

Roselyn H. Spencer

FROM

NAME & TITLE	Roselyn H. Spencer, Executive Director & CIO
AGENCY NAME & ADDRESS	Employees' & Elected Officials' Retirement Systems 7 East Redwood Street, 12 th Floor
SUBJECT	City Council Bill 14-0457 Employees' Retirement System - Retirement Savings Plan - Clarifications

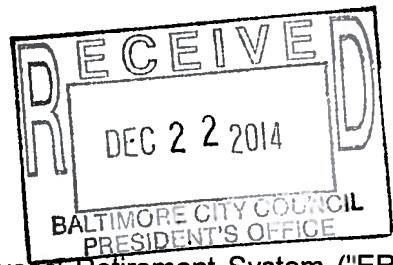
CITY OF
BALTIMORE
MEMO



TO

DATE: December 19, 2014

The Honorable President and Members
of the Baltimore City Council
Attn: Karen Randle, Executive Secretary
Room 409, City Hall
100 N. Holliday Street



Dear Mr. President and City Council Members:

On behalf of the Board of Trustees of the Employees Retirement System ("ERS"), I hereby submit the following response to City Council Bill 14-0457 (the "Bill") which makes certain clarifying and technical changes to Article 22 of the Baltimore City Code pertaining to the ERS and Article 22A pertaining to the Retirement Savings Plan ("RSP"). A summary of the Bill and the recommendations of the Board are as follows:

1. ERS Revisions. City Council Bill 14-0457 makes the following changes to the ERS reemployment rules in Article 22:

- Class D ERS members (eligible employees hired on or after July 1, 2014 and certain rehired employees) who terminate employment before becoming vested and who receive a refund of employee contributions before they are reemployed must buy back their prior City service in order for it to be credited.
- The reemployment rules for Class C members (generally, eligible employees hired before July 1, 2014) who terminate employment on or after July 1, 2014 do not apply if the member is reemployed within 30 days. (The 30-day rule is consistent with the existing reemployment rules for Class C members who terminated employment before July 1, 2014.)

2. RSP Revisions. City Council Bill 14-0457 makes the following changes to the RSP provisions in Article 22A:

- The RSP is specifically characterized as a "profit sharing plan".
- The composition of the RSP Board is changed to include three officers of the Baltimore City Public School System and to reduce the number of appointed Board members from 4 to 3.
- RSP members can make investment decisions as to non-vested City contributions.
- The formula by which the City matches certain employee contributions to the City's Deferred Compensation Plan is clarified.
- The account balance of a member who dies while in "qualified military service" automatically becomes 100% vested.

No position

At its December 18, 2014 meeting, the ERS Board voted to take the following positions:

1. ERS Revisions -- Administratively workable
2. RSP Revisions -- Take no position

I would be pleased to answer any questions or provide additional information about City Council Bill 14-0457.

RHS/dsb

cc: Andrew Smullian, Deputy Mayor: Offices of Government Relations and Labor (via email)
Angela Gibson, Mayor's Legislative Liaison to the City Council
Henry J. Raymond, Director of Finance
Avery Aisenstark, Dept. of Legislative Reference
George Nilson, City Solicitor
The Honorable Joan M. Pratt, City Comptroller
Deborah Moore-Carter, Labor Commissioner
Ian Berger, ERS General Counsel