



RESOLVED, That the Board of Education oppose HB 45 - Public Schools - Prekindergarten Education because of cost-sharing requirements but indicate support of the notion of state funding for four-year old prekindergarten programs of certain kinds.

RESOLUTION NO. 4-85            Re:    HB 132 - EDUCATION - PAYMENT OF STATE FUNDS TO COUNTIES

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education support HB 132 - Education - payment of state funds to counties.

RESOLUTION NO. 5-86            Re:    SB 43 - CREATION OF A STATE DEBT - GARRETT PARK ELEMENTARY SCHOOL ANNEX

On recommendation of the superintendent and on motion of Mrs. DiFonzo seconded by Dr. Shoenberg, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education support SB 43 - creation of a state debt - Garrett Park Elementary School Annex.

RESOLUTION NO. 6-86            Re:    HB 173/SB 140 - EDUCATION - ALZHEIMER'S CURRICULUM

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education oppose HB 173/SB 140 - Education - Alzheimer's curriculum because while the subject and education component was important, the Board was opposed to legislation of curriculum.

RESOLUTION NO. 7-86            Re:    HB 248 - EDUCATION OF CHILDREN WITH COMMUNICABLE DISEASES

On recommendation of the superintendent and on motion of Mr. Foubert seconded by Mrs. Praisner, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education oppose HB 248 - Education of Children with Communicable Diseases.

Re:    ASSESSMENT OF THE AREA ADMINISTRATIVE OFFICES

Dr. Cody reported that last year during budget sessions there were questions raised about the staffing level at the area offices. He had suggested that it was premature to add staff until they had looked at the organization and span of control of the area offices.

A staff group drafted a proposed charter for an outside firm to look at the area offices, and an RFP was prepared. Peat, Marwick, Mitchell, and Company was selected to do the study. Dr. Cody explained that they were looking for general guidance from PMM, and he suggested that PMM staff give an overview of the report.

Mr. Dan Dornan, PMM, reported that they were looking at the administrative area office structure and how effective the area offices were from a management and staffing perspective, and they had interviewed 67 people from the area offices and from those interacting with those offices. From the interviews, they had found the area staff to be highly motivated and committed, and dealings with the area offices were generally rated satisfactory. However, there was concern that the satisfaction was being achieved by this highly motivated staff that frequently worked overtime. PMM also looked at opportunities for improvement and studied issues having to do with the span of control of the area associate superintendent, roles of the various administrative staff, the efficiency of the communication channels, and responsibilities for program support and implementation. He explained that they were focusing on the area office and did not get into the functions of the central office or the schools. They had divided their recommendations into short-term (within a year) and medium-term (one to three years), and they had tried to point out things that could get started immediately. They had suggestions for better defining the responsibilities of the supervisors versus the area directors and had suggested organization charts. In addition, they were recommending adding positions to the area office to assist in monitoring, evaluating, and handling administrative details as opposed to direct educational program responsibilities. They had also suggested focusing non-educational programs through an area assistant administrator who would take on a coordinating function within the area office for transportation, plant operations, etc.

Dr. Cody explained that by mid-February he would have a response to the PMM report and put together a series of recommendations for Board action.

Dr. Shoenberg commented that the report was well worth having and gave them a useful place to start thinking about the area offices. He was pleased that PMM found what the Board had sensed, in that they had a group of very hard working people out there who generally did an extremely good job. The Board wanted this job done to find ways in which they could help the area offices do a better job because they did need additional resources. He pointed out that any recommendations about the area offices affected other offices, but the charge to PMM was to study just the area office. They had talked about the notion of establishing positions just below that of the area associate and the expectation that those people would have an authority to make certain decisions now made by the area associate. For example, he was skeptical about the ability of people in these newly created positions to make decisions that were going to stay at that level.

Mr. Dornan commented one of their major concerns with the current structure was the principal evaluation process with its 50 to 1 ratio. In order to reduce that number and provide a reasonable span of control, some responsibility had to be delegated to other positions and to some extent this was being done now on a de facto basis where supervisors were called upon to enter into the process of evaluation. Principals were concerned about the grade level of those participating in this process. An area director would be at a level more consistent with an evaluator. Another alternative was to add to the number of area offices. PMM felt that the question of the number of area offices needed to be put off for now because there were significant management improvements that could be made to strengthen the area offices without adding a lot of staff.

Mr. John DiRenzo remarked that there was another quality control. They would have the area associate superintendent always there to make sure the monitoring and evaluation of principals was being done. That oversight responsibility would not change. Mr. Dornan commented that if the senior administrative staff did not encourage and require their managers to manage, everything got bumped upstairs. If the associate superintendent encouraged the principals to bypass the area directors, the system would break down. Dr. Shoenberg explained that he was less concerned about the way in which the principals would respond to that than he was about the public. This was an issue of an extra layer of administration. He inquired about the recommendation on the number and nature of committees, and Mr. Dornan explained that their concern was not with committees having a particular mission but with the fact that some committees may be redundant. He thought that the membership, meetings, and reports could be streamlined, thus allowing people to spend more time at their central function.

Mr. Ewing agreed that this was a very useful report in that it raised a number of important issues. He had some questions about the orientation of the central office, the area office, and the Board of Education. He agreed that it was a difficult task to focus on the area office, which was just one part of a school system. He did not have any problem with what they were saying in regard to the way in which the central office ought to be oriented, but he was not clear about their statement regarding "orient the area office activities to more of a line function than an intermediary function...." He asked if they meant less of a staff function or a mixture of those functions. It was not clear to him what their image was of the role and function of the Board of Education. For example, when PMM talked about policy formulation, he did not know what components they would include in that. Some people thought of policy formulation as the Board's rubber stamping the recommendations of the superintendent. Mr. Ewing thought of it as involving the receipt and analysis by the Board of feedback from program implementation.

Mr. Dornan explained they tended to support decentralization of responsibility when they got into the subject of the central versus the area office. For example, educational program implementation had several steps. Program development and program training were largely

central office functions, but when they got to program implementation there was confusion between the central and area offices. The area office people viewed this as their responsibility and would like to be responsible for training. They were suggesting that the confusion be reduced by focusing on the area offices that responsibility for program implementation. The central office would serve as a staff function to support program implementation being guided through the area offices. He said that the front line people were in the schools themselves, and the area offices were serving in a support capacity, but their focus was on getting program and resources to the schools. He stated that the Board of Education was focused on policy, not rubber stamping someone else's decisions. Their interviews showed that the Board did not get enough information about the implications of policy issues. They would focus the Board on policy review. If more responsibility were delegated to the area offices, the overview capacity of the central office would be strengthened. They felt that recommended changes would increase the capabilities of the central and area office to support the Board in making better and more informed policy decisions. He said that the issue of communication was very important. They were suggesting ways of narrowing the channels of communication and getting fewer layers. In addition, there needed to be a horizontal channel of communication between the area offices. Mr. DiRenzo added that they recognized the challenges faced by the Board of Education and the appeal rights inherent in the laws of the State of Maryland.

Dr. Cronin suggested that the next time they discussed this issue that PMM representatives should be present.

Dr. Floyd inquired about the function of the area instructional supervisors in monitoring school teachers and whether that was a duplication of the efforts of the school principal. Mr. Dornan replied that the supervisors and specialists were responsible for seeing that the educational program was being implemented and that the resources for implementation were available. They were suggesting monitoring the teachers from the point of view of assuring that the program was being implemented and the resources were being used properly. He granted that there was some overlap between that responsibility and that of the principal.

Mrs. Praisner requested information about the job descriptions for ADES and supervisors as well as management plans for each area. She was also disappointed that PMM did not interview teachers. Dr. Cody urged the Board not to view this as a comprehensive plan but rather as a list of proposals.

RESOLUTION NO. 8-86      Re:    POLICY ON AIDS

On recommendation of the superintendent and on motion of Dr. Shoenberg seconded by Mrs. Praisner, the following resolution was adopted with Dr. Cronin, Mrs. DiFonzo, Mr. Ewing, (Mr. Foubert), Mrs. Praisner, and Dr. Shoenberg voting in the affirmative; Dr. Floyd being temporarily absent:

WHEREAS, Much concern about Acquired Immune Deficiency Syndrome (AIDS) and the Human T-Cell Lymphotropic Virus-III Infection (HTLV-III/LAV) has been expressed both nationwide and statewide and has also been a significant concern to the Board of Education of Montgomery County, the Montgomery County Board of Health, and the Montgomery County Health Department; and

WHEREAS, The Board of Education of Montgomery County has the responsibility to provide appropriate educational settings for children in the least restrictive environment which are the least restrictive and as safe as possible; and

WHEREAS, The Board of Education of Montgomery County has the statutory authority and responsibility, with the assistance of the county health departments, to provide adequate school health services, instruction in health education, and a healthful school environment for students and employees; and

WHEREAS, The Board of Education of Montgomery County believes all children and employees should be treated with compassion and respect, regardless of their physical condition; and

WHEREAS, Competent medical advice has been provided to the Board on the subject of AIDS/HTLV-III Infection from the United States Public Health Service Centers for Disease Control, the Maryland State Department of Health and Mental Hygiene, the National Institutes of Health Epidemiological Control Section, the Johns Hopkins University Epidemiological Control Unit, and the Montgomery County Health Department; and

WHEREAS, The blood-borne HTLV-III virus is known only to be transmitted by one or more of the following methods: intimate sexual contact, needle-sharing by intravenous drug users, maternal-fetal transfer, or blood-to-blood contact; and

WHEREAS, There is no evidence that the virus can be transmitted by casual contact and, therefore, there is no apparent basis for permanently excluding students or employees, who have been identified as having positive antibodies or an active disease, except under specific circumstances which shall be evaluated by a group of persons, including the attending physician, the child's parent/guardian or the employee, a designee of the health officer of the Montgomery County Health Department, and a designee of the deputy superintendent of schools; now therefore be it

RESOLVED, That the Board of Education adopt the following policy dealing with Acquired Immune Deficiency Syndrome (AIDS) disease and the Human T-cell Lymphotropic Virus-III Infection (HTLV-III), and administrative regulations on the subject of Acquired Immune Deficiency Syndrome (AIDS/HTLV-III Infection) to be included as part of the Personnel and Student sections of the MCPS POLICIES AND REGULATIONS HANDBOOK are included for information and discussion; and be it further

RESOLVED, That such administrative regulations reflect information provided to the Board of Education and be based on recommended guidelines from various national and state health and education agencies and that such guidelines identify the various known methods of transmission of the HTLV-III virus; and be it further

RESOLVED, That such administrative regulations include provision for educational components for MCPS students, their parents, and employees which will be implemented as quickly as possible; and be it further

RESOLVED, That a copy of this resolution be transmitted to the Montgomery County Council, the Montgomery County Board of Health, and the Health Officer of the Montgomery County Health Department.

#### ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS/HTLV-III INFECTION)

##### A. Purpose

The Board of Education has expressed a great deal of concern about the Acquired Immune Deficiency Syndrome (AIDS) and the Human T-Cell Lymphotropic Virus-III (HTLV-III) and intends to work with the Montgomery County Health Department to ensure that necessary procedures are adopted and implemented to:

1. Make decisions about the placement of students and the assignment of employees identified as having an active AIDS disease
2. Provide employees, students, and parents with accurate information about the virus and its modes of transmission

##### B. Process and Content

1. The blood-borne HTLV-III virus is known only to be transmitted by one or more of the following methods: intimate sexual contact, needle-sharing by intravenous drug users, maternal-fetal transfer, or blood-to-blood contact. There is no evidence that the virus can be transmitted by casual contact, and, therefore, there is no apparent basis for permanently excluding students or employees who have been identified as having positive antibodies or an active disease, without an evaluation by the group of persons including the attending physician, the child's parent/guardian or the employee and/or the employee's representative, a designee of the health officer of the Montgomery County Health Department, and a designee of the deputy superintendent of schools.
2. The Board of Education has reviewed much information and been provided with expert medical testimony about AIDS/HTLV-III Infection. It has reviewed the guidelines of the Centers for Disease Control of the United States Public Health Service, those of the National Education Association, and those of the Maryland State Department of Health and Mental Hygiene, all of which basically recommend that persons identified as being positive for HTLV-III antibodies or as having an active disease be evaluated on a case-by-case basis. This evaluation will be conducted by a group of persons who will recommend an appropriate assignment in an educational or work setting. The recommendations will then be forwarded to

the superintendent of schools who will make the placement/assignment decision.

3. For the purpose of evaluating students who are identified as having an active AIDS disease, the group shall consist of the student's parent/guardian, the attending physician, personnel designated by the Health Office of the Montgomery County Health Department, student's school principal, and if necessary, other personnel from MCPS designated by the deputy superintendent of schools. After consultation with members of the group, the designee of the health officer will make and forward recommendation(s) to the superintendent of schools who will make the placement/assignment decision. If a decision has been made to continue the student's placement in school, the decision will be reviewed should the student's medical condition change. When such reviews are made they will be done according to the established procedures listed previously in this section.
4. For the purpose of evaluating staff who are identified as having an active AIDS disease, the group shall consist of the employee and/or the employee's representative, the attending physician, personnel designated by the health officer of the Montgomery County Health Department, and personnel designated by the deputy superintendent of schools. After consultation with members of the group, the designee of the health officer will make and forward recommendation(s) to the superintendent of schools who will make the placement/assignment decision. If a decision has been made to continue the employee in the current assignment, the decision will be reviewed should the employee's medical condition change. When such reviews are made they will be done according to the established procedures listed previously in this section.
5. The superintendent or designee will serve as the liaison between the MCPS and the MCHD on all matters pertaining to this policy.
6. In cooperation with the Montgomery County Health Department, the superintendent will direct the development and dissemination of educational materials to provide accurate information about the virus, its modes of transmission, and hygienic procedures which will reduce the risk of transmission of communicable diseases to students, their parents and MCPS employees.
7. Persons involved with supervising a student or employee having AIDS in any MCPS setting shall respect that person's right to privacy and should treat such individuals with compassion and respect regardless of their physical condition.

C. Feedback Indicators

The superintendent will provide the Board of Education with periodic updates on the decisions made and information disseminated in accordance with this policy.

RESOLUTION NO. 9-86            Re: AMENDMENT TO AGENDA FOR JANUARY 14, 1986

On recommendation of the superintendent and on motion of Mrs.

Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education amend its agenda to add a review of preliminary plans for Riffleford Road Elementary and to make the item on appeals the last order of business.

Re: BOARD/PRESS/VISITOR CONFERENCE

The following individuals appeared before the Board of Education:

1. Joanne Bowes, Quince Orchard Knolls Citizens Association
2. Nancy Dacek, Winston Churchill High School PTSA

RESOLUTION NO. 10-86 Re: PROCUREMENT CONTRACTS OVER \$25,000

On recommendation of the superintendent and on motion of Dr. Shoenberg seconded by Mr. Ewing, the following resolution was adopted unanimously:

WHEREAS, Funds have been budgeted for the purchase of equipment, supplies, and contractual services; and

WHEREAS, Only one bid was received for Bid 74-85, Dance Floor System, and the cost was in excess of the anticipated expenditure; now therefore be it

RESOLVED, That Bid 74-85 be rejected; and be it further

RESOLVED, That having been duly advertised, the contracts be awarded to the low bidders meeting specifications as shown for the bids as follows:

|       | NAME OF VENDOR                                                                                                                                                                                                                                                                 | DOLLAR VALUE OF CONTRACTS                                                |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 12-85 | Uniforms<br>Suburban Uniform Company                                                                                                                                                                                                                                           | \$ 30,158                                                                |
| 38-86 | Power Mowers & Lawn & Garden Tractors<br>Gaithersburg Ford Tractor<br>Lanham Cycle                                                                                                                                                                                             | \$ 35,480<br>6,350                                                       |
|       | TOTAL                                                                                                                                                                                                                                                                          | -----<br>\$ 41,830                                                       |
| 54-86 | Industrial Arts Hand Tools<br>Allegheny Educational Supply, Inc.<br>Brodhead-Garrett Co.<br>Diamond Core Drilling & Sawing Co.<br>DoALL Baltimore Co.<br>Frederick Trading Co.<br>Graves Humphreys Co.<br>Sears, Roebuck & Co.<br>Seldon Enterprises<br>Thompson & Cooke, Inc. | \$ 5,992<br>8,293<br>9,408<br>80<br>223<br>437<br>9,738<br>442<br>19,040 |

|       |                                    |             |
|-------|------------------------------------|-------------|
|       | Tools & Equipment, Inc.            | 219         |
|       | Washington Fastening Systems, Inc. | 1,867       |
|       |                                    | -----       |
|       | TOTAL                              | \$ 55,739   |
| 71-86 | Office Papers                      |             |
|       | Antietam Paper Co., Inc.           | \$ 7,340    |
|       | Barton, Duer, and Koch Paper Co.   | 121,153     |
|       | McGregor Printing Corp.            | 21,204      |
|       | Nationwide Paper, Inc.             | 2,145       |
|       | Stanford Paper Co., Inc.           | 105,092     |
|       | Wilcox, Walter Furlong Paper Co.   | 556,837     |
|       |                                    | -----       |
|       | TOTAL                              | \$ 813,771  |
| 86-86 | Magazine Subscription              |             |
|       | Schaffer Publications, Inc. d/b/a  |             |
|       | Popular Subscription Service       | \$ 166,152  |
| 87-86 | Plain Paper Duplicator and Copier  |             |
|       | Washington Photocopy               | \$ 8,190    |
|       | Xerox Corp. (5-year Lease)         |             |
|       | Cost for FY86                      | 18,740      |
|       |                                    | -----       |
|       | TOTAL                              | \$ 26,930   |
| 91-86 | IBM 4248 Line Printer, Model 1     |             |
|       | IBM                                | \$ 63,750   |
|       | Chesapeake Business Systems        | 600,000     |
|       |                                    | -----       |
|       | TOTAL                              | \$ 663,750  |
|       | GRAND TOTAL                        | \$1,798,330 |

RESOLUTION NO. 11-86 Re: CHURCHILL HIGH SCHOOL - BOILER  
REPLACEMENT AND REVISIONS TO AUDITORIUM  
HEATING AND AIR CONDITIONING

On recommendation of the superintendent and on motion of Mrs. DiFonzo seconded by Mrs. Praisner, the following resolution was adopted unanimously:

WHEREAS, Sealed bids were received on January 7, 1986, for boiler replacement and revisions to auditorium heating and air conditioning at Churchill High School, as indicated below:

| "A" Proposal                  | A Boiler   | "B" A/C, Hearing | "C" Total |
|-------------------------------|------------|------------------|-----------|
| BIDDER                        | A          | B                | C         |
| 1. G. W. Mechanical Contract. | \$151,511* | \$90,102         | \$241,613 |
| 2. C. W. Lonas and Sons       | 169,000    | 35,600           | 204,600   |
| 3. Lou D.Keller, Inc.         | 186,506    | 55,999           | 242,505   |
| 4. Combustioneer              | 194,444    | 54,249           | 248,474   |
| 5. M & M Welding and Fabr.    | 206,320    | 47,930*          | 254,250   |









TOTAL \$36,708

and be it further

RESOLVED, That a copy of this resolution be transmitted to the county executive and the County Council.

RESOLUTION NO. 18-86 Re: UTILIZATION OF FY 1986 FUTURE SUPPORTED PROJECT FUNDS FOR HIGHER ORDER INTELLECTUAL SKILLS

On recommendation of the superintendent and on motion of Dr. Floyd seconded by Mr. Ewing, the following resolution was adopted unanimously:

RESOLVED, That the superintendent of schools be authorized to receive and expend the \$2,000 supplemental appropriation in the following categories within the FY 1986 Provision for Future Supported Projects from MSDE under ECIA Chapter 2 for the Higher Order Intellectual Skills Program:

| CATEGORY          | AMOUNT  |
|-------------------|---------|
| 01 Administration | \$1,843 |
| 10 Fixed Charges  | 157     |
|                   | -----   |
| TOTAL             | \$2,000 |

and be it further

RESOLVED, That a copy of this resolution be transmitted to the county executive and the County Council.

