



EMPLOYEES' RETIREMENT SYSTEM

The Maryland-National Capital Park and Planning Commission
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Summary Description of Material Modifications

General Employees Plan B

The following are significant updates to the M-NCPPC Employees Retirement System (ERS) Plan. The information provided in this Summary Description of Material Modification (SMM) amends the information presented to you in the Summary Plan Description (SPD) dated July 2006. Please review the changes and keep a copy of this SMM for your records.

❖ **Introduction - Board of Trustees - SPD page 6**

Revision:

The Board of Trustees as of November 5, 2009 is as follows:

Samuel J. Parker, Jr.
Chairman

Joseph Alfandre
Vice Chairman

Khalid Afzal
Montgomery County Open
Trustee

Patricia Colihan Barney
Secretary-Treasurer

Richard H. Bucher, Ph.D.
Prince George's County Public
Member

Barbara A. Funk
Prince George's County Open
Trustee

Sergeant Guy Jones
Fraternal Order of Police
Representative

Elton F. King
Montgomery County Public
Member

Gino Renne
MCGEO Representative

VACANT
Executive Director

Alfred Warfield
Bi-County Open Trustee

❖ **Introduction – Board of Trustees – SPD page 7**

Revision: The MCGEO Represented Trustee is no longer required to be an employee of the Commission. The chief executive officer of MCGEO is now allowed to appoint the MCGEO representative to the Board of Trustees as approved by the Commission on July 15, 2009.

❖ **Eligibility and Membership – Mandatory - SPD page 9**

Revision: Effective January 1, 2009 membership in Plan B is no longer optional, but mandatory for the following:

- ❖ Full-time career employees hired on or before December 31, 1978
- ❖ Part-time career employees
- ❖ Appointed officials – commissioners, executive director, general counsel and secretary-treasurer
- ❖ Employees exempt from the merit system and appointed by the respective county planning board to serve as a director

❖ **Contributions – Voluntary – SPD page 10**

Revision: Effective January 1, 2009 employees are *not* permitted to make voluntary contributions to the Plan.

Note: The preceding revision also applies to the language regarding voluntary contributions on page 33 of the SPD.

❖ **Components of Formula – Credited Service – SPD page 11**

Addition: A participant represented by MCGEO may purchase additional credited service not to exceed a total of five years for certain time in public service.

❖ **Components of Formula – Section 415 of the Internal Revenue Code – SPD page 15**

Revision: The maximum annual benefit at normal retirement age is \$195,000 for 2009 and is adjusted annually.

❖ **Components of Formula – Social Security Covered Compensation Level – SPD page 16**

Revision: The Social Security Covered Compensation Level applicable to those separating in 2009 is as follows:

| Year of Birth | Social Security Normal Retirement Age Year | Average Social Security Covered Compensation | Year of Birth | Social Security Normal Retirement Age Year | Average Social Security Covered Compensation | Year of Birth | Social Security Normal Retirement Age Year | Average Social Security Covered Compensation |
|---------------|--|--|---------------|--|--|---------------|--|--|
| 1942 | 2008 | 53,952 | 1954 | 2020 | 81,972 | 1966 | 2033 | 101,220 |
| 1943 | 2009 | 56,628 | 1955 | 2022 | 85,620 | 1967 | 2034 | 102,192 |
| 1944 | 2010 | 59,268 | 1956 | 2023 | 87,384 | 1968 | 2035 | 103,068 |
| 1945 | 2011 | 61,884 | 1957 | 2024 | 89,064 | 1969 | 2036 | 103,824 |
| 1946 | 2012 | 64,464 | 1958 | 2025 | 90,660 | 1970 | 2037 | 104,448 |
| 1947 | 2013 | 67,008 | 1959 | 2026 | 92,184 | 1971 | 2038 | 105,012 |
| 1948 | 2014 | 69,408 | 1960 | 2027 | 93,648 | 1972 | 2039 | 105,552 |
| 1949 | 2015 | 71,724 | 1961 | 2028 | 95,052 | 1973 | 2040 | 106,032 |
| 1950 | 2016 | 73,920 | 1962 | 2029 | 96,372 | 1974 | 2041 | 106,392 |
| 1951 | 2017 | 76,044 | 1963 | 2030 | 97,680 | 1975 | 2042 | 106,656 |
| 1952 | 2018 | 78,084 | 1964 | 2031 | 98,940 | 1976 or later | 2043 | 106,800 |
| 1953 | 2019 | 80,052 | 1965 | 2032 | 100,116 | | | |

❖ **Normal Retirement – Eligibility – SPD page 17**

Clarification: A Commissioner, the Executive Director, Secretary-Treasurer, General Counsel, and any other full-time position appointed by the Commission and exempted from the Merit System will reach Normal Retirement once they attain age 60 and five years have elapsed since enrollment in the Plan, regardless of whether five years of service were actually completed since the vesting requirement does not apply to persons serving in these positions.

❖ **Normal Retirement – Eligibility – SPD page 17**

Addition: Represented Participants of Plan B (members of MCGEO), who have between 29 and 30 years of credited service effective January 1, 2009, 2011, 2013 and 2015 are eligible to retire anytime prior to reaching 30 years of credited service and not have an early retirement reduction applied to their benefit.

❖ **Optional Forms of Payment – SPD page 20**

Addition: Members who terminate and elect to defer benefits until their Normal Retirement Date rather than receive an Early Retirement Benefit may irrevocably preselect one of the optional forms of payment that are available to retiring members. Once the member becomes eligible for Normal Retirement, his/her benefit will be paid according to the selected option.

❖ **Death Benefits – SPD page 22**

Addition: If an eligible vested member who has selected an optional form of payment dies prior to his/her Normal Retirement Date, the designated survivor will receive the appropriate survivor benefit effective the date that would have been the deceased member's Normal Retirement Date.

❖ **Death Benefits – Post-Retirement Death Benefit – SPD page 24**

Addition: A member is allowed to list a trust or any other entity as the beneficiary for their post-retirement death benefit as long as the member provides a Federal Tax ID number for the trust or entity.

❖ **Member Education and Services – Publications – SPD page 27**

Revision: The ERS now completes a Comprehensive Annual Financial Report versus an Annual Disclosure of Financial and Actuarial Status.

❖ **Frequently Asked Questions – SPD page 32**

Addition:

Q. What happens in the case of an underpayment or overpayment of benefits?

A. The Plan already provides for the recapture of required deficient contributions. The Plan language now clarifies that the ERS is authorized to pay any underpayment of benefits to members in a lump sum, or recoup any overpayments of benefits to members from future payments.

❖ **Some Terms You Should Know – SPD page 36**

Addition: Represented Participant refers to a Plan B member that is a part of the Municipal and County Government Employees' Organization (MCGEO) collective bargaining unit.