

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2008, Legislative Day No. 9

Bill No. 36-08

Mr. Kevin Kamenetz, Chairman
By Request of County Executive

By the County Council, May 5, 2008

A BILL
ENTITLED

Other Post-Employment Benefits Trust Fund

FOR the purpose of establishing the Other Post-Employment Benefits Fund as an irrevocable Trust Fund; clarifying the tax exempt status of the Trust Fund; clarifying standards for investment of Trust Fund assets; clarifying that Trust Fund assets are not subject to execution, attachment, prior assignment, or any other judicial relief or order for the benefit of any creditor or third person; correcting a technical error; and generally relating to the Other Post-Employment Benefits Trust Fund.

By repealing and reenacting, with amendments

Sections 10-14-102, 10-14-103, 10-14-104, 10-14-105, and 10-14-106
Title 14. Other Post-Employment Benefits Fund
Article 10. Finance
Baltimore County Code, 2003

1 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF BALTIMORE
2 COUNTY, MARYLAND, that Sections 10-14-102, 10-14-103, 10-14-104, 10-14-105, and 10-
3 14-106, of Title 14. Other Post-Employment Benefits Fund, of Article 10. Finance, of the

1 Baltimore County Code, 2003, as amended, are hereby repealed and reenacted, with
2 amendments, to read as follows:

3 § 10-14-102.

4 There is a non-lapsing AND IRREVOCABLE Other Post-Employment Benefits TRUST
5 Fund in the county.

6 § 10-14-103.

7 (A) The Other Post-Employment Benefits TRUST Fund shall provide payment for health
8 and life insurance coverage for individuals and their beneficiaries who receive retirement
9 benefits under Article 5, Title 1 of the Code.

10 (B) THE TRUST FUND IS INTENDED TO QUALIFY AS A TAX EXEMPT TRUST
11 UNDER § 115 OF THE INTERNAL REVENUE CODE.

12 (C) (1) THE TRUST FUND SHALL BE HELD FOR THE EXCLUSIVE BENEFIT OF
13 INDIVIDUALS AND THEIR BENEFICIARIES WHO RECEIVE RETIREMENT BENEFITS
14 UNDER ARTICLE 5, TITLE 1 OF THE CODE AND USED ONLY TO PROVIDE BENEFITS
15 AND DEFRAY REASONABLE EXPENSES OF ADMINISTERING RETIREE AND
16 BENEFICIARY HEALTH AND LIFE INSURANCE BENEFITS.

17 (2) TRUST FUND ASSETS MAY NOT REVERT TO THE COUNTY UNLESS
18 THE COUNTY TERMINATES THE EMPLOYEES RETIREMENT SYSTEM.

19 § 10-14-104.

20 (a) Each year, the county shall appropriate and pay to the Other Post-Employment
21 Benefits TRUST Fund an amount that is sufficient to pay:

22 (1) The county's estimated cost of all post-employment health and life

1 insurance claims the TRUST Fund is projected to pay for following year; and

2 (2) All or part of the difference in the estimated cost of following year's
3 claims and the annual required contribution, which shall be an actuarially determined amount to
4 be paid each year to advance fund anticipated future other post-employment benefit payments,
5 discounted to their present value.

6 (b) On receipt of an actuarial [evaluation] VALUATION, the Director of Budget and
7 Finance shall make the determination of [excess or deficient money in] THE ANNUAL
8 REQUIRED CONTRIBUTION TO the TRUST [Fund] FUND, BASED ON THE RESULTS OF
9 THE ACTUARIAL VALUATION.

10 (C) ANY ASSET HELD BY THE TRUST FUND IS NOT SUBJECT TO ANY
11 CREDITOR OF THE COUNTY AND IS EXEMPT FROM EXECUTION, ATTACHMENT,
12 PRIOR ASSIGNMENT, OR ANY OTHER JUDICIAL RELIEF OR ORDER FOR THE
13 BENEFIT OF ANY CREDITOR OR THIRD PERSON.

14 § 10-14-105.

15 The Director of Budget and Finance:

16 (1) Is responsible for custody of the Other Post-Employment Benefits TRUST
17 Fund, including:

18 (i) Receipt of annual appropriations by the county;
19 (ii) Determination of the other post-employment benefits money
20 available for investment; and

21 (iii) Disbursements against billing; and

22 (2) Shall provide for the engagement of actuarial and other services required

1 for the administration of the Fund including:

2 (i) Identifying retiree health care and life insurance costs

3 systematically over periods that approximate employees' years of service;

4 (ii) Identifying actuarial accrued liabilities for promised benefits

5 associated with past service;

6 (iii) Reporting progress made in funding retiree healthcare obligations;

7 and

8 (iv) At least once in each two-year period, making an actuarial

9 investigation into health care cost trends, health care usage and mortality rates of employees,

10 retirees, and beneficiaries and making a valuation of the assets and liabilities of the TRUST

11 Fund.

12 § 10-14-106.

13 Other Post-Employment [Benefit] BENEFITS TRUST Fund money identified by the

14 Direct of Budget and Finance as available for investment shall be jointly invested with

15 retirement funds in accordance with § 5-1-247 of the Code.

16 SECTION 2. AND BE IT FURTHER ENACTED, that this Act, having been passed by

17 the affirmative vote of five members of the County Council, shall take effect on ~~July 1, 2008~~

18 June 30, 2008.