RESOLUTION NO. 19-86 Re: SUBMISSION OF AN FY 1987 GRANT PROPOSAL TO FOLLOW-UP PRESCHOOL CHILDREN EVALUATED BY DESC

On recommendation of the superintendent and on motion of Dr. Floyd seconded by Mr. Ewing, the following resolution was adopted unanimously:

RESOLVED, That the superintendent of schools be authorized to submit an FY 1987 grant proposal for approximately \$179,064 to the U.S. Department of Education, Office of Special Education and Rehabilitative Services to conduct a follow-up study of a group of preschool children suspected of being handicapped; and be it further

RESOLVED, That a copy of this resolution be transmitted to the county executive and the County Council.

RESOLUTION NO. 20-86 Re: REORGANIZATION OF THE DEPARTMENT OF EDUCATIONAL FACILITIES PLANNING AND DEVELOPMENT AND THE DIVISION OF

CONSTRUCTION AND CAPITAL PROJECTS

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

WHEREAS, The Department of Educational Facilities Planning and Development has additional new responsibilities transferred from the Division of Construction and Capital Projects; and

WHEREAS, The existing structure of the Department of Educational Facilities Planning and Development has been reorganized to better utilize staff; now therefore be it

RESOLVED, That the Department of Educational Facilities Planning and Development be reorganized as the Department of Educational Facilities Planning and Capital Programming shown on the organizational chart with the creation of three offices -- the Demographic Planning Office, the Facilities Planning Office, and the Capital Programming Office; and be it further

RESOLVED, That two positions, one Capital Projects Assistant and one School Facilities Designer, be reassigned from the Division of Construction to the Department of Educational Facilities Planning and Development; and be it further

RESOLVED, That the position of director, Department of Educational Facilities Planning and Capital Programming, be reclassified from Grade P to Grade Q; and be it further

RESOLVED, That these organizational and classification changes become effective on February 3, 1986.

RESOLUTION NO. 21-86 Re: MONTHLY PERSONNEL REPORT

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the following appointments, resignations, and leaves of absence for professional and supporting services personnel be approved: (TO BE APPENDED TO THESE MINUTES)

RESOLUTION NO. 22-86 Re: EXTENSION OF SICK LEAVE

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

WHEREAS, The employees listed below have suffered serious illness; and

WHEREAS, Due to the prolonged illness, the employees' accumulated

sick leave has expired; now therefore be it

RESOLVED, That the Board of Education grant an extension of sick leave with three-fourths pay covering the number of days indicated:

| NAME            | POSITION AND LOCATION                             | NO. OF DAYS |
|-----------------|---------------------------------------------------|-------------|
| Clarke, Dorothy | Instructional Assistant<br>Einstein High School   | 22          |
| Parker, Kevin   | Programmer Trainee<br>Div. of Systems Development | 30 (. days) |

RESOLUTION NO. 23-86 Re: PERSONNEL REASSIGNMENTS

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the following personnel reassignments be approved:

| NAME               | FROM                                                   | TO                                                                                                                           |
|--------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Anderson, Mary Lou | Classroom Teacher<br>On Pers. Ill Leave<br>M + 30 L2   | Media Assistant<br>Woodward High School<br>Effective 1-6-86<br>Will maintain salary<br>status and retire<br>July 1, 1986     |
| Osburn, L. Edith   | Classroom Teacher<br>On Pers. Ill Leave<br>MEQ + 30 L3 | Instructional Asst.<br>Kemp Mill Elementary<br>Effective 1-2-86<br>Will maintain salary<br>status and retire<br>July 1, 1986 |

RESOLUTION NO. 24-86 Re: DEATH OF MR. WILLIAM L. EARLY,  
GENERAL MAINTENANCE WORKER DIVISION  
OF MAINTENANCE

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

WHEREAS, The death on December 27, 1985, of Mr. William L. Early, a general maintenance worker in the Division of Maintenance, has deeply saddened the staff and members of the Board of Education; and

WHEREAS, Mr. Early was an employee of Montgomery County Public Schools for more than thirteen years; and

WHEREAS, Mr. Early's services were greatly appreciated; now therefore be it

RESOLVED, That the members of the Board of Education express their

sorrow at the death of Mr. William L. Early and extend deepest sympathy to his family; and be it further

RESOLVED, That this resolution be made part of the minutes of this meeting and a copy be forwarded to Mr. Early's family.

RESOLUTION NO. 25-86 Re: PERSONNEL APPOINTMENTS

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

RESOLVED, That the following personnel appointments be approved:

| APPOINTMENT        | PRESENT POSITION                                                                       | AS                                                                                     |
|--------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Sandra F. Robinson | Training Manager<br>Planning Research Corp.<br>McLean, Virginia                        | Coordinator of<br>Magnet Programs<br>Area Admin. Office<br>Grade O<br>Effective 2-3-86 |
| H. Phillip Rohr    | Director<br>Div. of Construction and<br>Capital Projects<br>Dept. of School Facilities | Director<br>Dept. of Ed. Fac.<br>Plan. & Develop.<br>Grade Q<br>Effective 1-15-86      |

Re: PROPOSED MANDATORY REFERRAL POLICY

Board members raised questions about the proposed policy and offered several suggestions for change. Mrs. Praisner asked that the Board be provided with a paper giving examples of a timetable for projects building in response times. Dr. Shoenberg raised the issue of whether or not they needed a policy. He wondered whether they could have a letter of understanding from the Board president to the chairman of Park and Planning. Mr. Ewing suggested that as a first step they send the proposed policy to the planning board for their reactions.

Dr. Cronin asked that the revised policy be scheduled for action at the January evening meeting.

Re: PROPOSED POLICY ON CHILD CARE

Mrs. Praisner and Mrs. DiFonzo seconded the following:

WHEREAS, The county government is seriously considering obtaining relocatable structures for use by child care programs, and the county government is expected to request the use of school sites for day care relocatables in the very near future; and

WHEREAS, There is increased demand for the shared use of school facilities by child care programs; and

WHEREAS, On February 12, 1985, the Board of Education adopted a resolution on child care offering its services as a partner with the county government in support of child care in Montgomery County; and

WHEREAS, On August 26 the Board of Education voted unanimously to consider requesting of the County Council and county executive that they provide funding for day care space in school construction projects; now therefore be it

RESOLVED, That the Board of Education adopts the following child care policy as a revision to the Board's action of February 12, 1985:

#### CHILD CARE

##### A. Purposes

The Board of Education recognizes that the issue of child care has become one of increasing importance in Montgomery County and that the Board will:

1. cooperate with the county government and agencies to meet the need for child care services, and
2. assist the growth of quality child care throughout the county.

##### B. Process and Content

1. The Montgomery County Public Schools offers its services as a partner with other county agencies in addressing child care needs to the extent that school facilities may permit.
2. The Montgomery County Public Schools will cooperate to the extent it can in the following areas:
  - a. The use of surplus space in operating schools by child care programs under the provisions of the Board of Education's Joint Occupancy Policy
  - b. The use of transportation services as identified in administrative procedures
  - c. The availability of the school system's expertise to assist child care by:
    - o identifying needs through the use of MCPS student population projections
    - o sharing expertise with child care providers
  - d. The assessment of MCPS curriculum needs related to child care and the latch key child
  - e. The encouragement of principals, PTA members, and the greater community to explore child care issues
  - f. The identification of potential sites--both at operating and future school sites--for the placement of relocatable structures for use by day care programs where feasible
  - g. The identification of space within school facilities for use by day care programs under a shared use arrangement provided such use does not adversely impact the MCPS instructional program

##### C. Feedback Indicators

The Board of Education will receive updates on the planned and/or ongoing efforts of MCPS and county government staff on issues concerning child care in Montgomery County as part of the quarterly reports on joint occupancy.



Board will:

1. cooperate with the county government and agencies to meet the need for child care services, and
2. assist the growth of quality child care throughout the county.

B. Process and Content

1. The Montgomery County Public Schools offers its services as a partner with other county agencies in addressing child care needs to the extent that school facilities may permit.
2. The Montgomery County Public Schools will cooperate to the extent it can in the following areas:
  - a. The use of surplus space in operating schools by child care programs under the provisions of the Board of Education's Joint Occupancy Policy
  - b. The use of transportation services as identified in administrative procedures
  - c. The availability of the school system's expertise to assist child care by:
    - o identifying needs through the use of MCPS student population projections
    - o sharing expertise with child care providers
  - d. The assessment of MCPS curriculum needs related to child care and the latch key child
  - e. The encouragement of principals, PTA members, and the greater community to explore child care issues
  - f. The identification of potential sites--both at operating and future school sites--for the placement of relocatable structures for use by day care programs where feasible
  - g. The identification of space within school facilities for use by day care programs under a shared use arrangement provided such use does not adversely impact the MCPS instructional program
  - h. Inclusion of child care programs in plans for future schools upon request of the county executive and with the approval of funds budgeted specifically for that purpose by the county government

C. Feedback Indicators

The Board of Education will receive updates on the planned and/or ongoing efforts of MCPS and county government staff on issues concerning child care in Montgomery County as part of the quarterly reports on joint occupancy.

RESOLUTION NO. 28-86      Re: MONTGOMERY COUNTY PUBLIC SCHOOLS REVISED  
EMPLOYEES RETIREMENT/PENSION PLANS

On recommendation of the superintendent and on motion of Dr. Floyd\* seconded by Mrs. Praisner, the following resolution was adopted unanimously:

WHEREAS, The Montgomery County Public Schools Retirement/Pension Plans were last revised by Board Resolution 976-79 effective January 1, 1980; and

WHEREAS, Since that date subsequent changes are required due to 1) State Retirement/Pension Plans legislation and regulations, 2) MCPS resolutions, 3) negotiations, 4) Board of Education hearing, and 5) administrative clarifications; and

WHEREAS, This material was previously presented as a discussion item at the October 21, 1985, meeting; and

WHEREAS, A copy of the October 21, 1985, discussion item was sent to the employee associations; and

WHEREAS, MCCSSE requested minor changes in certain sections; and

WHEREAS, Retirement Plan Sections 1, (o), (q), and (r); 7.2 (c); 7.11 (c); 11.3; and 22 have been subsequently revised to address these concerns; and

WHEREAS, Pension Plan Sections 1.21; 4.2 (g)-3), and 21 have been subsequently revised to address these concerns; now therefore be it

RESOLVED, That the Montgomery County Public Schools Employees' Retirement/Pension System Plans as adopted by Board Resolution 976-79 with subsequent amendments be amended and restated in full and adopted as so amended and restated, as provided in the plan documents submitted for this meeting and appended to these minutes, all effective as of July 1, 1984 (TO BE APPENDED TO THE MINUTES).

\*Dr. Floyd temporarily left the meeting before the vote was taken.

RESOLUTION NO. 29-86      Re:    SCHOOL CALENDAR FOR 1986-87

On recommendation of the superintendent and on motion of Mrs. DiFonzo seconded by Mrs. Praisner, the following resolution was adopted unanimously:

WHEREAS, The establishment of school terms of the County Board of Education is required by state law; now therefore be it

RESOLVED, That the proposed school calendar for 1986-87 be adopted. Dr. Floyd rejoined the meeting at this point.

Re:    E2 POLICY

Mr. Foubert introduced the following as a proposed amendment to the current E2 policy. He accepted a change proposed by Mr. Ewing in the course of his discussion about the proposed changes:

WHEREAS, There is current dissatisfaction with the current class attendance policy (E2); and

WHEREAS, Article XII, Section D of the Student Rights and Responsibilities Handbook states, "Reduction of grades shall not be used as a punitive or disciplinary measure"; and

WHEREAS, Montgomery County Public Schools' grading policy IKA-RA states that "teachers are to grade on mastery of objectives"; and

WHEREAS, The aforementioned policy states further that "letter grades are not to be adjusted by personality factors, social achievement or deportment"; and

WHEREAS, Current class attendance policy is not consistent with the three aforementioned policies; and

WHEREAS, The Board of Education of Montgomery County disapproves of and believes there should be some sanctions for class cutting; now therefore be it

RESOLVED, That the portion of the policy regarding automatic failure and loss of credit due to lack of attendance (E2) be rescinded; and be it further

RESOLVED, That the Board of Education of Montgomery County reaffirms current policy with regard to the first four steps for unexcused absences (See Appendix attached); and be it further

RESOLVED, That the fifth step of the E2 policy be replaced with the following:

"With the fifth unexcused absence the student shall receive a loss of credit. In addition, the report card and transcript shall show the grade the student had at the time credit was lost. This grade shall not be computed into the grade point average or class rank. An indication will be made that the student lost credit due to excessive unexcused absences."

and be it further

RESOLVED, That class tardies shall not be accumulated toward an unexcused absence and therefore may not be linked to a loss of credit or a reduction in grades; and be it further

RESOLVED, That the superintendent be directed to develop and bring to the Board of Education for its review and approval a policy statement containing a set of criteria and guidelines for school principals to use in determining what constitutes an excused or unexcused absence which criteria and guidelines shall be such that permit reasonable judgment to prevail and give principals more flexibility than the present policy allows; and be it further

RESOLVED, That an analysis and evaluation report be provided to the Board after the policy has been in place for two semesters.

Attachment

Appendix

Student Rights & Responsibilities, Implementation Guidelines, II. Attendance, #2, page 10:

- "2. The following actions will be taken by the local school for each of the five unexcused absences:





seconded by Mrs. DiFonzo, the following resolution was adopted with Dr. Cronin, Mrs. DiFonzo, Mr. Ewing, Dr. Floyd, (Mr. Foubert), and Dr. Shoenberg voting in the affirmative; Mrs. Praisner voting in the negative (not because she was opposed to the plan but rather to the process and procedures used):

WHEREAS, The architect for Riffleford Road Elementary School, Thomas Clark Associates, has prepared the schematic design in accordance with the educational specifications; and

WHEREAS, The Riffleford Road Elementary School Planning Committee has approved the proposed schematic design; now therefore be it

RESOLVED, That the Montgomery County Board of Education approves the schematic design report prepared by Thomas Clark Associates.

RESOLUTION NO. 35-86 Re: APPOINTMENTS TO THE AUDIT COMMITTEE

On motion of Dr. Floyd seconded by Mrs. Praisner, the following resolution was adopted unanimously:

WHEREAS, On September 13, 1978, the Board of Education passed a resolution creating an Audit Committee, which was given responsibilities for reviewing internal audit reports, meeting with the external auditors to discuss the scope of their work and their audit findings; and reviewing reports generated by the Department of Financial Services; and

WHEREAS, Regular meetings of the Audit Committee are held quarterly, and special meetings may be called by the chairperson or at the request of either of the other members to the chairperson; and

WHEREAS, The Audit Committee, appointed by the president of the Board of Education, consists of three members serving staggered terms of three years each, and the term of office begins on the date of the first all-day Board meeting in December of the year of appointment and ends three years later on November 30; and

WHEREAS, Eligibility for appointment to the Audit Committee is limited to members of the Board of Education whose remaining terms of office with the Board are equal to or greater than the terms for which they are appointed to the Audit Committee; and

WHEREAS, One vacancy now exists on the Audit Committee; now therefore be it

RESOLVED, That Mrs. Sharon DiFonzo be appointed to the Audit Committee to serve until November 30, 1988; and be it further

RESOLVED, That Dr. Cronin continue his appointment until his term expires on November 30, 1986; and be it further

RESOLVED, That Mrs. Mary Margaret Slye continue her appointment until her term expires on November 30, 1987; and be it further

RESOLVED, That Mrs. Slye serve as chairperson of the Audit Committee until November 30 1986.

Re: BOARD MEMBER COMMENTS

1. Mr. Foubert recalled that sometime ago Board had received a copy of a letter from the vice president of the Springbrook SGA with an article about students clearing off a lot adjacent to the school in attempt to use the lot for student parking. Since then the Board had received a copy of a response from the Board president. He was disappointed to see the problems they might run into but was glad that staff had contacted Dr. Marshall to offer assistance. He hoped that they would follow through on that.

2. Mr. Ewing noted they had received the monthly financial report as an item of information which showed a substantial and increasing imbalance in income and outgo projected for the end of the year. It seemed to him that they should discuss this in February, and he suggested they receive a report on measures that could be taken to deal with that. Dr. Pitt reported that this would be before the Board in February.

3. Mr. Ewing said they had had a number of questions raised by people in the Churchill community about the campus plan and the alternatives to it. He thought it was important that prior to the public hearing there should be a summary question and answer paper available to community people.

4. Mr. Ewing said that they were aware of the county executive's plan to raze most of the Northwood High School building because of the costs of renovation. He said that while the Board might not wish to take a position on that it was in the position of commenting on alternative uses. He was aware there was some sentiment on the Council for approving a use which would involve a school. He thought the Board should be aware of that and the fact that the Hebrew Academy had applied which might be a big impact on schools in that part of the county. Dr. Cody did not think the staff had submitted a statement, and he asked Mr. Fazakerley to check into this. Mr. Ewing thought the Board itself might want to take a position. Dr. Shoenberg thought the Board would want to be mindful of the community's concern and to be supportive of the community.

5. Mr. Ewing reported that the Board had received a copy of a proposal from some Area 3 parents with children at the Lakewood gifted and talented program. It was a plan for a program for highly gifted junior high school students, and he thought they had done a good job in developing the proposal. He thought it was an excellent idea and indicated his support of it. He hoped that other Board members would support the proposal.

6. Mr. Ewing was unclear as to where they were with respect to the student volunteer service programs. He was aware that MCR had taken some positions on this, and there was enough student support to make

it worth their while to pursue this. He suggested they might want to contact MCR and see if there was likely to be a proposal from them for action by the school system. Mr. Foubert indicated that something would be forthcoming from MCR.

RESOLUTION NO. 36-86 Re: DEATH OF DR. C. TAYLOR WHITTIER, FORMER  
SUPERINTENDENT OF SCHOOLS

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Dr. Shoenberg, the following resolution was adopted unanimously:

WHEREAS, The recent death of Dr. C. Taylor Whittier, former superintendent of schools in Montgomery County, has deeply saddened the staff and members of the Board of Education; and

WHEREAS, Dr. Whittier served as superintendent of schools from 1957 to 1964 in an era of unprecedented growth and major changes; and

WHEREAS, Dr. Whittier directed the voluntary desegregation of the Montgomery County Public Schools which resulted in a smooth transition for students, staff and the community; and

WHEREAS, Under Dr. Whittier's direction, the school system was able to hire hundreds of teachers and build as many as 15 new schools per year to meet the demands of a rapidly growing school system; and

WHEREAS, Dr. Whittier recommended the first Goals of Education to the Board of Education which included an emphasis on the rights of all children to receive a public school education which "recognizes the worth of each individual" and "develops an understanding of the culture of other people"; and

WHEREAS, Dr. Whittier's support of public education, administrative ability, and concern for the rights of all individuals will be sorely missed; now therefore be it

RESOLVED, That the members of the Board of Education express their sorrow at the death of Dr. C. Taylor Whittier and extend deepest sympathy to his family; and be it further

RESOLVED, That this resolution be made part of the minutes of this meeting and a copy be forwarded to Dr. Whittier's family.

RESOLUTION NO. 37-86 Re: MINUTES OF SEPTEMBER 10, 1985

On recommendation of the superintendent and on motion of Mr. Ewing seconded by Dr. Floyd, the following resolution was adopted unanimously:

RESOLVED, That the minutes of September 10, 1985, be approved.

RESOLUTION NO. 38-86 Re: MINUTES OF OCTOBER 28, 1985

On recommendation of the superintendent and on motion of Mr. Ewing seconded by Dr. Floyd, the following resolution was adopted unanimously:

RESOLVED, That the minutes of October 28, 1985, be approved.

