

**CITY OF BALTIMORE  
COUNCIL BILL 10-0520  
(First Reader)**

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Introduced by: Councilmembers Cole, Holton, Curran, Kraft, Middleton, Branch, Henry, Clarke,  
Reisinger, Spector, Stokes, President Young, Councilmember Welch

Introduced and read first time: June 7, 2010

Assigned to: Taxation, Finance and Economic Development Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Employees' Retirement System,  
Department of Finance, Labor Commissioner, Elected Officials Compensation Commission

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Elected Officials' Retirement System – Modifications**

3 FOR the purpose of modifying certain provisions of the Elected Officials Retirement System  
4 relating to normal retirement date, membership contributions, eligibility, benefits, and  
5 method of financing; correcting, clarifying, and conforming related provisions; and generally  
6 relating to the Elected Officials' Retirement System.

7 BY repealing and reordaining, with amendments

8 Article 22 - Retirement Systems

9 Section(s) 17A(22), 19(a) and (c), 22(a)(1), (a)(3), and (d)(1), and 24(a)(1)

10 Baltimore City Code

11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
13 Laws of Baltimore City read as follows:

14 **Baltimore City Code**

15 **Article 22. Retirement Systems**

16 **Subtitle – Elected Officials' Retirement System**

17 **§ 17A. Definitions.**

18 (22) "Normal retirement date" [shall be] IS the 1<sup>st</sup> day of the month after the date at which  
19 [the] AN elected official has:

20 (I) acquired at least 12 years of service credit in this [system] SYSTEM and attained  
21 [50] 55 years of age or more; or

22 (II) ACQUIRED AT LEAST 16 years of service credit in this [system] SYSTEM AND  
23 ATTAINED 50 YEARS OF AGE OR MORE.

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

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### § 19. Membership.

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- 2 (a) (1) Any elected official who is not an A, B, or C member of the Employees' Retirement  
3 System of Baltimore City, upon taking the oath of office, [shall] automatically  
4 [become] BECOMES a member of this [system] SYSTEM. [Such] THE official [shall be]  
5 is eligible to receive credit for all previous service as an elected official of Baltimore  
6 City, and any service credit for membership in any Maryland State or City of  
7 Baltimore retirement system, [provided that] IF he files a claim with the Board of  
8 Trustees within 6 months after becoming a member, and [shall pay] PAYS to this  
9 Retirement System, by a single payment or increased rate of contribution, as might be  
10 approved by the Board of Trustees, [the] contributions [with regular interest that he  
11 would have paid had he been a Class A member of the Employees' Retirement  
12 System during that period] EQUAL TO 7% OF THE OFFICIAL'S EARNABLE  
13 COMPENSATION (AS THAT TERM IS DEFINED IN § 1(11) OF THIS ARTICLE), THESE  
14 CONTRIBUTIONS TO CONTINUE THROUGHOUT THE OFFICIAL'S ENTIRE PERIOD OF  
15 SERVICE.
- 16 (2) Any elected official who is an A or B member of the Employees' Retirement System  
17 [shall have] HAS the option within 120 days of [his] taking [his] THE oath of office, to  
18 become a member of this Retirement System and [shall be] IS eligible to receive  
19 credit for all service credit that he OR SHE has acquired in the Employees' Retirement  
20 System, and any service credit for membership in any Maryland State[,] or Baltimore  
21 City retirement system. In order to receive [such] THIS credit for [such] membership,  
22 within 6 months after becoming a member, the elected official shall pay to this  
23 Retirement System, by a single payment or increased rate of contribution, as might be  
24 approved by the Board of Trustees, [the] contributions [with regular interest that he  
25 would have paid for such membership credit had he been a contributing Class A  
26 member of the Employees' Retirement System] EQUAL TO 7% OF THE OFFICIAL'S  
27 EARNABLE COMPENSATION (AS THAT TERM IS DEFINED IN § 1(11) OF THIS ARTICLE),  
28 THESE CONTRIBUTIONS TO CONTINUE THROUGHOUT THE OFFICIAL'S ENTIRE PERIOD OF  
29 SERVICE.
- 30 (3) Any elected official who is a C member of the Employees' Retirement System [shall  
31 have] HAS the option, within 120 days of [his] taking [his] THE oath of office, to  
32 become a member of this Retirement System, and [he shall be] IS entitled to receive  
33 credit in this Retirement System, for all service credit SHE OR he had acquired while a  
34 C member in the Employees' Retirement System, and any service credit for  
35 membership in any Maryland State[,] or Baltimore City retirement system. In order  
36 to receive [such] THIS credit for membership, within 6 months after becoming a  
37 member, the elected official shall pay to this Retirement System, by a single payment  
38 or increased rate of contribution, as might be approved by the Board of Trustees, [the]  
39 contributions [with regular interest that he would have paid for such membership  
40 credit had he been a contributing Class A member of the Employees' Retirement  
41 System] EQUAL TO 7% OF THE OFFICIAL'S EARNABLE COMPENSATION (AS THAT TERM  
42 IS DEFINED IN § 1(11) OF THIS ARTICLE), THESE CONTRIBUTIONS TO CONTINUE  
43 THROUGHOUT THE OFFICIAL'S ENTIRE PERIOD OF SERVICE.
- 44 (c) (1) Notwithstanding anything to the contrary, any elected official who is a member of  
45 this retirement system has the right at his or her option to continue membership in the  
46 retirement system after his or her leaving office or the end of the term of office for  
47 which he or she was last elected. This right is contingent on that person's making all

