made prior to the date picked up.

- E-7.2 Employer Contributions.** The Commission shall contribute to the Trust Fund, from time to time, such amounts as are actuarially determined to be required to provide for the benefits under the Plans of this Retirement System.
- E-7.3 No Reversion of Employer Contributions.** No contributions to the Trust Fund by the Commission shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Beneficiaries, prior to the satisfaction of all liabilities under this Retirement System.



**Department of Human Resources and Management
Maryland-National Capital Park and Planning Commission**

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November 15, 2017

TO: Commissioners
FROM: Patricia Colihan Barney, Executive Director
SUBJECT: Update on Classification Study

The Classification and Compensation Team will provide an update on the Classification Study to the Commissioners. The attached is a copy of the presentation that includes where we are in the study as well as decisions made at the Department Heads' meeting on October 24, 2017, and supported by the Executive Committee at their meeting on November 1, 2017

These decisions include various ways to improve the current process for updating specifications and allocation of employees.

- 1 Employees will complete Job Functions Statements (JFS) prior to approval of the class specification by the Merit System Board. Once completed, the JFS will be sent to Department Head for allocation recommendation. At that time, the Department Head would have the approved class specifications as a resource to allocate the employee to the new job titles and grades.
2. In order to keep the process moving forward, the Consultant will draft the class specification when at least one position description questionnaire or comment has been received for each position.
3. During the process of Department Head approval for class specs, the Classification and Compensation Team will send out reminders of deadlines and what is being requested. If a Department Head does not meet the deadline, the process will continue as long as a majority of Department Heads have provided comments or approval.

There is no action required by the Commissioners.

Classification Study Update

Boni King and Robin Cannon
Classification and Compensation Team
October 2017

Priority of Classification Specification Reviews

- Prior to the study beginning in 2015, discussions were held with Department Heads to develop a prioritization of the review of specifications. The following represents the Department Heads' decision.

| Priority | Series |
|----------|---|
| 1 | Architect & Engineering / Para Professional Engineering |
| 2 | General Admin Supp A / Information Permitting / Legal / Risk Mgmt / Mgmt Analyst |
| 3 | IT / Accounting & Finance |
| 4 | Planning |
| 5 | Trades / Equipment Repair & Operation Spv / Building Grounds Maint Spv |
| 6 | Artistic Display / Parks Activities / Recreation Spec / Park Property / Natural Science |
| 7 | Park Police / Park Police Support / Human Resources |
| 8 | Building / Grounds Maintenance |
| 9 | Natural Science / Horticultural Support |
| 10 | Parks Activities / Child Care |
| 11 | Aquatics / Program Facility / Class Instructor / Help Desk |
| 12 | Park & Recreation Management |
| 13 | General Admin Supp B |
| 14 | Public Affairs |
| 15 | Land Acquisition / Airport |

Updated General Service Pay Schedule

- During the review of Priority 1, it became apparent that there were not enough grades to support today's work programs.
- Revised schedule was approved by the Merit System Board in September 2016 and increased pay schedule from twelve to sixteen grades.
- The old schedule was weighted towards technical and paraprofessional grades (which provided challenges in providing pay differentials for professionals, leads and managerial employee groups).
- Additional pay grades provide the following benefits:
 - Flexibility to create new specifications as identified by work programs
 - Alleviate pay compression
 - New career paths
 - Increased capacity for professionals, leaders, managers and division chiefs

Overview of Tasks for Each Priority

- ▶ Department Heads identify individuals that will be involved from their department (e.g. one to two representatives per series).
- ▶ Representatives are not permitted to work on their own specification.

| Project Steps | Responsibility |
|---------------------------------------|----------------------|
| 1. PDQ's Completed | Dept Reps |
| 2. 1st Draft Completed | Consultant |
| 3. Review of specifications | Dept Reps |
| 4. 2nd Draft Completed | Consultant |
| 5. Final review of specifications | Consultant/Dept Reps |
| 6. Union Review | Employee Reps |
| 7. Approval of specifications | Union/Dept Heads |
| 8. FLSA, EEO, QES, Market Study | Consultant |
| 9. Approvals | Merit Board |
| 10. Job Allocations | Class & Comp |
| 11. Results communicated to employees | Department Heads |

Progress of Study

- Priority 2 is in various stages:
 - Four specifications are in the allocations stage.
 - Eleven specifications are being prepared for MSB approval.
 - Eleven specifications are awaiting Department Head approval.

| Priority | PDQ Completion | 1st Draft Completed | Manager Review | 2nd Draft Completed | Union Review | Final Review | Dept Head/ Union Review | Grade/ Market Study | MSB Approval | Job Allocations |
|----------|----------------|---------------------|----------------|---------------------|--------------|--------------|-------------------------|---------------------|--------------|-----------------|
| 1 | | | | | | | | | | In Progress |
| 2 | | | | | | | In Progress | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| 6 | | | | | | | | | | |

Progress of Study cont'd.

- ▶ **Pending Department Head concurrence from one department**
 - Administrative Series (Priority 2)

- ▶ **Consultant review of final drafts for differentiation between levels**
 - Information Technology Series (Priority 3)
 - Planning Series (Priority 4)
 - Trades Series (Priority 5)
 - Recreation/Enterprise Facility Manager Series (Priority 6)

Consultant Evaluation of Specifications

Consultant is reviewing specifications for the following which will then translate into the differentiation between levels:

- **Knowledge** needed to do the work;
- **Purpose** and the **impact** of the work on the organization;
- **Complexity** in terms of the kind of information a workers needs to act or make a decision and how the information is obtained;
- **Extent of controls** over work and the amount of **discretion** required;
- What type of **contacts** are required and purpose of interactions;
- Potential for **hazards, physical effort** and the **surroundings** of the work; and,
- **Supervisory authority** and size of unit supervised.

Classification Study Challenges

- ▶ **Consultant** (along with Class and Comp) must carefully review draft specifications to ensure there is a clear distinction between levels within the series and consistency between positions of similar scope.
- ▶ **Consultant** (along with Class and Comp) needs to ensure that specifications can be utilized across the organization.
- ▶ **Departments** need to manage employee expectations that not every outcome of the classification study will result in a reclassification of their position.
- ▶ **Department representatives** do not complete all of the work; instead, they utilize others in the Department and collate the work and provide to the consultant.
- ▶ **Everyone** needs to meet deadlines; because when deadlines are not met, it impacts the timeline for other classifications.

Job Allocations

- ▶ **Job Functions Statements (JFS)** are sent to HR Coordinators to distribute to employees. Employees have three weeks to complete the JFS and return the form.
- ▶ **Supervisor reviews JFS** and validates duties assigned to employees. Department Head allocates employees into new series and sends to the Classification and Compensation Team for review.
- ▶ **Classification and Compensation Team** reviews JFS and completes a report of findings.
- ▶ The Classification and Compensation Team and HR Director **indicate concurrence or provide an alternative recommendation.**
- ▶ If there is an **alternative recommendation**, the Classification and Compensation Team communicates with the Department to try to reach concurrence.
- ▶ If **concurrence is not reached** between the Department and the HR Director, the decision of the HR Director stands.

Job Allocations, cont'd.

- ▶ The **results of allocations** are sent to the Departments. It is the responsibility of the Department Head to inform and distribute results of the allocations to employees. Included with the final report is a "Receipt of Classification Analysis Results". The receipt is for the employee to sign, acknowledging they have received the results of the review.
- ▶ The **employee may appeal** this decision in accordance with the Collective Bargaining Agreement (union represented) or to the Merit System Board (non-represented).
- ▶ The **effective date for a classification action** which requires the creation of a new classification specification shall be the pay period following the date the specification is approved by the Merit System Board.
- ▶ An employee **upon reclassification to a higher grade**, shall receive an increase in base pay of up to five percent (5%).
- ▶ An employee **upon reclassification who is assigned to the same level** receives no change in base pay.
- ▶ An employee **upon reclassification to a lower grade** shall maintain the same pay rate in the lower grade equal to the employee's current pay rate.
 - If there is no such pay rate in the lower grade, the employee shall retain the higher pay rate at which they have been paid for a period of two (2) years from the effective date of the change to lower grade.
 - At the end of the two (2) years, the employee shall then be placed at a rate in the lower grade which does not exceed the current rate nor the maximum pay level of the lower grade.

Discussion Items

When should employees complete the Job Functions Statement?

Currently, employees receive the Job Functions Statements after new specifications have been posted. Should we change this process?

Decision: Employees will complete Job Functions Statements (JFS) prior to approval of the class specification by the Merit System Board. Once completed, the JFS will be sent to Department Head for allocation recommendation. At that time, the Department Head would have the approved class specifications as a resource to allocate the employee to the new job titles and grades.

Discussion Items

What action should we take when deadlines are not met?

Position Description Questionnaire (PDQ) - As long as at least one PDQ has been delivered, specification is drafted based on PDQ received?

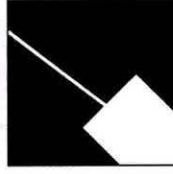
Decision – Yes, as long as least one PDQ has been delivered, process will continue.

Draft specification review by representative – If at least one representative has provided comments, the draft specification is updated?

Decision - Yes, as long as least one representative has provided comments, process will continue.

Department Head review and approval of specification – If deadlines is not met, progress is delayed until all Department Heads approve.

Decision – Class and Comp will provide reminder of deadline. Process will continue as long as a majority of Department Heads have provided comments and approval.



M-NCPPC Sustainability Program

July 2015 – June 2017 Report and Future Goals/Initiatives

Montgomery County Department of Parks
 Montgomery County Department of Planning



Energy Conservation & Management

- Since 2016, 100% of our electric power usage across M-NCPPC is supplied by renewable energy (via RECs).
- Two solar field projects are currently under construction in Rock Creek Regional Park and South Germantown Recreational Park.
- Energy efficient improvements are installed in facilities during new construction and significant retrofit projects.
- Increased installation of LED lighting in parking lots. LED technology produces high quality illumination and are 30-60% more efficient over traditional lighting for similar applications.



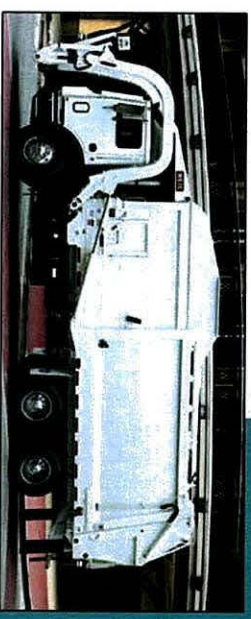
Water Conservation & Management

- Brookside Gardens installed a 25,000 gallon underground cistern to collect and store rooftop runoff from the greenhouse.
- Currently working with a team of students from the University of Maryland's Partnership for Action Learning in Sustainability (PALS) to identify potential stormwater and greywater harvesting and utilization projects on parkland.
- Similar to our energy conservation efforts, all new and retrofit plumbing opportunities are outfitted with water-efficient plumbing fixtures.



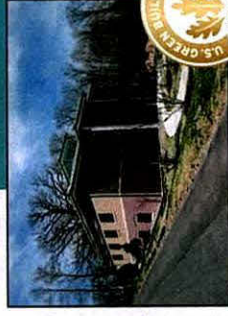
Recycling & Solid Waste Management

- Revitalized the Recycling Captain program at each staffed site across both Departments. Captains are responsible for ensuring that recycling on their work site is consistent, convenient, and that clear messaging is provided.
- To increase efficiency, enhance service, and improve data tracking, contracted recycling services have been discontinued and in-house staff and equipment are utilized for these operations.
- Reusable, durable Commission equipment, property, and supplies are advertised as available through email broadcasts to all staff.
- Began centralization of sustainably-sourced/produced office supplies at the Planning Department.