RESOLUTION NO. 39-86 Re: MINUTES OF NOVEMBER 13, 1985

On recommendation of the superintendent and on motion of Mr. Foubert seconded by Mrs. Praisner, the following resolution was adopted unanimously:

RESOLVED, That the minutes of November 13, 1985, be approved.

RESOLUTION NO. 40-86 Re: MINUTES OF NOVEMBER 25, 1985

On recommendation of the superintendent and on motion of Mrs. DiFonzo seconded by Mrs. Praisner, the following resolution was adopted unanimously:

RESOLVED, That the minutes of November 25, 1985, be approved.

RESOLUTION NO. 41-86 Re: ADVISORY TASK FORCE ON THE PREVENTION OF PREADOLESCENT AND TEENAGE SUICIDE

On motion of Mrs. DiFonzo seconded by Mr. Foubert, the following resolution was adopted unanimously:

WHEREAS, Various national reports have documented an alarming increase in the number of suicide attempts by preadolescents and teenagers; and

WHEREAS, The Montgomery County Commission on Children and Youth has called attention to a similar increase among our preadolescents and teenagers; and

WHEREAS, The Board of Education is determined to protect the health, safety and mental well-being of our students; now therefore be it

RESOLVED, That the Montgomery County Board of Education create an Advisory Task Force on the Prevention of Preadolescent and Teenage Suicide; and be it further

RESOLVED, That the Task Force consist of thirteen members with representation coming from the following organizations:

- o Two counselors from each level of elementary, J/I/M, and secondary schools
- o Mental Health Subcommittee of the Medical Advisory Committee
- o Guidance section of Instruction and Program Development
- o Department of Driver, Health and Physical Education and Athletics
- o Special and Alternative Education
- o MCCPTA



with its recommendations on terms of office and chairperson.

Dr. Cronin announced that the intent would be that Mr. Ewing would be the chairperson of the committee.

RESOLUTION NO. 43-86      Re: APPOINTMENT TO THE TITLE IX ADVISORY  
COMMITTEE

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

WHEREAS, The Board of Education determined on July 19, 1977, that a Title IX Advisory Committee should be established; and

WHEREAS, The Board directed that the committee be composed of 16 members, namely

- 3 Montgomery County Public Schools staff members recommended by the superintendent in consultation with the employee organizations and the principals' associations
- 3 Student members recommended by the superintendent in consultation with the Montgomery County Region of the Maryland Association of Student Councils and the Montgomery County Junior Council
- 8 Community members appointed by the Board of Education
- 1 Member either from the MCPS staff or the community (at the Board of Education's discretion)
- 1 Ex officio member from the Department of Human Relations; and

WHEREAS, Currently there is one vacancy existing on the committee, namely,

- 1 representative from MCCPTA

now therefore be it

RESOLVED, That the Board of Education appoint the following person, effective immediately, to serve on the Title IX Advisory Committee for a two-year term:

Dr. Judy Ackerman

RESOLUTION NO. 44-86      Re: CITIZENS ADVISORY COMMITTEE FOR FAMILY  
LIFE AND HUMAN DEVELOPMENT

On recommendation of the superintendent and on motion of Mrs. Praisner seconded by Mrs. DiFonzo, the following resolution was adopted unanimously:

WHEREAS, COMAR 13A.04.01 requires that each local education agency have a Citizens Advisory Committee on Family Life and Human Development; and

WHEREAS, Montgomery County has had such a committee since 1970, consisting of representatives of various civic associations and

religious groups, community members at large, and student representatives; and

WHEREAS, Membership on the committee is for a two-year term; now therefore be it

RESOLVED, That the following individual be appointed to represent the respective organization for a two-year term:

Mrs. Helen Johnsen

Montgomery County Federation of Women's Clubs

Re: NEW BUSINESS

Mr. Ewing assumed that the junior high school proposal for gifted and talented students had budget implications. He asked that staff determine how such a matter would be addressed in the context of the budget.

RESOLUTION NO. 45-86 Re: BOE APPEAL NO. 1985-23

On motion of Dr. Floyd seconded by Mrs. Praisner, the following resolution was adopted with Dr. Cronin, Dr. Floyd, (Mr. Foubert), Mrs. Praisner, and Dr. Shoenberg voting in the affirmative; Mrs. DiFonzo and Mr. Ewing voting in the negative:

RESOLVED, That the Board of Education adopt its decision and order in BOE Appeal No. 1985-23.

RESOLUTION NO. 46-86 Re: BOE APPEAL NO. 1985-24

On motion of Dr. Floyd seconded by Mrs. Praisner, the following resolution was adopted unanimously:

RESOLVED, That the Board of Education adopt its decision and order in BOE Appeal No. 1985-24.

RESOLUTION NO. 47-86 Re: BOE APPEAL NO. 1985-26

On motion of Dr. Floyd seconded by Mrs. Praisner, the following resolution was adopted with Dr. Cronin, Mrs. DiFonzo, Dr. Floyd, Mrs. Praisner, and Dr. Shoenberg voting in the affirmative; Mr. Ewing and (Mr. Foubert) voting in the negative:

RESOLVED, That the Board of Education adopt its decision and order in BOE Appeal No. 1985-26.

Re: ITEMS OF INFORMATION

Board members received the following items of information:

1. Items in Process
2. Construction Progress Report
3. Computerized Bus Routing
4. School Facilities Change Order/Bid Activity Quarterly Report
5. Monthly Financial Report

6. Report on Churchill Cluster Campus Plan

Re: ADJOURNMENT

The president adjourned the meeting at 5:55 p.m.

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President  
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Secretary

WSC:mlw

( MCPS EMPLOYEES PENSION SYSTEM PLAN SUMMARY OF PROPOSED CHANGES  
PENSION DIFFERENCES

( SECTION 1.7

Early Retirement Date

Definition inserted to cover the situation where a member's  
"Early Retirement Date" under this system may differ from the  
"Early Retirement Date" under the state system.

SECTION 1.8

Earnable Compensation

To conform with the negotiated provision that a nonguaranteed  
extended- year employment is to be included for pension  
calculations for certain stated positions.

SECTION 1.14

Normal Retirement Date

Definition inserted to cover cases where a member's "Normal  
Retirement Date" under this system may differ from the "Normal  
Retirement Date" under the state system.

SECTION 1.21

MCCSSE has requested a specific date reference in this section.

SECTION 1.24

Annotated Code of Maryland

Attorney recommends that references to the  
Annotated Code of Maryland shall mean the edition of such code  
currently in effect, including replacement volumes.

SECTION 2.3

Date of Establishment

Attorney recommends change to say that effective date of change  
will be provided in the resolution or the text of the amendment.

SECTION 4.2

Creditable Service

- (e) Adds the phrase, "as defined by the Teachers Pension  
System."
- (f) Provides for change in state law that permits repurchase of  
credited service in the pension system by repaying an amount  
"equal to the reserves required to fund the additional  
allowance."
- (g) Provides a procedure and conversion table for granting  
credited service for sick leave.

SECTION 5.3

Normal Mandatory Retirement Date

This section has been modified to conform with the state law

change to permit employment of person past age 70.

#### SECTION 7.3

##### Accrued Liability Contribution

After actuarial study the budgetary process was revised so that the basis for liquidating the "unfunded accrued liability" is 40 years from plan inception as opposed to the prior 30-year period.

#### SECTION 8

##### (b) Amount of Base Pension at Normal or Early Retirement Date

The language is inserted to prevent the calculation of a state benefit offset greater than the person actually is going to receive.

#### SECTION 9.4

##### Amount of Base Pension at Non-service Connected Disability Retirement

This section has been modified to more clearly define the disability retirement benefit in conformance with state law and regulations.

#### SECTION 9.6

##### Adjustment or Cessation of Disability Pension Payments

This section has been modified to more closely conform with the state law and regulations. Subsection (a) permits some work after a disability retirement. Subsection (b) specifies that the retirement administrator may require more medical information and follow up as to disability retirements.

#### SECTION 9.7

##### Medical Board

Language modified to say that the superintendent of schools "may" designate a Medical Board composed of three physicians. A sentence is added that the expense of convening such a Board may be waived where there is no dispute as to the extent and nature of the disability.

#### SECTION 9.8

##### (a) Transfers from the Retirement System

This section has been added to conform with passage of state law after commencement of the pension system. This section is to clarify whether the retirement or pension system will govern the extent of disability retirement.

#### SECTION 11.2

##### Election of Pension Payment Option 4

This section is to clarify the benefit payable under Option 4.

#### SECTION 11.3

##### Suspension of Pension Payments

Provides for the occasional situation where a retiree asks to unretire and return to work.

#### SECTION 16

##### Reports and Audits

The last sentence of the former section as to availability of copies of annual report has been deleted. Intent is to reduce expense to the plan.

#### SECTION 21

##### Filing of Pension System and Contract

Section is modified to require filing as deemed necessary by the Board of Education.

MONTGOMERY COUNTY PUBLIC SCHOOLS EMPLOYEES' PENSION SYSTEM

Pension System

SECTION 1--DEFINITIONS: INTERPRETATION

The following words and phrases, unless a different meaning is plainly required by the context, shall have the following meanings:

- 1.1 "Accumulated Contributions" shall mean the sum of all the amounts deducted from the compensation of a member and credited to the account, together with credited interest thereon. This sum shall include member contributions and credited interest transferred to this Pension System from the Retirement System in accordance with Item (b) of Subsection 5.7 of the Retirement System.
- 1.2 "Actuarial Equivalent" means a benefit of equal value when computed on the basis of the mortality table and interest rate last adopted for the particular purposes by the superintendent of schools.
- 1.3 "Average Final Compensation" means the average earnable compensation of an eligible employee during any three consecutive years that provide the highest average earnable compensation. However, if the earnable compensation earned during any year included in the period used to determine average final compensation exceeds that of the average of the previous two years' compensation by more than 20 percent, the amount in excess of 20 percent may not be included in the computation of average final compensation. If, in any period included in the computation of average final compensation, the eligible employee has completed less than the normal number of hours for a full-time employee similarly employed, the earnable compensation for that period shall be adjusted to a full-time basis for computation. If the period used to determine final average compensation is the period that immediately precedes the date of retirement, any months (not in excess of 12) that otherwise would be included in computing average final compensation but during which the eligible employee was on authorized leave of absence at partial pay or without pay may not be included in the computation of average final compensation and the month or an equal number of months immediately preceding the period shall be substituted instead.
- 1.4 "Board of Education" shall mean the County Board of Education of Montgomery County, as defined in Title 3-701 of the ANNOTATED CODE OF THE PUBLIC GENERAL LAWS OF MARYLAND, EDUCATION.
- 1.5 "Creditable Service" means service recognized for computing the amount of any benefit under this Pension System as provided in Section 4.
- 1.6 "Credited Interest" shall mean interest at the rate of 5 percent per annum compounded annually on June 30 of each year and credited to each member's account.
- 1.7 "Early Retirement Date" means the first day of any month elected by the member after satisfying the requirements of Paragraph 5.2. A member's early retirement date under this system may differ from the early retirement date under the Teachers' Pension System.
- 1.8 "Earnable Compensation" means the normal compensation payable to an eligible employee for working the normal time for the

position, exclusive of such items as overtime, shift differential, extended-year employment (except for those positions that have guaranteed days), adult education pay, and compensation for duties not included in the basic job position.

- 1.9 "Eligible Employee" shall mean:
  - (a) A person who is employed by the Montgomery County Public Schools as a "Teacher," as defined in Section 140 of Article 73B of the ANNOTATED CODE OF MARYLAND, if the employee is a member, or eligible for membership, in the Teachers' Pension System; or
  - (b) A person who is employed by the Montgomery County Public Schools on a full-time basis or on a part-time basis regularly scheduled for 20 or more hours per week, if the employee is not a member or eligible for membership in the Teachers' Pension System.
- 1.10 "Eligibility Service" means the service recognized for determining eligibility for benefits under this Pension System as provided in Section 4.
- 1.11 "Hour of Service" is an hour for which an employee receives earnable compensation in accordance with Subsection 1.8.
- 1.12 "Medical Board" shall mean the board of physicians provided for in this Pension System.
- 1.13 "Member" means any employee participating in the membership of this Pension System.
- 1.14 "Normal Retirement Date" means the first day of any month elected by the member after satisfying the requirements of Paragraph 5.1. A member's normal retirement date under this system may differ from the normal retirement date under the Teachers' Pension System.
- 1.15 "Pension System" means the Montgomery County Public Schools Employees' Pension System.
- 1.16 "Plan Year" means a 12-month period beginning on July 1, except that the first plan year shall be the 6-month period from January 1, 1980, through and including June 30, 1980.
- 1.17 "Retirement System" means the Montgomery County Public Schools Employees' Retirement System.
- 1.18 "Social Security Integration Level" means, with respect to the calendar year in which a member retires or otherwise terminates employment, the average annual amount of earnings for which Old Age and Survivors Benefits would be provided under Title II of the Federal Social Security Act for a male employee 65 years old in the calendar year, computed as though for each year before the calendar year annual earnings are at least equal to the maximum amount of annual earnings subject to tax under the Federal Insurance Contributions Act. The average annual amount of earnings shall be rounded to the next lower multiple of \$100.
- 1.19 "Superintendent of Schools" shall mean the superintendent of schools of Montgomery County, as defined in Title 4-201 of Article 77 of the ANNOTATED CODE OF MARYLAND. "Superintendent of Schools" may also mean, when applicable, the Board of Education's attorney, the deputy superintendent, associate superintendents of schools, or the director of a department.
- 1.20 "Taxable Wage Base" means, with respect to each calendar year, the maximum amount of annual employee earnings subject to tax

under the Federal Insurance Contributions Act, as amended.

- 1.21 "Teachers' Pension System" means the Pension System for Teachers of the State of Maryland, established by Article 73B of the ANNOTATED CODE OF MARYLAND, 1970 REPLACEMENT VOLUME and 1978 SUPPLEMENT.
- 1.22 Provisions of the Pension System modeled on provisions of the Teachers' Pension System shall be interpreted in the same way as are the provisions of the Teachers' Pension System.
- 1.23 If a teacher is entitled to the same benefit under the Pension System and under the Teachers' Pension System, that benefit shall not be payable under the Pension System but shall be payable under the Teachers' Pension System.
- 1.24 "ANNOTATED CODE OF MARYLAND" shall mean the edition of such code currently in effect, including the currently effective replacement volumes and supplements.

#### SECTION 2--NAME, PURPOSE, ADMINISTRATION, AND DATE OF ESTABLISHMENT

- 2.1 Name and Purpose. A retirement system to be known as Montgomery County Public Schools Employees' Pension System is hereby established for:
  - (a) Providing supplemental retirement benefits for eligible employees who are members of the Teachers' Pension System
  - (b) Providing full retirement benefits for eligible employees who are not eligible for membership in the Teachers' Pension System
- 2.2 Administration. The superintendent of schools shall be responsible for the administration of the Pension System.
- 2.3 Date of Establishment. The Pension System shall be established as of January 1, 1980, and any amendment thereto shall be effective as provided in the resolution of the Board of Education adopting such amendment or as provided in the text of such amendment as adopted.
- 2.4 Contract Authorization. Upon recommendation of the superintendent of schools and approval of the Board of Education, the superintendent of schools is authorized to enter into such contracts on behalf of the Montgomery County Public Schools as may be necessary to implement the provisions of the Pension System.

#### SECTION 3--MEMBERSHIP REQUIREMENTS

- 3.1 Eligible Employees on January 1, 1980. Any eligible employee who, on or after January 1, 1980, is a member of the Retirement System shall be entitled to membership in this Pension System and may become a member as of the first day of any month by filing, on the appropriate form, an executed waiver of all benefits that might inure to the member under the Retirement System.
- 3.2 Execution of a state waiver form and enrollment in the Teachers' Pension System will automatically enroll a member in the Pension System regardless of whether a Montgomery County Public Schools waiver form is executed.
- 3.3 Eligible employees entering service on or after January 1, 1980. Each Eligible Employee who is employed by Montgomery County Public Schools on or after January 1, 1980, and is not a member of the Teachers' Retirement System will become a member of the Pension System as a condition of employment.

## SECTION 4--SERVICE DEFINITIONS

### 4.1 Eligibility Service.

- (a) Except as hereinafter provided, all service with Montgomery County Public Schools rendered by an eligible employee on or after January 1, 1980, and before retirement shall be Eligibility Service for the purposes of this Pension System. With respect to any calendar year in which an eligible employee completes at least 700 hours of service, there shall be included in the Eligibility Service a full year of Eligibility Service. Eligibility Service may not be recognized for any fiscal year in which the eligible employee completes less than 700 hours of service. Any calendar year after the year in which an eligible employee first becomes employed during which the member does not complete more than 350 hours of service shall be considered a break in service. Any service rendered before a break in service that occurs before the year in which an eligible employee retires, dies, or otherwise terminates employment or becomes 62 years old may not be recognized as Eligibility Service, until the eligible employee completes one year of Eligibility Service following the break in service. However, if an eligible employee who has not completed the eligibility requirements for a vested retirement allowance incurs a break in service in which the number of consecutive one-year breaks in service equals or exceeds the aggregate number of years of Eligibility Service rendered before the break in service, except for any years of Eligibility Service disregarded because of any prior break in service, the service rendered before the break in service may not be included in the Eligibility Service. If an eligible employee terminates employment and is reemployed after incurring a break in service, the service before the break in service may not be included in the Eligibility Service, except as provided in this section.
- (b) With respect to any person who was employed by Montgomery County Public Schools on December 31, 1979, Eligibility Service for service rendered before that date shall be equal to the credited service recognized through December 31, 1979, under the Retirement System in effect on that date.
- (c) Service for purposes of this section shall mean service as an eligible employee.
- (d) Eligibility Service shall include periods while in the military service as specified in Subsection 4.2(j).
- (e) A period during which an eligible employee is on a qualified leave of absence as defined by the Teachers' Pension System and approved by the superintendent of schools, under rules that apply to all eligible employees similarly situated, shall be included in Eligibility Service, if the period of leave is not included otherwise under this section.
- (f) If a former member who is not retired is restored to service without having incurred a break in service, the Eligibility Service to which the member was previously entitled shall be restored. If a former member who is not retired has incurred a break in service and is restored to service and

the number of consecutive one-year breaks in service does not at least equal the aggregate number of years of Eligibility Service rendered before the break in service, excluding any Eligibility Service disregarded under this section because of any prior break in service, or if the member was entitled to a vested retirement allowance at the time of the break in service, the Eligibility Service to which the member was previously entitled may not be disregarded but shall be restored.

