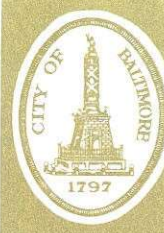


FROM	NAME & TITLE	N. Anthony Calhoun, Executive Director <i>NAC</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Fire and Police Employees' Retirement System 7 E. Redwood Street, 18 th Floor		
	SUBJECT	City Council Bill 13-0247 – Retirement Savings Plan		

TO

DATE:

August 21, 2013

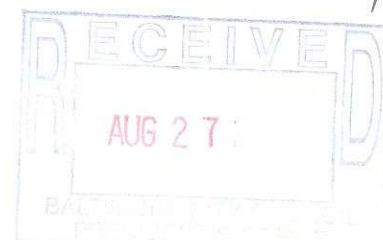
The Honorable President and Members
of the Baltimore City Council
Attn: Karen Randle, Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 13-0247 – Retirement Savings Plan

Dear Mr. President and City Council Members:

The purpose of City Council Bill 13-0247 is to establish a new defined contribution plan for the benefit of civilian employees employed or reemployed by the City on or after January 1, 2014. Under this new plan, employees will be required to make a contribution equal to 5% of pay which will be matched by a City contribution of 4% of pay. The City also will match up to 50% of voluntary employee contributions to the Deferred Compensation Plan up to 2% of pay, or a maximum City match of 1%. Employees will vest in their City contributions after 5 years of employment and will be allowed to direct investment of their vested contributions among various investment options offered by the City. Employees or their beneficiaries will be eligible to receive a lump-sum distribution of employees' defined contribution accounts upon retirement, disability, or death. Membership in the new plan would become a condition of employment in lieu of ERS membership, effectively closing ERS to employees initially employed or re-hired by the City on or after January 1, 2014.

Ethics rules established by City Council Ordinance 11-566 prohibit the Fire and Police Employees' Retirement System (F&P) Board of Trustees and its staff from doing business with a "City Benefit Plan" and from being employed by, or having a financial interest in, any person or entity doing business with a City Benefit Plan. Under that Ordinance "City Benefit Plan" is defined as any plan or trust administered by the F&P Board, the Board of Trustees of the City's Deferred Compensation Plan or the Board of Trustees of the City's Employees' Retirement System. City Council Bill 13-0247 proposes to expand the definition of "City Benefit Plan" to include the new City Retirement Savings Plan, thus extending the ethics restrictions for members and staff of the F&P Board of Trustees.



At their meeting of August 20, 2013, the F&P Board of Trustees reviewed CC Bill 13-0247. The F&P Board resolved to take no position regarding the establishment of the new City Retirement Savings Plan and found the Bill's expansion of the ethics provisions of the F&P law to be administratively workable.

The Bill's provisions are expected to have no cost impact on the F&P plan.

I will be available to provide testimony at the hearing scheduled for CC Bill 13-0247. Please call me at 410.497.7929 if you would like additional information.

cc: Sheila Wyche, Mayor's Office of Government Relations (via email)