



Section 3

County Employee Pensions

The following abbreviations are used throughout this Section:

CPI consumer price index, often used to determine cost of living adjustments

CS credited service, credited service includes regular service, purchased service, transferred service, military service and unused sick leave up to a certain limit. The maximum years of credited service allowed is determined by retirement plan.

AFC/AFE average final earnings or average final compensation, includes all eligible wages an employee has earned, excluding overtime wages but including any applicable differentials for a certain period of time prior to retiring.

SS social security, the amount of social security that a retiree receives

SSCCL social security covered compensation level, used to calculate payments in plan with a social security adjustment once the retiree reaches to age of receiving social security. The SSCCL is determined by the IRS.

COLA cost of living adjustment, often used to adjust disability benefits annually

Benefit Comparison of County Pension Systems - General Employees

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Anne Arundel	Yes	2% x AFC x CS, Maximum: 60% x AFC	Base Pay	Highest 3	30 yrs of service or age 60 with 5 yrs	4%	60% CPI to a maximum of 2.5%
Baltimore City	Yes	1.6% x (AFC up SS Integration Level) x CS up to 30 plus 1.85% x (AFC above SS Integration Level) x CS up to 30 plus 1.85%x AFC xCS above 30 yrs	Base Pay	Highest 3 yrs (January 1 rates)	30 yrs of service or age 65 with 5 yrs	None	Minimum of 1.5% - increases depend on investment performance
Baltimore	Yes	1/70 x AFC x CS (1.43% per yr)	Base Pay	Highest 36 months	35 yrs of CS w/o reference to age or age 67 with 10 yrs	7%	Depends on investment performance, up to 3% max based on the CPI-U for the 12 mths ending in December (0% if service <20 yrs)
Calvert	Yes	Defined Contribution Plan - Employer contributes 5% and Employee contributes 3%	Base Pay	NA	7 year vesting schedule Age 65 considered normal retirement used for OPEB purposes	3% of pay	NA
Caroline	Yes	1.6% x AFC x CS 30 yrs	Base Pay	Rate of pay as of first day of each month during highest consecutive 60 months 36 months until July 1, 2015	30 yrs of service or age 60 with 30 yrs beginning July 1, 2013	New Employees 5.00% of salary over 10,000 existing employee .05% each year up to 5.00% Salary over 10,000	Determined annually during budget deliberations

Note: The following jurisdictions participate in the State System and therefore are not listed separately: Allegany, Cecil, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot and Worcester

Benefit Comparison of County Pension Systems - General Employees

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Carroll	Yes	1.6% x AFC x CS (.7% x AFC x CS for service before 10-01-09)	Base Pay	Highest 3 consecutive yrs	30 yrs of service or age 62 with 3 yrs	5%	Up to a maximum of 2%
Charles	Yes	Yrs 1-5 = 1.5% x AFC x CS, Yrs 6-10 = 1.75% x AFC x CS, Yrs 11 - 15 = 2.0% x AFC x CS, Yrs 16 - 20 = 2.25% x AFC x CS, Yrs 20+ = 2.50% x AFC x CS	Base Pay	Highest 3 of last 10 yrs	Age 62 with 5 yrs or age 60 with 20 yrs	4%	100% CPI up to a max of 4%
Frederick	Yes	2% x AFC x CS up to 30 yrs; hired on or after 7/1/2011 1.67% X AFC X CS up to 36	Base Pay	Highest 36 consecutive months	25 yrs of service or age 60 with 5 yrs tiered to age 65 with 2 yrs; hired on or after 7/1/2011 30 yrs of service or age 65 yrs w/5 yrs	6%	1% compounded annually
Garrett	Yes	1.67% x AFC x CS not to exceed 35 years	Base Pay	36 calendar months out of most recent 120 months that = the highest average	Earlier of: 30 years of service or attain age 62 with 5 years of services	3.3875%	Determined annually during budget deliberations
Howard	Yes	1.66% x AFC x CS (1.55% for service prior to 7/1/12)	Base Pay	Highest 36 months	Earliest of: 30 yrs of service, OR age 62/5 yrs, OR age 63/ 4 yrs, OR age 64/3 yrs, OR age 65/2 yrs	3% of pay	100% CPI up to a maximum of 3%

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Benefit Comparison of County Pension Systems - General Employees