4.2 Creditable Service.

- (a) All Eligibility Service rendered as a full-time eligible employee while a member shall be Creditable Service under this Pension System.
- (b) In the case of a part-time eligible employee, Creditable Service with respect to any calendar year of Eligibility Service shall be determined under rules established by the superintendent of schools, that apply to all eligible employees similarly situated; but Creditable Service recognized for that year may not be less than the fraction of a year, the numerator of which is the number of hours of service as an eligible employee that the member completed during that year and the denominator of which is the normal number of hours of service completed in a year by a full-time eligible employee.
- (c) Except for Creditable Service as specified below in this section, a member may not receive retirement credit for any day not on the payroll of Montgomery County Public Schools.
- (d) Any member who executes a waiver under Paragraph 3.1 shall be credited with the Credited Service recognized under the Retirement System through the date immediately before becoming a member of this Pension System.
- (e) The superintendent of schools, under rules that apply to all eligible employees similarly situated, may grant Creditable Service for any period during which an eligible employee is on a qualified approved leave of absence, as defined by the Teachers' Pension System, that is included in the Eligibility Service.
- (f) Any Creditable Service earned under the Pension System to which a member restored to service was entitled at the time of the previous termination of service that is included in the Eligibility Service restored under Paragraph 4.1(f) shall be restored provided they repay an amount equal to the reserves required to fund the additional allowance.
- (g) Creditable Service for Unused Sick Leave
  - 1) On verification to the superintendent of schools, a member at the time of retirement shall receive Creditable Service for unused sick leave in accordance with the formula that 176 hours or 22 days of unused sick leave are equal to one month of Creditable Service at the factor of .8 percent of Average Final Compensation up to the Social Security Integration Level and at the factor of 1.5 percent of Average Final Compensation over the Social Security Integration Level. One additional month of Creditable Service

shall be granted if fractional days totalling 11 or more result from the application of this formula. Because there are both 10- and 12-month employee retirement programs, the following conversion table is utilized to equalize credit:

| Sick Leave<br>in Days | 10-Month<br>Member | 12-Month<br>Member |
|-----------------------|--------------------|--------------------|
| 1 - 10                | 0                  | 0                  |
| 11 - 32               | 1                  | 1                  |
| 33 - 54               | 2                  | 2                  |
| 55 - 76               | 3                  | 3                  |
| 77 - 98               | 4                  | 4                  |
| 99 - 120              | 5                  | 5                  |
| 121 - 142             | 6                  | 6                  |
| 143 - 164             | 7                  | 7                  |
| 165 - 186             | 8                  | 8                  |
| 187 - 208             | 9                  | 9                  |
| 209 - 230             | 1 year*            | 10                 |
| 231 - 252             | 1 year*            | 11                 |
| 253 - 274             | 1 year*            | 1 year             |
| Sick Leave<br>in Days | 10-Month<br>Member | 12-Month<br>Member |
| 275 - 296             | 11                 | 13                 |
| 297 - 318             | 12                 | 14                 |
| 319 - 340             | 13                 | 15                 |
| 341 - 362             | 14                 | 16                 |
| 363 - 384             | 15                 | 17                 |
| 385 - 406             | 16                 | 18                 |
| 407 - 428             | 17                 | 19                 |
| 429 - 450             | 18                 | 20                 |
| 451 - 472             | 19                 | 21                 |
| 473 - 494             | 2 years*           | 22                 |
| 495 - 516             | 2 years*           | 23                 |
| 517 - 540             | 2 years*           | 2                  |

\*Not more than one year's credit granted per calendar year.

- 2) For the purpose of this section, a member may not be credited for more than 15 days of sick leave a year for each year of membership service to a maximum of 540 days or two years retirement service.
  - 3) Sick leave credit is added to the member's creditable service after qualifying for retirement and may not be used to qualify for (1) death benefit, (2) ordinary disability retirement, (3) deferred service retirement, (4) early retirement, or (5) determining average final compensation.
- (h) In the year of retirement, a member may receive credit of up to ten years towards eligibility for benefits provided under this Pension System if the member files claim for it with the superintendent of schools and pays into this Pension System an amount equal to the reserves required to fund the additional allowance. This additional credit shall be for previous service time:
- 1) With an out-of-state public school
  - 2) With the Federal Government

- 3) With a nonpublic school
  - 4) With any municipal corporation
  - 5) As a postsecondary teacher
- (i) Any person who is a member of the Teachers' Pension System will retain membership in that system upon accepting office or employment with Montgomery County Public Schools on or after January 1, 1980. No Creditable Service will be allowed by this Pension System for service before January 1, 1980, not performed with the Montgomery County Public Schools, except as outlined in Subsection 4.2(h). Any person who is a member of the Teachers' Retirement System is not eligible to participate in this Pension System.
- (j) A member who is a Montgomery County Public Schools employee and who enters the armed forces of the United States and does not withdraw the Accumulated Contributions will receive Creditable Service for the period of service in the armed forces if:
- 1) The member does not remain in the armed forces for more than one enlistment or, if longer, for more than the compulsory tour of duty
    - 2) The member returns to the service of Montgomery County Public Schools within 90 days after honorable discharge or discharge under honorable conditions from the armed forces and submits to the superintendent of schools proof of such service
- (k) Upon retirement from this Pension System, a member who does not qualify for Creditable Service under the provisions of (j) above may receive Creditable Service (not in excess of 5 years) for military service in the armed forces of the United States upon completing a minimum of 10 years of Montgomery County Public Schools employment. Any such employee who previously purchased credits under a previous version of this subsection may apply for a refund of contributions made for such purchase. Anything in this Section 4.2(k) to the contrary notwithstanding, members shall not be entitled to receive Creditable Service for any period for which they have already received credit under another retirement or pension system or plan (other than the Teachers' Pension System, Social Security, the Railroad Retirement Act, or any disability payments under any pension or retirement system, or benefits payable under Title 3 or Title 10, Chapter 67, SS 1331 through 1337 of the U.S. CODE).

SECTION 5--RETIREMENT DATE

- 5.1 Normal Retirement Date. The normal retirement date of a member is the first day of any month elected by the member after satisfying either of the following requirements:
- (a) Completion of 30 years of Eligibility Service
  - (b) Attaining the age and having years of Eligibility Service as follows:

| Age     | Years of Eligibility Service |
|---------|------------------------------|
| 62 with | 5                            |
| 63 with | 4                            |
| 64 with | 3                            |

- 5.2 Early Retirement Date. A member who is not yet 62 years old may elect to retire on the first day of a month and receive reduced pension payments beginning on an early retirement date if at least 55 years old and has completed 15 years of Eligibility Service.
- 5.3 Normal Mandatory Retirement Date. Any member in service who is 70 years old shall be retired on the first day of the next calendar month following the attainment of age 70 unless provided the approval of the superintendent of schools for remaining in service until the end of the school year following the date of becoming 70 years old.
- (a) If a member desires to continue employment at the end of the school year following the date of attaining the age of 70, the member shall apply for continuation on an annual basis on a form provided by the director of personnel services. The member shall submit the application for continuation of employment not less than 30 nor more than 90 days prior to the end of that school year.
- (b) If the written application for continuation by the member is approved by the superintendent of schools, employment shall be authorized for one year. Further continuation of employment shall be based on the filing of a written application not less than 30 nor more than 90 days prior to the completion of each authorized year.
- (c) If the written application is not approved, upon request the member shall be granted a conference for a review of the case with the director of personnel services.
- 5.4 Retirement Date Election. An employee must make a Retirement Date Election by written application filed with the superintendent of schools (and with the Teachers' Pension System, if applicable) at least 30 and not more than 90 days before the retirement date elected.

#### SECTION 6--MEMBER CONTRIBUTIONS--CREDITED INTEREST

- 6.1 Percentage of Member Contributions. Until retirement or termination, a member's contribution will be deducted from the Earnable Compensation in excess of the taxable wage base for the year. The amount of a member's contributions will equal 5.5 percent of such excess compensation, regardless of age or sex. This amount will be offset by the contributions to the Teachers' Pension System but in no event will be less than .5 of 1 percent.
- 6.2 Transfer of member contributions from the Retirement System. The amount of Accumulated Contributions not returned to an employee who voluntarily elects to withdraw from the Retirement System and becomes a member of this Pension System shall be transferred to this Pension System and credited to the account of the employee to be held in trust to provide retirement benefits under this Pension System.
- 6.3 Credited Interest. Interest shall be credited annually, on June 30 of each year. On and after January 1, 1980, interest will be credited at a rate of 5 percent per annum. Upon recommendation of the superintendent of schools and approval of the Board of Education, this rate of interest may be changed

provided that such interest rate will in no event exceed the interest rate then being credited to the fund.

- 6.4 Member contributions while in the service of the armed forces of the United States. The member contributions of each member who qualified for Creditable Service during a period of military service in accordance with the provisions of Subsection 4.2(j) will be paid by the Board of Education in the same manner as provided by state law for members of the Teachers' Pension System.
- 6.5 Member contributions while on a type of leave of absence approved by the Teachers' Pension System. A member who is on a type of leave of absence approved by the Teachers' Pension System will qualify for Creditable Service during such leave of absence by paying member contributions.
- 6.6 Return of Member Contributions. Upon termination of employment with the Montgomery County Public Schools, except by death or retirement, each member or, if appropriate, the estate shall be paid the full amount of the member's Accumulated Contributions with interest upon written request to the superintendent of schools. The amount of a member's Accumulated Contributions attributable to amounts paid to the account by Montgomery County Public Schools shall not be returned to the member.

#### SECTION 7--MONTGOMERY COUNTY PUBLIC SCHOOLS CONTRIBUTIONS

- 7.1 Contributions. Each year, on the account of each member, Montgomery County Public Schools shall pay into the fund an amount at least equal to a certain percentage of the Earnable Compensation of the member, to be known as the "Normal Contribution," and an additional amount equal to a certain percentage of the Earnable Compensation, to be known as the "Accrued Liability Contribution." The rates of percentage of these contributions shall be fixed on the basis of the liabilities of this pension system as shown by actuarial valuation.
- 7.2 Normal Contribution. On the basis of interest and the mortality and service tables adopted by actuary and approved by the superintendent of schools, immediately after making each actuarial valuation, the actuary shall determine the Normal Contribution on the account of each member on the basis of the accrued benefit actuarial cost method. The ratio of the sum of the normal contribution so determined to the total annual earnable compensation of all members shall be known as the Normal Contribution rate.
- 7.3 Accrued Liability Contribution. The Accrued Liability Contribution rate shall be computed, on the basis of the accrued benefit actuarial cost method and any other assumptions adopted by the actuary and approved by the superintendent of schools, as the rate percentage of the total annual earnable compensation of all members that is sufficient to liquidate over a period of 40 years from July 1, 1980, the amount of the total liabilities of this system as of June 30, 1980, based on benefits accrued to said date that are not dischargeable by the assets to the credit of the fund. Changes in the unfunded Accrued Liability due to experience gains and losses will be amortized over 15 years. Changes in the unfunded Accrued Liability due to changes in the

actuarial assumptions will be amortized over 40 years. If the Accrued Liability is increased by plan changes enacted after July 1, 1980, the additional liability shall be funded over 40 years from the first day of July, coincident with or next following the effective date of the increase. The percentage rate so determined shall be known as the Accrued Liability Contribution rate.

7.4 Minimum Contribution. The total amount payable to the fund in each year after the first year following the date of establishment may not be less than the sum of the rates percentage known as the Normal Contribution rate and the Accrued Liability Contribution rate of the total compensation earnable by all members during the preceding fiscal year, but the aggregate payment of the Montgomery County Public Schools must be sufficient, when combined with the amount in the fund, to provide the allowances and other benefits payable out of the fund during the year then current.

7.5 Earnings of Fund. All interest and dividends earned on the funds of this Pension System shall be credited to the fund.

#### SECTION 8--AMOUNT OF BASE PENSION AT NORMAL RETIREMENT DATE OR EARLY RETIREMENT DATE

8.1 Amount of base pension at Normal Retirement date. The yearly amount of base pension for a member who retires from the service of the Montgomery County Public Schools on the normal retirement date will equal Item (a) minus Item (b):

(a) Item 1) multiplied by Item 2):

- 1) 88/100 of 1 percent of the member's Average Final Compensation not in excess of the Social Security Integration Level plus 1 and 65/100 percent of such compensation in excess of the Social Security Integration Level
- 2) The member's years of Creditable Service

(b) The yearly retirement benefit, if any, accrued to the member under the Teachers' Pension System with respect to the period of credited service considered in Item 2), except that in no event will the credited service used for this Item (b) include any service not credited under the Teachers' Pension System. Years of Creditable Service of less than a full year will be prorated; any days of creditable service in excess of 15 days shall be equal to one month.

8.2 Amount of Base Pension at Early Retirement Date. The yearly Amount of Base Pension for a member who retires from the service of the Montgomery County Public Schools on or after an Early Retirement Date but before a Normal Retirement Date will be equal to the Amount of Base Pension at Normal Retirement Date as provided in Subsection 8.1 above computed on the basis of Average Final Compensation and Creditable Service at the time of early retirement, reduced by .5 of 1 percent for each month by which the early retirement date precedes the date of attaining age 62. The member may elect to receive pension payments commencing on the earliest normal retirement date in lieu of receiving payments on the early retirement date.

#### SECTION 9--DISABILITY RETIREMENT

- 9.1 Disability Retirement Procedures. All retirements for disability shall be authorized by the Teachers' Pension System, if the member is also a member of that system, or by the superintendent of schools, if the member is not a member of the Teachers' Pension System.
- 9.2 Ordinary Disability Retirement. On application, or action by the superintendent of schools, any member who has had 5 or more years of Eligibility Service may be retired by the superintendent of schools on an Ordinary Disability Retirement if the superintendent, after a medical examination of the member, certifies that:
- (a) The member is mentally or physically incapacitated for further performance of duty
  - (b) The incapacity is likely to be permanent
  - (c) A member should be retired if no alternate assignment for which the member is qualified or capable of performing can be found

In no event shall a member receive a disability pension for a disability incurred prior to enrollment in the Pension System, except to the extent that such a disability was aggravated subsequent to the member's enrollment.

- 9.3 Accidental Disability Retirement. On the application, or action by the superintendent of schools, any member who has been totally and permanently incapacitated for duty as the natural and proximate result of an accident that occurred while in the actual performance of duty at some definite time and place, without willful negligence on the member's part, shall be retired by the superintendent of schools, if the superintendent certifies that:
- (a) The member is mentally or physically incapacitated for the further performance of duty
  - (b) The incapacity is likely to be permanent
  - (c) A member should be retired if no alternate assignment for which the member is qualified or capable of performing can be found

A member who is entitled to an Accidental Disability Retirement pension may not receive any pension on account of Ordinary Disability.

- 9.4 Amount of Base Pension at Ordinary Disability Retirement. The yearly amount of Base Pension payable to a member upon retirement for Ordinary Disability will equal the amount of Base Pension at Normal Retirement Date if the member is at least 62 years old. Otherwise the member shall receive an amount equal to the amount of Base Pension at Normal Retirement Date computed on the basis of the Average Final Compensation and Creditable Service that would have been received if continued in service to age 62 without any change in the rate of the Earnable Compensation.
- 9.5 Amount of Base Pension at Accidental Disability Retirement. The yearly amount of Base Pension payable to a member upon retirement for Accidental Disability will equal the amount of Base Pension at Normal Retirement Date if the member is at least 62 years old. Otherwise the member shall receive an amount equal to (a), plus (b), minus (c) in the following:

- (a) An annuity which shall be the actuarial equivalent of the Accumulated Contributions at the time of retirement
- (b) Sixty-six and two-thirds percent of the average final compensation, but in no event shall the total Accidental Disability retirement pension exceed the Average Final Compensation
- (c) The yearly Disability Retirement Allowance, if any, payable to the member under the Teachers' Pension System

9.6 Adjustment or Cessation of Disability Pension Payments

- (a) Should the medical board or, if appropriate, the Teachers' Pension System, report and certify to the superintendent of schools that a disabled member is engaged in or is able to engage in a gainful occupation paying more than the difference between the pension and the Average Final Compensation, plus \$3,000 and should the superintendent of schools concur in such report, then the amount of the pension shall be reduced to an amount which, together with the annuity and the amount earnable by the member shall equal the amount of the Average Final Compensation, plus \$3,000. Should a disabled member's earnings capacity be later changed, the amount of the pension may be further modified, provided that the new pension shall not exceed the amount which, when added to the amount earnable by the beneficiary together with the annuity, equals the amount of the Average Final Compensation, plus \$3,000. A member restored to active service at a salary less than the Average Final Compensation upon the basis of which the member was retired shall not become a member of the Pension System until the salary is at least equal to the Average Final Compensation. In this paragraph, "pension" means the maximum pension payable without adjustment for optional choices. The allowed earnings of a disability pensioner shall be determined by the difference between the pension at the time of retirement and the Average Final Compensation plus, \$3,000.

If a disabled member under the age of 62 is restored to active service and if the Annual Compensation then or at any time before the member becomes 62 years old is equal to or greater than the Average Final Compensation at retirement, the allowance shall cease and the member shall become a member of this Pension System again. Notwithstanding any other provision of this plan, all Eligibility and Creditable Service previously earned shall be restored. On subsequent retirement, the pension will be computed in accordance with Section 8 based on Creditable Service earned before and after the absence from service due to disability retirement. If a disabled member is restored to active service after becoming 50 years old, the minimum pension at subsequent retirement will be the lesser of Item 1) or Item 2) in the following:

- 1) The pension received immediately before the last restoration to active service plus the pension which has accrued as a new member on account of service since the last restoration

- 2) The pension the member would have received in accordance with Section 8 had the member remained in service during the period of prior retirement
- (b) The superintendent of schools or, if appropriate, the Teachers' Pension System, may require any retired member receiving disability benefits to submit, on an annual basis, medical information supporting the continued disability. In addition, the retiree may be required to undergo a medical examination, such examination to be made at the place mutually agreed upon, by a physician or physicians designated by the superintendent of schools or, if appropriate, the Teachers' Pension System. Should any disabled member refuse to submit the required medical information or to submit to at least one medical examination in any such year by a physician or physicians so designated, the pension may be discontinued until withdrawal of such refusal, and should the refusal continue for one year, all rights in and to the pension may be revoked by the superintendent of schools, or, if appropriate, the Teachers' Pension System.

#### 9.7 Medical Board

- (a) Composition. For each Disability Retirement application not provided for under Paragraph 9.7(c), where there exists a dispute as to the nature and extent of disability, the superintendent of schools shall designate a Medical Board composed of three physicians not eligible to participate in the Pension System who are licensed to practice in Maryland. At least two members of the Medical Board must be specialists in the particular field of medicine relating to each application for Disability Retirement. The compensation of members of the Medical Board shall be fixed by the superintendent of schools subject to budget limitations.
- (b) Conclusions and Recommendations. The Medical Board shall arrange for and pass upon medical examinations required in connection with an application for Disability Retirement and shall report in writing to the superintendent of schools its conclusions and recommendations upon all matters referred to it.
- (c) Disability Retirements under Teachers' Pension System. Disability Retirements authorized by the Teachers' Pension System shall be governed by the procedures of the Teachers' Pension System.

#### 9.8 Transfers from the Retirement System

- (a) Any member who applies for Disability Retirement within two years of having transferred from the Retirement System to the Pension System and is found to be disabled shall receive the benefits provided under the Retirement System from which the member transferred, offset by whatever contributions have been refunded to the member.
- (b) A member who transfers from the Retirement System to the Pension System shall retain the enrollment date first established in the Retirement System from which the member transferred.

SECTION 10--COST-OF-LIVING ADJUSTMENTS-APPLICABLE ONLY TO PENSIONS  
PAYABLE UNDER THIS PENSION SYSTEM

10.1 Eligibility for Adjustments. Any person receiving payments under this Pension System will be eligible for a Cost-of-Living Adjustment as of each January 1 following the commencement date of such payments if:

- (a) The person is a member of this Pension System who retired from the service of Montgomery County Public Schools on or after January 1, 1980
- (b) The person is the survivor of a member as described in (a) above who is receiving payments under a pension payment option
- (c) The person is a surviving spouse who began receiving a spouse's pension on or after January 1, 1980

10.2 Basis for Adjustment

- (a) Each retired member shall have a base which shall be either the Consumer Price Index (Urban Wage Earners and Clerical Workers-- United States City Average) for September of the calendar year in which last employed or the similar Consumer Price Index for September of the calendar year that preceded the last Cost-of-Living Adjustment, whichever is later, except that as to any Terminated Vested Member who deferred retirement, the base shall be either the Consumer Price Index (Urban Wage Earners and Clerical Workers--United States City Average) for September of the calendar year in which the member attained the age of 62 or the similar Consumer Price Index for September of the calendar year which preceded the last Cost-of- Living Adjustment, whichever is later.
- (b) The Consumer Price Index to be used for the calendar year in which the pension is payable shall be the Consumer Price Index for September of the preceding calendar year.
- (c) The adjustment in pension for the calendar year in which the pension is payable shall be the initial monthly amount of Base Pension payable under this Pension System multiplied by the percentage change in the Consumer Price Index in Subsection (b) of this section from the Consumer Price Index in Subsection (a) of this section.
- (d) The adjustment provided for in Subsection (c) of this section may not exceed 3 percent of the initial monthly amount of Base Pension payable under this Pension System.
- (e) The total pension payable to each member in any calendar year shall be the sum of the member's initial monthly amount of Base Pension, all prior adjustments in pension granted, and the adjustment in pension provided for under Subsection (c) of this section.

