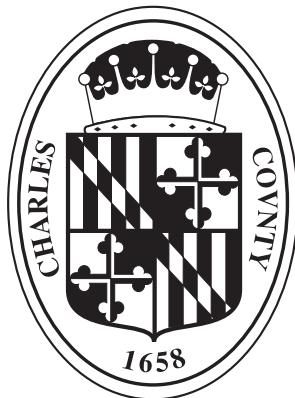


Charles County Sheriff's Office Retirement Plan

COMMUNICATIONS DISPATCHER Summary Plan Description



Charles County Government

Department of Human Resources • 200 Baltimore Street • La Plata, Maryland 20646

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Introduction

The Charles County Sheriff's Office Retirement Plan (the "Plan") is a defined benefit plan which is sponsored by the County Commissioners of Charles County, Maryland (the "County"). This Plan, funded jointly by you and the County, has been adopted to provide a measure of financial security for you and your family and is intended to supplement Social Security and your personal savings in meeting your post-retirement needs.

We urge you to read this summary carefully to obtain a clear understanding of the benefits to which you may be entitled, as well as the circumstances that affect the availability of those benefits. This booklet is an overview of the Plan's important provisions and the legal Plan document is always the final reference in determining what benefits the Plan will provide. Should there be any questions or conflict between the terms stated in this booklet and those in the Plan document, the terms of the Plan document will always prevail. If you have a question about the Plan or your benefits that is not answered by this booklet or wish to obtain a copy of the Plan document, you should contact the Plan Administrator: Retirement Plan Committee, Charles County Government Building, 200 Baltimore Street, La Plata MD 20646. There may be a small charge for obtaining a copy of the full document.

This Plan covers Police Officers, Correctional Officers and Communications Dispatchers. **This booklet only covers the provisions applicable to Communications Dispatchers.**

Effective Date of the Plan

The Plan was established as of July 1, 1973. This booklet describes the Plan as most recently amended in 2025.

When And How You Become A Participant

If you were employed as a Communications Dispatcher as of June 30, 1995 and elected to participate in the Plan as of July 1, 1995, you will continue to be covered under the revised Plan. For all other individuals, you will be eligible to participate and begin accumulating benefits under the Plan the first day of the month following the date you become a Communications Dispatcher.

Participation in the Plan is mandatory for any individual whose customary employment is for more than 1,950 hours per year. However, if your date of hire with the County was before July 1, 2016, or, in certain cases, you were rehired after July 1, 2016, you are an eligible employee and participation is mandatory for any individual whose customary employment is for at least 1,500 hours per year. You must complete a payroll deduction authorization and a beneficiary designation form and return both to the Charles County Government – Department of Human Resources (CCG-DHR).

Your Contribution Into the Plan

Your contribution is 7% of your Base Salary and is deducted from your paycheck on a pre-tax basis. This percentage may change from time to time.

Factors That Determine Your Plan Benefit

For the purpose of calculating your benefits, service is your years of continuous employment with Charles County as of the date you retire or the date you leave the employ of Charles County. For purposes of determining: (1) whether a Participant has reached a Normal Retirement Date or Early Retirement Date, (2) the Participant's vested percentage or (3) the amount of a Participant's annual retirement income, a Participant shall

receive 1/12th of a Year of Service for each calendar month during which the Participant was an Employee for at least one-half of the month..

Vesting

The term vesting, as it is discussed in this booklet, refers to the percentage of your accrued benefit attributable to County contributions that you are entitled to receive when you terminate employment with the County. You are always 100% vested in your own contributions to the Plan, plus the interest credited to your contributions. Your vested interest in your benefit derived from the County's contributions is determined on the basis of your years of service with the County. If you terminate employment with the County before you are 100% vested in your benefit, the percentage in which you are not vested will be forfeited. If you terminate employment with the County when you are 0% vested, your only benefit from the Plan is a refund of the contributions you made to the Plan, plus interest.

See "Benefit When You Terminate Employment" for more information regarding vesting in your retirement benefits.

Normal Retirement Date

Your Normal Retirement Date will be the earlier of: (1) your 60th birthday or (2) the later of: (a) the date you complete 25 years of service or (b) the date you cease employment.

Earnings and Final Average Earnings

Earnings is defined as your basic compensation, plus any "acting pay" premium, excluding overtime, commissions, bonuses and any other additional compensation received from the County but *including* any contributions that are not included in your gross income, such as pre-tax deductions for health-related benefits, contributions to this plan, or compensation deferred under the County's 457 program.

