

RESOLUTION NO. 1219-24

**A RESOLUTION ACCEPTING THE AMENDED SWORN OFFICERS PENSION PLAN
LANGUAGE IN ARTICLE II ELIGIBILITY, VESTING AND BENEFIT SERVICE**

SECTION 2.05 BENEFIT SERVICE

WHEREAS, the Board of Trustees for the Town of Bel Air Sworn Officers Pension Plan (the "Plan") met on November 29, 2023, and voted unanimously to amend the Plan language in Article II Eligibility, Vesting and Benefit Service, Section 2.05 Benefit Service for clarification purposes; and

WHEREAS, a full historical review was conducted in order to ensure that the calculation of benefit service aligned with the original administrative intent of the Pension Plan; and

WHEREAS, Benefit Service under the Pension Plan is credited based on "Plan Year" which is the period from July 1 to June 30. A full year of benefit service should have been given for any year in which a participant worked at least 1,000 hours. During the historical review, it was discovered that for some partial Plan Years - generally, Plan Year of hire and Plan Year of termination of employment- a full year of benefit service had not been granted when 1,000 hours had been worked. Instead, credit had been given for the number of completed months worked; and

WHEREAS, based on the historical review, eligible Plan retirees received benefit adjustments and lump sum payments with interest to correct past miscalculations; and

WHEREAS, the Trustees intend that the Plan continue to grant a full year of benefit service for any year in which a participant worked at least 1,000 hours; and

NOW, THEREFORE, BE IT RESOLVED by the Bel Air Board of Town Commissioners that the amendments to the Plan language in Article II Eligibility, Vesting and Benefit Service, Section 2.05 Benefit Service, for clarification purposes, are accepted as follows:

2.05 Benefit Service. Except as provided in Section 2.06, a Participant shall be credited with one **FULL** year of Benefit Service for each Benefit Service Computation Period during which he completes one thousand (1,000) Hours of Service **BETWEEN JULY 1 AND JUNE 30 REGARDLESS OF WHEN THE PARTICIPANT BECAME ELIGIBLE TO PARTICPATE IN THE PLAN AND/OR WHEN THE PARTICIPANT TERMINATED EMPLOYMENT** with a Participating Employer as follows:

- (a) For a Participant who is an Eligible Employee on July 1, 2006, and who elects to transfer his entire account under the Town of Bel Air, Maryland Retirement Plan and Trust to this Plan, Benefit Service will include all service with the Employer prior to that date in accordance with Section 1.39 and this Section.

- (b) For a Participant not described in (a), Benefit Service will include only service earned on and after July 1, 2006 as an Eligible Employee in accordance with Section 2.01 and this Section.

Benefit Service is credited in full years and partial years. A partial year of Benefit Service shall be determined by a fraction, not to exceed one (1.0), the numerator of which is the Participant's completed months of service and the denominator of which is twelve (12). A completed month of service is a calendar month in which the Participant works the entire month.

AND BE IT FURTHER RESOLVED by the Bel Air Board of Town Commissioners that this Resolution shall take effect on the date of its passage.

ENACTMENT: January 16, 2024

EFFECTIVE: January 16, 2024

AYES:

NAYS:

ABSENT:

Paula S. Etting, Chair
Board of Town Commissioners

Michael L. Krantz, Town Clerk