10.3 Limitations on Adjustments. No monthly amount of pension subject to Cost-of-Living Adjustment will be reduced by a Cost-of-Living Adjustment below the monthly amount of initial Base Pension subject to Cost-of-Living Adjustment. Cost-of-living Adjustments will continue only as long as this Pension System remains on an active status.

10.4 Substitution for the Consumer Price Index. The Board of Education may, more than four months before a January 1,

substitute for the Consumer Price Index, as of the January 1, another index deemed more suitable to accomplish Cost-of-Living Adjustments under this Section 10.

SECTION 11--NORMAL FORM OF PENSION --PENSION PAYMENT

OPTIONS--SUSPENSION OF PENSION PAYMENTS

11.1 Normal Form of Retirement Pension--Life Income. The member will be paid a monthly income until death.

11.2 Election of Pension Payment Option. In lieu of the Normal Form of Pension, any member may, prior to the first pension payment normally due, elect to receive reduced pension payments of equivalent actuarial value in one of the optional forms set out below. The election of the option shall be made on a form provided for that purpose and shall be filed with the superintendent of schools. Should a member die prior to the effective date of retirement, such election shall be void and of no effect; and the benefits payable on the account shall be the same as though election had not been filed and the member had died in active service. A member who has elected an optional benefit may change such election by due notice to the superintendent of schools, but no change may be made after the first payment of the pension becomes normally due.

Option 1. If the member dies before receiving in payments the present value of the reduced pension as it was at the time of the retirement date, the balance shall be paid to the legal representative or to such person as the member shall nominate by written designation duly acknowledged and filed with the superintendent of schools.

Option 2. Upon death, the reduced pension shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed at the time of retirement with the superintendent of schools.

Option 3. Upon death, one-half of the reduced pension shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed at the time of retirement with the superintendent of schools.

Option 4. If a member dies before receiving benefits in an amount equal to the Accumulated Contributions, then the excess of the Accumulated Contributions over the total of all benefit payments received by the member shall be paid to such person as the member shall nominate by written designation duly acknowledged and filed with the superintendent of schools.

11.3 Suspension of Pension Payments-Applicable only to pensions payable under this Pension System

If a member who has retired from service under this Pension System is subsequently reemployed by Montgomery County Public Schools as a teacher or as another employee on a full-time basis or on a part-time basis regularly scheduled for 20 or more hours per week, pension payments will be suspended.

Upon subsequent retirement, the member will be entitled to receive the amount of pension received previously, plus an additional benefit for the period of reemployment determined in accordance with the provisions of Section 8.1.

The employee will not be eligible for any early retirement or incentive benefit for which not eligible at the time of the first retirement.

A member who retired from service under the Pension System and who is subsequently reemployed by Montgomery County Public Schools will be considered to be a new employee as of the date of reemployment for purposes of computing benefits under this Pension System.

#### SECTION 12--VESTING AND WITHDRAWAL BENEFITS

12.1 Vesting. If a member's service with the Montgomery County Public Schools terminates before the retirement date and after completing five years of Eligibility Service with Montgomery County Public Schools, the member will be eligible to receive a Vested Retirement Pension. The Vested Retirement Pension will be a deferred pension that begins at age 62 and will be equal to the amount of Base Pension at Normal Retirement Date as provided in Subsection 8.1, computed on the basis of the member's Average Final Compensation and Creditable Service at the time the service terminated.

If, on the date of termination, the member has completed 15 years of Eligibility Service but has not reached age 55, upon becoming 55 years old, the member shall be eligible to receive a Vested Retirement Pension that begins on the first day of the month following, reduced by .5 of 1 percent for each month by which the early retirement date precedes the date the member attains age 62.

If a member who is eligible for a Vested Retirement Pension requests the return of contributions, the amount of the Accumulated Contributions shall be returned, and the member will then cease to be a member.

If the member dies before the date when the first payment of the Vested Retirement allowance normally becomes due, the amount of Accumulated Contributions attributable to contributions actually made by the member shall be payable to the beneficiary.

12.2 Nonvesting. If a member's service with the Montgomery County Public Schools terminates before the retirement date and before completing five years of Creditable Service, the member will be paid that portion of Accumulated Contributions actually contributed by the member and will then cease to be a member. Any contributions paid to the Teachers' Pension System will be governed by the regulations of that system.

#### SECTION 13--DEATH BENEFITS

13.1 Single Lump Sum Death Benefit.

Eligibility: A death benefit will be payable to a member's designated beneficiary (or to the estate if no beneficiary has been designated) if the following conditions are met:

- (a) The member died while in service
- (b) Proper proof of death has been submitted to the superintendent of schools
- (c) No Spouse's Pension is payable under the provisions of

Subsection 13.2

Benefit: The amount of benefit payable will equal Item (d), plus Item (e) in the following:

- (d) The member's Accumulated Contributions
- (e) If the member has one or more years of Creditable Service, an amount equal to the member's annual Earnable Compensation at the time of death. This amount is to be reduced by the death benefit, if any, payable under the Teachers' Pension System.

For purposes of this subsection, Designated Beneficiary means a person nominated by written designation duly executed and filed with the superintendent of schools or with the Teachers' Pension System if the member is also a member of the Teachers' Pension System.

- 13.2 Spouse's Pension. If the member at the time of death was at least 55 years old and had completed 15 years of Eligibility Service or was 62 years old or older and, in either event, had nominated a surviving spouse as the sole primary beneficiary to whom the Death Benefit under paragraph 13.1 of this section would be paid, the surviving spouse may elect to receive, instead of a lump sum Death Benefit, an allowance equal to the allowance that the spouse would have received had the member:
- (a) Been eligible to retire
  - (b) Retired 30 days before death
  - (c) Elected Option 2, with spouse as the person nominated

SECTION 14--ADMINISTRATION BY SUPERINTENDENT OF SCHOOLS

- 14.1 Responsibility for Administration. The superintendent shall be responsible for administration of the Pension System established by the Board of Education.
- 14.2 Rules and Regulations for Administration. The superintendent of schools may establish Rules and Regulations for the Administration of the Pension System and may engage actuarial and other services and incur expenses as required to transact the business of the Pension System.
- 14.3 Payment of Expenses. All expenses incurred by the superintendent of schools in operating the Pension System will be paid from budget appropriations approved by the County Council or from the fund.
- 14.4 Legal Advisor to Superintendent of Schools. The Board of Education's attorney shall be the legal advisor of the superintendent of schools.

SECTION 15--FUNDING, INVESTMENT POLICY, AND ACTUARY

- 15.1 Funding Agent. With the recommendation of the superintendent of schools and approval of the Board of Education, the director of financial services may pay all or any part of the funds appropriated for the Pension System to an insurance company to provide the benefits of the system under a group annuity contract or to a corporate trustee to provide such benefits under a trust instrument.
- 15.2 Actuary. The superintendent of schools shall designate an actuary to be the technical adviser of the Board on matters regarding the funding and operation of the Pension System, to perform other duties required in connection therewith, and to make an annual valuation of the assets and liabilities of the

system. Such actuary may, but need not, be an employee of a funding agent.

- 15.3 Actuarial Data. The superintendent of schools shall keep in convenient form such data as shall be necessary for actuarial valuation of the Pension System and for checking the experience of the system.

#### SECTION 16--REPORTS AND AUDITS

- 16.1 Annual Report to Board of Education. The superintendent of schools shall submit to the Board of Education an annual report on the status of the Pension System for the preceding fiscal year.
- 16.2 Annual Report of Member Contributions and Credited Interest. The superintendent of schools shall supply to each member annually a report of the member's contributions with credited interest as of June 30 of the preceding fiscal year.

#### SECTION 17--PAYMENT OF BENEFITS

- 17.1 Amount of Pension Payment. A member's pension will be paid each month during retirement, beginning on the member's retirement date. The monthly amount of each payment will equal one-twelfth of the yearly amount of pension for the member. When the pension payments begin, the member will receive a notice showing the amount and terms of payment.
- 17.2 Seven-Year Limitation. There will be no obligation to make any payment to a payee unless the payer has received proof that the payee was living on the due date of the payment. If such proof is not received within seven years after the due date of the payment, the obligations of the payer as to the payment will be the same as if the payee had died immediately before the due date of the payment.

#### SECTION 18--PROTECTION AGAINST FRAUD

- 18.1 Any person who shall knowingly make any false statements or shall falsify or permit to be falsified any record or records of this Pension System in any attempt to defraud such system as a result of such act shall be guilty of a misdemeanor and shall be punishable therefor under the laws of Montgomery County and Maryland. Should any change or error in the records result in any member or beneficiary receiving from the Pension System more or less than entitled to receive had the records been correct, the superintendent of schools shall correct such error and, as far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid. At the request of the superintendent of schools, members or beneficiaries who received payment from the Pension System of any monies to which they were not entitled under the provisions of this Pension System shall refund such monies to the System.

#### SECTION 19--AMENDMENT OF PENSION SYSTEM

- 19.1 Upon preparation and recommendation by the superintendent of schools of amendments of the Pension System, the Board of Education may adopt and put into effect such amendments by resolution. The Board shall seek to provide adequate funding of the costs of any such amendments on an actuarially sound basis. No amendment shall reduce the amount of any accrued base pension which has been covered by a reserve held in the system or the

term of monthly payments or delay the due date of any payment without the written consent of the member thereto.

SECTION 20--BENEFITS EXEMPT FROM EXECUTION

20.1 The right of a person to a pension or an annuity, to the return of contributions, to the pension or annuity itself, to any optional benefit or death benefit, to any other right accrued or accruing to any person under the provisions of this Pension System, and to the monies in the various funds created by this Pension System shall not, except for obligations owed to the Board of Education of Montgomery County, be subject to execution, garnishment, attachment, or any other process of recourse and shall be unassignable. In the case of a debt owed to the Board of Education of Montgomery County, the employee's account or benefit may be reduced, up to the amount of the obligation, after notification of the obligation due.

SECTION 21--FILING OF PENSION SYSTEM AND CONTRACT

21.1 The Pension System and the contract entered into between the Board of Education of Montgomery County and the funding agent shall be filed with the Insurance Department of the State of Maryland, the Internal Revenue Service, and the United States Treasury Department, as deemed necessary by the Board of Education on advice of legal and fiscal counsel.

SECTION 22--RECORDS

22.1 Records Generally. There shall be established and maintained by the superintendent of schools such records as deemed necessary for the administration of this Pension System. The superintendent of schools shall prescribe the form and the scope of these records.

22.2 Decision of Superintendent of Schools on Records. The decision of the superintendent of schools relating to the confidentiality, use, maintenance, and disposition of all records and materials relating to this Pension System shall be final.

22.3 Time Limits Records Are To Be Kept. The superintendent of schools, when not in conflict with state law, shall determine the time limit that pension system records shall be kept on file. The superintendent of schools shall also determine the final disposition of such records.

SECTION 23--QUALIFICATION

23.1 The Pension System hereby established is intended to qualify under the Internal Revenue Code of 1954, as amended. To the extent that any change or changes are made in this Pension System in the course of securing favorable determination letters from the Internal Revenue Service, such change or changes shall be made in the Pension System retroactive to the effective date of the provision to be changed, supplanting any provision to the contrary therein as if such supplanted provision or provisions had never been adopted.

MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland 20850

EMPLOYEES' PENSION SYSTEM  
Effective July 1, 1984

Wilmer S. Cody

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MONTGOMERY COUNTY PUBLIC SCHOOLS  
EMPLOYEES' PENSION SYSTEM

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MCPS EMPLOYEES RETIREMENT SYSTEM  
SUMMARY OF PROPOSED CHANGES  
RETIREMENT DIFFERENCES  
SECTION 1

(a)-(u)

Definitions placed in alphabetical order except for item

(u).

(b) Average Final Compensation

The word "consecutive" was deleted to conform to state law change.

(f) Early Retirement Date

Definition inserted to cover the situation where a member's "Early Retirement Date" under this system may differ from the "Early Retirement Date" under the state system.

(g) Earnable Compensation

To conform with the negotiated provision that extended-year employment is to be included for retirement for certain stated positions.

(k) Normal Retirement Date

Definition inserted to cover cases where a member's "Normal Retirement Date" under this system may differ from the "Normal Retirement Date" under the state system.

(s) and (t)

These new sections provide for the new "two-part benefit" in accordance with change in state law and MCPS Resolution 10-85.

(u) Annotated Code of Maryland

Attorney recommends that references to the Annotated Code of Maryland shall mean the edition of such code currently in effect, including replacement volumes. MCCSSE has requested specific date references in Section 1, Items (o), (q), and (r).

SECTION 2.1

(a) and (b) Name and Purpose

Inserts language for clarification "who become members thereof."

SECTION 2.3

Date of Establishment

Attorney recommends change to say that effective date of change will be provided in the resolution or the text of the amendment.

SECTION 3.1

(a), (b), (c), (d), (f), (g), (h)

The MCPS Retirement System has now undergone three election periods. One at inception in January 1, 1968. The second at commencement of the MCPS Pension Plan on January 1, 1980. The third as a result of the change of state law, H.B. 991, effective July 1, 1984, requiring inception of a "two-part plan." Language has been added to provide for these various elections on an appropriate form.

SECTION 3.3

Eligibility for Benefits

Title has been changed to include "by Members Subject to the Two-Part Benefit."

These new sections have been inserted in accordance with MCPS Resolution 10-85 to describe benefits provided by the new "two-part benefit."

SECTION 4.3

Normal Mandatory Retirement Date

This section has been modified to conform with the state law change to permit employment of person past age 70.

SECTION 5.1

Percentage of Member Contributions

This section has been modified in accordance with MCPS Resolution 10-85 to provide for change in the state system that permitted an increase in employer contribution for persons choosing Selection A to a 7 percent rate. The MCPS plan for state members remains at .5 percent and 5.5 percent for nonstate members.

SECTION 5.7

(c) Return of Members Contributions A new section, inserted in accordance with MCPS Resolution 10-85, to provide for a refund of contributions for members opting for the new "two-part benefit."

SECTION 6.2

Determination of Contribution

After actuarial study the budgetary process was revised so that the basis for liquidating the "unfunded accrued liability" is 40 years from inception as opposed to the prior 30-year period.

SECTION 7.2

(c) Procedure for Determining Credited Future Service This new section is inserted because of a change in state retirement regulations that provide for a proration of part-time employment for persons hired after July 1, 1976.

SECTION 7.7

Credited Service for a Qualifying Approved Leave of Absence as Defined by the Maryland State Teachers Retirement System

This section modifies language to conform with the state system as to the method and amount of contribution to repurchase periods of leave.

Attorney has recommended removing subparagraph letter (a) and closing up paragraph.

Credited Service for Other Approved Leave Without Pay and Payment of Contributions

This section modifies language for repurchase of types of leave not recognized by the state. This language is modified to follow the same amount charged for the purchase of out-of-state service. Attorney has recommended removing subparagraph letter (a) and closing up paragraph.

SECTION 7.9

Credited Service for Prior Military Service

This section has been amended in accordance with MCPS Resolution 429-81, passed in June 1981 to provide credited service for up to five years of military service.

SECTION 7.10

(b) Transfers to This Retirement System After January 1, 1968, but Before January 1, 1980

This language needed to be modified to clarify that there could be no transfer to the MCPS Retirement System after

January 1, 1980.

SECTION 7.11

(a), (b), (c) Use\_of\_Sick\_Leave\_for\_Obtaining\_Credited\_Service  
This section is to conform with negotiations and describes the crediting of sick leave for retirement purposes. Subsection (b) inserts the chart used by the state system for the crediting of sick leave.

SECTION 7.14

Credited\_Service\_Upon\_Becoming\_Subject\_to\_the\_Two-Part\_Benefit -  
This section is added in accordance with MCPS Resolution 10-85, establishing and providing for the crediting of service under the "two-part benefit" plan.

SECTION 8

Amount\_of\_Base\_Pension\_at\_Normal\_or\_Early\_Retirement\_Date  
This section has been revised as a result of BOE Hearing 1984-1 to provide the language, a formulaic expression in Exhibit I, and examples of calculations in Exhibit 2 to explicitly cover situations where a member may not have equal credited service in both the local and state retirement systems and where early retirement dates vary.

SECTION 9.4

Amount\_of\_Base\_Pension\_at\_Nonservice\_Connected\_Disability Retirement  
This section has been modified to more clearly define the disability retirement benefit in conformance with state law and regulations.

SECTION 9.6

Adjustment\_or\_Cessation\_of\_Disability\_Pension\_Payments  
This section has been modified to more closely conform with the state law and regulations. Subsection (a) permits some work after a disability retirement. Subsection (b) specifies that the retirement administrator may require more medical information and follow up as to disability retirements.

SECTION 9.8

Transfers\_to\_the\_Pension\_System  
This section has been added to conform with passage of state law after commencement of the pension system. This section is to clarify whether the retirement or pension system will govern the extent of disability retirement.

SECTION 10.5

Cost-of-Living\_Adjustments\_for\_Two-Part\_Benefit  
This section is to conform with MCPS Resolution 10-85 instituting the new two-part benefit plan. The language provides that cost-of-living will be granted for credited service prior to transfer and that the pension system cost-of-living will be granted for future service.

SECTION 11.2

Election\_of\_Pension\_Payment\_Option\_4  
This section is to clarify the benefit payable under Option 4.

SECTION 11.3

Suspension\_of\_Pension\_Payments  
Provides for the occasional situation where a retiree asks to come out of retirement and return to work.

SECTION 12.1

Vesting

This section is to more clearly describe the benefits payable to vested members in conformance with state provisions.

SECTION 13.2

Spouse's Pension

A paragraph is deleted to conform with state law change that spouse is eligible even though not living with member at time of death.

SECTION 15

Medical Board

Language modified to say that the superintendent of schools "may" designate a Medical Board composed of three physicians. A sentence is added that the expense of convening such a board may be waived where there is no dispute as to the extent and nature of the disability.

SECTION 17.1

Annual Report to the Board of Education

The last sentence of the former section as to availability of copies of the annual report has been deleted. Intent is to reduce expense to the plan.

SECTION 22

Filing of Retirement System and Contract

Section is modified to require filing as deemed necessary by the Board of Education.

SECTION 23.1

Qualification

Both retirement and pension plans contain a section concerning plan qualification with the Internal Revenue Service. These sections stated that changes required by the IRS would be made retroactive to January 1, 1980. These have been replaced with the words, "the effective date of the provision to be changes."

TABLES C and C-1

Early Retirement Factors

To make explicit the early retirement factors in use by the MCPS plans and the state plans.