Final Average Earnings ("FAE") is the average of your three highest consecutive rates of earnings received on any three earnings computation periods during the last five earnings computation periods before the earlier of your termination of employment or your Retirement Date. Your "earnings computation period" is defined as the first full pay period closest to July 1 within the applicable plan year. The plan document contains additional details and examples of the determination of the earnings computation period.

Military Service

Your military service does not qualify as years of service when determining your eligibility to retire or your vested interest. You may, however, receive credit for up to three years of active duty in the Armed Forces of the United States as additional years of service when calculating your retirement benefit. You must work for the County for 10 years before you will receive credit for military service. Additional service credit for military service will be granted when required by law.

A participant may not receive additional service credit for Military Service if the participant is entitled to receive a benefit (except for disability benefits, Social Security benefits or benefits under the National Railroad Retirement, National Guard or military reserve) from another retirement system, on account of the military Service.

A copy of your DD214 will be required to receive credit for military service.

Sick Leave

If you have unused accrued sick leave at the time of retirement, you may be eligible for additional annual retirement income as follows:

With a minimum of 500 hours of unused accrued sick leave, you will earn an additional 1.0% of Final Average Earnings ("FAE"). For unused accrued sick leave over 500 hours, you will earn .1% for each additional 100 hours of unused sick leave.

EXAMPLE: 2,000 hours of sick leave = 2.5% of FAE

2,000-500 hours	=	1,500 hours
1,500/100	=	15
15 x .1	=	1.5%
+500 hours	=	1.0%

These hours of unused sick leave will not be counted as years of service for purposes of determining your eligibility to retire or your vested interest.

Transfer of Credited Service from Another Maryland Government Employer

You may elect to transfer your prior State, County or Municipal credited service earned in Maryland provided there is no break in service between your prior governmental service and your starting to work for the County. You shall receive full credit for your years of service under the prior plan.

If your prior plan was contributory, you will be required to transfer your contributions into your prior plan over to this plan. If your prior plan was non-contributory, your retirement benefit shall be reduced by the actuarial equivalent of the accumulated contributions you would have made into this plan, plus interest, had you earned the prior service under this plan.

Special rules apply for transfers of service credit from the Maryland State Retirement System.

Your election to transfer your prior service shall be irrevocable and must be completed (including the transfer of any prior plan contributions) within one year of your participation in this Plan. The transfer will also be contingent upon your complete forfeiture of any benefits and service credits under your prior plan from which service is being transferred.

Re-Employment

If you terminate your employment and are subsequently rehired, you will not be considered a new employee for purposes of this plan, provided:

1. You are rehired within 12 months of your termination date;
2. You had not elected to receive a refund of your employee contributions plus accrued interest, and
3. You had not reached your Normal Retirement Date on the date of your re-employment.

You will receive credit for your years of service prior to the initial termination date and after the re-employment date if you meet all three of these conditions.

If you terminate your employment and do not meet the conditions stated above, then you will be considered a new employee for purposes of this Plan and will not receive any credit for your prior service.

Absences From Service

The following will not be considered interruptions of service for the County:

1. Absence from employment on account of an authorized leave of absence not to exceed two years.
2. Absence from employment on account of active duty with the Armed Forces of the United States provided that you return to active employment with the County within 90 days after release from active duty or another period required by law.
3. Absence due to reasons covered under the Family and Medical Leave Act. In this case, service will be credited to the extent required by the Act.

How Your Retirement Benefit is Calculated

Normal Retirement

Your normal annual retirement benefit is calculated by adding (1) through (6) as applicable:

- (1) $2\% \times \text{FAE} \times \text{your years of service up to and including 10 years}$
- (2) $2.1\% \times \text{FAE} \times \text{your years of service in excess of 10 years up to and including 15 years}$,
- (3) $2.15\% \times \text{FAE} \times \text{your years of service in excess of 15 years up to and including 25 years}$,
- (4) $2\% \times \text{FAE} \times \text{your years of service in excess of 25 years}$
- (5) Military Service, up to three years
- (6) Additional percentage of FAE for unused accrued sick leave

EXAMPLE: 26 Credited Years of Service

3 years of Military Service
2,000 hours of accrued sick leave (see previous example)
\$75,000 Final Average Earnings

$2\% \times \$75,000 \times 10 \text{ years}$	= \$15,000
$2.1\% \times \$75,000 \times 5 \text{ years}$	= \$ 7,875
$2.15\% \times \$75,000 \times 10 \text{ years}$	= \$16,125
$2.0\% \times \$75,000 \times 1 \text{ year}$	= \$ 1,500
$2\% \times \$75,000 \times 3 \text{ years}$	= \$ 4,500
$2.5\% \times \$75,000$	= \$ <u>1,875</u>
Annual retirement benefit	= \$46,875

Maximum Benefit

The maximum benefit provided under the plan is 80% of your FAE.

