



Takoma Park City Council Meeting – April 8, 2022 Agenda Item 3

Work Session

Amendment to the Police Employees' Retirement Plan (Ch. 4.24 of the Takoma Park Code) to Change the Application Process for the Deferred Retirement Option Program

Recommended Council Action

Approve the amendment.

Context with Key Issues

The effective date of the original DROP ordinance was May 2021. The original DROP ordinance required that a participant complete enrollment forms and deliver them to the City prior to enrollment. The enrollment forms were not approved until late 2021. Members of the Police Department who intended to participate in the DROP and retire in 2024 were unable to do so because of the unanticipated delay in creating the application forms and the requirement that a participant enroll in the DROP program for 3 years. The Plan does not allow for administrative exceptions. The plan can be amended only by City Council adoption of an ordinance. The proposed amendment will have limited application. Retroactive enrollment in the DROP program applies only to participants who had 25 years of service on the DROP effective date.

Council Priority

A Livable Community for All
Engaged, Responsive & Service-oriented Government

Fiscal Considerations

N/A

Racial Equity Considerations

The recommended amendment allows participants adversely affected by the administrative delays to enroll in the DROP program.

Links and Attachments

Draft Ordinance

Introduced by: Councilmember

First Reading:
Second Reading:
Effective Date:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2022-

AMENDING THE CITY OF TAKOMA PARK POLICE EMPLOYEES' RETIREMENT PLAN TO CHANGE THE APPLICATION PROCESS FOR THE DEFERRED RETIREMENT OPTION PROGRAM

WHEREAS, the City of Takoma Park Police Employees' Retirement Plan (Plan) provides a Deferred Retirement Option Plan (DROP) in Section 4.24.295 of the Code; and

WHEREAS, the delays in adopting certain enrolment forms adversely affected participants' ability to participate in the DROP program prior to his planned retirement; and

WHEREAS, the City wishes to amend Section 4.24.295 to allow adversely affected participants to enroll in DROP retroactively; and

WHEREAS, the Plan's enrolled actuary has provided the City and the Retirement Plan Committee with an estimate of the actuarial cost of the amendments; and

WHEREAS, the Retirement Plan Committee has approved the proposed amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND:

SECTION 1. Title 4, Personnel, Chapter 4.24, Police Employees' Retirement Plan, Section 295 D. Deferred Retirement Option Program of the Takoma Park Code is amended as follows:

D. Application for DROP Participation. An eligible participant who elects to participate in DROP shall complete and submit to the Coordinator the information described in paragraphs 1 through 3 below within a reasonable time before the beginning of the DROP participation period; provided, however, that a participant who completed 25 years of eligibility service on or before the DROP effective date may elect, within 60 days after the effective date of this ordinance, to participate in DROP effective on the DROP effective date or on the 1st day of any month between the DROP effective date and the effective date of this ordinance.

1. A written application on a form approved by or acceptable to the Committee, stating the participant's intention to participate in DROP;

2. An irrevocable election whether his or her retirement benefits shall be paid at the end of the DROP participation period in either the normal form described in Section 4.24.220 or one of the optional forms described in Section 4.24.330;

3. Such other information required by the Coordinator to implement the DROP selection process described in subsection (C)(4) of this section

SECTION 2. The provisions of this Ordinance shall be effective on _____, 2022.

ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THIS ___ DAY OF _____, 2022, BY ROLL-CALL VOTE AS FOLLOWS:

AYE:

NAY:

ABSENT:

ABSTAIN:

Explanatory Note

Additions to the existing language of the *Takoma Park Code* are shown by underlining.
Deletions to the existing language of the *Takoma Park Code* are shown by ~~strikeout~~.