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Maryland-National Park and Planning Commission	Yes	Prior to Eligibility for Social Security: High-5 x 2% x C.S.; After Eligibility for full Social Security: SSCCL x 1.5% x C.S., plus difference between High-5 and SSCCL x 2% x C.S.	Base Pay Only	High-5	Age 62 w/ at least 10 yrs of Credited Service or 30 yrs of Credited Service	4% up to the Social Security Wage Base and 8% in excess of the Wage Base.	100% of change in CPI up to 2.5%
Montgomery	Yes	Defined Contribution Plan - Employer contributes 8% Cash Balance Plan - Employer contributes 8% with guaranteed interest rate of 7.25%	Base Pay + specific differentials; does not include overtime	N/A	Age 62	4% of pay to to SS integration level and 8% of pay in excess of SS integration level	N/A
Prince George's	Yes	In State Non-contributory plan 0.8% x (AFC up to SS Integration Level) x CS plus 1.5% x (AFC above SS Integration Level) x CS	Base Pay	3 highest yrs; New hires after 7/1/2011 - highest 60 consecutive months	30 yrs or age 62 with 5 yrs; New hires after 7/1/2011 - Rule of 90 or Age 65 with 10 yrs eligibility service	5% of pay in excess of SS Integration Level	100% CPI up to max of 3%; All employees after 7/1/2011 - 100% CPI up to a max of 2.5% if rate of return is achieved; 1% if investment target not met.
Washington	Yes	2% x Avg/Highest x CS	Base Pay	Highest 3 yrs	25 yrs of service or age 60 with 5 yrs	6.0%	Not annual, determined during budget deliberations
Wicomico	Yes	2% x AFC x CS	Base Pay	Highest 36 consecutive months.	5 yrs vested and 25 yrs service in the plan or 5 yrs vested and Age 55 whichever comes first.	5.625%	Not annual, determined during budget deliberations

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Benefit Comparison of County Pension Systems - General Employees

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
State System	Yes	1.8% x AFC x CS; New hires after 7/1/2011 - multiplier is 1.5%	Base Pay	Highest 36 consecutive months; New hires after 7/1/2011 - highest 5 consecutive yrs	30 yrs or age 62 with 5 yrs; New hires after 7/1/2011 - Rule of 90 or Age 65 with 10 yrs eligibility service	5% pay; New hires after 7/1/2011 - 7%	100% CPI up to max of 3%; All employees after 7/1/2011 - 100% CPI up to a max of 2.5% if rate of return is achieved; 1% if investment target not met

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Benefit Comparison of County Pension Systems - Law Enforcement

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Anne Arundel	No	2.5% x AFC x CS Up to 20 yrs then 2% x AFC x CS, Maximum: 70% x AFC	Base Pay	Highest 3	20 yrs of service or Age 50 with 5 yrs	7.25%	60% CPI to a maximum of 2.5%
Baltimore City	No	Yrs 1-20 = 2.5% x AFC x CS; Over 20 yrs = 2% x AFC x CS	Base Pay	Highest 36 consecutive months	Age 55 with at least 15 yrs of service as a contributing member; or regardless of age, 25 yrs of service with at least 15 yrs as a contributing member	8% currently; 9% effective July 1, 2012; 10% effective July 1, 2013	Retirees who have not attained age 55 as of the June 30 determination date will not receive an increase payable the following January. Retirees age 55 to 65 will receive a 1% increase payable the following January. Retiree age 65 or over will receive a 2% increase payable the following January.
Baltimore	Pre-4/1/86 - No Post	Plan A - If YOS=>20 then 50% AFC + 2% x AFC xCS (yrs>20 and <=25 yrs) plus 3% (years >25). If YOS <20 and age 55 w/5 yrs CS, then 2%/ yr. Plan	Base Pay	Plan A: Full Time Highest 12, Plan B: All at Highest 12 months	Plan A: Age 55 With 20 yrs of CS or 25 yrs of CS w/o reference to age	Plan A - Based on entry age Plan B - 8.5% if hired <7/1/14	Depends on investment performance, up to 3% max based on the CPI-U for the 12 mths ending
Calvert	Yes	Yrs 1-20 = 2.4% x AFC x CS; Yrs 21-27 = 2% x AFC x CS	Base Pay	Highest 3 of last 5	Age 55 or 25 yrs of service	8% of pay	3% or CPI - whichever is less
Carroll	Yes	1.9 x AFC x cs (1st 15 yrs). 2.2% x AFC x cs (next 10 years). 2.0% x AFC x cs (additional yrs.). Max 60%.	Base Pay	Highest 3 consecutive yrs	25 yrs of service or age 55 with 15 yrs	8%	Up to a maximum of 2%
Cecil	Yes	2% x Average Pay x 1st 25 years of Creditable Service	Base rate of Pay	highest 36 consecutive months	Age 55 with 5 years of service	8% of base pay	2% Cap
Charles	Yes	Years 1 - 20 = 3% x AFC x CS, Yrs 20+ = 2% x AFC x CS	Base Pay	Highest 3 of last 5 yrs	25 yrs of service or age 60	8%	100% CPI up to a max of 4%