MONTGOMERY COUNTY PUBLIC SCHOOLS

EMPLOYEES' RETIREMENT SYSTEM

Retirement System

SECTION 1--DEFINITIONS: INTERPRETATION

1. The following words and phrases shall have the following meanings:

- (a) "Accumulated Contributions" shall mean the sum of all the amounts credited to a member's account together with credited interest thereon.
- (b) "Average Final Compensation" shall mean the average annual earnable compensation of an Eligible Employee for the three years of service as an Eligible Employee during which Earnable Compensation was highest, or if less than three years of service, then Earnable Compensation for total service.
- (c) "Board of Education" shall mean the County Board of Education of Montgomery County as defined in Section 12, THE ANNOTATED CODE OF MARYLAND, EDUCATION.
- (d) "Credited Future Service" or "Future Service" shall mean

- creditable service rendered after the effective date of this Retirement System by an Eligible Employee participating as a member of this Retirement System.
- (e) "Credited Interest" shall mean interest at the rate of 4 percent per annum compound annually on June 30 of each year and credited to each member's account.
  - (f) "Early Retirement Date" means the first day of any month elected by the member after completing 25 years of Credited Service under the Retirement System and before becoming eligible to retire on a Normal Retirement Date. A member's Early Retirement Date under this system may differ from the early retirement date under the Teachers' Retirement System.
  - (g) "Earnable Compensation" shall mean the full rate of the compensation that would be payable to an Eligible Employee who worked the full normal working time, exclusive of such items as overtime, shift differential, extended-year employment (except for those positions that have guaranteed days), adult education pay, and compensation for duties not included in the basic job position. In cases where compensation includes maintenance, the superintendent of schools shall fix the value of that part of the compensation not paid in money.
  - (h) "Eligible Employees" shall mean:
    - 1) An employee who is employed by Montgomery County Public Schools who is a "Teacher," as defined in Section 108 of the ANNOTATED CODE OF MARYLAND, if the employee is a member, or eligible for membership, in the Teachers' Retirement System.
    - 2) An employee who is employed by the Montgomery County Public Schools on a full-time basis or on a regularly scheduled part-time basis (50 percent or more of the normal work standard for that job classification/position) if the employee is not a member, or eligible for membership, in the Teachers' Retirement System, and if the employee was employed on or before December 31, 1979, and does not become a member of the Montgomery County Public Schools Employees' Pension System.
  - (i) "Medical Board" shall mean the board of physicians provided for in this Retirement System.
  - (j) "Member" shall mean any employee participating in the membership of this Retirement System.
  - (k) "Normal Retirement Date" means the first day of any month elected by the member after reaching the sixtieth birthday or completing 30 years of credited service under this Retirement System. A member's Normal Retirement Date under this system may differ from the normal retirement date under the Teachers' Retirement System.
  - (l) "Pension System" shall mean the Montgomery County Public Schools Employees' Pension System.
  - (m) "Prior Service" shall mean creditable service rendered prior to the date of the establishment of this Retirement System.
  - (n) "Retirement System" shall mean the Montgomery County Public Schools Employees' Retirement System.

- (o) "State Retirement System" shall mean the Employees' Retirement System of the State of Maryland, established by Article 73B of the ANNOTATED CODE OF MARYLAND, 1957 Edition.
- (p) "Superintendent of Schools" shall mean the superintendent of schools of Montgomery County, as defined in Section 53 of the ANNOTATED CODE OF MARYLAND. "Superintendent of Schools" may also mean, when applicable, the Board of Education's attorney, the deputy superintendent, associate superintendents of schools, or the director of a department.
- (q) "Teachers' Pension System" shall mean the Pension System for Teachers of the State of Maryland, established by Article 73B of the ANNOTATED CODE OF MARYLAND, 1970 Replacement Volume and 1978 Supplement.
- (r) "Teachers' Retirement System" shall mean the Teachers' Retirement System of the State of Maryland, established by Article 77 of the ANNOTATED CODE OF MARYLAND, 1957 Edition.
- (s) "Two-Part Benefit" under the Retirement System shall mean benefits and amount of member contributions provided under Subsection 3.3 of the Retirement System.
- (t) "Two-Part Benefit" under the Teachers' Retirement System shall mean the allowances for Retirement, Early Retirement, Ordinary Disability Retirement, Accidental Disability Retirement, the Retirement Allowance Adjustment, and the Contribution Payable by a member as provided in Section 86B of Article 73B of the ANNOTATED CODE OF MARYLAND.
- (u) "ANNOTATED CODE OF MARYLAND" shall mean the edition of such code currently in effect, including the currently effective replacement volumes and supplements.

2. Interpretation

- (a) In any case in which there may be a conflict in this document between any provision generally applicable before the establishment of the Two-Part Benefit, on the one hand, and a provision specifically applicable to a member subject to the Two-Part Benefit, on the other hand, it is intended that the provision concerning the Two-Part Benefit shall apply to any member subject to that benefit, overriding if necessary any conflicting provision in this document.
- (b) Correspondence to Teachers' Retirement System Provisions of the Retirement System modeled on provisions of the Teachers' Retirement System shall be interpreted in the same way as are the provisions of the Teachers' Retirement System.
- (c) Adjustment of benefit due to duplication of benefits If a Teacher is entitled to the same benefit under the Retirement System and under the Teachers' Retirement System, that benefit shall not be payable under the Retirement System but shall be payable under the Teachers' Retirement System.

SECTION 2--NAME, PURPOSE, ADMINISTRATION AND DATE OF ESTABLISHMENT

2.1 Name and Purpose: A retirement system is hereby established, to be known as Montgomery County Public Schools Employees' Retirement System, for:

- (a) Providing supplemental retirement benefits for eligible employees who become members thereof who are members of the

Teachers' Retirement System

- (b) Providing full retirement benefits for eligible employees who become members thereof who are not eligible for membership in the Teachers' Retirement System
- 2.2 Administration: The superintendent of schools shall be responsible for the administration of the retirement system.
- 2.3 Date of Establishment: The retirement system shall be established as of January 1, 1968, and any amendment therefore shall be effective as provided in the resolution of the Board of Education adopting such amendment or as provided in the text of such amendment as adopted.
- 2.4 Contract Authorization: Upon recommendation of the superintendent of schools and approval of the Board of Education, the superintendent of schools is authorized to enter into such contracts on behalf of the Montgomery County Public Schools as may be necessary to implement the provisions of this retirement system.

SECTION 3--MEMBERSHIP

3.1 Membership Requirements

- (a) Each Eligible Employee of Montgomery County Public Schools who is a member in the Retirement System and a member of the Teachers' Retirement System on December 31, 1979, shall continue to be a member unless becoming a member of the Teachers' Pension System. An employee who becomes a member of the Teachers' Pension System shall file, at least 90 days before, on the appropriate form, an executed waiver of all benefits which might inure to the member under this Retirement System. Execution of a state waiver form and enrollment in the Teachers' Pension System shall have the effect of waiving all the employee's rights under the Retirement System, even if a Montgomery County Public Schools waiver form is not completed or on file with the school system. The effective date of membership in the Pension System will be the same as the effective date of membership in the Teachers' Pension System.
- (b) Each Eligible Employee of Montgomery County Public Schools who is a member in the Teachers' Retirement System on December 31, 1979, shall continue to be a member unless on January 1, 1980, or the first day of any month thereafter becoming a member of the Pension System by filing, at least 90 days before, on the appropriate form an executed waiver of all benefits which might inure to the member under this Retirement System.
- (c) Each Eligible Employee of Montgomery County Public Schools who is a member of the Retirement System on December 31, 1979, and does not at any time become a member of the Pension System shall, as a condition of that employee's employment contract, be entitled to remain a member of the Retirement System without change in the benefits provided in the Retirement System as of December 31, 1979, unless the member becomes subject to the Two-Part Benefit on or after July 1, 1984, subject to the final portion of 3.1(f). Any person receiving benefits under the provisions of this Retirement System on December 31, 1979, shall continue to

receive the benefits as provided in the Retirement System as of December 31, 1979.

- (d) Any person who is a member of the Teachers' Retirement System on December 31, 1979, and does not at any time become a member of the Teachers' Pension System and who subsequently transfers to Montgomery County Public Schools shall be entitled to remain a member of the Teachers' Retirement System and will be required to enroll in this Retirement System as a supplement to the state system for the years employed with the Montgomery County Public Schools. If such person is or becomes subject to the Two-Part Benefit under the Teachers' Retirement System, the person will also be subject to the Two-Part Benefit under the Retirement System.
- (e) Each Eligible Employee of Montgomery County Public Schools who becomes a member of the Pension System in accordance with Paragraph (a) or (b) of this subsection shall be deemed to have irrevocably waived rights to membership in this Retirement System and is not eligible for membership.
- (f) Each eligible employee of Montgomery County Public Schools who is a member in the Retirement System and a member of the Teachers' Retirement System on June 30, 1984, shall continue to be a member without changes in the benefits provided in the Retirement System as of June 30, 1984, unless the person becomes a member of the Teachers' Pension System or becomes subject to the Two-Part Benefit under the Teachers' Retirement System. If a member becomes subject to the Two-Part Benefit under the Teachers' Retirement System, the member will automatically become subject to the Two-Part Benefit under the Retirement System. The effective date of the Two-Part Benefit in the Retirement System will be the same as the effective date of the Two-Part Benefit in the Teachers' Retirement System. Members subject to the Two-Part Benefit irrevocably waive all rights to benefits under the Retirement System for any service on or after the effective date of the selection.
- (g) Each Eligible Employee of Montgomery County Public Schools who is a member of the Retirement System and who is not a member in the Teachers' Retirement System on June 30, 1984, shall continue to be a member without change in the benefits provided under the Retirement System as of June 30, 1984, unless during the period November 1, 1984, through April 30, 1985, or the first day of any subsequent month thereafter the member elects the Two-Part Benefit. This will be accomplished by filing at least 90 days before, on the appropriate form, an executed waiver of all benefits which might otherwise inure the member under this Retirement System for Credited Service rendered or considered to be rendered on and after the effective date of election. Members subject to the Two-Part Benefit irrevocably waive all rights to benefits under the Retirement System for any service on or after July 1, 1984, or the effective date for the Two-Part Benefit.
- (h) Each eligible employee of Montgomery County Public Schools

who is a member of the Retirement System on July 1, 1984, and does not at any time become a member of the Pension System and who is not subject to the Two-Part Benefit shall, as a condition of that employee's employment contract, shall be entitled to remain a member of the Retirement System without change in the benefits provided in the Retirement System as of June 30, 1984. Any person receiving benefits under the provisions of this Retirement System on July 1, 1984, shall continue to receive the benefits as provided in the Retirement System as of June 30, 1984.

3.2 Membership Closed After December 31, 1979. Except as provided in Section 3.1(d) above, any employee who is not a member of the Retirement System on December 31, 1979, or who is employed after that date is not eligible for membership.

3.3 Eligibility for Benefits by Members Subject to the Two-Part Benefit

A member who becomes subject to the Two-Part Benefit under the Teachers' Retirement System or who elects the Two-Part Benefit under the Retirement System will be eligible for benefits in accordance with Items (a) through (e) in the following:

- (a) The amount of base pension at Normal Retirement Date or Early Retirement Date is computed
  - 1) For Credited Service before the date as of which the member becomes subject to the Two-Part Benefit, as provided by Section 8 of the Retirement System
  - 2) For Credited Service after the date as of which the member becomes subject to the Two-Part Benefit, as provided by Section 8 of the Pension System  
The Normal Retirement Date with respect to benefits computed under this Item 2) is the date provided by Subsection 5.1 of the Pension System and the Early Retirement Date with respect to such benefits is the date provided by Subsection 5.2 of the Pension System. The reduction for Early Retirement which applies to such benefits is the reduction provided in Subsection 8.2 of the Pension System.
- (b) The amount of base pension at Nonservice Connected Disability Retirement is the greater of
  - 1) The benefit provided by Subsection 9.4 of the Retirement System if the member was in service before the date the member becomes subject to the Two-Part Benefit
  - 2) The benefit provided by Subsection 9.4 of the Pension System if the member is in service on or after the date the member becomes subject to the Two-Part Benefit
- (c) The amount of base pension at Service Connected Disability Retirement is computed
  - 1) For Credited Service before the date the member becomes subject to the Two-Part Benefit, as provided by Subsection 9.5 of the Retirement System
  - 2) For Credited Service after the date the member becomes subject to the Two-Part Benefit as provided by Subsection 9.5 of the Pension System.
- (d) The amount of a member's contributions on and after the date

the member becomes subject to the Two-Part Benefit is the amount provided in Subsection 6.1 of the Pension System.

- (e) For computing benefits as provided in Items (a) through (c) of this Subsection
  - 1) Credited Service obtained in accordance with Subsection 7.11 of the Retirement System shall be apportioned in the same ratio that the member's Credited Service (excluding Credited Service provided by Subsection 7.11) is apportioned for calculation of benefits
  - 2) Credited Service received by a member on and after the date the member becomes subject to the Two-Part Plan shall be treated as Credited Service as of the date the service was rendered, except that Credited Service received in accordance with Subsection 7.9 of the Retirement System shall be determined as of the date the service is credited.

#### SECTION 4--RETIREMENT DATE

- 4.1 Normal Retirement Date: The normal retirement date of a member is the first day of any month elected by the member after satisfying either of the following requirements:
  - (a) Member has reached 60th birthday.
  - (b) Member has completed 30 years of credited service.
- 4.2 Early Retirement Date: A member who has not met the age and service requirements for a normal retirement date may elect to retire on the first day of a month and receive a reduced pension payment beginning on an early retirement date after completing 25 years of credited service.

The member may elect to receive pension payments commencing on the earliest normal retirement date in lieu of receiving such pension payments commencing at the early retirement date.
- 4.3 Normal Mandatory Retirement Date: Any member in service who is 70 years old shall be retired on the first day of the next calendar month following the attainment of age 70, provided that with the approval of the superintendent of schools the member may remain in service until the end of the school year following the date on becoming 70 years old.

If a member desires to continue employment at the end of the school year following the date on which the member attains the age of 70, the member shall apply for continuation on an annual basis on a form provided by the director of personnel. The member shall submit the application for continuation of employment not less than 30 nor more than 90 days prior to the end of that school year.

If the written application for continuation by the member is approved by the superintendent of schools, employment shall be authorized for one year. Further continuation of employment shall be based on the filing of written application not less than 30 nor more than 90 days prior to the completion of each authorized year.

If the written application is not approved, upon request, the member shall be granted a conference for a review of the case with the director of personnel services.
- 4.4 Retirement Date Election: An employee must make the retirement date election by written application filed with the

superintendent of schools (and with the Teachers' Retirement System, if applicable) at least 30 and not more than 90 days before the retirement date elected.

SECTION 5--MEMBER CONTRIBUTIONS--CREDITED INTEREST

- 5.1 Percentage of Member Contributions: Until retirement a member's contributions will be deducted from Earnable Compensation and paid to the funding agent. The amount of a member's contribution will be determined by the retirement system and program in which the member is enrolled. The amount of contribution for employees not eligible for the Teachers' Retirement System and who are enrolled only in this Retirement System will be 5.5 percent of Earnable Compensation regardless of age or sex. The amount of contribution for eligible employees enrolled in Selection A of the Teachers' Retirement System with this Retirement System as a supplement will be a total of 7.5 percent of Earnable Compensation. The amount of contribution for eligible employees enrolled in Selection B of the Teachers' Retirement System with this Retirement System as a supplement will be a total of 5.5 percent of Earnable Compensation. The amount of contributions for eligible employees enrolled in Section C of the Teachers' Retirement System (Two-Part Benefit) will be 5.5 percent of Earnable Compensation over the Social Security Wage Base in any calendar year. The amount of a member's contribution to this Retirement System will be offset by member contributions made to the Teachers' Retirement System, but in no event will the required contribution to this Retirement System be less than .5 percent.
- 5.2 Transfer of Member Contributions from the State Retirement System: The amount of accumulated contributions of an employee who, by January 1, 1968, voluntarily elects to withdraw from the State Retirement System shall be transferred to this Retirement System and credited to the account of said employee to be held in trust to provide retirement benefits for the employee transferring to this Retirement System.
- 5.3 Excess Member Contributions: Any employee who has contributed to the State Retirement System contributions in excess of the amount required by law shall have such excess contributions returned, with interest, upon becoming a member of this Retirement System.
- 5.4 Credited Interest: Interest shall be credited annually, on June 30 of each year. On and after January 1, 1968, interest will be credited on each member's accumulated contributions and credited interest will be at a rate of 4 percent per annum. Upon recommendation of the superintendent of schools and approval of the Board of Education this rate of interest may be changed, provided such interest rate will in no event exceed the interest rate then being credited to the fund.
- 5.5 Member Contribution While in the Service of the Armed Forces of the United States: The member contributions of each member who qualifies for credited service during a period of military service will be paid by the Board of Education in the same manner as provided by state law for members of the Teachers' Retirement System.
- 5.6 Member Contributions While on a Qualifying Approved Leave of

Absence as Defined by the Teachers' Retirement System: A member who is on an approved leave of absence as defined by the Teachers' Retirement System will qualify for credited service during such leave of absence by paying member contributions.

5.7 Return of Member Contributions

- (a) Upon Termination of Employment with Montgomery County Public Schools Except by Death or Retirement: Each member or, if appropriate, the estate shall be paid the full amount of accumulated contributions with interest upon written request to the superintendent of schools. The amount of accumulated contributions attributable to amounts paid on behalf of a member by Montgomery County Public Schools shall not be returned to the member. Member contributions left in the fund over five years after an employee terminates employment with Montgomery County Public Schools, or after five years following the expiration of an authorized leave of absence if the member does not return to work, will not be credited with interest except when an employee vests.
- (b) Upon Becoming a Member of the Pension System as Provided in Section 3: Each member who transfers to the Pension System shall be eligible to receive a return of a part of the accumulated contributions as of the date of transfer. The part shall be the ratio, not exceeding one, that the average of the social security taxable wage bases in the three calendar years immediately preceding the calendar year of transfer bears to the average of the member's Earnable Compensation as of the end of the preceding three fiscal years or, for a teacher, the ratio determined by Paragraph 89.(1)(E) of the ANNOTATED CODE OF MARYLAND, if different. This amount shall be paid approximately 90 days after the member's date of transfer. The balance of the member's accumulated contributions shall be transferred to the pension fund of the Montgomery County Public Schools Employees' Pension System.
- (c) Upon Becoming Subject to the Two-Part Benefit: Each employee who is a member of the Retirement System and who becomes subject to the Two-Part Benefit between November 1, 1984, and April 30, 1985, shall have any contributions made during FY 85 prior to the election date refunded without interest. Members who become subject to the Two-Part Benefit on the first of any subsequent month after the April 30, 1985, deadline shall have any contributions due refunded without interest.

SECTION 6--MONTGOMERY COUNTY PUBLIC SCHOOLS CONTRIBUTIONS

- 6.1 Contributions: Montgomery County Public Schools shall pay annually to the funding agent each fiscal year a certain percentage of the compensation of each member, to be known as the "normal contributions", and, if needed, an additional contribution to be known as the "accrued liability contributions."
- 6.2 Determination of Contribution: The normal contribution by Montgomery County Public Schools shall be determined by the superintendent of schools after each actuarial valuation as the percentage of the compensation of all members which is

sufficient to cover the cost of benefits for credited future service after taking into account members' contributions. The accrued liability contribution by Montgomery County Public Schools shall be the amount determined by the superintendent of schools to be necessary to liquidate on a level annual basis the amount of the unfunded accrued liability over not more than 40 years after taking into account any funds receivable hereunder from any retirement system from which a member is transferred.

