

## NOTICE OF PUBLIC HEARING

**NOTICE IS HEREBY GIVEN** that the Board of County Commissioners for St. Mary's County will hold a Public Hearing on **August 18, 2009 beginning at 10:00 a.m. in the Chesapeake Building, Board of County Commissioner's Meeting Room, 41770 Baldrige St. in Leonardtown, Maryland**, to consider an amendment to the Sheriff's Office Retirement Plan. The Board of County Commissioners for St. Mary's County is considering an amendment that would change the following sections of the plan document: **Section 4.06 shall be amended to read as follows effective October 1, 2009: Section 4.06 Maximum Limitation on Benefits.** Notwithstanding any Plan provisions to the contrary: (a) *Maximum Benefit*. To the extent necessary to prevent disqualification under Section 415 of the Internal Revenue Code, and subject to the remainder of this Section, the maximum monthly benefit to which any Participant may be entitled at any time (the "Maximum Benefit") shall be equal to [delete: \$7,500] **one-twelfth (1/12<sup>th</sup>) of the amount set forth in Section 415(b)(1)(A) of the Internal Revenue Code**, as adjusted by C/L Increases, (the "**Monthly Dollar Limit**"). The rate of benefit accrual shall be frozen or reduced accordingly to comply with the limitations. (b) *Actuarial Adjustment of Dollar Limit*. The **Monthly Dollar Limit** shall be subject to actuarial adjustment as follows: (1) If the benefit is payable in any form other than a single life annuity or a qualified joint and survivor annuity (as defined for purposes of Section 415 of the Internal Revenue Code,) the maximum benefit shall be reduced so that it is the Actuarial Equivalent of the single life annuity. (2) (i) With respect to a benefit beginning before age 62, the **Monthly Dollar Limit** shall be reduced to the Actuarial Equivalent of a **monthly benefit in the amount of the Monthly Dollar Limit** [delete: applicable to a benefit] beginning at age 62 [delete: but in no event less than \$6,250.00, or if the benefit begins before age 55, the Actuarial Equivalent of a \$6,250.00 limit at age 55]. (ii) Notwithstanding the foregoing, however, in no event shall the **Monthly Dollar Limit** applicable to benefits beginning before age 62 be reduced [delete: below \$4,166.67 (as adjusted by C/L Increases), but only with respect to Participants who have Years of Credited Service totaling at least fifteen years] **for Participants who have been credited with at least 15 Years of Credited Service: A. As a full-time Covered Employee of the County; B. In Military Service; or C. In a combination of A. or B.** (3) With respect to a benefit beginning after age 65, the **Monthly Dollar Limit** shall be increased so that it is the Actuarial Equivalent of a **Monthly Dollar Limit** applicable to a benefit beginning at age 65. (4) For purposes of this subsection (b), "**Actuarial Equivalent**" shall be as defined in Section 1.05(b), except that the interest rate assumption for purposes of a computation under paragraph (1) or (2) above shall not be less than five percent or any higher rate specified in the definition of "**Actuarial Equivalent.**" For purposes of a computation under paragraph (3) above, the interest rate assumption shall not be greater than five percent or any lower rate specified in the definition of "**Actuarial Equivalent.**" Section 5.01 shall be amended by the addition of new subsection 5.01(c) to read as follows effective for distributions made on or after October 1, 2009: (c) **Distribution to Non-Spouse Beneficiaries.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit the option of the Beneficiary of a deceased Participant who is not a Distributee, within the meaning of Section 6.04(a)(3), the Plan Administrator shall, upon the request of such a Beneficiary, transfer a lump sum distribution to the trustee of an individual retirement account established under Section 408 of the Internal Revenue Code in accordance with the provisions of Section 402(e)(11) of the Internal Revenue Code. Section 6.04(a)(2) shall be amended to read as follows effective for distributions made after October 1, 2009: (2) *Eligible Retirement Plan*. (i) An "Eligible Retirement Plan" is: A. An individual retirement account described in Section 408(a) of the Internal Revenue Code; B. An individual retirement annuity

described in Section 408(b) of the Internal Revenue Code; or C. A qualified trust described in Section 401(a) of the Internal Revenue Code that accepts the Distributee's Eligible Rollover Distribution. D. An annuity plan described in Section 403(a) of the Internal Revenue Code; E. An annuity contract described in Section 403(b) of the Internal Revenue Code; F. An eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code maintained by a governmental employer within the meaning of Section 457(e)(1)(A) of the Internal Revenue Code. **G. For distributions made after December 31, 2007, a Roth IRA within the meaning of Section 408A of the Internal Revenue Code.**(ii) However, in the case of an Eligible Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. **Section 7.08(b) shall be amended to read as follows effective October 1, 2009:** (b) Election and Term. If one representative of the Sheriff's Office is due to be appointed to the Board of Trustees, the nominee receiving the most votes in a general election held among the Covered Employees will be presented to the County Commissioners for consideration. If two representatives of the Sheriff's Office are due to be appointed to the Board of Trustees, the nominees receiving the first and second most votes in a general election held among the Covered Employees will be presented to the County Commissioners for consideration and the County Commissioners may appoint one or both of the nominees to the Board of Trustees. If the County Commissioners fail to appoint the representative or representatives, as the case may be, of the Sheriff's Office receiving the most votes in a general election, additional elections will be held until the County Commissioners appoint a nominee or nominees to the Board of Trustees. The County Commissioners shall appoint a chairperson from among the members of the Board of Trustees to serve at the pleasure of the County Commissioners. **The County Administrator, Chief Financial Officer and Director of Human Resources shall serve at the pleasure of the County Commissioners. The representatives of the Sheriff's Office shall each serve a three-year term and be eligible to serve for two consecutive terms if elected under the provisions of this section. The citizen representative shall serve for a three-year term and be eligible to serve for two consecutive terms if reappointed by the Board of County Commissioners. The representatives of the Sheriff's Office and the citizen representative may serve for more than two terms if elected or appointed under the provisions of this section, provided that the representatives serve for no more than two consecutive terms.**

Citizens are encouraged to appear at the public hearing and are hereby placed on notice of the proposal to amend the Sheriff's Office Retirement Plan. Copies of the proposed amendment are available in the Public Information Office and the Human Resources Office, Governmental Center, 23115 Leonard Hall Drive, Leonardtown, Maryland, 20650, and each of the three public libraries in St. Mary's County during regular business hours, and viewing or downloading can be accessed through links on the St. Mary's County Government web page, <http://www.co.saint-marys.md.us>. The Commissioners invite the public's comments and participation.

Board of County Commissioners  
for St. Mary's County, Maryland

By: Susan L. Sabo, Plan Administrator