

**PERTAINING TO THE COUNTY'S PICK UP OF ELECTIVE CONTRIBUTIONS  
AND TRANSFERS FROM THE COUNTY 457(B) PLAN FOR THE PURCHASE  
OF PRIOR SERVICE CREDITS BY ELIGIBLE INDIVIDUALS**

**WHEREAS**, certain members of the Calvert County Sheriff's Department Pension Plan (the "Sheriff's Plan") are eligible to purchase service credit(s) in accordance with Section 1.30(e) of the Sheriff's Plan, as amended from time to time, by paying the purchase price through payroll deductions and by other means; and

**WHEREAS**, Section 414(h)(2) of the Internal Revenue Code of 1986 (the "Code") allows employee contributions to the Sheriff's Plan to be picked up by the County and contributed by the County as employer contributions on a before-tax basis upon the employee's irrevocable election to have the employee's compensation reduced in a corresponding amount; and

**WHEREAS**, to address certain changes in the Sheriff's Plan that allow certain employees to purchase prior service credit(s) by paying for such prior service credits through payroll deduction, the Office of Personnel has recommended that the County establish a program that allows the County to agree to pick up and pay over to the Sheriff's Plan, as employer contributions, the employee contributions that would otherwise be required of those employees for the purchase of that prior service, provided that each employee irrevocably elects to have their compensation reduced in a corresponding amount; and

**WHEREAS**, upon due consideration of the comments of the public and staff, the Board of County Commissioners finds it is in the best interest of the public health, safety and welfare of the citizens of Calvert County, Maryland, to establish the voluntary payroll deduction program for the County's pick up of the employee contributions required for the purchase of past service credit set forth below.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** that the Board of County Commissioners of Calvert County, Maryland, hereby approves and enacts the following contribution pick-up program:

1. Any employee who becomes eligible to purchase service credits under Section 1.30(e) of the Calvert County Sheriff's Department Pension Plan (the "Sheriff's Plan"), as amended from time to time, may enter into a written agreement with the County that the County will pick up and pay over to the Sheriff's Plan Trustees the payment, in whole or in part, of the purchase price required to obtain that service credit, provided that the agreement shall include an authorization by the employee that the employee's compensation shall be reduced by payroll deduction by a corresponding amount and subject to the conditions set forth below.

2. The employee's agreement to purchase service credits through payroll deduction shall apply only to each payroll period occurring after the date of execution of the agreement until such time as the portion of the purchase price subject to the agreement has been paid in full or the employee's employment by the County terminates.
3. The employee's agreement to purchase service credits through payroll deduction shall be irrevocable and the picked up contributions and the amount of the corresponding payroll deductions cannot be changed after the effective date of the agreement.
4. The County's contributions picked up pursuant to the agreement with the employee, although designated as employee contributions, are employer contributions and are being paid by the County in lieu of contributions by the employee.
5. The amounts designated for payroll deduction under the agreement shall not, under any circumstances, be paid directly to the employee.

**WHEREAS**, the Office of Personnel has further recommended that the County permit the pre-tax direct transfer of amounts from an eligible employee's account in the Calvert County, Maryland Deferred Compensation Plan for Public Employees 457 Governmental Plan and Trust (the "457 Plan") to the Sheriff's Plan for the purchase of that prior service, as permitted under Sections 457(e)(10) and 415(n)(3)(A) of the Code; and

**WHEREAS**, pursuant to its power to amend under Section 9.01 of the 457 Plan, the County desires to amend the 457 Plan to permit the pre-tax transfer of amounts from an eligible employee's 457 Plan account to the Sheriff's Plan for the purchase of prior service credits.

**BE IT FURTHER ENACTED AND ORDAINED** by the Board of County Commissioners of Calvert County, Maryland, that the 457 Plan be amended as follows:

1. The following sentence shall be added at the end of the definition of "Transfer" in Section 1.31:

Transfer also means a transfer of Eligible 457 Plan assets to the Calvert County Sheriff's Department Pension Plan for the purchase of prior service credits as permitted under Section 1.30(e) of that plan and under Sections 457(e)(10) and 415(n)(3)(A) of the Code.