- 6.3 Montgomery County Public Schools Contribution While Member Is in the Service of the Armed Forces: Montgomery County Public Schools shall pay the Montgomery County Public Schools contribution in addition to the member's contribution on a current basis for each member who qualifies under the provisions of Subsection 7.3.
- 6.4 Estimate to Board of Education: Each year the superintendent of schools shall include in his budget the amount of money, ascertained by an annual valuation, which he or she anticipates will become due and payable during the next fiscal year. The amount of money to fund the Retirement System approved and appropriated by the County Council shall be paid to the funding agent during the next fiscal year.
- 6.5 Earnings of Fund: Upon the recommendation of the superintendent of schools and approval of the Board of Education, earnings on the fund in excess of the interest rate assumed may be either:
  - (a) Accumulated to fund any supplementary benefits for members that may be subsequently provided
  - (b) Accumulated as reserves
  - (c) Used to reduce any required Montgomery County Public Schools contributions above the amount being contributed by employees

#### SECTION 7--CREDITED SERVICE

- 7.1 Member's Credited Service: A member's credited service equals the sum of Credited Future Service and Prior Service, determined as follows:
  - (a) Credited Future Service means creditable service rendered after the effective date of the Retirement System by an Eligible Employee participating as a member of this Retirement System.
  - (b) Credited Prior Service for Eligible Employees entering this Retirement System on January 1, 1968, means service credited to a member under the State Retirement System or the Teachers' Retirement System. A member will not receive credited prior service unless the member elected to become a member of this Retirement System on or before January 1, 1968.
  - (c) Credited Service for Transferred Eligible Employees means the effect of transfers from this Retirement System to, or to this Retirement System from, another retirement system in Maryland and is described in Paragraphs 7.10 and 7.11.
- 7.2 Procedures for Determining Credited Future Service: The superintendent of schools will establish rules and regulations to be used in determining how much service in any 12-month period constitutes one year of credited future service, except as otherwise provided herein:

- (a) In no case will more than one year of Credited Future Service be allowed for service in any 12-month period.
- (b) Service rendered for the full normal working time in any 12-month period, including paid authorized leave or other leave specifically provided herein, will equal one year of credited future service.
- (c) A person employed on a regular basis, at least 50 percent of the normal requirement for a full-time employee in an identical position, shall receive retirement credit as follows:
  - 1) Those employees enrolled in the Employees' Retirement System before July 1, 1976, who are employed for at least 50 percent of the time but less than 100 percent shall earn retirement credit as if regularly employed to perform the same duties on a full-time basis.
  - 2) Those employees enrolled in the Employees' Retirement System on or after July 1, 1976, who are employed for at least 50 percent of the time but less than 100 percent shall have the retirement credit prorated based on the percentage of time worked.

7.3 Credited Service for Period of Service in the Armed Forces of the United States: A member who is a Montgomery County Public Schools' employee who enters the Armed Forces of the United States and does not withdraw member contributions with credited interest will receive Credited Future Service for the period of service in the armed forces if:

- (a) The member does not remain in the armed forces for more than one enlistment or, if longer, for more than the compulsory tour of duty
- (b) The member returns to the service of Montgomery County Public Schools within 90 days after honorable discharge or discharge under honorable conditions from the armed forces and submits to the superintendent of schools proof of such service

7.4 Status of Employee in Armed Forces: An Eligible Employee who entered the Armed Forces of the United States before January 1, 1968, and who returns to the service of Montgomery County Public Schools under the conditions described in Paragraph 7.3 and elects to become a member within 30 days thereafter may be deemed by the superintendent of schools to have become a member on January 1, 1968, and receive Credited Future Service and, if applicable, credited past service for service in the armed forces.

7.5 Recredited Service for Period of Prior Montgomery County Public Schools Service: Whenever a former member re-enters the Retirement System upon reappointment as a Montgomery County Public Schools employee, the member shall have the opportunity to regain the credited service which had accrued on the date the prior Montgomery County Public Schools service terminated. Before being credited for this service, the member must complete three years of service after reappointment; and pay into this Retirement System in a lump sum, or on an extended payment basis if approved by the superintendent of schools, the full amount of member contributions with Credited Interest the member withdrew

upon termination of prior service with Montgomery County Public schools, plus the interest that would have been earned on the account from the date of termination to the date of repurchase of service credits.

- 7.6 Credited Service for Montgomery County Public Schools Service Not Credited Under the State Retirement System:
- (a) Each person who was an Eligible Employee of Montgomery County Public Schools on July 1, 1961, who elected not to become a member of the State Retirement System at that time and who has been an Eligible Employee of Montgomery County Public Schools continuously since July 1, 1961, shall have the opportunity to obtain credit for any period of Montgomery County Public Schools service for which the member does not have credit under the State Retirement System. This option for the purchase of such service credits must be exercised by a member before January 1, 1968, and payments made and completed within four years.
  - (b) Before being credited for this service, such member shall pay into this Retirement System in a lump sum, or on an extended payment basis if approved by the superintendent of schools, the full amount of what would have been member contributions with interest had the member in fact been a member of the State Retirement System from July 1, 1961, the date the employee first had the opportunity to elect to become a member, to the date elected to become a member of the State Retirement System, if ever.
- 7.7 Credited Service for a Qualifying Approved Leave of Absence as Defined by the Teachers' Retirement System:  
Any member who is granted a qualifying leave without pay as defined by the Teachers' Retirement System shall have the opportunity to obtain credited service for such period of leave. Before receiving this credited service, the member shall pay into this Retirement System a percentage, determined in accordance with Paragraph 5.1, of what would have been Earnable Compensation during the period of time of approved leave without pay, plus interest on the accumulated contributions, including contributions for the period of leave, which will be credited during the period of leave in accordance with Paragraph 5.4. This amount will be offset by the amount paid to the Teachers' Retirement System, but in no event will be less than zero (0). Members, at the time a qualifying leave is granted, must submit the appropriate Teachers' Retirement System and Montgomery County Public Schools Retirement System forms to obtain credit for the period of leave.
- 7.8 Credited Service for Other Approved Leave Without Pay and Payment of Contributions: Any member who is granted approved other leave without pay shall have the opportunity to obtain credited service for such period of approved leave without pay granted on or after January 1, 1968. Before receiving this credited service, such member shall pay into this Retirement System an amount equal to the reserves required to fund the credited period of leave. Members, at the time the leave is granted, must submit the appropriate Retirement System form to obtain credit for the period of leave.

- 7.9 Credited Service for Prior Military Service: Upon retirement from this Retirement System, a member who does not qualify for credited service under the provisions of Section 7.3 above will be granted credited service (not in excess of five years) for military service in the Armed Forces of the United States upon completing a minimum of ten years of Montgomery County Public Schools employment.
- Anything in this Section 7.9 to the contrary notwithstanding, members shall not be entitled to purchase credited service for any period for which they have already received credit under another retirement or pension system or plan (other than the Teachers' Retirement System, Social Security, the Railroad Retirement Act, or any disability payments under any pension or retirement system, or benefits payable under Title 3 or Title 10, Chapter 67, SS 1331 through 1337 of the U.S. CODE).
- 7.10 Transfers to this Retirement System After January 1, 1968, but Before January 1, 1980:
- (a) Any person who is a member of the Teachers' Retirement System will retain membership in that system upon accepting office or employment after January 1, 1968, with Montgomery County Public Schools. Except as to those transferring employees described in Section 3.1 (d), no credited service will be allowed by this Retirement System for such persons who accept office or employment after December 31, 1979, with Montgomery County Public Schools.
  - (b) A person who is a member of a Retirement System of the State of Maryland, other than the Teachers' Retirement System, will become a member of this Retirement System upon accepting office or employment after January 1, 1968, but before January 1, 1980, with the Montgomery County Public Schools. Credited Service before January 1, 1968, will only be allowed for those employees eligible at the time of installation of the Retirement System on January 1, 1968. No credited service will be allowed by this Retirement System for such persons who accept office or employment after December 31, 1979, with Montgomery County Public Schools. Employment after this date requires membership in the Pension System.
- 7.11 Use of Sick Leave for Obtaining Credited Service: Upon retirement from the Teachers' Retirement System of State of Maryland or its equivalent for persons not eligible for membership in the Teachers' Retirement System who are members of Montgomery County Public Schools Employees' Retirement System only, an employee at the time of retirement shall receive creditable service for unused sick leave in accordance with the formula that 176 hours or 22 days of unused sick leave are equal to one month of creditable service at the annual factor of 1/55. This additional credit will be provided by the Teachers' Retirement System of the State of Maryland for members of that system. This additional credit will be provided by the Montgomery County Public Schools Employees' Retirement System for persons not eligible for membership in the Teachers' Retirement System. One additional month of creditable service shall be granted if fractional days totaling 11 or more result

from the application of this formula.

(a) For the purpose of this section, a member may not accumulate more than 15 days of sick leave for each year of membership service to a maximum of 540 days or 2 years retirement service.

(b) Because there are both 10- and 12-month employee retirement programs, the following conversion table is utilized to equalize credit:

| 12-MONTH<br>MEMBER | SICK LEAVE | 10-MONTH |    |
|--------------------|------------|----------|----|
|                    | IN DAYS    | MEMBER   |    |
|                    | 1 - 10     | 0        | 0  |
|                    | 11 - 32    | 1        | 1  |
|                    | 33 - 54    | 2        | 2  |
|                    | 55 - 76    | 3        | 3  |
|                    | 77 - 98    | 4        | 4  |
|                    | 99 - 120   | 5        | 5  |
|                    | 121 - 142  | 6        | 6  |
|                    | 143 - 164  | 7        | 7  |
|                    | 165 - 186  | 8        | 8  |
|                    | 187 - 208  | 9        | 9  |
|                    | 209 - 230  | 1 year*  | 10 |
|                    | 231 - 252  | 1 year*  | 11 |
|                    | 253 - 274  | 1 year*  | 1  |
| year               | 275 - 296  | 11       | 13 |
|                    | 297 - 318  | 12       | 14 |
|                    | 319 - 340  | 13       | 15 |
|                    | 341 - 362  | 14       | 16 |
|                    | 363 - 384  | 15       | 17 |
|                    | 385 - 406  | 16       | 18 |
|                    | 407 - 428  | 17       | 19 |
|                    | 429 - 450  | 18       | 20 |
|                    | 451 - 472  | 19       | 21 |
|                    | 473 - 494  | 2 years* | 22 |
|                    | 495 - 516  | 2 years* | 23 |
| years              | 517 - 540  | 2 years* | 2  |

\*Not more than 1 year credit granted per calendar year.

(c) Sick leave credit is added to the member's creditable service after qualifying for retirement and may not be used to qualify for 1) death benefit, 2) ordinary disability retirement, 3) deferred service retirement, 4) early retirement, or 5) determining average final compensation.

7.12 Transfers from this Retirement System: Any member whose employment is terminated with Montgomery County Public Schools may be eligible to transfer to any of the Retirement Systems of the State of Maryland. The member's rights on termination will be governed by the provisions of Section 12, Vesting and Withdrawal Benefits.

7.13 Credited Service for Out-of-State Teaching Service: Any member may receive, in the year in of retirement, credited service toward eligibility for benefits for out-of-state public school

teaching service and/or nonpublic school teaching service up to a maximum of ten years, provided the member first make claim with the Teachers' Retirement System under Article 77, Section 194, and also purchase the service with the Teachers' Retirement System and pay into Montgomery County Public Schools Employees' Retirement System an amount equal to the reserves required to fund the additional allowance for such years of out-of-state and/or nonpublic teaching service as the member may claim.

- 7.14 Credited Service upon Becoming Subject to the Two-Part Benefit: Any member who becomes subject to the Two-Part Benefit shall have future service credited in accordance with Subsection 4.1(A) of the Pension System on or after July 1, 1984, or the effective date on the first of any subsequent month thereafter following the election period of November 1, 1984, through April 30, 1985.

SECTION 8--AMOUNT OF BASE PENSION AT NORMAL RETIREMENT DATE OR EARLY RETIREMENT DATE

- 8.1 Amount of Base Pension at Normal Retirement Date: The yearly amount of base pension for a member who retires from the service of the Montgomery County Public Schools on the normal retirement date will equal Item (a) minus Item (b) plus, if applicable, Item (c):

- (a) Item 1) multiplied by Item 2):
- 1) 2 percent of the member's Average Final Compensation.
  - 2) The member's years of credited service, up to a maximum of 36 years of credited service.
- (b) The yearly retirement benefit, if any, accrued to the member under the Teachers' Retirement System with respect to the period of credited service considered in Item 2), except that in no event will the credited service used for this Item (b) include any service not credited under the Teachers' Retirement System. Years of credited service of less than a full year will be prorated, and credits will be granted for any month in which the employee worked or was on approved leave and contributions were received.
- (c) Item 1) multiplied by Item 2).
- 1) The accrued annual state retirement benefit with respect to the period of credited service which is credited under the Teachers' Retirement System and which is also credited under this Retirement System.
  - 2) The appropriate factor from Table C minus the appropriate early retirement factor from the Teachers' Retirement System (see Table C-1), both factors to be determined based on the number of years by which the member's early retirement date under the Teachers' Retirement System precedes such member's normal retirement date under the Teachers' Retirement System.

- 8.2 Amount of Base Pension at Early Retirement Date: The yearly amount of base pension for a member who retires from the service of the Montgomery County Public Schools on or after an early retirement date but before a normal retirement date will equal the yearly amount of base pension computed under Item 8.1(a) above times the appropriate factor from Table C minus the yearly retirement benefit computed under Item 8.1 (b) above times the

appropriate early retirement factor from the Teachers' Retirement System (see table C-1). For computing the amount of base pension at Early Retirement Date, the appropriate early retirement factor from the Teachers' Retirement System will be determined based on the lesser of:

The number of years' by which the member's early retirement date under the Teachers' Retirement System precedes such member's normal retirement date under the Teachers' Retirement System.

or

The number of years by which the member's early retirement date under this Retirement System precedes such member's normal retirement date under this Retirement System.

The minimum yearly amount of base pension under this Subsection 8.2 will equal Item (a) multiplied by Item (b), plus, if applicable, Item (c):

- (a) Item 1) multiplied by Item 2).
  - 1) Two elevenths of 1 percent (.1818%) of Average Final Compensation.
  - 2) Years of credited service up to a maximum of 36 years of credited service.
- (b) The appropriate factor from Table C.
- (c) Item 1) multiplied by Item 2).
  - 1) The accrued annual state retirement benefit with respect to the period of credited service which is credited under the Teachers' Retirement System and which is also credited under this Retirement System.
  - 2) The appropriate factor from Table C, minus the appropriate early retirement factor from the Teachers' Retirement System (see Table C-1), both factors to be determined based on the number of years by which the member's early retirement date under the Teachers' Retirement System precedes such member's normal retirement date under the Teachers' Retirement System.

#### SECTION 9--DISABILITY RETIREMENT

- 9.1 Disability Retirement Procedures: All retirements for disability shall be authorized by the Teachers' Retirement System, if the member is also a member of that system, or by the superintendent of schools, if the member is not a member of the Teachers' Retirement System.
- 9.2 Nonservice-Connected Disability Retirement: A member in the service of the Montgomery County Public Schools who is not yet eligible to retire on a normal retirement date may be retired by the Teachers' Retirement System or the superintendent of schools on a nonservice-connected disability retirement if the member meets all of the following requirements:
  - (a) The member has five years of credited service.
  - (b) The member has passed, at time of employment or subsequent thereto, but prior to becoming disabled, a physical examination as may be required by the superintendent of schools.
  - (c) If the member is not retired for disability by the Teachers' Retirement System, the superintendent of schools recommends to the Board of Education that such member is mentally or

physically incapacitated for the further performance of duty, that such incapacity is not due to willful negligence, that such incapacity is likely to be permanent, and that such member should be retired.

- (d) The member has made application for nonservice-connected disability retirement at least 30 and not more than 90 days before being retired.
- (e) The member is not eligible for service-connected disability retirement.

9.3 Service-Connected Disability Retirement: A member in the service of the Montgomery County Public Schools who is not eligible to retire on a normal retirement date may be retired by the Teachers' Retirement System or the superintendent of schools on a service-connected disability retirement if the member meets all of the following requirements:

- (a) The member is totally incapacitated for duty, or partially and permanently incapacitated for duty, as the natural and approximate result of an accident occurring or an occupational disease incurred while in the actual performance of duty at some definite time or place, without willful negligence on the member's part.
- (b) The member has passed at time of employment, or subsequent thereto, but prior to becoming disabled a physical examination as may be required by the superintendent of schools.
- (c) The member has made application for service-connected disability retirement at least 30 and not more than 90 days before being retired.
- (d) The member is not eligible for nonservice-connected disability retirement.

9.4 Amount of Base Pension at Nonservice-Connected Disability Retirement: The yearly amount of base pension payable to a member upon retirement for nonservice connected disability will equal (a) or (b) in the following, whichever is greater, minus (c),

- (a) Two percent of the member's Average Final Compensation, multiplied by the years of credited service, up to a maximum of 36 years of credited service, or
- (b) The lesser of Item 1) or 2) in the following:
  - 1) 30 percent of the member's Average Final Compensation.
  - 2) 2 percent of the member's Average Final Compensation multiplied by the number of years of service which would be creditable to the member if the service continued until the attainment of age 60, minus.
- (c) The yearly disability retirement allowance, if any, payable to the member under the Teachers' Retirement System with respect to the period of credited service considered in (a).

9.5 Amount of Base Pension at Service Connected Disability Retirement: The yearly amount of base pension payable to a member upon retirement for service connected disability will equal (a) plus (b) below, minus (c) in the following:

- (a) An annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement.

(b) Sixty-six and two-thirds percent (66-2/3%) of the member's Average Final Compensation, but, in no event, shall the total service-connected disability retirement pension exceed the Average Final Compensation.

(c) The yearly disability retirement allowance, if any, payable to the member under the Teachers' Retirement System.

9.6 Adjustment or Cessation of Disability Pension Payments:

Should the Medical Board or, if appropriate, the Teachers' Retirement System, report and certify to the superintendent of schools that a disabled member under the normal retirement age of 60 is engaged in or is able to engage in a gainful occupation paying more than the difference between the pension and the average final compensation, plus \$3,000, and should the superintendent of schools concur in such report, then the amount of the pension shall be reduced to an amount which, together with the annuity and the amount earnable by the member, shall equal the amount of the average final compensation plus \$3,000. Should a member's earning capacity be later changed the amount of the pension may be further modified; provided that the new pension shall not exceed the amount of the pension originally granted nor an amount which, when added to the amount earnable by the member together with the annuity, equals the amount of the average final compensation plus \$3,000. A member restored to active service at a salary less than the average final compensation upon the basis of which the member has retired shall not become a member of the Retirement System.

The superintendent of schools or, if appropriate, the Teachers' Retirement System, may require any retired member receiving disability benefits to submit, on an annual basis, medical information supporting the continued disability. In addition, the retiree may be required to undergo a medical examination, such examination to be made at the place of residence of said member or other place mutually agreed upon by a physician or physicians designated by the superintendent of schools or, if appropriate, the Teachers' Retirement System. Should any disabled member refuse to submit the required medical information or to submit to at least one medical examination in any such year by a physician or physicians so designated, the allowance may be discontinued until withdrawal of such refusal, and should refusal continue for one year, all rights in and to the pension may be revoked by the superintendent of schools or, if appropriate, the Teachers' Retirement System.

9.7 Administrative Disability Retirement: Whenever any member not having reached the normal retirement date becomes disabled or incapacitated so that the member is no longer able to perform the work duties and refuses or fails to make application for retirement, the superintendent of schools may make application to the Teachers' Retirement System, or approve application made for this Retirement System, for this type of disability retirement that the member appears to be eligible to receive.

9.8 Transfers to the Pension System.

(a) Any member who applies for disability retirement within two years of having transferred from the Retirement System to the Pension System and is found to be disabled shall receive

the benefits provided under the retirement system from which the member transferred, offset by whatever contributions have been refunded to the member.

- (b) A member who transfers from the Retirement System to the Pension System shall retain the enrollment date first established in the retirement system from which the member transferred.

SECTION 10--COST-OF-LIVING ADJUSTMENTS--APPLICABLE ONLY TO PENSIONS  
PAYABLE UNDER THIS RETIREMENT SYSTEM

10.1 Eligibility for Adjustments: Any person receiving payment under this Retirement System will be eligible for a cost-of-living adjustment as of each January 1, following the commencement date of such payment if:

- (a) The person is a member of this Retirement System who retired from the service of Montgomery County Public Schools on or after January 1, 1968.
- (b) The person is the survivor of a member as described in (a) above who is receiving payments under a pension payment option.
- (c) The person is a surviving spouse who began receiving a spouse's pension on or after January 1, 1968.

