SCANNED INTO
LASERFICHE
OCEAN CITY REPOS COPY
SEE CITY CLERK

First Reading: 4-15-13
Second Reading: 5-6-13

ORDINANCE 2013 – 8

AN ORDINANCE AMENDING THE OCEAN CITY, MARYLAND PUBLIC SAFETY EMPLOYEES PENSION PLAN AND TRUST

Whereas, from negotiations with of the Fraternal Order of Police, it has been determined that the best interest of the public is served by allowing sworn police officers to participate in a defined benefit pension plan; and

Whereas, the Mayor and City Council have devised a defined benefit plan, which has a financial impact relatively similar to the cost of a defined contribution plan;

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT THE OCEAN CITY, MARYLAND PUBLIC SAFETY EMPLOYEE PENSION PLAN AND TRUST BE AND THE SAME IS HEREBY AMENDED BY REPEALING AND REINACTING PARAGRAPH 1.6, 1.13, BY ADDING SUBSECTION (C)TO PARAGRAPH 3.1, BY REPEALING AND REINACTING PARAGRAPH 3.4 AND 3.13 (a), (b) AND (d), AS FOLLOWS:

1.6 AVERAGE COMPENSATION means the average monthly rate of Compensation of a Participant for the three (3) consecutive Qualifying Dates during the last one hundred twenty (120) months of employment preceding the date of calculation which yield the highest average monthly Compensation; except for those Sworn Police Officers, hired since June 30, 2011, means the average monthly rate of Compensation of a Participant for the five (5) consecutive Qualifying Dates during the last one Hundred twenty (120) months of employment preceding the date of calculation which yield the highest average months of Compensation.

* * *

1.13 EARLY RETIREMENT DATE means the first day of any month that precedes Participant's Normal Retirement Date and that coincides with or follows the Participant's: (a) attainment of age fifty-five (55), and completion of ten (10) years of continuous Periods of Credited Service; or (b) completion of twenty-five (25) years of continuous Periods of Credited Service; except for those Sworn Police Officers hired since June 30, 2011, attainment of age 55 and completion of 10 years of continuous Periods of Credited service.

* * *

3.1 NORMAL RETIREMENT BENEFITS

* * *

(c) For Participants who are Covered employees by virtue of being Sworn Police Officers hired after June 30, 2011, whom shall be enrolled in the Plan as of July 1, 2013, or if later, their respective dates of hire with service credited for benefit and vesting purposes from their respective dates of hire whether before or after July 1, 2013, the amount of the monthly pension will be the sum of (i) plus (ii) where:

(i): (A) sixty percent (60%) of the Participant's Average Compensation reduced by (B) one-three hundredth (1/300) of the amount computed in (A) for each month less than three hundred (300) in his or her Periods of Credited Service (excluding Periods of Credited Service attributable to Sick Leave Credits) as of his or her termination of employment; and

(ii): One twelfth of two percent (2%) of the Participant's Average Compensation multiplied by months in his or her Periods of Creditable Service attributable to Sick Leave Credits.

* * *

3.4 EARLY RETIREMENT BENEFITS If a Participant shall, for any reason except death, retire on or after his or her Early Retirement Date and before his or her Normal Retirement Date, the Participant's retirement shall be considered as Early Retirement. Such Participant may elect to receive an Early Retirement benefit (payable in accordance with the provisions of Section 3.5) which shall commence on the Participant's Normal Retirement Date or, at the election of the Participant, may commence on the first day of any month following his or her Early Retirement Date and on or before his or her Normal Retirement Date (such commencement date to be determined by the Participant by notice to the Committee in accordance with the rules adopted by the Committee). If a Participant's Early Retirement benefit commences prior to the Participant's Normal Retirement Date, such benefit shall be the pension benefit as computed under Section 3.1, but subject to appropriate Actuarial Reduction, if any; provided, however, that no Actuarial Reduction shall be applied to any benefit payable to a Participant who retires after completing Periods of Credited Service totaling at least twenty-five (25) years.; except for those Sworn Police Officers hired since June 30, 2011, no Actuarial Reduction shall be applied to any benefit payable to a Participant who retires after completing Periods of Credited Service totaling at least twenty-five (25) years and attainment of age 55.

Notwithstanding the preceding, a Participant eligible to retire before his or her Normal Retirement Date may elect to increase his or her retirement benefit by twenty percent (20%), until age sixty-five (65), at which time the benefit will be decreased to an amount which results in an overall benefit which is the Actuarial Equivalent of the normal retirement benefit

* * *

3.13 ON GOING DROP PROGRAM.

(a) Only Participants who are "Eligible DROP Participants" shall be eligible to participate in the ongoing DROP program. Notwithstanding any provision of the Plan to the contrary, the Ongoing DROP Program described in this Section is not available to any Participant who did not properly elect to participate in the Program, in accordance with the requirements of this Section, before July 1, 2005. An "Eligible DROP Participant" is a Participant with Periods of Credited Service (excluding Periods of Credited Service attributable to Sick Leave Credits), which, within a reasonable period of time, are expected to total twenty-five (25) years; except for those Sworn Police Officers hired since June 30, 2011 are expected to total twenty-five (25) years and attainment of age fifty-five (55).

(b) Within a reasonable period of time prior to the date on which the Periods of Credited Service (excluding Periods of Credited Service attributable to Sick Leave Credits) of an Eligible DROP Participant are expected to total twenty-five (25) years; except for those Sworn Police Officers hired since June 30, 2011 a total of twenty-five years (25) and attainment of age fifty-five (55), the City shall notify such a Participant of his or her eligibility for the ongoing DROP program and shall provide a written explanation of the ongoing DROP program. The Participant shall be given forty-five (45) days to elect to participate in the ongoing DROP program, and such election shall be made by the Participant in writing on a form supplied by the City and shall include a release of all claims the Participant may have against the City and its officers and employees, the Plan and the fiduciaries of the Plan, in a form approved by the City Solicitor. A participant who elects to participate in the ongoing DROP program also shall make a binding election to retire from employment with the City on or before a particular date (the "Expected Retirement Date"), and he or she shall indicate such Expected Retirement Date on the form supplied by the City on which the election to participate in the ongoing DROP program is made. In no event shall the Expected Retirement Date of an ongoing DROP Participant be later than the three-year anniversary of the Participant's DROP Participation Date.

* * *

(d) With regard to an Eligible DROP Participant who makes an election to participate in the ongoing DROP program (a"DROP Participant"), effective on the first day of the month coincident with or next following the date his or her Periods of Credited Service (excluding Periods of Credited Service attributable to Sick Leave Credits) total twenty-five (25) years; except for those Sworn Police Officers hired since June 30, 2011 a total of twenty-five years (25) and attainment of age fifty-five (55), (the "DROP Participation Date"), the following provisions shall apply:

* * *

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on April 15, 2013.

ADOPTED AND PASSED, as amended by the required vote of the elected

membership of the City Council and approved by the Mayor at its meeting held on May 6, 2013.

ATTEST:

KELLY ALLMOND, Clerk

RICHARD W. MEEHAN, Mayor

Approved as to form:

LLOYD MARTIN, President

GUY R. AYRES III, City Solicitor

MARY P. KNIGHT, Secretary