


FROM	NAME & TITLE	Deborah F. Moore-Carter, Labor Commissioner <i>DIME</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Office of the Labor Commissioner 417 East Fayette Street, Suite 1405		
	SUBJECT	City Council Bill 10-0603 F&PRS – Minimum Benefits		

TO

The Honorable Bernard “Jack” Young
and Members of the
Baltimore City Council
c/o Karen Randle
Room 406 City Hall
100 N. Holiday Street

DATE:

3/1/11

Recommended Position

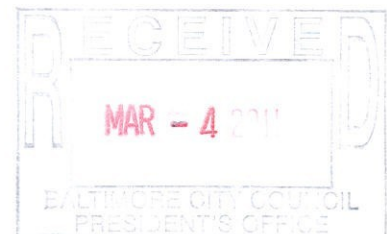
The Office of the Labor Commissioner has no position on City Council Bill 10-0603, which eliminates the 20-year length of service requirement for purposes of determining spousal retirement benefits.

Comments and Analysis

The Office of the Labor Commissioner defers both to the Fire and Police Retirement System (F&PRS) and the Department of Finance. It is not clear what additional cost will be incurred as a result of the elimination of the length of service requirement giving current spousal beneficiaries an increased minimum benefit.

It is also not clear whether the current structure of the F&PRS can handle an increase in pension benefits at this time. The Department of Finance projected that the City’s required contribution to the F&PRS would increase by 29% from 82.1 million to 106 million for Fiscal Year 2011. The growth of the F&PRS has not matched the pension system’s increasing costs. Other factors, such as the pension system not being fully funded and income received from investments in the market have also impacted the pension system.

Consequently, the City is responsible for finding additional monies from the General Fund in order to support the system. This could mean potential cuts in services offered to Baltimore City residents, as well as losses or stagnation of the number of city job positions.



No position / Defers to future

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