

FROM	<table border="1"> <tr> <td>NAME &amp; TITLE</td> <td>Deborah F. Moore-Carter, Labor Commissioner <i>DMC</i></td> </tr> <tr> <td>AGENCY NAME &amp; ADDRESS</td> <td>Office of the Labor Commissioner 417 East Fayette Street, Suite 1405</td> </tr> <tr> <td>SUBJECT</td> <td><b>City Council Bill 11-0768 ERS Survivorship Benefits</b></td> </tr> </table>	NAME & TITLE	Deborah F. Moore-Carter, Labor Commissioner <i>DMC</i>	AGENCY NAME & ADDRESS	Office of the Labor Commissioner 417 East Fayette Street, Suite 1405	SUBJECT	<b>City Council Bill 11-0768 ERS Survivorship Benefits</b>	<p style="text-align: center;"><b>CITY OF BALTIMORE</b></p> <p style="text-align: center;"><b>MEMO</b></p>	
NAME & TITLE	Deborah F. Moore-Carter, Labor Commissioner <i>DMC</i>								
AGENCY NAME & ADDRESS	Office of the Labor Commissioner 417 East Fayette Street, Suite 1405								
SUBJECT	<b>City Council Bill 11-0768 ERS Survivorship Benefits</b>								

**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:**

10/19/11

***Recommended Position***

The Office of the Labor Commissioner (OLC) has reviewed City Council Bill 11-0768, which proposes to expand those eligible for 100% pre-retirement survivorship benefits. In light of the City's financial restraints, the OLC opposes City Council Bill 11-0768.

***Comments and Analysis***

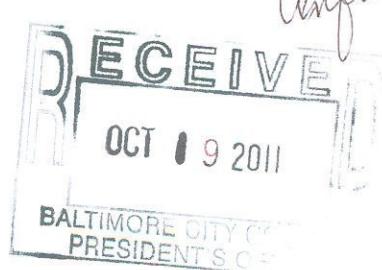
As the bill is currently written, surviving beneficiaries are eligible for a 100% survivorship benefit if the death of the member occurs within 90 days of when the member would have been eligible for a normal service or early service retirement. The proposed bill extends this eligibility period from 90 days to 180 days and the law change would be retroactive back to July 1, 2011.

The Office of the Labor defers to the Department of Finance and the Employees' Retirement System (ERS) for purposes of determining whether there is sufficient funding to maintain the additional cost of providing expanded survivorship benefits.

ERS has determined that the current bill will currently only impact one survivorship annuity case. However, moving forward, additional persons eligible for the expanded survivorship benefit would increase ERS liabilities by approximately \$800,000.00. If the bill is passed with no retroactivity, the cost would be approximately \$500,000.00 to \$600,000.000,

In addition, persons eligible for the expanded survivorship benefits will also be eligible for retiree health benefits. The City is currently trying to manage its dramatically increasing health and welfare costs for current City employees and retirees. It is not clear how much this bill will increase the City's current health and welfare costs by and whether these increased costs will be funded by reducing City services and health and welfare benefits for current employees and retirees.

Consequently, the OLC opposes City Council Bill 11-0768.



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