



# The Employees' Retirement Plan of Washington County

All regular, full-time employees of Washington County are automatically enrolled in The Employees' Retirement Plan of Washington County. Membership is a condition of employment, and all eligible employees are required to pay 6% of their salary to the retirement plan through biweekly payroll deduction. The biweekly contribution to the retirement plan is made on a pre-tax basis. Employee contributions accrue interest at 6% on any amount contributed or transferred prior to the plan year, with such interest computed on June 30<sup>th</sup> of the Plan Year, compounded annually.

The Employees' Retirement Plan of Washington County is a defined benefit plan. A defined benefit plan is an employer-sponsored retirement plan where employee benefits are computed using a formula that considers several factors such as length of employment and salary history. The benefit at the time of retirement is guaranteed for the Participant's lifetime.

Vesting  
Employees are vested after working for 5 years.

Formula for Calculating Retirement Benefits  
2% X Average Compensation X Years of Service

Retirement Eligibility

|                |                       |    |                     |
|----------------|-----------------------|----|---------------------|
|                | Normal Retirement Age | or | Years of Service    |
| Non-Uniformed: | Age 62                |    | 30 Years of Service |
| Uniformed:     | Age 50                |    | 25 Year of Service  |

❖ *Uniformed Employees are any Covered Employee who is (i) employed as sworn sheriff's personnel, or (ii), effective on and after October 11, 2022, any Covered Employee covered by the collective bargaining agreement between the County Commissioners and Local 1605 of the International Association of Fire Fighters, AFC-CIO.*

*All other Covered Employees are non-uniformed employees.*

Deferred Retirement Option Plan

The Employees' Retirement Plan of Washington County also includes the option to participate in a Deferred Retirement Option Plan (DROP). The DROP is an arrangement under which an employee who would otherwise be entitled to retire and receive benefits under an employer's defined benefit retirement plan instead continues working. Rather than having the continued compensation and additional years of service considered for purposes of the defined benefit plan formula, the employee has his/her retirement calculated on the years of service and average of three highest years at the time he/she enters the DROP. This sum of money is credited to a separate account during each year of continued employment. At the time the employee leaves employment, this money is payable to the employee. The previously determined retirement benefit is then paid monthly to the retiree based on the annuity option selected.

Credit for Military Service

Any covered employee who provides evidence of military service shall receive service credit for such military service as follows:

- If a Participant's military service precedes his or her service with the County, he or she will receive credit for Years of Service to the extent of his or her active military service in the Armed Forces of the United States (to a maximum of three years) provided that the Participant earns at least five Years of Service (actual County credited service other than military or transferred service. )

A Participant may not receive service credit for military service if:

- The military service has been previously recognized by another Maryland State system
- The Participant is entitled to receive a benefit from another retirement system on account of such military service
- The military service was connected with inactive or reserve military status.

Maryland Employer Retirement Plan

Any member of a Maryland Employer Retirement Plan who without a break in employment, becomes a Covered Employee may be entitled to elect to receive service credit for Years of Service recognized under another Maryland Employer Retirement Plan. The previous plan has to meet certain eligibility requirements such as being a contributory plan where the covered employee made employee contributions to the pension plan. Your employee contributions plus interest would have to be transferred from the previous retirement plan to the Employees' Retirement Plan of Washington County.

Sick Leave

Regular, full-time employees accrue sick leave at 120 hours per year (4.62 bi-weekly). Accumulation of sick leave is unlimited.

Sick leave can be applied as service time in whole month increments at the time of retirement. Applying unused sick leave would increase your years of service for the retirement calculation.