2. The following sentence shall be added at the end of Section 9.03:

At the request of a Participant, the Plan may Transfer part or all of that Participant's Account in this Plan to the Calvert County Sheriff's Department Pension Plan for the purchase of prior service credits as permitted under Section 1.30(e) of that plan and under Sections 457(e)(10) and 415(n)(3)(A) of the Code and the regulations thereunder, provided that the amount transferred shall not exceed the purchase price of those prior service credits.

**WHEREAS**, pursuant to its power to amend under Section 14.1 of the Sheriff's Plan, the County desires to amend the Sheriff's Plan to permit the pre-tax transfer of amounts from an eligible employee's 457 Plan account to the Sheriff's Plan for the purchase of prior service credits.

**BE IT FURTHER ENACTED AND ORDAINED** by the Board of County Commissioners of Calvert County, Maryland, that Subsection 1.03(e) of the Sheriff's Plan be amended by the deletion of the entire sentence that begins with the phrase: "The purchase price shall be paid to the Plan ...." and substituting the following sentence in its place:

The purchase price shall be paid to the Plan pursuant to procedures established by the Plan Administrator and may be paid: in one or more lump sum cash payments; by payroll deduction; by the surrender of unused paid leave; by the transfer of amounts credited to the Member in the Calvert County, Maryland Deferred Compensation Plan for Public Employees 457 Governmental Plan and Trust or any combination of those payment methods.

**BE IT FURTHER ENACTED AND ORDAINED** by the Board of County Commissioners of Calvert County, Maryland, that the foregoing recitals are hereby incorporated and adopted as if fully set forth.

**BE IT FURTHER ENACTED AND ORDAINED** by the Board of County Commissioners of Calvert County, Maryland, that this Ordinance shall be effective upon recordation and publication of a fair summary.

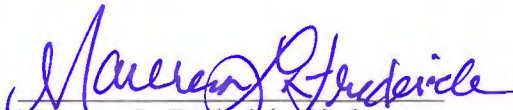
Ordinance No. 07-17  
Re: PERTAINING TO THE COUNTY'S PICK  
UP OF ELECTIVE CONTRIBUTIONS AND  
TRANSFERS FROM THE COUNTY 457(B)  
PLAN FOR THE PURCHASE OF PRIOR  
SERVICE CREDITS BY ELIGIBLE INDIVIDUALS  
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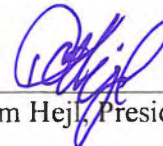
DONE, this 24<sup>th</sup> day of January, 20 17, by the Board of County  
Commissioners of Calvert County, Maryland, sitting in regular session.

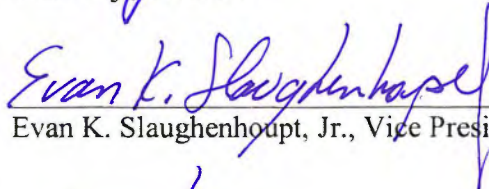
Aye: 5  
Nay: \_\_\_\_\_  
Absent/Abstain: 0  
\_\_\_\_\_

ATTEST:

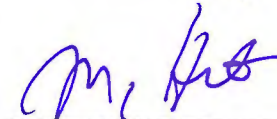
**BOARD OF COUNTY  
COMMISSIONERS OF CALVERT  
COUNTY, MARYLAND**

  
Maureen L. Frederick, Clerk

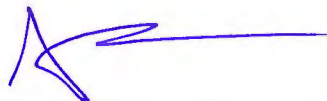
  
Tom Hejl, President

  
Evan K. Slaughenhaupt, Jr., Vice President

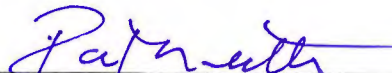
Approved for Form and Legal  
Sufficiency on

  
Mike Hart

December 30, 2016

  
Steven R. Weems

By:   
Edward J. Adkins, Plan Attorney

  
Pat Nutter received for Record January 25, 20 17  
at 10:28 o'clock A M. Same day  
recorded in Liber KPS No. 51  
Folio 86 COUNTY COMMISSIONERS  
ORDINANCES AND RESOLUTION.