10.2 Basis for Adjustment:

- (a) Cost-of-living adjustments will be based on the Consumer Price Index (Urban Wage Earners and Clerical Workers--United States City Average), published monthly by the Bureau of Labor Statistics. The adjustment for each calendar year will be determined by dividing the Consumer Price Index for the fourth month preceding the beginning of the year by the Consumer Price Index for fourth month prior to the immediately preceding January 1.
- (b) The monthly amount of pension subject to a cost-of-living adjustment on the January 1 immediately following the pension commencement date of a retired member or a surviving spouse will equal the monthly amount of base pension payable under this Retirement System determined in accordance with Sections 8.1, 8.2, 9.4, 9.5 or 13.2, whichever is applicable. The monthly amount of pension subject to a cost-of-living adjustment on each subsequent January 1 will equal the monthly amount of pension payable to such member or surviving spouse during the preceding calendar year.
- (c) The monthly amount of pension subject to a cost-of-living adjustment on the January 1 immediately following the payment commencement date of a survivor as described in 10.1(b) will equal the monthly amount of pension payable to such survivor as provided by the terms of the pension payment option elected by the member. The monthly amount of pension subject to a cost-of-living adjustment on each subsequent January 1 will equal the monthly amount of pension payable to such survivor during the preceding calendar year.

10.3 Limitations on Adjustment: No monthly amount of pension subject to cost-of-living adjustment will be reduced by a cost-of-living adjustment below the monthly amount of initial base pension subject to cost-of-living adjustment. Cost-of-living

adjustments will continue only as long as this Retirement System remains on an active status.

- 10.4 Substitute Index: The Board of Education may, more than four months before January 1, substitute for the Consumer Price Index, as of the January 1, another index deemed more suitable to accomplish cost-of-living adjustments under this Section 10.
- 10.5 Cost of Living Adjustments for Two-Part Benefit: Each member becoming subject to the Two-Part Benefit shall receive a cost of living adjustment in accordance with Subsections 10.1, 10.2, 10.3, and 10.4 of the Retirement System for service earned and credited prior to the effective date of change and cost of living adjustment in accordance with Subsections 10.2, 10.3, and 10.4 of the Pension System for service credited after the effective date of change.

SECTION 11--NORMAL FORM OF PENSION --PENSION PAYMENT

OPTIONS--SUSPENSION OF PENSION PAYMENTS

- 11.1 Normal Form of Retirement Pension--Life Income: The member will be paid a monthly income until death.
- 11.2 Election of Pension Payment Option: In lieu of the normal form of pension, any member may, prior to the first pension payment normally due, elect to receive reduced pension payments of equivalent actuarial value in one of the optional forms set out below. The election of the option shall be made on a form provided for that purpose and shall be filed with the superintendent of schools. Should a member die prior to the expiration of 30 days after the date of the filing of such election or prior to 30 days after retirement, such election shall be void and of no effect, and the benefits payable on the account shall be the same as though the election had not been filed and had the member died in active service. A member who has elected an optional benefit may change such election by due notice to the superintendent of schools, but no change may be made after the first payment of the pension becomes normally due.

- Option 1: If a member dies before having received in payments the present value of the reduced pension as it was at the time of the retirement date, the balance shall be paid to the legal representative or to such person as the member shall nominate by written designation duly acknowledged and filed with the superintendent of schools.
- Option 2: Upon a member's death, the reduced pension shall be continued through the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed at the time of this retirement with the superintendent of schools.
- Option 3: Upon a member's death, one-half of the reduced pension shall be continued through the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed at the time of retirement with the superintendent of schools.
- Option 4: If a member dies before receiving benefits in an

amount equal to the accumulated contributions, then the excess of the accumulated contributions over the total of all benefit payments received by the member shall be paid to such person as the member shall nominate by written designation duly acknowledged and filed with the superintendent of schools.

- 11.3 Suspension of Pension Payments (Applicable only to pensions payable under this Retirement System): If a member who has retired from service under this Retirement System is subsequently reemployed by Montgomery County Public Schools as a teacher, or as an other employee on a full-time basis or on a part-time basis regularly scheduled for 20 or more hours per week, pension payments will be suspended. Upon subsequent retirement, the member will be entitled to receive the amount of pension received previously, plus an additional benefit for the period of reemployment in accordance with Section 8.1. The employee will not be eligible for any early retirement or incentive benefit not eligible for at the time of the first retirement. The member will be considered to be a new employee as of the date of reemployment and will become a member of the system which the member was in at the time of original retirement.

#### SECTION 12--VESTING AND WITHDRAWAL BENEFITS

- 12.1 Vesting: If a member's service with Montgomery County Public Schools terminates before the retirement date and after completing five years of credited service with Montgomery County Public Schools, the member may elect either:
- (a) To be paid the member contributions with credited interest, thus ceasing to be a member.
  - (b) To receive a base pension, beginning on the first of the month coinciding with or next following the sixtieth birthday, which will be provided in the following manner
    - 1) The member will elect to leave member contributions, including interest credited thereon, in the fund of the Retirement System
    - 2) The member will receive a vested ownership in the amount of the normal retirement pension which has accrued to the date of termination
    - 3) The amount of pension will equal the amount of base pension at normal retirement date as provided in Section 8
  - (c) If, on the date of termination, the member had completed 25 years of credited service, the member may elect to receive a reduced pension payment beginning on an early retirement date. The amount of reduced pension will be determined in accordance with Paragraph 8.2.
  - (d) If a terminated vested member dies before the date when the first payment of vested allowance normally becomes due, the beneficiary will receive a single lump sum death benefit payment equal to accumulated contributions attributable to amounts actually contributed by the member. If there is no designated beneficiary the accumulated contributions will be paid to the deceased member's estate.

(e) Vested members who have not reached retirement age 60 will be subject to any changes in this Retirement System upon retirement age 60.

12.2 Nonvesting: If a member's service with the Montgomery County Public Schools terminates before the retirement date and before completing five years of credited service, the member will be paid that portion of Accumulated Contributions actually contributed by the member. Any contributions paid to the Teachers' Retirement System will be governed by the regulations of that system.

12.3 Leave of absence: A leave of absence duly authorized by the Board of Education for Retirement System membership purposes will not be considered termination of service if the member returns to the service of the Montgomery County Public Schools at the end of such leave of absence. Except as specifically provided in this Retirement System, any period of leave of absence shall not be counted as credited service.

#### SECTION 13--DEATH BENEFITS

13.1 Single Lump Sum Death Benefits:

ELIGIBILITY: A death benefit will be payable to a member's designated beneficiary (or to the estate if no beneficiary has been designated) if the following conditions are met:

- (a) The member died while in service.
- (b) Proper proof of death has been submitted to the superintendent of schools.
- (c) No spouse's pension is payable under the provisions of Subsection 13.2.

Benefit: The amount of benefit payable will equal Item (a) plus Item (b) below:

- (a) The member's accumulated contributions.
- (b) If the member has one or more years of credited service, an amount equal to the member's annual Earnable Compensation at the time of death. This amount is to be reduced by the death benefit, if any, payable under the Teachers' Retirement System. For purposes of this subsection, "designated beneficiary" means a person nominated by written designation duly executed and filed with the superintendent of schools, or with the Teachers' Retirement System if the member is also a member of the Teachers' Retirement System.

13.2 Spouses' Pension:

Eligibility: The surviving spouse of a member who dies in service will be eligible to receive a pension if the following conditions are met:

- (a) The member was eligible for service retirement under the provisions of Subsections 4.1 or 4.2 or had attained age 55 and completed fifteen or more years of credited service.
- (b) The member did not nominate by written designation a beneficiary other than a spouse.
- (c) The spouse does not elect to receive the single lump sum death benefit under the provisions of Subsection 13.1. Such election may be made by written notice filed with the superintendent of schools not later than 60 days after the death of the member but before the commencement of the spouse's pension.

Benefit: The amount of pension payable to the spouse will be equal to the amount that would have been payable if the member had retired 30 days before death and had elected Option 2 under Subsection 11.2. However, if the member was not eligible for service retirement, the amount of pension payable to the spouse will be calculated, using a percentage which is consistent with the percentages used to calculate early retirement pensions under Subsection 8.2 and an optional annuity factor consistent with the factors used to calculate the optional form of pension under Option 2 of Subsection 11.2.

#### SECTION 14--ADMINISTRATION BY SUPERINTENDENT OF SCHOOLS

- 14.1 Responsibility for Administration: The superintendent of schools shall be responsible for the administration of the Retirement System established by the Board of Education.
- 14.2 Rules and Regulations for Administration: The superintendent of schools may establish rules and regulations for the administration of the Retirement System and may engage actuarial and other services and incur expenses as required to transact the business of the Retirement System.
- 14.3 Payment of Expenses: All expenses incurred by the superintendent of schools in operating the Retirement System will be paid from budget appropriations approved by the County Council or from the Fund.
- 14.4 Legal Advisor to Superintendent of Schools: The Board of Education's Attorney shall be the legal advisor of the superintendent of schools.

#### SECTION 15--MEDICAL BOARD

- 15.1 Composition: For each disability retirement application not provided for under Paragraph 15.3, where there exists a dispute as to the nature and extent of disability, the superintendent of schools shall designate a Medical Board composed of three physicians not eligible to participate in the Retirement System who are licensed to practice in Maryland. At least two members of the Medical Board must be specialists in the particular field of medicine relating to each application for disability retirement. The compensation of the members of the Medical Board shall be fixed by the superintendent of schools subject to budget limitation.
- 15.2 Conclusions and Recommendations: The Medical Board shall arrange for and pass upon medical examinations required in connection with an application for disability retirement and shall report in writing to the superintendent of schools its conclusions and recommendations upon all matters referred to it.
- 15.3 Disability Retirements Under Teachers' Retirement System: Disability retirements authorized by the Teachers' Retirement System shall be governed by the procedures of the Teachers' Retirement System.

#### SECTION 16--FUNDING, INVESTMENT POLICY, AND ACTUARY

- 16.1 Funding Agent: With the recommendation of the superintendent of schools and approval of the Board of Education, the director of financial services may pay all or any part of the funds appropriated for the Retirement System to an insurance company to provide the benefits of the System under a group annuity contract or to a corporate trustee to provide such benefits

under a trust instrument.

- 16.2 Actuary: The superintendent of schools shall designate an actuary to be technical advisor of the Board on matters regarding the funding and operation of the Retirement System, to perform other duties required in connection therewith, and to make an annual valuation of the assets and liabilities of the System. Such actuary may be, but need not be, an employee of a funding agent.
- 16.3 Actuarial Data: The superintendent of schools shall keep in convenient form such data as shall be necessary for actuarial valuation of the Retirement System and for checking the experience of the System.
- 16.4 Transfer of Assets: As of July 1, 1980, and each July 1 thereafter, the actuary shall determine the proportionate share of the pension fund of the Retirement System as of said date allocable to those members of the Retirement System who filed with the superintendent of schools an executed waiver of all benefits under this Retirement System and elected to transfer to the Pension System during the previous 12 months. For purposes of this paragraph, the Pension Fund shall not be considered to include members' accumulated contributions. Assets of the Pension Fund equal to this proportionate share shall be transferred to the Pension Fund for the Pension System.

#### SECTION 17--REPORTS AND AUDITS

- 17.1 Annual Report to Board of Education: The superintendent of schools shall submit to the Board of Education an annual report on the status of the Retirement System for the preceding fiscal year.
- 17.2 Annual Report of Member Contributions and Credited Interest: The superintendent of schools shall supply to each member annually a report of the member's contribution with credited interest as of June of the preceding fiscal year.

#### SECTION 18--PAYMENT OF BENEFITS

- 18.1 Amount of Pension Payment: A member's pension will be paid each month during retirement, beginning on the retirement date. The monthly amount of each payment will equal one-twelfth of the yearly amount of pension for the member. When the member's pension payments begin, the member will receive a notice showing the amount and terms of payment.
- 18.2 Seven Year Limitation: There will be no obligation to make any payment to a payee unless the payer has received proof that the payee was living on the due date of the payment. If such proof is not received within seven years after the due date of the payment, the obligations of the payer as to the payment will be the same as if the payee had died immediately before the due date of the payment.

#### SECTION 19--PROTECTION AGAINST FRAUD

- 19.1 Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of this Retirement System in any attempt to defraud such system as a result of such act shall be guilty of a misdemeanor and shall be punishable therefor under the laws of Montgomery County and Maryland. Should any change or error in the records result in any member or beneficiary receiving from the Retirement System

more or less than the member would have been entitled to receive had the records been correct, the superintendent of schools shall correct such error and as far as practicable, shall adjust the payment in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid. At the request of the superintendent of schools, any member or beneficiary who has received payment from the Retirement System of any monies to which not entitled under the provisions of this Retirement System shall refund such monies to the System.

#### SECTION 20--AMENDMENT OF RETIREMENT SYSTEM

20.1 Upon preparation and recommendation by the superintendent of schools of amendments of the Retirement System, the Board of Education may adopt and put into effect such amendments by resolution. The Board shall seek to provide adequate funding for the costs of any such amendments on an actuarially sound basis. No amendment shall reduce the amount of any accrued base pension which has been covered by a reserve held in the system, the term of monthly payments, or delay the due date of any payment, without the consent of the member thereto.

#### SECTION 21--BENEFITS EXEMPT FROM EXECUTION

21.1 The right of a person to a pension or any annuity, to the return of contributions, to the pension or annuity itself, to any optional benefit or death benefit, to any other right accrued or accruing to any person under the provisions of this Retirement System, and to the monies in the various funds created by this Retirement System shall not, except for obligations owed to the Board of Education of Montgomery County, be subject to execution, garnishment, attachment, or any other process or recourse whatsoever and shall be unassignable. In the case of a debt owed to the Board of Education of Montgomery County, the employee's account or benefit may be reduced, up to the amount of the obligation, after notification of the obligation due.

#### SECTION 22--FILING OF RETIREMENT SYSTEM AND CONTRACTS

22.1 This Retirement System, and the Contract entered into between the Board of Education of Montgomery County and the funding agent, shall be filed with the Insurance Department of the State of Maryland and the Internal Revenue Service, United States Treasury Department, as deemed necessary by the Board of Education on advice of legal and fiscal counsel.

#### SECTION 23--RECORDS

23.1 Records Generally: There shall be established and maintained by the superintendent of schools such records as deemed necessary for the administration of this Retirement System. The superintendent of schools shall prescribe the form and the scope of these records.

23.2 Decision of superintendent of schools on Records: The decision of the superintendent of schools relating to the confidentiality, use, maintenance, and disposition of all records and materials relating to this Retirement System shall be final.

23.3 Time Limits Records Are To Be Kept: The superintendent of schools, when not in conflict with state law, shall determine the time limit that Retirement System records shall be kept on

file. The superintendent of schools shall also determine the final disposition of such records.

SECTION 24--QUALIFICATION

24.1 The Retirement System hereby established is intended to qualify under the Internal Revenue Code of 1954, as amended. To the extent that any change or changes are made in this Retirement System in the course of securing favorable determination letters from the Internal Revenue Service, such change or changes shall be made in the Retirement System retroactive to the effective date of the provision to be changed, supplanting any provision to the contrary therein as if such supplanted provision or provisions had never been adopted.

MONTGOMERY COUNTY PUBLIC SCHOOLS

TABLE C(1)

Early Retirement Factors

| YEARS EARLY | PERCENTAGE OF NORMAL RETIREMENT BENEFIT |
|-------------|-----------------------------------------|
| 0           | 100                                     |
| 1           | 98                                      |
| 2           | 95                                      |
| 3           | 91                                      |
| 4           | 86                                      |
| 5           | 80                                      |

(1) There are no Tables A or B. Table C is a designation by the Funding Agent to all Early Retirement Tables

MONTGOMERY COUNTY PUBLIC SCHOOLS

TABLE C-1

Early Retirement Factors from the Teachers' Retirement System of the State of Maryland

Use this table to determine appropriate early retirement factors from the Teachers' Retirement System.

| YEARS EARLY | PERCENTAGE OF NORMAL RETIREMENT BENEFIT UNDER THE TEACHERS' RETIREMENT SYSTEM |
|-------------|-------------------------------------------------------------------------------|
| 0           | 100                                                                           |
| 1           | 94                                                                            |
| 2           | 88                                                                            |
| 3           | 82                                                                            |
| 4           | 76                                                                            |
| 5           | 70                                                                            |

EXHIBIT I

MCPS

RETIREMENT BENEFITS

FORMULAIC EXPRESSION

8.1 NORMAL

(.02) (AFC) (MCPS YRS.) - (1/55) (AFC) (LESSER OF MCPS YRS.)

OR

TRS YRS.) AND, IF APPLICABLE + (1/55) (AFC) (YRS. CREDITED  
BOTH

SYSTEMS) (MCPS ERF FOR STATE YRS. EARLY - TRS ERF)

8.2 EARLY

((.02). (AFC) (MCPS YRS) (MCPS ERF) - (1/55) (AFC) (LESSER  
OF MCPS

YRS. OR TRS YRS.) (TRS ERF FOR LESSER OF STATE YEARS EARLY OR  
MCPS YEARS

EARLY))

NOT LESS THAN

(.001818) (AFC) (MCPS YRS) (MCPS ERF)

+

(1/55) (AFC) (YRS. CRED. BOTH SYSTEMS) (MCPS ERF STATE YRS.  
EARLY - TRS ERF)

EXHIBIT 2

MCPS

RETIREMENT BENEFIT

EXAMPLES OF CALCULATIONS

AFC \$30,000.00

1. NORMAL BOTH SYSTEMS

a) MCPS = 30 years TRS = 30 years

b) MCPS = 30 years TRS = 36 years

c) MCPS = 36 years TRS = 30 years

Benefits

a) (.02) (30,000) (30) - (1/55) (30,000) (30) = \$1,636.36

b) (.02) (30,000) (30) - (1/55) (30,000) (30) = \$1,636.36

c) (.02) (30,000) (36) - (1/55) (30,000) (30) = \$5,236.36

2. NORMAL MCPS, EARLY TRS

MCPS = 30 years TRS = 25 years

Benefit

(.02) (30,000) (30) - (1/55) (30,000) (25) = \$4,363.64

+

(1/55) (30,000) (25) (.80 - .70) = \$1,363.64

Benefit = \$5,727.28

3. EARLY BOTH SYSTEMS

a) MCPS = 28 years TRS = 28 years

b) MCPS = 25 years TRS = 28 years

c) MCPS = 28 years TRS = .25 years

Benefits

a) (.02) (30,000) (28) (.95) - (1/55) (30,000) (28) (.88)  
= \$2,520.00

. (.001818) (30,000) (28) (.95) = \$1,450.76

+ (1/55) (30,000) (28) (.95 - .88) = \$1,069.09

Minimum = \$2,519.85

Benefit equals greater of \$2,520.00 or = \$2,519.85

Benefit equals \$2,520.00

b) (.02) (30,000) (25) (.80) - (1/55) (30,000) (25)  
(.88) = \$ 0.00

. (.001818) (30,000) (25) (.80) = \$1,090.80

+ (1/55) (30,000) (25) (.95 - .88) = \$ 954.55

Minimum = \$2,045.35

Benefit equals greater of \$0.00 or \$ 2,045.35

Benefit equals \$2,045.35

c) (.02) (30,000) (28) (.95) - (1/55) (30,000) (25)  
(.88) = \$3,960.00

. (.001818) (30,000) (28) (.95) = \$1,450.76

+ (1/55) (30,000) (25) (.80 - .70) = \$1,363.64

Minimum = \$2,814.40

Benefit equals greater of \$3,960.00 or \$2,814.40

Benefit = \$3,960.00

4. EARLY MCPS, NORMAL TRS

MCPS = 25 years TRS = 30 years

Benefit

(.02) (30,000) (25) (.80) - (1/55) (30,000) (25) (1.00)  
= -\$1636.36

. (.001818) (30,000) (25) (.80) = \$1,090.80

+ (1/55) (30,000) (25) (1.0 - 1.0) = \$ 0.00

Minimum = \$1,090.80

Benefit equals greater of -\$1,636.36 or \$1,090.80

Benefit equals \$1,090.80