Credit for unused accrued sick leave or military service may only apply to the extent that the participant has not reached the maximum plan benefit. Once a participant reaches the 80% maximum benefit, any remaining unused accrued sick leave hours or military service would not be factored into the retirement benefit calculation.

EXAMPLE: \$75,000 final average earnings yields a maximum annual retirement benefit of \$60,000 ($\$75,000 \times 80\%$) or monthly retirement benefit of \$5,000 per month

Note – the Maximum Benefit for a participant who terminated employment prior to July 1, 2018 was 75% of FAE.

In addition, your benefits will be subject to any IRS limits that may be required to assure the plan's tax qualified status.

Early Retirement

You may retire before your Normal Retirement Date if you have completed at least 20 years of service.

Your Early Retirement benefit is calculated using the same formula as for Normal Retirement. However, the amount of the benefit would be actuarially reduced based on the length of time prior to your Normal Retirement Date (the date you would complete 25 years of service). A sample of the reduction percentages is as follows:

Years of Service	Reduction
20	39.6%
21	32.4%
22	25.2%
23	16.8%
24	8.4%

If you terminate your employment on a date which qualifies for early retirement, you may elect to delay receiving your annuity until your Normal Retirement Date. By so doing, you would eliminate the reduction in your benefit for the early commencement of your annuity payments.

If you have reached age 60, you are entitled to retire under the Normal Retirement section with no reduction in your benefit amount.

Cost of Living Adjustment (COLA)

You (or your contingent pensioner, beneficiary or spouse) will receive a COLA on May 1st of each year after you retire, including retirement on account of disability, provided you have been receiving annuity payments for at least 12 months prior to May 1. If you have been receiving payments for less than 12 months, you would be eligible to receive a COLA increase the following May 1st.

EXAMPLE: August 1, 2025: Annuity payments begin

May 1, 2026: Received annuity payments for 10 months, therefore not eligible for a COLA increase

May 1, 2027: First COLA increase would be received

The cost of living adjustment will be based on annual changes in the Consumer Price Index. The maximum increase that will be made in one year is 4%. If the cost-of-living adjustment is negative, your benefit payment will not be reduced. However, subsequent cost-of-living increases will be offset by the prior year's negative adjustment that would have applied to your benefit.

EXAMPLE: As of April 1, 2024, your monthly retirement benefit is \$2,000. The COLA as of May 1, 2024 would have decreased your monthly retirement benefit to \$1,980. Your monthly benefit will remain \$2,000. If the COLA for May 1, 2025 would increase your monthly benefit to \$2,025, your benefit will only increase to \$2,005 to recapture the \$20 decrease that was not applied for 2024.

Benefit When You Terminate Employment

The Plan provides a benefit if you terminate employment prior to your Normal or Early Retirement Date provided you have completed at least five years of service for vesting purposes. The benefit is equal to the benefit determined in the same manner as your benefit at your Normal Retirement Date, but based on your Final Average Earnings and years of service at the time of your termination of employment. The monthly benefit will be payable beginning as of your 60th birthday.

Deferred Retirement Option Program

The Plan offers a deferred retirement option program ("DROP") for participants reaching their normal retirement date after June 30, 2025. Under the DROP, you may elect to continue working as a communications employee for three years after your normal retirement date. During that three years, your monthly retirement benefit will be credited to a DROP account, along with your 7% employee contributions.

You will also receive an interest credit on your DROP account. The interest credit will be equal to the rate of return assumed to be achieved by the Plan's assets less 2 percent, but subject to a minimum credit of 3 percent per year.

When you terminate employment at the end of your three year DROP period, you will receive payment of your DROP account in one lump sum that you may elect to take either in cash or as a rollover to another retirement plan or individual retirement account. Your monthly retirement benefit, calculated based on your average pay and years of service earned before you entered DROP, will then begin to be paid directly to you.

Special provisions apply if you terminate employment during the DROP period because of death or disability.

More information about the DROP is available from the Plan Administrator, CCG-DHR.