Benefit Comparison of County Pension Systems - Law Enforcement

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Frederick	-	2.5% X AFC X CS up to 20 yrs, 2% X AFC X CS from 20-25 yrs	-	-	20 yrs of service or age 50 with 5 yrs; hired on or after 7/1/2011 25 yrs of service or age 55 w/5 yrs of service	9%	1% Compounded annually
Garrett	Yes	2% x AFC x CS not to exceed 30 years	Base Pay	36 calendar months out of most recent 120 months that = the highest average	Earlier of: 25 years of services or attain age 62 with 5 years of service	7.585%	Determined annually during budget deliberations
Howard	Yes	% of AFC based on yrs of svc: 20 = 50%, 21 = 53%, 22 = 57%, 23 = 62%, 24 = 68%, 25 = 75%; max is 80% for yr 30 and over	Base Pay	36 highest consecutive months	20 yrs of service (or age 62 with 5 ys if earlier)	11.6% of pay	100% CPI up to a maximum of 2%
MD-National Park/Planning Commission	No	60% of High-3 + 2% of High-3 for each yr in excess of 25 yrs	Base Pay Only	High-3	Age 55 w/ at least 5 yrs of Credited Service or 25 yrs of Credited Service	8% of base pay	Portion of member's benefit attributable to service earned after 7/1/12 will be subject to a maximum COLA of 2.5%.
Montgomery	Yes	Police/Sheriff 2.4% x AFE x CS	Base Pay + specific differentials; does not include overtime	Highest 36 months	Sheriff - Normal - 15 yrs/age 55 or 25 yrs/age 46; Police - Normal - 15 yrs/age 55 or 25 yrs/any age	Police/Sheriff - 6.75% ee contributions - 10.5% over SSWB	100% CPI for Washington Metro Area up to 3%; and 60% of any change in the CPI greater than 3%, not to exceed a total of 7.5%. The max 7.5% does not apply to disability retirees or retirees over age 65. Effective 7/1/2011, capped at 2.5% for benefits paid for service after June 30, 2011

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Benefit Comparison of County Pension Systems - Law Enforcement

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Prince George's	Police Officers- No Sheriffs- Yes	3% x AFC x 20 yrs; 2.5% x AFC x srv credit over 20	Base Pay	Highest 24 consecutive months	20 Yrs or Age 55	Police Officers - 8% Sheriff - 11%	\$35 Guaranteed Annual Increase Funds must meet 8% return to provide for anything above \$35. Maximum \$135
St. Mary's	Yes	Sheriff's Office Retirement Plan - 2.0% of average pay prior to Jul 1, 2010 and 2.5% for years after Jul 1, 2010, multiplied by yrs of service	Base earnings only	Average of the highest 36 months of base compensation	Age 62 or when EE has earned 25 yrs of service; which ever comes first	8% of base pay	3% each July 1st
Washington	Yes	2% x Avg/Highest x CS	Base Pay	Highest 3 yrs	25 yrs of service or age 50 with 5 yrs	6%	Not annual, determined during budget deliberations
Wicomico	Yes	2% x AFC x CS	Base Pay + Clothing allowance two times a year.	Highest 36 consecutive months.	5 yrs vested and 25 yrs service in the plan or 5 yrs vested and Age 55 whichever comes first.	5.625%	Not annual, determined during budget deliberations
State System*	Yes	2.0% x AFC x CS	Base Pay	3 highest consecutive yrs; New hires after 7/1/2011 - 5 highest consecutive yrs	25 yrs of service or age 50	6% for FY 2012; 7% for FY 2013 and beyond	100% CPI up to max of 3%; All employees after 7/1/2011 - 100% CPI up to a max of 2.5% if rate of return is achieved; 1% if investment target not met

*State Law Enforcement Officers Pension System (LEOPS) Deferred Retirement Option Program (DROP) - applies to all employees after 7/1/2011 - accounts earn interest at rate of 4% compounded annually