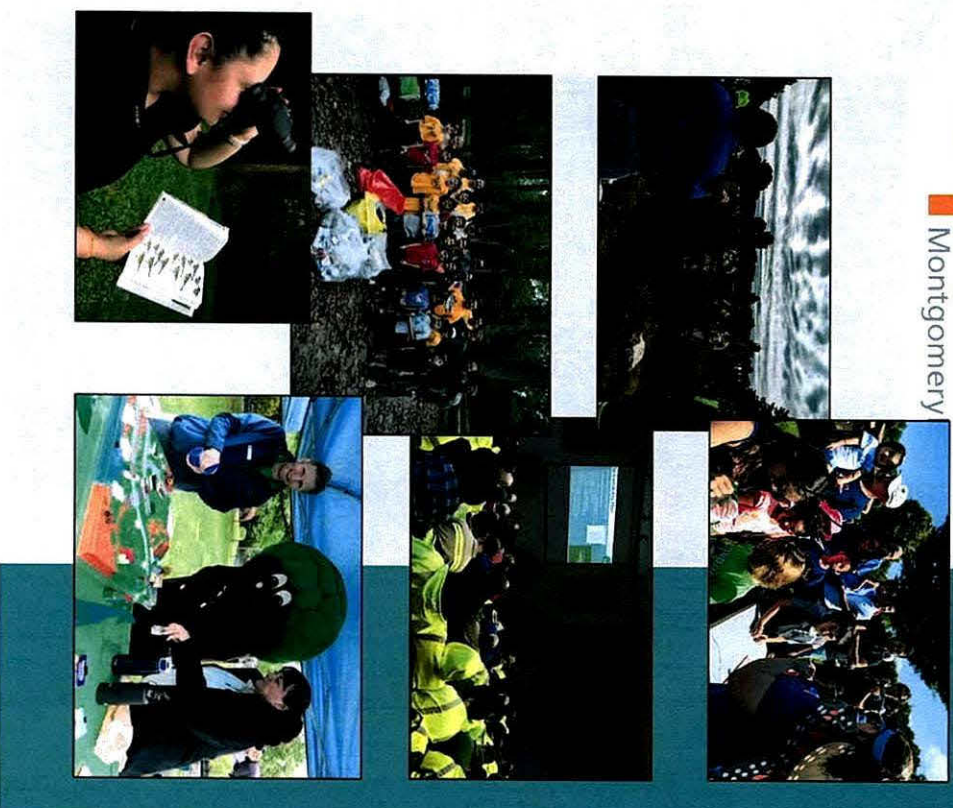
Sustainable Infrastructure & Natural Areas

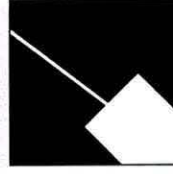
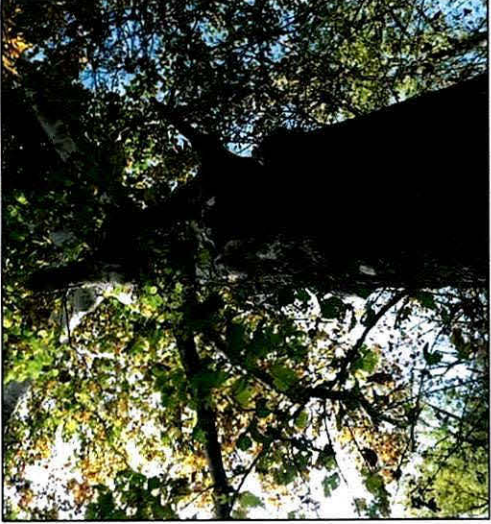
- All qualifying new M-NCPPC buildings adhere to the International Green Construction Code (IgCC) and strive to attain at least LEED Silver designation. Elements of LEED are also designed into smaller projects.
- Evans Parkway Neighborhood Park became the first Sustainable SITES certified outdoor space in Montgomery County. Many new and retrofit parks take advantage of functional environmental features as aesthetic or educational opportunities.
- In stewarding natural areas, over 36 acres of reforestation was completed across 21 sites on parkland in the past 2 years.
- In canopy-deficient urban areas, the Planning Department implements the Shades of Green program and also promotes the Leaves for Neighborhoods program on residential property.



Education, Training & Engagement

- To reduce paper, staff in both Departments are trained to utilize ePlans for plan review.
- LEED-rated buildings, and sustainable features are encouraged as early as sketch/concept phases for development plans submitted to the Planning Department.
- Continue partnerships with local community groups, green groups and local agencies in support of volunteer projects and special events.
- Provide educational experiences for staff and the public about sustainability and environmental awareness.

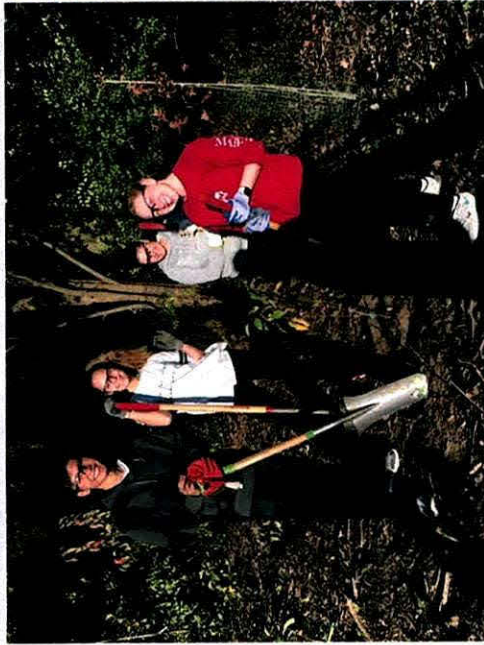




Questions?

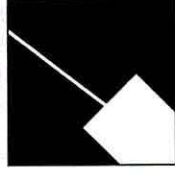
Montgomery County Department of Parks
Montgomery County Department of Planning





M-NCPPC Sustainability Report

July 2015 – June 2017



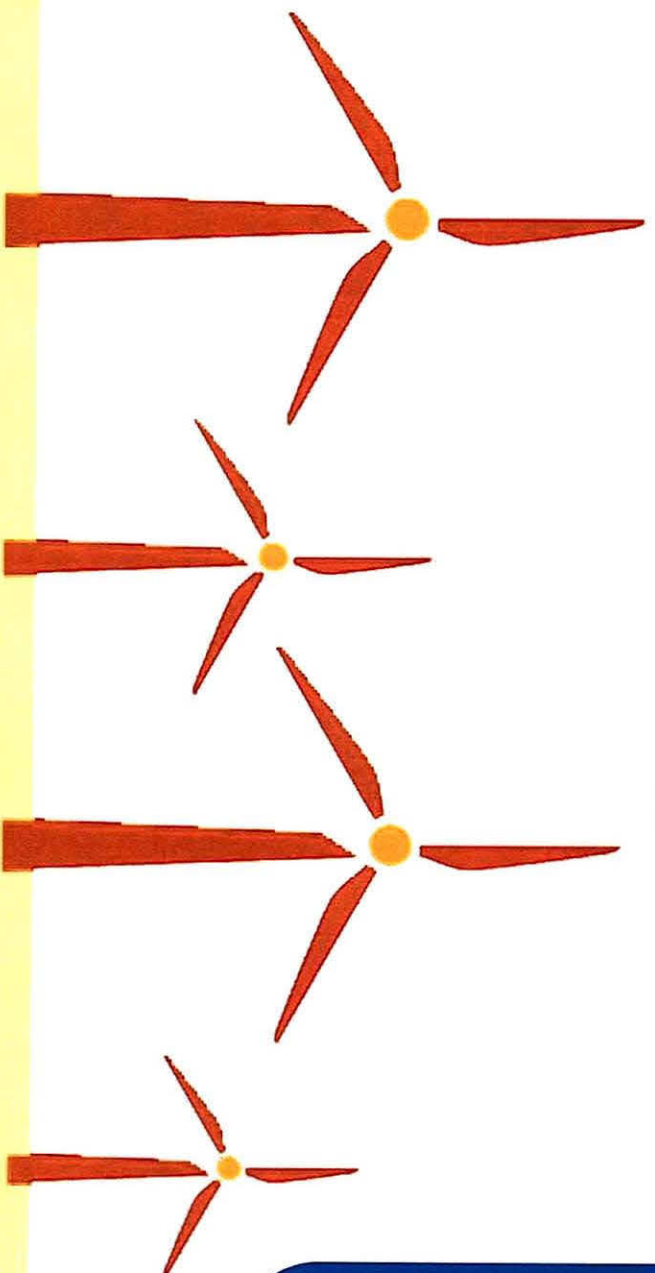
Prince George's County Department of Parks & Recreation

Prince George's County Planning Department

Central Administrative Services

Utility/Energy Conservation: Sourcing Renewable Energy

As an agency, M-NCPPC participates in the Montgomery County Green Power Purchasing Group. Since 2016, 100% of our electric power usage is supplied by renewable energy.

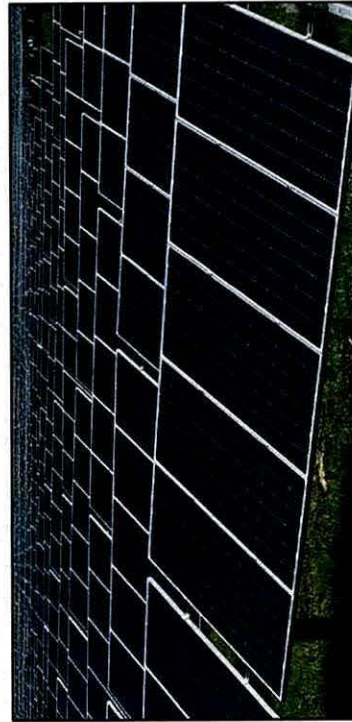


The County Green Power Purchasing Group is listed in EPA's National Top 100 users of green power in the country.



Solar Field Initiative: Power Purchase Agreements

Solar Fields to be constructed this fall:

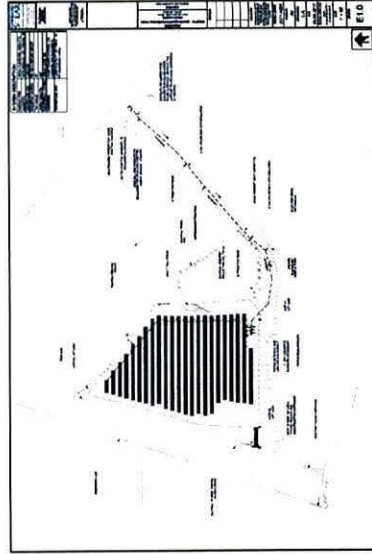
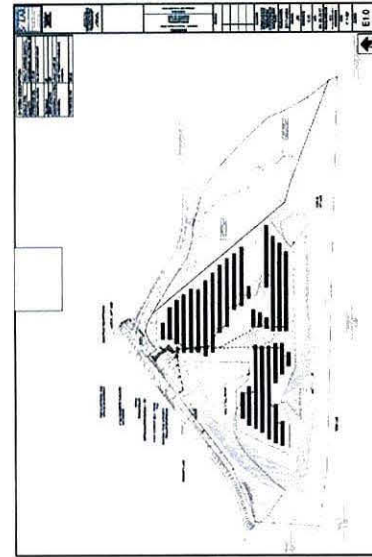


Prince George's:

- Randall Farm

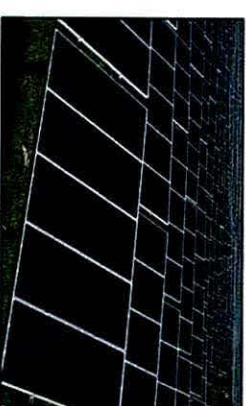
Montgomery:

- Rock Creek Regional Park
- South Germantown Recreational Park



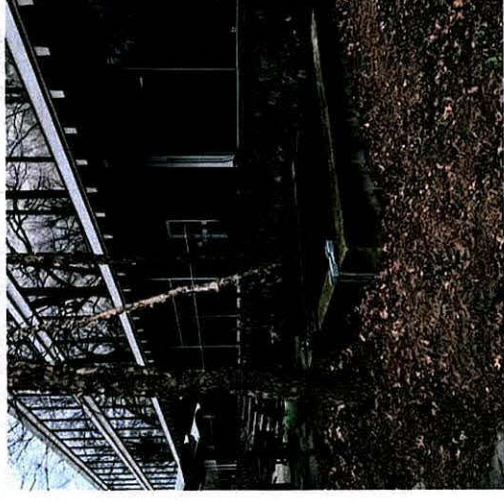
Energy Conservation & Management

- A three (3) megawatt solar field project is to be installed at the Randall Farm Maintenance Facility.
- Currently 76 park locations in Prince George's were retrofitted with LED parking lot lighting, accounting for over 500 fixtures.
- 75% of Department HVAC systems are remotely controlled by Maintenance & Development.



Water Conservation & Management

- Plans underway to install cisterns at 3 sites (PRA, Southern Area Technology and Recreation Center, South Bowie CC) with an annual capturing capacity of 989,000 gallons/year.
- More than a dozen rain gardens and native plant landscapes have been installed – part of a more comprehensive storm water stewardship strategy.