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1 the payments that would have been made by him or her and also by the City, as  
2 determined by the actuary, had he or she continued to hold the elected office. These  
3 payments shall be based on the current annual earnable rate of compensation that the  
4 person would have received had he or she remained in office. However, to the extent  
5 that any elected official leaves office to begin employment in a position covered by  
6 another City system and begins to accrue service credit in that other system, pursuant  
7 to § 48 of this article, that former elected official may not choose to continue active  
8 membership in this system.

9 (2) To exercise this option, the elected official is required to deposit the remainder of all  
10 the payments in advance, within 30 days after leaving office or the end of the term of  
11 office for which the elected official served, for the current fiscal year that would have  
12 been paid had he or she continued to hold office. Thereafter, payments shall be made  
13 in annual amounts, in advance within 30 days of the beginning of each fiscal year.  
14 These payments entitle the official to the same service credit that he or she was  
15 receiving as a member before leaving office. On [accruing] ATTAINING AT LEAST 12  
16 years of membership credits and [50] 55 years of age or more or 16 years of  
17 membership credits AND 50 YEARS OF AGE OR MORE, the elected official is entitled to  
18 receive a service retirement allowance as provided for in § 22(a) of this subtitle,  
19 computed as if he or she were a member retiring from active service. Should a  
20 member so electing die before he or she becomes eligible for any benefits under this  
21 subtitle, the amount of his or her accumulated contributions with interest to the date  
22 of death shall be paid to his or her estate, or to the person that she or he nominated by  
23 written designation duly acknowledged and filed with the Board of Trustees at the  
24 time of retirement. The deceased member's beneficiary or estate is not entitled to any  
25 benefit under this subtitle other than the return of the deceased member's  
26 accumulated contributions.

27 **§ 22. Benefits.**

28 (a) *Service retirement benefits.*

29 (1) *Eligibility.*

30 Any member in service may retire [provided that] IF the member has:

31 (i) acquired AT LEAST 12 [or more] years of service IN THIS SYSTEM and attained  
32 [the age of 50] 55 YEARS OF AGE OR MORE; or

33 (ii) acquired AT LEAST 16 years of service IN THIS SYSTEM[, regardless of age]  
34 AND ATTAINED 50 YEARS OF AGE OR MORE.

35 (3) *Amount of service retirement benefit.*

36 (i) [Upon] ON retirement from service, a member is entitled to receive, SUBJECT TO  
37 THE LIMITATION SPECIFIED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (3), an  
38 annual maximum service retirement allowance [equaling 2.5%] EQUAL TO 2.8%  
39 OF the member's current annual earnable compensation multiplied by the number  
40 of years of the member's service credit.

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1 (II) [Such] THIS allowance shall consist of:

2 (A) [(i)] an annuity equal to the actuarial equivalent of the member's  
3 accumulated contributions at the time of retirement; and

4 (B) [(ii)] a pension, equal to the annual maximum retirement allowance less  
5 the annuity described in item [(i)] (A) of this [paragraph 2]  
6 SUBPARAGRAPH (II).

7 (III) FOR ANY PERSON WHO FIRST BECOMES A MEMBER OF THIS SYSTEM ON OR AFTER  
8 JULY 1, 2010, THE ANNUAL MAXIMUM SERVICE RETIREMENT ALLOWANCE TO BE  
9 PAID MAY NOT EXCEED 65% OF THE MEMBER'S ANNUAL EARNABLE  
10 COMPENSATION AT THE TIME OF HIS OR HER RETIREMENT.

11 (d) *Deferred vested retirement benefit.*

12 (1) *Eligibility.*

13 Any member will receive a deferred vested retirement benefit who:

14 (i) has acquired at least 12 years of service but less than 16 years service, all of  
15 which does not need to be continuous;

16 (ii) has left office before attaining age [50] 55; and

17 (iii) has elected to leave his or her accumulated contributions with the System,  
18 with regular interest, while the member is no longer in office.

19 **§ 24. Method of financing.**

20 (a) *Annuity Savings Fund.*

21 (1) The Annuity Savings Fund shall be a fund in which shall be accumulated  
22 contributions from the compensation of members to provide for their annuities.  
23 Effective with the 1<sup>st</sup> full payroll period commencing after the December 1983 new  
24 term of office, the contributions by a member to the Retirement System shall equal  
25 [5%] 7% of his OR HER current annual earnable compensation, [such] THESE  
26 contributions to continue throughout [such] THE member's entire period of service.  
27 However, no contributions [shall] MAY be made by the member after the member has  
28 attained age 60 and has acquired 35 years of service credit in this system.

29 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance  
30 are not law and may not be considered to have been enacted as a part of this or any prior  
31 Ordinance.

32 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
33 after the date it is enacted.