Benefit Comparison of County Pension Systems - Corrections

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Anne Arundel	Yes	2.5% x AFC x CS Up to 20 yrs then 2% x AFC x CS, Maximum: 70% x AFC	Base Pay	Highest 3	20 yrs of service or Age 50 with 5 yrs	6.75%	60% CPI to a maximum of 2.5%
Baltimore	Yes	50% minimum AFC at normal retirement + 2% AFC for CS >20 yrs	Base Pay	Plan A: Full Time Highest 12, Plan B: All at Highest 36 months	Plan A: Age 65 With 5 yrs of CS or 20 yrs of CS w/o reference to age Plan B: Age 67 With 10 yrs of CS or 25 yrs of CS	Plan A - Based on entry age Plan B - 8% if hired <7/1/11 or 10% if hired >6/30/11	Depends on investment performance, up to 3% max based on the CPI-U for the 12 mths ending in December (0% if service <20 yrs)
Calvert	Yes	Yrs 1-20 = 2.4% x AFC x CS; Yrs 21-27 = 2% x AFC x CS	Base Pay	Highest 3 of last 5	Age 55 or 25 yrs of service	8% of pay	3% or CPI - whichever is less
Caroline	Yes	1.6% x AFC x CS	Base Pay	Rate of pay as of first day of each month during highest consecutive 60 months	25 yrs service or age 55 with 25 yrs service begins July 1, 2013	New Employees 5.00% of salary over 10,000 existing employee .05% each year up to 5.00% Salary over 10,000	Determined annually during budget deliberations
Carroll	Yes	1.8% x AFC x CS (.7% x AFC x CS for service before 10-01-09)	Base Pay	Highest 3 consecutive yrs	30 yrs of service or age 62 with 3 yrs	5%	Up to a maximum of 2%
Cecil	Yes	2% x Average Pay x 1st 25 years of Creditable Service	Base rate of Pay	highest 36 consecutive months	Age 55 with 5 years of service	8% of base pay	2% Cap
Charles	Yes	2.25% x AFC x CS	Base Pay	Highest 3 of last 5 yrs	25 yrs of service or age 60	7%	100% CPI up to a max of 4%
Frederick	-	2.5% X AFC X CS up to 20 yrs, 2% X AFC X CS from 20-25 yrs	-	-	20 yrs of service or age 50 with 5 yrs; hired on or after 7/1/2011 25 yrs of service or age 55 w/5 yrs of service	9%	1% Compounded annually

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Benefit Comparison of County Pension Systems - Corrections

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Garrett	Yes	2% x AFC x CS not to exceed 30 years	Base Pay	36 calendar months out of most recent 120 months that = the highest average	62	7.585%	Determined annually during budget deliberations
Harford	Yes	2% up 25 yrs/1% up to total of 55%	Base salary	Highest 3 consecutive yrs.	62	7%	Determined by Board of Trustees
Howard	Yes	(2.5% x AFC x CS up to 20) PLUS (1% x AFC x CS greater than 20 and less than 30)	Base Pay	Highest 36 months	Earliest of: 20 yrs of service, OR age 62/5 yrs, OR age 63/4 yrs, OR age 64/3 yrs, OR age 65/2 yrs	8.5% of pay	100% CPI up to a maximum of 3%
Montgomery	Yes	2.4% x AFE x CS	Base Pay + specific differentials; does not include overtime	Highest 36 months	Normal - 15 yrs/age 55 or 25 yrs/age 46	6.75% ee contributions - 10.5% over SSWB	100% CPI for Washington Metro Area up to 3%; and 60% of any change in the CPI greater than 3%, not to exceed a total of 7.5%. 7.5% max does not apply to disability retirees or retirees over age 65. Effective 7/1/2011, capped at 2.5% for benefits paid for service after June 30, 2011
Prince George's	Yes	3% x AFC x 20 yrs; 2.5% x AFC x srv credit over 20	Base Pay	Highest 24 consecutive months	20 Yrs or Age 55/w 5 yrs service	13%	Funds must meet 8% return to provide post-retirement increase. Min \$10 - Max \$100
St. Mary's	Yes	Sheriff's Office Retirement Plan - 2.% of average pay prior to Jul 1, 2010 and 2.5% for years after Jul 1, 2010, multiplied by yrs of service.	Base earnings only	Average of the highest 36 months of base compensation	Age 62 or when EE has earned 25 yrs of service; which ever comes first	8% of base pay	3% each July 1st

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Benefit Comparison of County Pension Systems - Corrections