Disability Retirement

There are two types of disability benefits that you could become eligible to receive under the plan depending upon the circumstances of your disability. You must meet the requirements for disability as determined by the Disability Review Board.

(1) You become totally and permanently disabled while in the line of duty and are unable to perform the duties of any occupation.

Annual Benefit

66- $\frac{2}{3}$ % of your FAE offset by Worker's Compensation, Long Term Disability benefits, 50% of Social Security disability benefits, if any, and 35% of the difference between your actual earned income and the annualized rate of pay you would have received if still employed by the County. The Long Term Disability benefits may be coordinated with benefits from this Plan so that there is no offset.

(2) You become totally and permanently disabled, after earning at least five (5) years of service, but your disability was not incurred in the line of duty and you are unable to perform the duties of any occupation.

Annual Benefit

A percentage of your Final Average Earnings, based on percentage disability as determined by the Disability Review Board, subject to a minimum of 15% and a maximum of 40%, offset by Worker's Compensation, 50% of Social Security disability benefits, if any, and 35% of the difference between your actual earned income and the annualized rate of pay you would have received if still employed by the County. **No benefit under this provision is payable until monthly payments, if any, from the County's Long Term Disability plan have terminated.**

General Provisions Pertaining to all Disability Benefits

Unless otherwise required by law, disability benefits shall not be payable on account of any injury or disease which:

1. Resulted from or consists of stress, chronic alcoholism or addiction to narcotics;
2. Was contracted, suffered or incurred while the Participant was engaged in, or resulted from his or her having engaged in a felonious act; or
3. Was intentionally self-inflicted.

General Provisions Pertaining Solely to Line of Duty Disability Benefits

Unless otherwise required by law, disability benefits shall not be payable on account of a disability which is the natural and proximate result of, or an aggravation of, a physical or mental condition which existed at the time the Participant began working for the County.

Forms of Benefit Payment

Your retirement benefit is typically paid in the form of an annuity which is defined as the payment of a benefit in equal monthly payments over your life or over your life and the life of a designated beneficiary. You have several options available to you including providing a monthly annuity income for your spouse or another beneficiary after you die.

It is important to note that once your monthly annuity payments begin, your decision as to the form of payment and the identity of your contingent pensioner, if any, is final and cannot be changed even if you divorce or the person you name as a contingent pensioner dies before you.

Normal Form of Payment - Modified Cash Refund

This benefit will provide you with a monthly annuity for as long as you live. If, at the time of your death, the total payments you received is less than your contributions with plus interest, your beneficiary will receive a one-time, lump sum distribution of the remaining funds. If the total amount of retirement income paid to you before your death exceeds your contributions plus accrued interest, your beneficiary would not receive any funds after your death.

You may also elect one of the following optional methods of payment:

10, 15, or 20 Years Certain and Life Option

A Years Certain and Life form of benefit provides you with a monthly annuity as long as you live. If your death occurs prior to the end of the years certain period you have selected (10, 15, or 20 years), your beneficiary would continue to receive the same monthly income until the end of the guarantee period. If your death occurs after the end of the years certain period you had selected, your beneficiary will receive no benefits from the plan after your death.

Contingent Pensioner Option

A Contingent Pensioner form of benefit provides for a monthly annuity as long as you live. After your death, your beneficiary would continue to receive a monthly annuity equal to 100%, 66 2/3%, or 50% of the monthly benefit you were receiving at the time of your death. The percentage for the Contingent Pensioner Option is selected by you at the time of your retirement.

In the event your contingent pensioner predeceases you, payments stop at your death. An exception applies if you hadn't yet received a return of your own contributions plus interest. In that case, payment of the balance will be made to a beneficiary you name.

The Years Certain and Life Option and the Contingent Pensioner Option will generally provide a lower monthly payment than the Modified Cash Refund form of payment because payments are designed to be made over two lives (yours and your beneficiary's).

Survivor Benefits

Death Before Normal Retirement Date

Your spouse, provided you were married for at least one year at date of death, or dependent children will be eligible to receive a benefit should you die prior to your normal retirement date.

There are two provisions for death benefits under the plan.

(1) If you die in the line of duty, the death benefit will be:

66- $\frac{2}{3}\%$ of your Final Average Earnings less any survivor benefits paid to surviving spouse and/or dependent children under the Federal Social Security Act.

(2) If your death was not incurred while in the line of duty, the death benefit will be:

100% of the normal retirement benefit accrued to date of death.

An adjustment will be made to the death benefits if your spouse is more than nine years younger than you. The percentage will be reduced by 1% for each year's difference in age over nine years.