Sustainable Acquisition and Use of Agency Supplies

- CAS launched and expanded online employee self service module to review and select benefits during open enrollment. Significant reduction in time, effort, and supplies to process selections.
- Discontinued use of Styrofoam in Commission operations in accordance with new County regulations.

WHY USE ONLINE EMPLOYEE SELF SERVICE (ESS)

JOIN THE ONLINE GENERATION

SAVE YES TO ESS

| OFFER INSUFFICIENT - October 15, 2012 - September 1, 2012 PAPER APPLICATION FOR BENEFIT ENROLLMENT | ONLINE ENROLLMENT EMPLOYEE SELF SERVICE (ESS) |
|---|--|
| <td> </td> | |
| <p>It takes me 30, 45, or 60 minutes to get to the office to get my application and fill it out. I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I completed the application form, but the office staff has to process it. It takes 3-4 weeks to get my application processed.</p> <p>It takes me 30 minutes to get to the office to get my application and fill it out. I have to wait for my application to be processed and I have to wait for my application to be processed.</p> | <p>It takes me 15 minutes to get to the office to get my application and fill it out. I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I completed the application form, but the office staff has to process it. It takes 3-4 weeks to get my application processed.</p> <p>It takes me 30 minutes to get to the office to get my application and fill it out. I have to wait for my application to be processed and I have to wait for my application to be processed.</p> |
| <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> | <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> <p>I have to wait for my application to be processed and I have to wait for my application to be processed.</p> |

If you have any questions, contact the Health & Family Care, 319-461-1811



Recycling & Solid Waste Management

- Current single stream recycling operations collect hundreds of thousands of pounds of material (paper, cardboard, cans, plastic) at 111 Commission facilities countywide.
- Survey was sent to all staff on recycling to identify areas for improvement. Recommendations include clear signage, additional easily identifiable recycling containers, staff and patron education, expansion of collection sites.



Sustainable Infrastructure & Natural Areas

- Expanded wild rice program along the Patuxent River and received 2017 National Wetlands Award in Conservation and Restoration.
- Increased pollinator gardens and meadows to include more than 15 sites and 15 acres – part of a 100-acre plan.
- Implemented a wide variety of storm water stewardship projects (streambank restoration, tree plantings, invasive removals, watershed cleanups, rain gardens, rain cistern) funded by \$250,000 CBT grant.



Health & Wellness

- Launched ParkRx Program – creating a searchable database with hundreds of park sites. This is a partnership with local health care providers.
- CAS launched a number of employee health & wellness initiatives (flu shot, long term care, incentive program, financial workshops, lunch & learn, etc.)
- Launched and expanded initiatives such as Healthy Trails, Yoga in the Park, Fitness in the Park - engaging patrons and staff throughout the county.



Education, Training & Engagement

- Launched Conservation Ambassador Program with staff from each Division to identify and implement innovative conservation efforts.
- Planning Department hosted month long “Go Work! Go Green!” program activities during April.
- Continue partnerships with conservation/community groups, educational institutions and local agencies in support of conservation efforts and special events in support of a sustainable County.
- Began implementation of conservation/natural science education program and curriculum at 16 Kids Care sites.

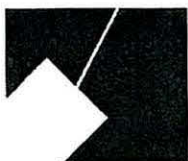


**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
EMPLOYEE PERFORMANCE EVALUATIONS NOT COMPLETED BY DUE DATE
BY DEPARTMENT AS OF OCTOBER 2017**

| | 31 - 60 DAYS | | 61 - 90 DAYS | | 91 + DAYS | | DEPARTMENT TOTALS | |
|------------------------------------|--------------|--------|--------------|--------|-----------|--------|-------------------|--------|
| | Sep 17 | Oct-17 | Sep 17 | Oct 17 | Sep-17 | Oct-17 | Sep 17 | Oct-17 |
| CHAIRMAN MONTGOMERY COUNTY | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| CHARIMAN, PRINCE GEORGE'S COUNTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OFFICE OF CIO | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| INTERNAL AUDIT | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| EXECUTIVE COMMITTEE/CHAIRS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPT OF HUMAN RESOURCES & MGT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LEGAL DEPARTMENT | 1 | 2 | 0 | 0 | 0 | 0 | 1 | 2 |
| FINANCE DEPARTMENT | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| PRINCE GEORGE'S PLANNING | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| PRINCE GEORGE'S PARKS & RECREATION | 6 | 5 | 2 | 2 | 0 | 0 | 8 | 7 |
| MONTGOMERY COUNTY PARKS | 3 | 4 | 0 | 1 | 0 | 0 | 3 | 5 |
| MONTGOMERY COUNTY PLANNING | 6 | 4 | 0 | 0 | 0 | 0 | 6 | 4 |
| **DEPARTMENT TOTAL BY DAYS LATE** | 20 | 16 | 2 | 3 | 1 | 1 | | |
| COMMISSION WIDE TOTAL | | | | | | | 23 | 20 |

**DEPARTMENTS WITH RATINGS MORE THAN 60 DAYS LATE HAVE BEEN CONTACTED

ITEM 6a

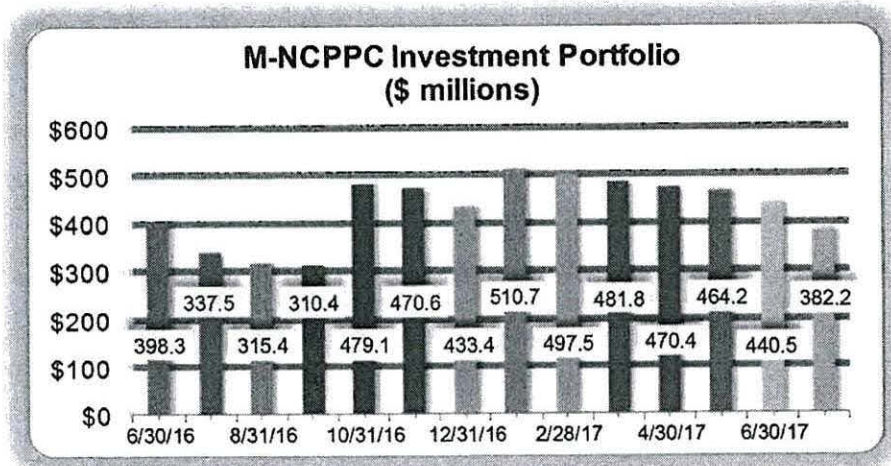


THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
TREASURY OPERATIONS, FINANCE DEPARTMENT
 6611 Kenilworth Avenue, Suite 302, Riverdale, MD 20737
 Telephone (301) 454-1541 / Fax (301) 209-0413

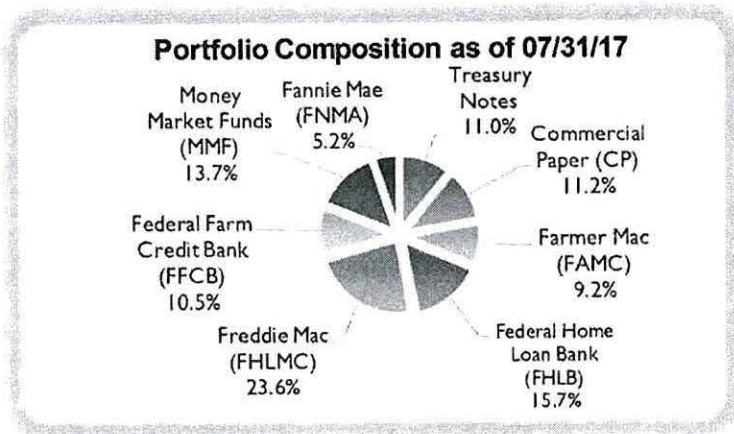
MEMO

TO: Commissioners
VIA: Joseph Zimmerman, Secretary-Treasurer
FROM: Abbey Rodman, Investment & Treasury Operations Manager
DATE: 10/12/2017
SUBJECT: Investment Report – July 2017

The Commission’s pooled cash investment portfolio totaled \$382.2 million as of July 31, 2017, with a 13.2% decrease from June 30, 2017. Details are as follows:

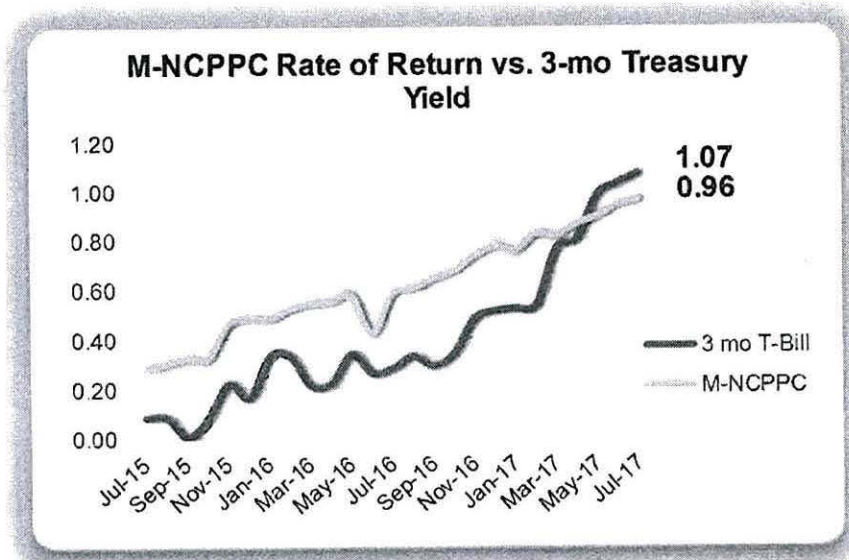


The composition of the pooled cash portfolio as of July 31, 2017 is summarized below:

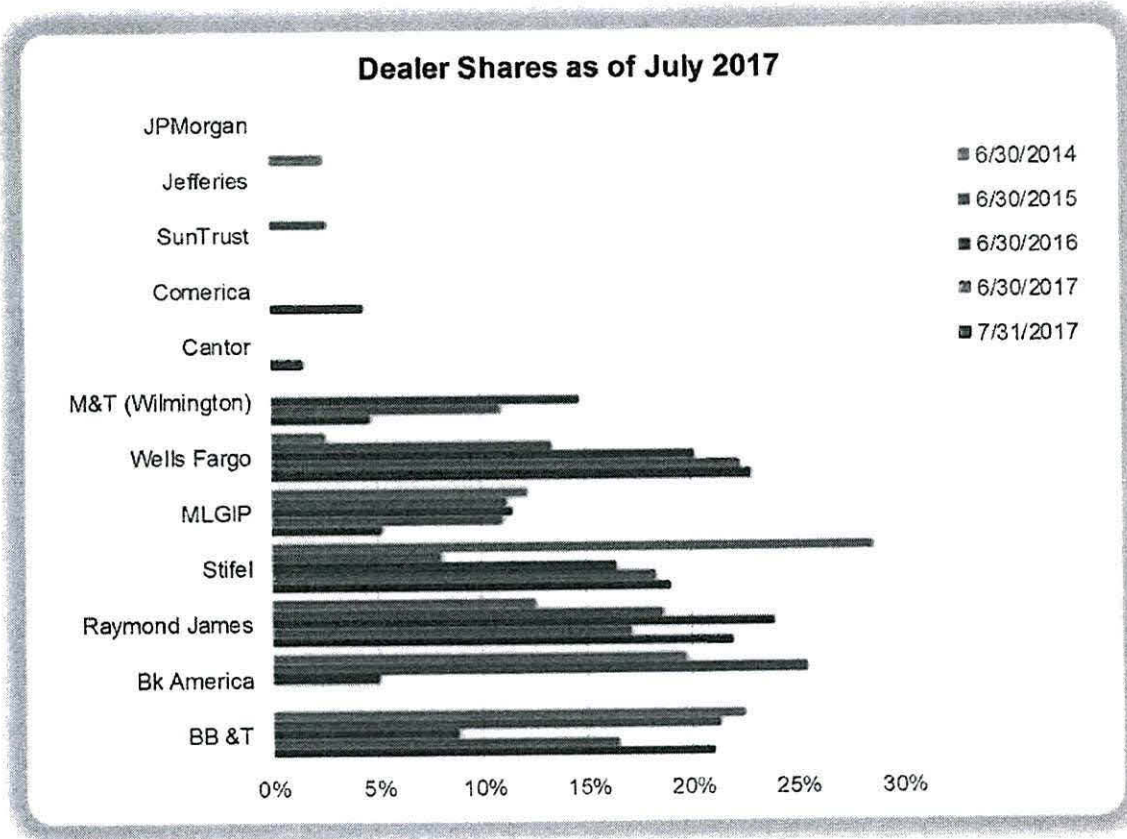


| Current Investment Portfolio - July 2017 | | | | |
|--|--------------|--------|-----------------------|------------------------|
| Instrument | Policy Limit | Actual | Par Value | Wtd. Avg. Return (B/E) |
| Freddie Mac | 20% | 24% | \$ 90,000,000 | 0.89% |
| Federal Home Loan Banks | 20% | 16% | 60,000,000 | 1.00% |
| Money Funds | 25% | 14% | 52,164,412 | n/a |
| Commercial Paper | 10% | 11% | 43,000,000 | 1.61% |
| Treasury Notes | 100% | 11% | 42,000,000 | 0.84% |
| Federal Farm Credit Bureau | 20% | 11% | 40,000,000 | 0.81% |
| Famer Mac | 20% | 9% | 35,000,000 | 0.85% |
| Fannie Mae | 20% | 5% | 20,000,000 | 0.65% |
| Certificates of Deposit | 50% | 0% | - | |
| Bankers Acceptances | 50% | 0% | - | |
| Repurchase Agreements | 60% | 0% | - | |
| | | | \$ 382,164,412 | 0.99% |

The pooled cash portfolio complied with all policy limits with regard to product types and proportions throughout the month.