Jurisdiction	Social Security	Plan Formula	Earnings Include	Avg Period for AFC	Normal Retirement Age	Employee Contributions	Cost of Living Increases
Washington	Yes	2% x Avg/Highest x CS	Base Pay	Highest 3 yrs	25 yrs of service or age 50 with 5 yrs	6%	Not annual, determined during budget deliberations
Wicomico	yes	2% x AFC x CS	Base Pay + Hazardous Duty Pay two times a year.	Highest 36 consecutive months.	5 yrs vested and 25 yrs service in the plan or 5 yrs vested and Age 55 whichever comes first.	5.625%	Not annual, determined during budget deliberations.
State System	Yes	1.8% x AFC x CS	Base Pay	3 highest yrs; new hires after 7/1/2011 - 5 highest yrs	20 yrs of service with at least last 5 as a correctional officer	5.00%	Unlimited annual compound linked to CPI; All employees after 7/1/2011 - 100% CPI up to a max of 2.5% if rate of return is achieved; 1% if investment target not met

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Benefit Comparison of County Pension Systems - Additional Question

Has county made changes to pension system in the past two years?

Jurisdiction	Response	Comment
Allegany	Yes	Changes in State Retirement System apply to county employees.
Anne Arundel	Yes	Increased contribution rates for some participants. Reduced DROP interest rate from 8% to 4.24%. Vesting requirements will increase for new members of the General Plan and certain employees of the Corrections hired on or after July 1, 2015. This change will be reflected on next year's Salary Survey. PLEASE NOTE: ANNE ARUNDEL COUNTY ALSO HAS A SEPARATE PENSION PLAN FOR UNIFORM FIRE EMPLOYEES. FIRE. THESE EMPLOYEES RECEIVE SOCIAL SECURITY. OTHERWISE, THEIR PENSION IS IDENTICAL TO LAW ENFORCEMENT.
Baltimore City	No	
Baltimore	Yes	Bill 65-12 Separated members into Plan A & B and provide for surviving adult child. Raised contribution rate for new Corrections hires; Bill 61-13 Requires eligible employee to join System within 60 days of hire rather than 2 yrs. Mandatory join for full-time staff while part-time who fail to join during the window can not join; Bill 25-14 Raised contribution rate for new Police union hires; Bill 46-14 Following the merger of two sections of the Public Library into County Government, allows impacted BCPL employees to join the County System's Plan A. Plan A - employees hired prior to 7/1/2007 Plan B - employees hired on or after 7/1/2007 Note: Plan A employees are eligible to participate in a DROP (Deferred Retirement Option Program) and an Early Retirement Option.
Calvert	No	
Caroline	Yes	New Employee contributes 5% - Existing employees .05% per year up to 5% after the first 10k. July 2013 effect. Date * Reduction of benefit after 30 years of service effective July 1, 2016. (1.00%) Average earning based on 5 year period (previous 3 year service)
Carroll	No	
Cecil	No	
Charles	Yes	Updated definition of spouse to include same-sex spouses.
Dorchester	Yes	Changes in State Retirement System apply to county employees.
Frederick	Yes	Made changes for employees hired after July 1, 2012 as detailed above.
Garrett	No	
Harford	Yes	Changes in State Retirement System apply to county general employees and law enforcement.
Howard	Yes	Effective January 1, 2014, the plan was changed for civilian/general employees. The multiplier, which had been 1.55% for all years of service, was changed to: 1.55% for service before 7/1/12 and 1.66% for service after 7/1/12. Also on January 1, 2014, the employee contribution rate increased from 2% to 3%.
Kent	Yes	Changes in State Retirement System apply to county employees.
MNCPPC	Yes	Effective December 31, 2012, plan for general/civilian employees closed. New plan opened effective January 1, 2013. Info above in rows 12-18. Employee contributions were increased and the COLA was revised prior to closing the old plan.
Montgomery	Yes	DB members will contribute 1% more of covered salary toward the cost of their retirement plan for FY12 and an additional 1% for FY13. Employer contributions will decrease 2% for DC and Cash Balance plans for FY12 only. The COLA provision for DB members will be capped at 2.5% for benefits paid for service after June 30, 2011.
Prince George's	Yes	Changes in State Non-Contributory Pension System apply to county employees.
Queen Anne's	Yes	Changes in State Retirement System apply to county employees.
St. Mary's	Yes	For general employees participating in the State Retirement System.
Somerset	Yes	Changes in State Retirement System apply to county employees.
Talbot	Yes	Changes in State Retirement System apply to county employees.
Washington	Yes	Washington County has made two changes in the last year: 1) Put into place the In-Service Retirement Plan where an employee can enter the DROP plan and instead of the monthly being placed in an interest bearing fund, the employee can choose to receive that monthly pension as a monthly payout while they continue to work at least 1 year and retire in 5 years. 2) All employees may now retire at 25 years with no penalty (just as uniformed employees have been able to do.
Wicomico	No	
Worcester	Yes	Changes in State Retirement System apply to county employees.