The benefit will be payable for your spouse's lifetime or until your spouse remarries. In the event that your spouse does not survive you or in the event of your spouse's death after your death, your benefit will be payable in equal shares to your dependent children (until age 19 or age 23 if a full-time college student).

Death after Normal Retirement Date but Before Termination Date

If you are Married: Your spouse would be entitled to receive a monthly benefit from the Plan. The benefit amount would equal the 100% Contingent Pensioner form of annuity as calculated using the Normal Retirement benefit calculation.

If you are Not Married: Your beneficiary would be entitled to a lump sum disbursement equal to your employee contributions plus accrued interest. Upon reaching your normal retirement date, you may, however, designate an optional form of payment for your beneficiary.

While Receiving a Disability Retirement Benefit

Upon your death, your surviving spouse will receive one-half ($\frac{1}{2}$) of your disability retirement annuity. The benefit will be payable for your spouse's lifetime or until your spouse remarries, if remarriage occurs prior to your spouse attaining age 60.

In the event that your spouse does not survive you or in the event of your spouse's death before your surviving children attain age 18, one-half ($\frac{1}{2}$) of your retirement annuity will be equally divided among your surviving children under the age of 18 until the youngest child attains age 18.

Other Pre-Retirement Death Benefits

A beneficiary, other than a surviving spouse or a dependent child, will become eligible to receive an amount equal to your contributions with credited interest.

Termination of Employment

If you terminate your employment before you are eligible to retire, you are entitled to receive a lump sum distribution of your employee contributions plus accrued interest. If you choose to elect a cash refund of your total contributions, the amount disbursed to you will be subject to Federal and State tax withholding and you will not be eligible to receive a monthly retirement benefit from the County in the future.

Direct Rollover Distribution

You may choose to have all or part of your disbursement rolled over directly to another qualified retirement plan or to a traditional individual retirement plan (IRA). The portion of your disbursement that is rolled over would not be subject to Federal and State tax withholding.

Transfer of Service to Another Government Employer

If you begin employment with another Maryland government employer and become a participant in that retirement plan, your service earned under this Plan may be transferable to your new employer's retirement plan. You should contact the administrator of the new retirement plan for further details as soon as possible following your employment with your new employer.

Receiving Your Plan Benefit

You do not normally have to file a claim to receive any benefits to which you are entitled.

To Make a Claim

If you feel there is a problem regarding your benefit payments, you may file a written claim with the Plan Administrator stating the specific reason why you feel you are entitled to benefits other than those you are receiving. After your claim has been given full consideration, you will be notified in writing that it has either been allowed or denied.

If Your Claim is Denied

The Plan Administrator follows a written procedure for determining appeals of claim denials. Generally, you have 15 days following denial of your claim to appeal the denial. Upon request to the Plan Administrator, a copy of the "Procedures for Determining Entitlement to Rights, Status or Benefits" will be provided to you.

Plan Information

The *Retirement Plan Committee* acts as Plan Administrator. The Committee consists of:

- County Administrator
- Sheriff
- Director of Fiscal and Administrative Services
- Director of Human Resources
- County Attorney
- An Employee Representative of the Sheriff's Office
- A County Citizen
- A former employee who is receiving retirement benefits or is eligible to receive retirement benefits in the future..

The Committee may be contacted at:

County Commissioners of Charles County, Maryland
Charles County Government Building
200 Baltimore Street
LaPlata, MD 20646
(301) 645-0585 or (301) 870-2681

Changes in the Plan

It is envisioned that the Plan will be a permanent one. However, the Charles County Commissioners reserve the right to modify, suspend or terminate the Plan.

HOW TO CONTACT THE COMMITTEE

Plan Administrator: Retirement Plan Committee
Charles County Government – Department of Human Resources
La Plata, Maryland 20646
301-645-0585 • 301-870-2681

CHARLES COUNTY COMMISSIONERS



Charles County Government

200 Baltimore Street • La Plata, Maryland 20646
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MD Relay: 711 • Relay TDD: 1-800-735-2258
Equal Opportunity Employer

www.CharlesCountyMD.gov

About Charles County Government

The mission of Charles County Government is to provide our citizens the highest quality service possible in a timely, efficient and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace. Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount; where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.

It is the policy of Charles County to provide equal employment opportunity to all persons regardless of race, color, sex, age, national origin, religious or political affiliation or opinion, disability, marital status, sexual orientation, genetic information, gender identity or expression, or any other status protected by law.