In addition to the product limits, portfolio purchases also adhered to the 30% limit per dealer. Dealer participation is shown below:



The market values of unspent debt balances (invested by T. Rowe Price) were as follows:

| | |
|-------------------------------|---------------------|
| Market Value- 07/31/17 | |
| Montgomery County (MC-2017A) | \$ 4,146,061 |
| | \$ 4,146,061 |

The Commission had debt service payments during the month totaling \$1,028,353 which was for interest only.

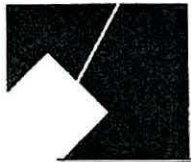
Details by issue of debt outstanding as of July 31, 2017 appear below:

| Debt Balances - July 2017 | | | | | |
|--------------------------------------|-----------------------|-----------------------|---------------|------------|---------------|
| | Initial Par | Amount Outstanding | % Outstanding | Issue Date | Maturity Date |
| Bi-County | | | | | |
| | | | | | |
| Total Bi-County | \$ - | \$ - | 0% | | |
| Prince George's County | | | | | |
| KK-2 (Refunded AA-2) | 17,300,000 | 1,856,181 | 11% | Apr-08 | May-18 |
| NN-2 (Refunded Z-2) | 14,080,000 | 5,465,000 | 39% | Mar-10 | May-21 |
| PGC-2012A (Refunded P-2, M-2, EE-2) | 11,420,000 | 6,135,000 | 54% | Jun-12 | Jan-24 |
| PGC-2014A | 26,565,000 | 23,385,000 | 88% | May-14 | Jan-34 |
| PGC-2015A (Refunded JJ-2)* | 24,820,000 | 24,220,000 | 98% | Oct-15 | Jan-36 |
| PGC-2017A | 33,000,000 | 33,000,000 | 100% | Jul-17 | Jan-37 |
| Total Prince George's County | \$ 127,185,000 | \$ 94,061,181 | 74% | | |
| Montgomery County | | | | | |
| LL-2 | 8,405,000 | 2,625,000 | 31% | May-09 | Nov-20 |
| MM-2 | 5,250,000 | 735,000 | 14% | May-09 | Nov-19 |
| MC-2012A (Refunded CC-2, FF-2) | 12,505,000 | 10,045,000 | 80% | Apr-12 | Dec-32 |
| MC-2012B | 3,000,000 | 2,505,000 | 84% | Apr-12 | Dec-32 |
| MC-2014A | 14,000,000 | 12,495,000 | 89% | Jun-14 | Jun-34 |
| MC-2016A | 12,000,000 | 11,580,000 | 97% | Apr-16 | Nov-35 |
| MC-2016B (Refunded FF-2, II-2, MM-2) | 6,120,000 | 6,120,000 | 100% | Apr-16 | Nov-28 |
| MC-2016C (Refunded FF-2 ALA of 2004) | 1,075,000 | 1,020,000 | 95% | Apr-16 | Nov-24 |
| MC-2017A | 8,000,000 | 8,000,000 | 100% | Apr-17 | Nov-36 |
| Total Montgomery County | \$ 70,355,000 | \$ 55,125,000 | 78% | | |
| Total | \$ 197,540,000 | \$ 149,186,181 | 76% | | |

ATTACHMENT A

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 REPORT ON COMPLIANCE TO INVESTMENT POLICY Approved March 21, 2012
 FISCAL YEAR 2018 - July 31, 2017

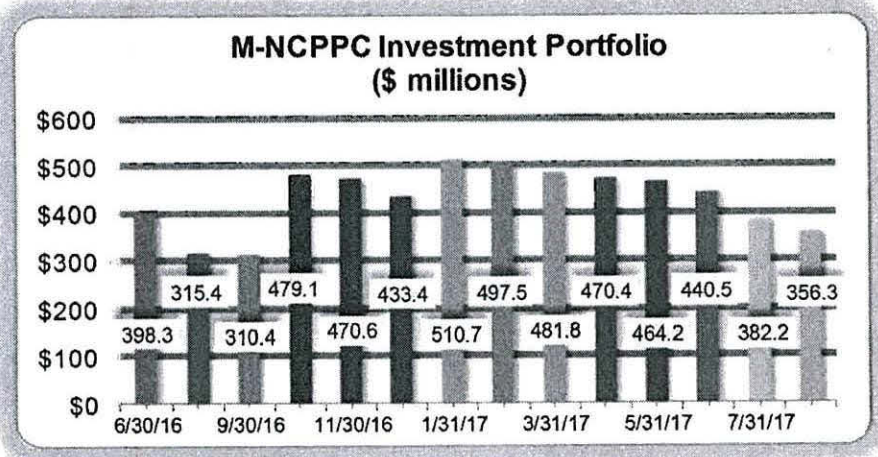
| OBJECTIVES | | Met Objective | Within Limits | Comments |
|---|-------|---------------|---------------|---|
| Protection of principal | | Yes | Yes | All securities purchases were within the limits established by the Investment Policy at the time of purchase of the investments. This monthly report is prepared for the Secretary-Treasurer to demonstrate compliance with investment policy objectives and limitations. |
| Limiting types and amounts of securities | Limit | | | |
| US Government | 100% | | | |
| US Federal Agencies - combined | 60% | | | |
| US Federal Agencies - each | 20% | | | |
| Repurchase Agreements | 60% | | | |
| CD's and Time Deposits | 50% | | | |
| Commercial Paper | 10% | | | |
| Money Market Mutual Funds | 25% | | | |
| MD Local Gov't Investment Pool | 25% | | | |
| Investing Bond Proceeds: | | | | |
| State and local agency securities | 100% | | | |
| Money Market Mutual Funds | 10% | | | |
| Bond Proceeds: | | | Yes | T. Rowe Price managed all funds within limits |
| Highly-rated state / local agency securities | | | | |
| Highly-rated money market mutual funds (Max. 10% in lower-rated funds) | | | | |
| Pre-qualify financial institutions, broker/dealers, intermediaries and advisers | | | Yes | All firms must meet defined capital levels and be approved by the Secretary-Treasurer |
| Ensure competition among participants | 30% | | Yes | No dealer share exceeded 30% |
| Competitive Bidding | | | Yes | All purchases awarded competitively. |
| Diversification of Maturities | | | Yes | All maturities within limits |
| Majority of investments shall be a maximum maturity of one (1) year. A portion may be as long as two years. | | | | |
| Require third-party collateral and safekeeping, and delivery-versus-payment settlement | | | Yes | M&T Investments serves as custodian, monitoring compliance daily |
| Maintain sufficient liquidity | | Yes | | Sufficient funds available for all cash requirements during period |
| Attain a market rate of return | | No | | Less than market by 11 basis points |
| The pro-rated rates of return for the portfolio and T-bills were 1.07% and 0.96%, respectively. | | | | |



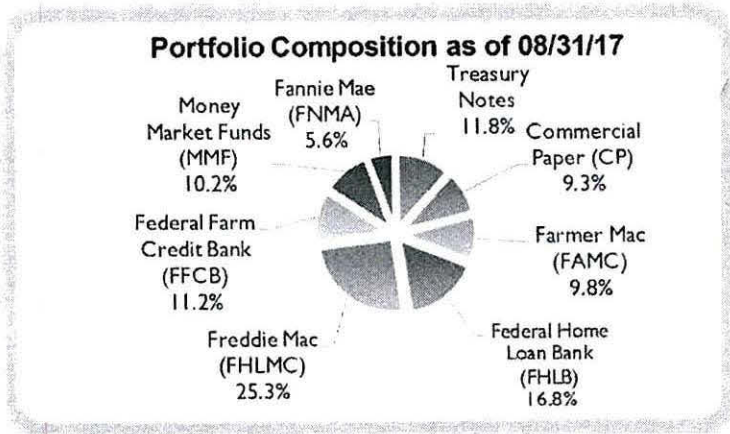
MEMO

TO: Commissioners
VIA: Joseph Zimmerman, Secretary-Treasurer
FROM: Abbey Rodman, Investment & Treasury Operations Manager 
DATE: 10/13/2017
SUBJECT: Investment Report – August 2017

The Commission’s pooled cash investment portfolio totaled \$356.3 million as of August 31, 2017, with a 6.8% decrease from July 31, 2017. Details are as follows:

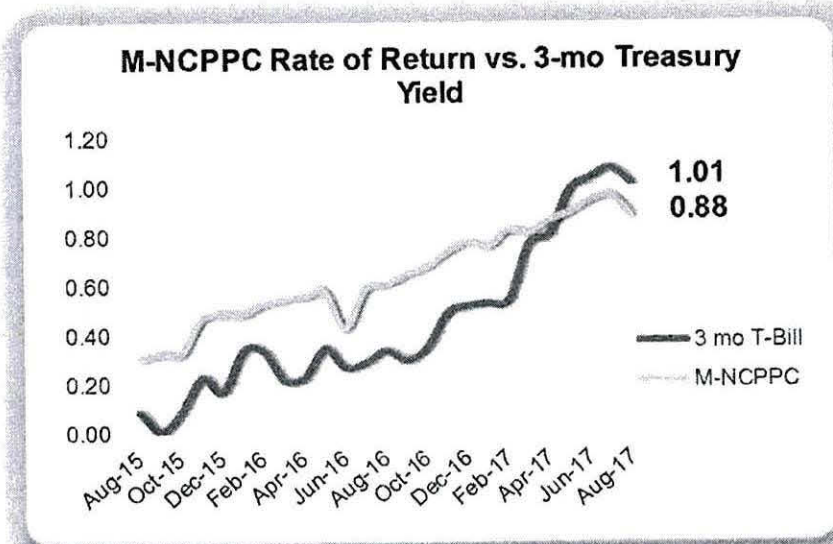


The composition of the pooled cash portfolio as of August 31, 2017 is summarized below:

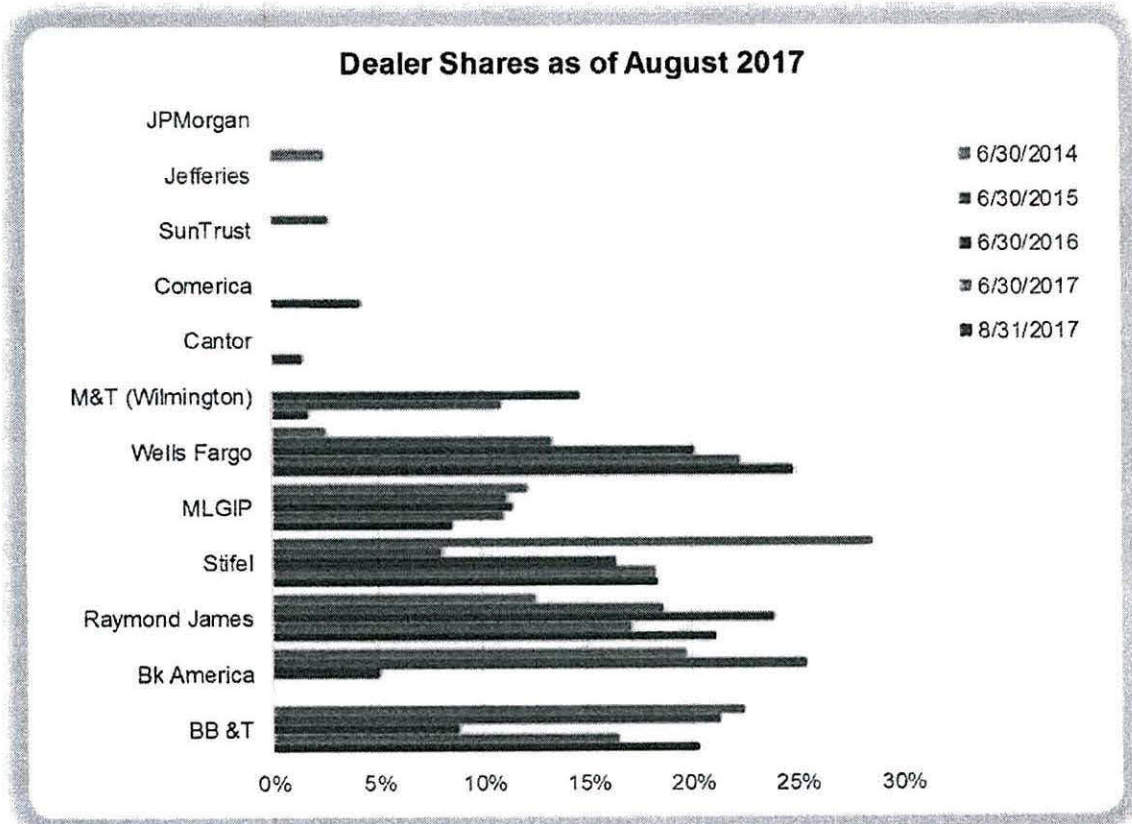


| Current Investment Portfolio - August 2017 | | | | |
|--|--------|--------|-----------------------|------------------------|
| Instrument | Policy | | Par Value | Wtd. Avg. Return (B/E) |
| | Limit | Actual | | |
| Freddie Mac | 20% | 25% | \$ 90,000,000 | 0.89% |
| Federal Home Loan Banks | 20% | 17% | 60,000,000 | 1.00% |
| Treasury Notes | 100% | 12% | 42,000,000 | 0.84% |
| Federal Farm Credit Bureau | 20% | 11% | 40,000,000 | 0.81% |
| Money Funds | 25% | 10% | 36,318,151 | n/a |
| Famer Mac | 20% | 10% | 35,000,000 | 0.85% |
| Commercial Paper | 10% | 9% | 33,000,000 | 1.64% |
| Fannie Mae | 20% | 6% | 20,000,000 | 0.65% |
| Certificates of Deposit | 50% | 0% | - | |
| Bankers Acceptances | 50% | 0% | - | |
| Repurchase Agreements | 60% | 0% | - | |
| | | | \$ 356,318,151 | 0.96% |

The pooled cash portfolio complied with all policy limits with regard to product types and proportions throughout the month.



In addition to the product limits, portfolio purchases also adhered to the 30% limit per dealer. Dealer participation is shown below:



The market values of unspent debt balances (invested by T. Rowe Price) were as follows:

| Market Value - August 2017 | |
|------------------------------------|----------------------|
| Prince George's County (PGC-2017A) | \$ 35,918,861 |
| Montgomery County (MC-2017A) | 4,149,841 |
| | \$ 40,068,702 |

The Commission had no debt service payments during the month.

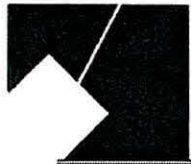
Details by issue of debt outstanding as of August 31, 2017 appear below:

| Debt Balances - August 2017 | | | | | |
|---------------------------------------|-----------------------|-----------------------|---------------|------------|---------------|
| | Initial Par | Amount Outstanding | % Outstanding | Issue Date | Maturity Date |
| Bi-County | | | | | |
| | | | | | |
| Total Bi-County | \$ - | \$ - | 0% | | |
| Prince George's County | | | | | |
| KK-2 (Refunded AA-2) | 17,300,000 | 1,856,181 | 11% | Apr-08 | May-18 |
| NN-2 (Refunded Z-2) | 14,080,000 | 5,465,000 | 39% | Mar-10 | May-21 |
| PGC-2012A (Refunded P-2, M-2, EE-2) | 11,420,000 | 6,135,000 | 54% | Jun-12 | Jan-24 |
| PGC-2014A | 26,565,000 | 23,385,000 | 88% | May-14 | Jan-34 |
| PGC-2015A (Refunded JJ-2)* | 24,820,000 | 24,220,000 | 98% | Oct-15 | Jan-36 |
| PGC-2017A | 33,000,000 | 33,000,000 | 100% | Jul-17 | Jan-37 |
| Total Prince George's County | \$ 127,185,000 | \$ 94,061,181 | 74% | | |
| Montgomery County | | | | | |
| LL-2 | 8,405,000 | 2,625,000 | 31% | May-09 | Nov-20 |
| MM-2 | 5,250,000 | 735,000 | 14% | May-09 | Nov-19 |
| MC-2012A (Refunded CC-2, FF-2) | 12,505,000 | 10,045,000 | 80% | Apr-12 | Dec-32 |
| MC-2012B | 3,000,000 | 2,505,000 | 84% | Apr-12 | Dec-32 |
| MC-2014A | 14,000,000 | 12,495,000 | 89% | Jun-14 | Jun-34 |
| MC-2016A | 12,000,000 | 11,580,000 | 97% | Apr-16 | Nov-35 |
| MC-2016B (Refunded FF-2, II-2, MM-2) | 6,120,000 | 6,120,000 | 100% | Apr-16 | Nov-28 |
| MC-2016C (Refunded FF-2 ALA of 2004) | 1,075,000 | 1,020,000 | 95% | Apr-16 | Nov-24 |
| MC-2017A | 8,000,000 | 8,000,000 | 100% | Apr-17 | Nov-36 |
| Total Montgomery County | \$ 70,355,000 | \$ 55,125,000 | 78% | | |
| Total | \$ 197,540,000 | \$ 149,186,181 | 76% | | |


ATTACHMENT A

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 REPORT ON COMPLIANCE TO INVESTMENT POLICY Approved March 21, 2012
 FISCAL YEAR 2018 - August 31, 2017

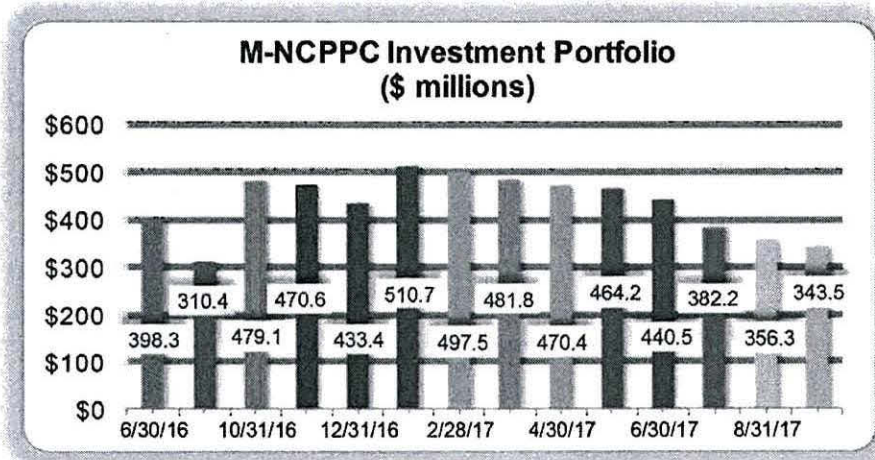
| OBJECTIVES | | | Met Objective | Within Limits | Comments |
|---|-------|--|---------------|---------------|---|
| Protection of principal | | | Yes | | |
| Limiting types and amounts of securities | Limit | | | Yes | |
| US Government | 100% | | | | All securities purchases were within the limits established by the Investment Policy at the time of purchase of the investments. This monthly report is prepared for the Secretary-Treasurer to demonstrate compliance with investment policy objectives and limitations. |
| US Federal Agencies - combined | 60% | | | | |
| US Federal Agencies - each | 20% | | | | |
| Repurchase Agreements | 60% | | | | |
| CD's and Time Deposits | 50% | | | | |
| Commercial Paper | 10% | | | | |
| Money Market Mutual Funds | 25% | | | | |
| MD Local Gov't Investment Pool | 25% | | | | |
| Investing Bond Proceeds: | | | | | |
| State and local agency securities | 100% | | | | |
| Money Market Mutual Funds | 10% | | | | |
| Bond Proceeds: | | | | | Yes |
| Highly-rated state / local agency securities | | | | | T. Rowe Price managed all funds within limits |
| Highly-rated money market mutual funds | | | | | |
| (Max. 10% in lower-rated funds) | | | | | |
| Pre-qualify financial institutions, broker/dealers, intermediaries and advisers | | | | Yes | All firms must meet defined capital levels and be approved by the Secretary-Treasurer |
| Ensure competition among participants | 30% | | | Yes | No dealer share exceeded 30% |
| Competitive Bidding | | | | Yes | All purchases awarded competitively. |
| Diversification of Maturities | | | | | |
| Majority of investments shall be a maximum maturity of one (1) year. A portion may be as long as two years. | | | | Yes | All maturities within limits |
| Require third-party collateral and safekeeping, and delivery-versus-payment settlement | | | | Yes | M&T Investments serves as custodian, monitoring compliance daily |
| Maintain sufficient liquidity | | | Yes | | Sufficient funds available for all cash requirements during period |
| Attain a market rate of return | | | No | | Less than market by 13 basis points |
| The pro-rated rates of return for the portfolio and T-bills were 1.01% and 0.88%, respectively. | | | | | |



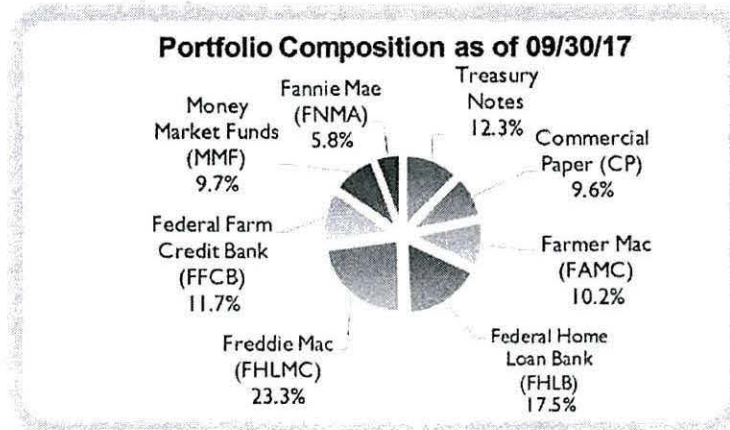
MEMO

TO: Commissioners
VIA: Joseph Zimmerman, Secretary-Treasurer
FROM: Abbey Rodman, Investment & Treasury Operations Manager 
DATE: 10/13/2017
SUBJECT: Investment Report – September 2017

The Commission’s pooled cash investment portfolio totaled \$343.5 million as of September 30, 2017, with a 3.6% decrease from August 31, 2017. Details are as follows:

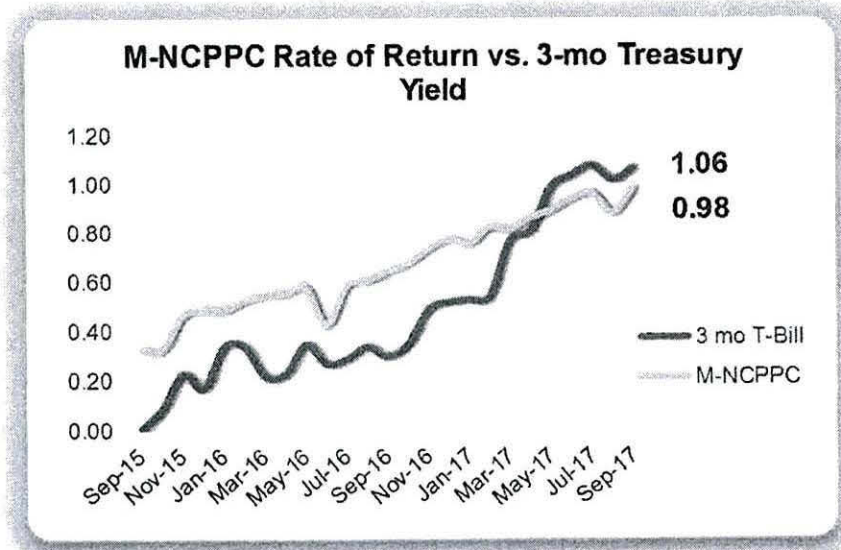


The composition of the pooled cash portfolio as of September 30, 2017 is summarized below:

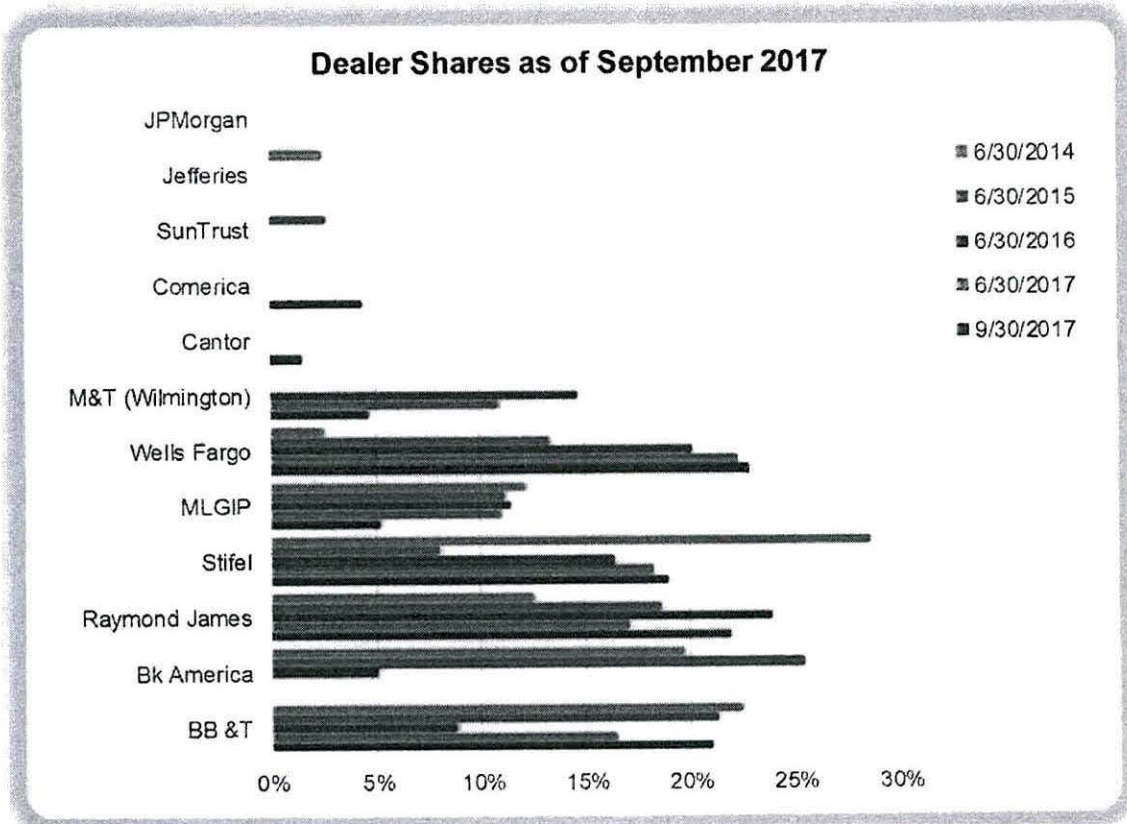


| Current Investment Portfolio - September 2017 | | | | |
|---|--------|--------|-----------------------|------------------------|
| Instrument | Policy | | Par Value | Wtd. Avg. Return (B/E) |
| | Limit | Actual | | |
| Freddie Mac | 20% | 23% | \$ 80,000,000 | 0.96% |
| Federal Home Loan Banks | 20% | 18% | 60,000,000 | 1.00% |
| Treasury Notes | 100% | 12% | 42,000,000 | 0.84% |
| Federal Farm Credit Bureau | 20% | 12% | 40,000,000 | 0.81% |
| Famer Mac | 20% | 10% | 35,000,000 | 0.85% |
| Money Funds | 25% | 10% | 33,449,876 | n/a |
| Commercial Paper | 10% | 10% | 33,000,000 | 1.64% |
| Fannie Mae | 20% | 6% | 20,000,000 | 0.65% |
| Certificates of Deposit | 50% | 0% | - | |
| Bankers Acceptances | 50% | 0% | - | |
| Repurchase Agreements | 60% | 0% | - | |
| | | | \$ 343,449,876 | 0.98% |

The pooled cash portfolio complied with all policy limits with regard to product types and proportions throughout the month.



In addition to the product limits, portfolio purchases also adhered to the 30% limit per dealer. Dealer participation is shown below:



The market values of unspent debt balances (invested by T. Rowe Price) were as follows:

| Market Value - September 2017 | |
|--------------------------------------|----------------------|
| Prince George's County (PGC-2017A) | \$ 35,943,486 |
| Montgomery County (MC-2017A) | 4,148,982 |
| | \$ 40,092,468 |

The Commission had no debt service payments during the month.

Details by issue of debt outstanding as of September 30, 2017 appear below:

| Debt Balances - September 2017 | | | | | |
|---------------------------------------|-----------------------|-----------------------|---------------|------------|---------------|
| | Initial Par | Amount Outstanding | % Outstanding | Issue Date | Maturity Date |
| Bi-County | | | | | |
| | | | | | |
| Total Bi-County | \$ - | \$ - | 0% | | |
| Prince George's County | | | | | |
| KK-2 (Refunded AA-2) | 17,300,000 | 1,856,181 | 11% | Apr-08 | May-18 |
| NN-2 (Refunded Z-2) | 14,080,000 | 5,465,000 | 39% | Mar-10 | May-21 |
| PGC-2012A (Refunded P-2, M-2, EE-2) | 11,420,000 | 6,135,000 | 54% | Jun-12 | Jan-24 |
| PGC-2014A | 26,565,000 | 23,385,000 | 88% | May-14 | Jan-34 |
| PGC-2015A (Refunded JJ-2)* | 24,820,000 | 24,220,000 | 98% | Oct-15 | Jan-36 |
| PGC-2017A | 33,000,000 | 33,000,000 | 100% | Jul-17 | Jan-37 |
| Total Prince George's County | \$ 127,185,000 | \$ 94,061,181 | 74% | | |
| Montgomery County | | | | | |
| LL-2 | 8,405,000 | 2,625,000 | 31% | May-09 | Nov-20 |
| MM-2 | 5,250,000 | 735,000 | 14% | May-09 | Nov-19 |
| MC-2012A (Refunded CC-2, FF-2) | 12,505,000 | 10,045,000 | 80% | Apr-12 | Dec-32 |
| MC-2012B | 3,000,000 | 2,505,000 | 84% | Apr-12 | Dec-32 |
| MC-2014A | 14,000,000 | 12,495,000 | 89% | Jun-14 | Jun-34 |
| MC-2016A | 12,000,000 | 11,580,000 | 97% | Apr-16 | Nov-35 |
| MC-2016B (Refunded FF-2, II-2, MM-2) | 6,120,000 | 6,120,000 | 100% | Apr-16 | Nov-28 |
| MC-2016C (Refunded FF-2 ALA of 2004) | 1,075,000 | 1,020,000 | 95% | Apr-16 | Nov-24 |
| MC-2017A | 8,000,000 | 8,000,000 | 100% | Apr-17 | Nov-36 |
| Total Montgomery County | \$ 70,355,000 | \$ 55,125,000 | 78% | | |
| Total | \$ 197,540,000 | \$ 149,186,181 | 76% | | |

ATTACHMENT A

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 REPORT ON COMPLIANCE TO INVESTMENT POLICY Approved March 21, 2012
 FISCAL YEAR 2018 - September 30, 2017

| OBJECTIVES | | | Met Objective | Within Limits | Comments |
|---|-------|--|---------------|---------------|---|
| Protection of principal | | | Yes | | |
| Limiting types and amounts of securities | Limit | | | Yes | |
| US Government | 100% | | | | |
| US Federal Agencies - combined | 60% | | | | |
| US Federal Agencies - each | 20% | | | | |
| Repurchase Agreements | 60% | | | | |
| CD's and Time Deposits | 50% | | | | |
| Commercial Paper | 10% | | | | |
| Money Market Mutual Funds | 25% | | | | |
| MD Local Gov't Investment Pool | 25% | | | | |
| Investing Bond Proceeds: | | | | | |
| State and local agency securities | 100% | | | | |
| Money Market Mutual Funds | 10% | | | | |
| Bond Proceeds: | | | | Yes | T. Rowe Price managed all funds within limits |
| Highly-rated state / local agency securities | | | | | |
| Highly-rated money market mutual funds | | | | | |
| (Max. 10% in lower-rated funds) | | | | | |
| Pre-qualify financial institutions, broker/dealers, intermediaries and advisers | | | | Yes | All firms must meet defined capital levels and be approved by the Secretary-Treasurer |
| Ensure competition among participants | 30% | | | Yes | No dealer share exceeded 30% |
| Competitive Bidding | | | | Yes | All purchases awarded competitively. |
| Diversification of Maturities | | | | Yes | All maturities within limits |
| Majority of investments shall be a maximum maturity of one (1) year. A portion may be as long as two years. | | | | | |
| Require third-party collateral and safekeeping, and delivery-versus-payment settlement | | | | Yes | M&T Investments serves as custodian, monitoring compliance daily |
| Maintain sufficient liquidity | | | Yes | | Sufficient funds available for all cash requirements during period |
| Attain a market rate of return | | | No | | Less than market by 8 basis points |
| The pro-rated rates of return for the portfolio and T-bills were 1.06% and 0.98%, respectively. | | | | | |



**Office of the General Counsel
Maryland-National Capital Park and Planning Commission**

Reply To

November 7, 2017

Adrian R. Gardner
General Counsel
6611 Kenilworth Avenue, Suite 200
Riverdale, Maryland 20737
(301) 454-1670 • (301) 454-1674 fax

MEMORANDUM

TO. The Maryland-National Capital Park and Planning Commission
FROM. Adrian R. Gardner
General Counsel
RE. Litigation Report for October, 2017

Please find the attached litigation report we have prepared for your meeting scheduled on Wednesday, November 15, 2017. As always, please do not hesitate to call me in advance if you would like me to provide a substantive briefing on any of the cases reported.

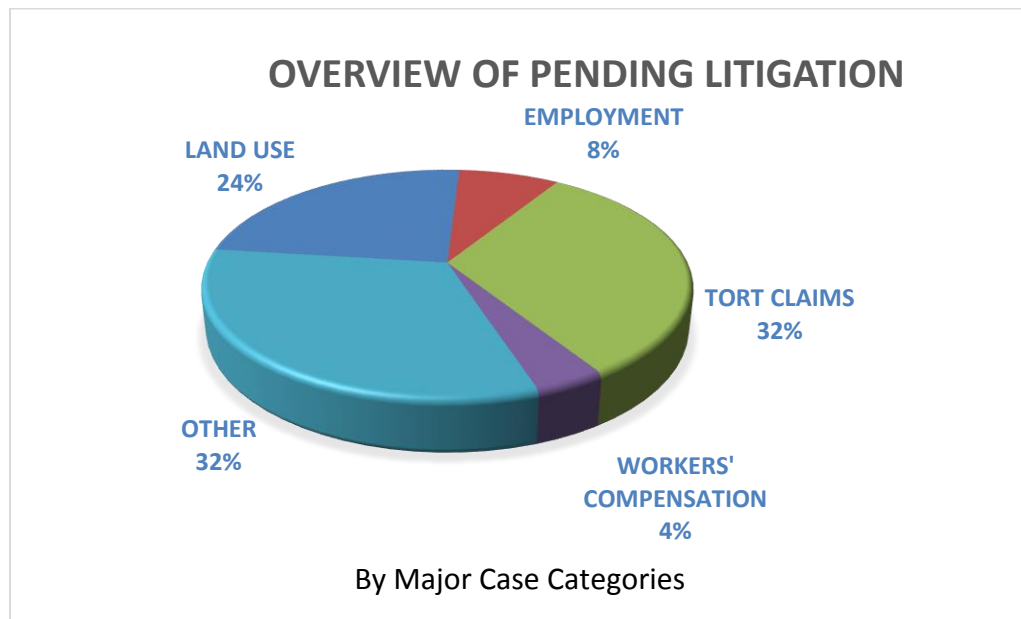
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October 2017 Composition of Pending Litigation

(Sorted By Subject Matter and Forum)

| | State Trial Court | Federal Trial Court | Maryland COSA | Maryland Court of Appeals | Federal Appeals Court | U.S. Supreme Court | Subject Matter Totals |
|-------------------------|-------------------|---------------------|---------------|---------------------------|-----------------------|--------------------|-----------------------|
| Admin Appeal: Land Use | 2 | | 2 | | | | 4 |
| Admin Appeal: Other | | | | | | | 0 |
| Land Use Dispute | | | | | | | 0 |
| Tort Claim | 8 | | | | | | 8 |
| Employment Dispute | 1 | 1 | | | | | 2 |
| Contract Dispute | 4 | | | | | | 4 |
| Property Dispute | | | 2 | | | | 2 |
| Civil Enforcement | | | | | | | 0 |
| Workers' Compensation | 1 | | | | | | 1 |
| Debt Collection | | | | | | | 0 |
| Bankruptcy | | | | | | | 0 |
| Miscellaneous | 2 | | 1 | | 1 | | 4 |
| Per Forum Totals | 18 | 1 | 5 | 0 | 1 | 0 | 25 |



October 2017 Litigation Activity Summary

| | COUNT FOR MONTH | | | COUNT FOR FISCAL YEAR 2018 | | | |
|-------------------------------|----------------------|-----------|----------------|----------------------------|-------------------|------------------------|-----------------------|
| | Pending In Sept 2017 | New Cases | Resolved Cases | Pending Prior F/Y | New Cases F/YTD** | Resolved Cases F/YTD** | Pending Current Month |
| Admin Appeal: Land Use (AALU) | 4 | | | 4 | | | 4 |
| Admin Appeal: Other (AAO) | 0 | | | 0 | | | 0 |
| Land Use Disputes (LD) | 0 | | | 1 | | 1 | 0 |
| Tort Claims (T) | 8 | 1 | 1 | 6 | 3 | 1 | 8 |
| Employment Disputes (ED) | 2 | | | 1 | 1 | | 2 |
| Contract Disputes (CD) | 2 | 2 | | 2 | 2 | | 4 |
| Property Disputes (PD) | 2 | | | 1 | 1 | | 2 |
| Civil Enforcement (CE) | 0 | | | 0 | | | 0 |
| Workers' Compensation (WC) | 0 | 1 | | 2 | 1 | 2 | 1 |
| Debt Collection (D) | 0 | | | 0 | | | 0 |
| Bankruptcy (B) | 0 | | | 0 | | | 0 |
| Miscellaneous (M) | 5 | | 1 | 5 | | 1 | 4 |
| Totals | 23 | 4 | 2 | 22 | 8 | 5 | 25 |

**INDEX OF YTD NEW CASES
(7/1/2017 TO 6/30/18)**

| <u>A. New Trial Court Cases.</u> | <u>Unit</u> | <u>Subject Matter</u> | <u>Month</u> |
|---|--------------------|------------------------------|---------------------|
| Moore v. Thompson, et al | PG | Tort | July 17 |
| Evans v. Commission | MC | Tort | Aug 17 |
| Gregg v. Commission | PG | ED | Sept 17 |
| Commission v. McCoy | PG | CD | Oct 17 |
| Commission v. Clean Air Mechanical, Inc., et al | MC | CD | Oct 17 |
| Commission v. Carillo-Cruz | MC | WC | Oct 17 |
| Bundu v. Bowman | PG | Tort | Oct 17 |

| <u>B. New Appellate Court Cases.</u> | <u>Unit</u> | <u>Subject Matter</u> | <u>Month</u> |
|---|--------------------|------------------------------|---------------------|
| Rounds v. Commission | MC | PD | Sept 17 |

**INDEX OF YTD RESOLVED CASES
(7/1/2017 TO 6/30/18)**

| C. <u>Trial Court Cases Resolved.</u> | <u>Unit</u> | <u>Subject Matter</u> | <u>Month</u> |
|--|--------------------|------------------------------|---------------------|
| Parker v. Commission | PG | WCC | July 2017 |
| Commission v. Pollard | MC | WCC | Sept 2017 |
| Pulte Home Corp., et al v. Mont. County, et al | MC | LD | Sept 2017 |
| Green v. Commission | PG | Tort | Oct 2017 |
| Swain v. Seay, et al | PG | MISC | Oct 2017 |

D. Appellate Court Cases Resolved.

| Disposition of FY18 Closed Cases Sorted by Department | | |
|--|---|---|
| CLIENT | PRINCIPAL CAUSE OF ACTION IN DISPUTE | DISPOSITION |
| Employees Retirement System | | |
| Finance Department | | |
| Department of Human Resources & Management | | |
| Montgomery County Department of Planning | | |
| | | |
| | | |
| Montgomery County Department of Parks | | |
| | | |
| | | |
| Montgomery County Park Police | | |
| | | |
| Montgomery County Planning Board | | |
| Pulte Home Corporation, et al v. Montgomery County, et al | Plaintiff filed complaint for alleged delays and damages associated with the construction of a residential development in Clarksburg, Maryland. | 08/25/17 - Court grants Defendants' Motion for Judgment on Pleadings; case dismissed. |
| Prince George's County Department of Parks and Recreation | | |
| Commission v. Pollard | Employer is seeking de novo judicial review of the WCC's decision that the Claimant had suffered a 39% worsening of condition regarding his right hip since the last permanency award and found no cause for apportionment to preexisting conditions. | 07/28/17 - Joint Motion to Remand to WCC |

| | | |
|---|--|--|
| Green, et al v. Commission | Defense of claim for personal injury involving fall by minor child from playground equipment at Peppermill Recreation Center. | 08/30/17-Case dismissed with prejudice |
| Parker v. Commission | Claimant/employee is seeking de novo judicial review of the WCC's decision denying she has an occupational disease. | 6/26/17-Case settled and remanded to WCC |
| Swain v. Seay, et al | Plaintiff files to foreclose a statutory attorney's lien on property with a Historic Agriculture Resource Preservation Program Deed of Easement. | 09/01/17-Case voluntarily dismissed |
| Prince George's County Planning Department | | |
| Prince George's County Planning Board | | |
| | | |
| | | |
| Prince George's Park Police | | |
| | | |
| | | |
| Office of Internal Audit | | |
| | | |
| | | |

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DISTRICT COURT FOR PRINCE GEORGE'S COUNTY, MARYLAND

Commission v. McCoy

Case #0502-0025950-2017 (CD)

Lead Counsel: Adams
Other Counsel:

Abstract: Complaint for property damage to Commission's golf cart.

Status: Pending trial.

Docket:

| | |
|----------|-----------------|
| 08/31/17 | Complaint filed |
| 12/12/17 | Trial date |

Milam v. Doe and Commission

Case No. 0502-0034226-2016(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury involving vehicle owned by Commission.

Status: Pending trial.

Docket:

| | |
|----------|--|
| 12/27/16 | Complaint filed |
| 02/03/17 | Subpoena served on Commission |
| 03/22/17 | Court issues notice of service on Commission |
| 05/01/17 | Commission requests re-issue for dormant service |
| 05/19/17 | Motion to Quash Service filed by Commission |
| 06/05/17 | Notice of Service stricken |
| 09/28/17 | Amended Complaint filed |
| 12/04/17 | Trial date |

Moore v. Thompson, et al

Case No. 0502-0026594-2016(Tort)

Lead Counsel: Adams
Other Counsel:

Abstract: Defense of claim for property damage involving vehicle owned by Commission.

Status: Pending trial.

Docket:

| | |
|----------|---------------------------------------|
| 09/30/16 | Complaint filed |
| 07/12/17 | Summons served on Defendant Devillars |
| 10/26/17 | Trial |

CIRCUIT COURT FOR CARROLL COUNTY, MARYLAND

Shipe v. Louketis, et al

Case No. 06-C-15-070021 (Tort)

Lead Counsel: Harvin
Other Counsel: Dickerson

Abstract: Defense of claim for assault & battery, intentional infliction of emotional distress, negligence, negligent hiring.

Status: Case settled and dismissed.

Docket:

| | |
|----------|---|
| 10/26/15 | Complaint filed |
| 11/20/15 | Commission served |
| 12/18/15 | Motion to Dismiss and Memorandum filed by Commission |
| 01/04/16 | Partial Motion to Dismiss filed by Louketis |
| 01/22/16 | Opposition to Motion to Dismiss & Request for Hearing filed |
| 03/07/16 | Court grants & denies portions of Commission Motion to Dismiss |
| 06/20/16 | Counter-claim filed by Defendant Louketis |
| 08/30/16 | Order consolidating case with 06-C-15-069996 |
| 12/02/16 | Pre-trial conference |
| 05/10/17 | Commission files Motion for Summary Judgment and Memorandum |
| 08/22/17 | Motion for Summary Judgment granted as to Count 7 |
| 10/06/17 | Voluntary dismissal in entirety with prejudice filed with Court |

Tugwell v. Louketis, et al

Case No. 06-C-15-069996 (Tort)

Lead Counsel: Adams
Other Counsel: Dickerson

Abstract: Defense of claim for assault & battery, intentional infliction of emotional distress, negligence, negligent hiring.

Status: Case settled and dismissed.

Docket:

| | |
|----------|-------------------|
| 10/21/15 | Complaint filed |
| 11/20/15 | Commission served |

| | |
|----------|---|
| 12/16/15 | Motion to Dismiss and supporting Memorandum, Motion for Protective Order filed by Commission |
| 01/04/16 | Partial Motion to Dismiss filed by Louketis |
| 01/22/16 | Amended Complaint filed by Plaintiff |
| 01/27/16 | Second Amended Complaint filed by Plaintiff |
| 02/17/16 | Line filed by Commission responsive to Second Amended Complaint and renewing previous Motion to Dismiss |
| 04/15/16 | Motions hearing |
| 05/31/16 | Motion to Dismiss denied. Court orders Commission to produce documents with 30 days for in-camera inspection. |
| 06/09/16 | Court order modifying scheduling order for discovery and expert identification |
| 08/30/16 | Order consolidating case with 06-C-15-070021 |
| 12/02/16 | Pre-trial hearing |
| 05/10/17 | Commission files Motion for Summary Judgment with Memorandum |
| 08/22/17 | Motion for Summary Judgment granted as to Count 7 |
| 10/06/17 | Voluntary dismissal in entirety with prejudice filed with Court |

CIRCUIT COURT FOR PRINCE GEORGE'S COUNTY, MARYLAND

Bundu v. Bowman
CAL17-28259 (Tort)

Lead Counsel: Adams
Other Counsel:

Abstract: Defense of claim for personal injury involving motor vehicle accident in Prince George's County.

Status: Complaint filed.

Docket:

| | |
|----------|------------------------------------|
| 10/12/17 | Complaint filed |
| 11/02/17 | Service of complaint on Commission |

Burnette v. Commission
CAL16-35180 (ED)

Lead Counsel: Adams
Other Counsel: Dickerson

Abstract: Former park police officer seeks judicial review of termination.

Status: Awaiting decision.

Docket:

| | |
|----------|--|
| 09/08/16 | Petition filed |
| 09/23/16 | Response to Petition filed by Commission |
| 02/07/17 | Pre-trial conference |
| 03/24/17 | Commission Memorandum of Law filed |
| 10/30/17 | Oral Argument held |

Commission, et al v. The Town of Forest Heights
CAL 16-29110 (M)

Lead Counsel: Mills
Other Counsel:

Abstract: Commission filed a declaratory judgment action against the Town of Forest Heights.

Status: Awaiting decision.

Docket:

| | |
|----------|---|
| 07/20/16 | Complaint filed |
| 08/31/16 | Defendant filed Answer |
| 09/20/16 | Court returns Defendant's Answer failure to pay filing fees |
| 09/27/16 | Defendant files Answer |

| | |
|----------|---|
| 02/08/17 | Pretrial conference |
| 04/10/17 | Defendant files Motion to Dismiss and/or Motion for Summary Judgment |
| 04/19/17 | Joint Response by Plaintiffs to Defendant's Motion to Dismiss and/or for Summary Judgment |
| 06/21/17 | Motions hearing; awaiting decision from Court |

Grier, et al v. Commission
CAL17-10296 (AALU)

Lead Counsel: Johnson
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan of Subdivision 4-16032 in Laurelind-orinan Estate.

Status: Pending disposition hearing.

Docket:

| | |
|----------|---|
| 04/20/17 | Petitioners' filed a Petition for Judicial Review |
| 05/09/17 | Commission filed Response to Petition |
| 07/14/17 | Status hearing conference |
| 08/04/17 | Petitioner filed Memorandum in Support of Judicial Review |
| 09/13/17 | Oral Argument held |
| 10/27/17 | Disposition hearing |

O'Brien v. Sports & Learning Complex
CAL17-00241(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury involving slip and fall at swimming pool.

Status: Pending trial.

Docket:

| | |
|----------|------------------------------------|
| 01/11/17 | Complaint filed |
| 03/03/17 | Service of complaint on Commission |
| 03/31/17 | Amended Complaint filed |
| 08/09/17 | Pre-trial conference |
| 04/10/18 | Trial |

Pletsch, et al v. Commission
CAL17-12150(AALU)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan of Subdivision 4-16006 Melford Village.

Status: Appeal filed.

Docket:

| | |
|----------|---|
| 05/10/17 | Petitioners' filed Petition for Judicial Review |
| 06/09/17 | Commission filed Response to Petition |

Price, et al v. Prince George's County, et al
CAE16-37806 (M)

Lead Counsel: Gardner
Other Counsel: Dickerson

Abstract: Plaintiffs file lawsuit for injunctive relief questioning validity of certain personal tax enactments involving the Commission and Prince George's County.

Status: Pending trial.

Docket:

| | |
|----------|---|
| 09/30/16 | Complaint filed |
| 01/03/17 | Motion to Dismiss or in the alternative, Motion for Summary Judgment filed by Defendant, P. G. County |
| 01/06/17 | Status Conference |
| 01/31/17 | Plaintiff's Opposition to Defendant, PG County's Motion to Dismiss |
| 03/08/17 | Defendant, PG County files answer to Complaint |
| 04/24/17 | Amended Complaint filed |
| 05/03/17 | Commission served with amended complaint |
| 05/24/17 | Commission files entry of appearance |
| 06/13/17 | Commission files Motion to Dismiss |
| 06/30/17 | Pretrial conference |
| 07/07/17 | Plaintiff's Opposition to Commission's Motion to Dismiss or in the alternative, Motion for Summary Judgment |
| 09/19/17 | Motions hearing; Motion to Dismiss denied by Court |
| 10/02/17 | Motion to Amend Judgment filed by County and County Council |
| 10/16/17 | Plaintiff's Opposition to Motion to Amend Judgment filed |
| 10/23/17 | Order of Court denying County and County Council's Motion to Amend Judgment |
| 12/13/17 | Trial date |

Sauer, Inc. v. Commission

CAL17-05868 (CD)

Lead Counsel: Dickerson
Other Counsel: Adams

Abstract: Plaintiff filed complaint for alleged delays and damages associated with the renovation and expansion of the Palmer Park Community Center in Prince George's County.

Status: Complaint filed.
Docket:

| | |
|----------|---|
| 02/28/17 | Complaint filed but improperly served; awaiting proper re-service |
| 06/20/17 | Complaint properly served and accepted by Commission |
| 08/21/17 | Line filed extending responsive pleadings deadline |
| 09/29/17 | Defendant's Motion to Dismiss filed |
| 11/03/17 | Line filed extending Plaintiff's deadline to respond to Motion to Dismiss until November 22, 2017 |

CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

Commission v. Clean Air Mechanical Inc., et al

Case No. 438017-V (CD)

Lead Counsel: Adams
Other Counsel:

Abstract: Commission files complaint for breach of contract, fraud and misrepresentation arising out of purchase order for installation of three DDU units at Cabin John and Wheaton Ice rinks.

Status: Complaint filed.

Docket:

| | |
|----------|------------------------------------|
| 09/26/17 | Complaint filed |
| 07/12/18 | Pretrial and settlement conference |

Commission v. Carillo-Cruz

Case No. 439249-V (WC)

Lead Counsel: Foster
Other Counsel:

Abstract: Commission files petition for de novo review based on WCC's ruling that a compensable accident occurred on the grounds that driving a vehicle carries an increased risk of injury, without making a ruling on whether Claimant suffered an idiopathic condition.

Status: Petition filed.

Docket:

| | |
|----------|------------------------------------|
| 10/24/17 | Petition for Judicial Review filed |
|----------|------------------------------------|

Evans v. Commission

Case No. 435465-V(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury following an automobile accident.

Status: Complaint filed.

Docket:

| | |
|----------|--------------------------------------|
| 08/11/17 | Complaint filed |
| 08/22/17 | Service of complaint on Commission |
| 09/19/17 | Commission files Answer to Complaint |
| 05/24/18 | Pre-trial/settlement conference |

Fort Myer Construction Corporation v. Commission

Case No. 399804-V (CD)

Lead Counsel: MarcusBonsib, LLC (Bruce L. Marcus)
Other Counsel: Dickerson

Abstract: Plaintiff filed complaint for alleged delays and damages associated with the erection of a steel girder pedestrian bridge in Montgomery County.

Status: Case dismissed.
Docket:

| | |
|----------|---|
| 01/23/15 | Complaint filed |
| 04/27/15 | Motion for Appropriate Relief (Motion to Stay) filed by Commission |
| 05/19/15 | Plaintiff's Response to Commission's Motion for Appropriate Relief |
| 10/27/15 | Court grants Commission's Motion to Stay pending decisions from Court of Special Appeals |
| 10/27/15 | Commission's Motion for Stay granted |
| 10/28/16 | Notice of 2-507 Letter issued |
| 11/23/16 | Plaintiff's Motion to Defer Entry of Md. Rule 2-507 |
| 12/05/16 | Commission's response to Plaintiff's Motion to Defer Entry of Dismissal or in alternative Motion to Compel Answer |
| 12/23/16 | Court orders case to stay on the docket, to be set in for status hearing |
| 03/16/17 | Status Hearing; Court orders continuation of stay; to remain on docket |
| 06/08/17 | Court sets case for scheduling conference |
| 07/28/17 | Scheduling conference |
| 08/04/17 | Motion to Intervene filed by URS |
| 08/11/17 | Court grants URS's Motion to Intervene |
| 08/28/17 | Entry of Appearance and Motion to Dismiss filed by Commission |
| 09/15/17 | Plaintiff's Response to Commission and URS Motion to Dismiss |
| 09/19/17 | Commission files Cross-Claim against URS |
| 10/05/17 | URS's Reply and Attachements |
| 10/10/17 | Court grants Commissions' Motion to Dismiss, case dismissed with prejudice |

Rounds v. Commission, et al
Case No. 430530-V (Tort)

Lead Counsel: Gardner
Other Counsel: Dickerson
Harvin

Abstract: Defense of claim for alleged slander of title regarding Farm Road easement.

Status: Complaint filed.

Docket:

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|----------|---|
| 02/28/17 | Complaint filed |
| 03/07/17 | Amended Complaint filed |
| 04/18/17 | Motion to Dismiss filed by Maryland State Treasurer; Affidavit of Service on Commission filed |
| 04/28/17 | Defendant, Montgomery County filed Motion to Extend Deadline for Motion to Dismiss 06/02/17 |
| 05/30/17 | Commission files Motion to Dismiss for failure to state a claim |
| 06/02/17 | Scheduling conference held |
| 06/02/17 | Court orders discovery stay pending Motions hearing |
| 06/20/17 | Plaintiffs filed motion for extension of time to respond to Commission's Motion to Dismiss |
| 06/30/17 | Plaintiff's Opposition to Commission's Motion to Dismiss filed |
| 07/03/17 | Plaintiff's Opposition to Montgomery County's Motion to Dismiss filed |
| 08/25/17 | Court grants Commission's Motion to Dismiss |
| 08/28/17 | Court issues Notice of Dismissal |
| 09/25/17 | Plaintiff files Third Amended Complaint |
| 09/25/17 | Plaintiff notes appeal with Court of Special Appeals |
| 09/26/17 | Motion to Vacate Dismissal filed by Plaintiff |
| 09/28/17 | Defendant Montgomery County files Motion in Opposition to Plaintiff's Motion to Vacate Dismissal |
| 10/17/17 | Commission files Opposition to Plaintiff's Motion to Vacate Dismissal |

MARYLAND COURT OF SPECIAL APPEALS

Brooks v. Commisison

September Term 2016, No. 02295 (AALU)
(Originally filed under CAE16-25941 in Prince George's County)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Plaintiff appealed Planning Board ruling granting the departure from design standards in Prince George's County.

Status: Awaiting oral argument.

Docket:

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| 01/06/17 | Notice of Appeal filed |
| 06/30/17 | Appellant's Brief and Joint Record Extract filed |
| 12/2017 | Oral Argument |

Cohhn v. Commisison

September Term 2016, No. 1577 (M)
(Originally filed under 409148-V in Montgomery County)

Lead Counsel: Dickerson
Other Counsel: Harvin

Abstract: Plaintiff appealed Circuit Court ruling granting the judgment in favor of the Commission and denying Plaintiff's request to restrain Commission's Archery Managed Deer Hunting Program in Montgomery County.

Status: Judgment affirmed.

Docket:

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|----------|---|
| 09/30/16 | Notice of Appeal filed |
| 01/26/17 | Brief filed by Appellant |
| 03/31/17 | Commission Brief filed |
| 05/01/17 | Appellant's Reply Brief filed |
| 10/05/17 | Oral Argument |
| 10/18/17 | Court affirms decision of lower court that granted summary judgment in favor of Commission's authorization of bow hunting on its properties |

Friends of Croom Civic Association, et al. v. Commission

Case No. 02177, September Term 2015 (AALU)
(Originally filed under CAL14-32333)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan 4-11004 in Stephen's Crossing at Brandywine.

Status: Judgment affirmed.
Docket:

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| 12/07/15 | Notice of Appeal |
| 05/27/16 | Commission Brief due |
| 12/06/16 | Oral Argument held |
| 05/08/17 | Court affirmed judgment of Circuit Court for Prince George's County Planning Board |

Rounds v. Montgomery County, MD, et al

September Term, 2016, No. 02501(PD)
(Originally filed under #350954-V in Montgomery County)

Lead Counsel: Gardner
Other Counsel: Dickerson
Harvin

Abstract: Appeal from dismissal of claim for violations of the Maryland Constitution and declaratory relief concerning alleged Farm Road easement.

Status: Awaiting oral argument.

Docket:

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| 02/03/17 | Notice of Appeal filed |
| 01/2018 | Oral Argument to be set |

Rounds v. Montgomery County, MD, et al

September Term, 2017, No. 1561 (PD)

(Originally filed under #350954-V in Montgomery County)

Lead Counsel: Gardner
Other Counsel: Dickerson
Harvin

Abstract: Appeal from dismissal of claim barred by res judicata concerning alleged Farm Road easement.

Status: Appeal filed.

Docket:

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| 09/25/17 | Notice of Appeal filed |
| 10/19/17 | Court issued show cause for inquiry as to why Pre-hearing Information Report not filed |

MARYLAND COURT OF APPEALS

No Pending Cases

U.S. DISTRICT COURT OF MARYLAND

Gregg v. Commission

Case No. 8:17-cv-02111 (ED)

Lead Counsel: Dickerson
Other Counsel: Harvin

Abstract: Plaintiff filed complaint for alleged race and gender discrimination.

Status: Complaint filed.

Docket:

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|----------|---|
| 07/28/17 | Complaint filed |
| 09/28/17 | Commission files request to Extend Time to Respond to Complaint |
| 10/04/17 | Court extends Commission's response time until after mediation is completed |
| 11/01/17 | Mediation hearing scheduled |

U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT

American Humanist Association, et al v. Commission

No. 15-2597 Case #8:14-cv550-DKC (M)

Lead Counsel: Dickerson
Other Counsel: Gardner
Adams

Abstract: Defense of claim alleging violation of establishment clause of Constitution.

Status: Reversed and remanded.

Docket:

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|----------|---|
| 12/30/15 | Notice of Appeal filed |
| 02/29/16 | Appellant's brief filed |
| 04/04/16 | Response brief by Appellees filed |
| 03/07/16 | Brief Amici Curiae filed by Freedom from Religion Foundation and Center for Inquiry in Support of Appellants |
| 04/11/16 | Brief Amici Curiae of The Becket Fund for Religious Liberty in Support of Appellees |
| 04/11/16 | Brief Amici Curiae Senator Joe Machin and Representatives Doug Collins, Vicky Hartzler, Jody Hice, Evan Jenkins, Jim Jordan, Mark Meadows and Alex Mooney in Support of Appellees |
| 04/11/16 | Brief Amici Curiae State of West Virginia and 24 Other States supporting Appellees |
| 04/18/16 | Appellant's Reply brief filed |
| 12/07/16 | Oral Argument held |
| 10/18/17 | Court reverses and remands case back to the U. S. District Court of Maryland holding that the display and maintenance of the cross violates the Establishment Clause. |