

**CITY OF BALTIMORE
COUNCIL BILL 10-0571
(First Reader)**

Introduced by: The Council President

At the request of: The Administration

Introduced and read first time: July 12, 2010

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Fire and Police Employees' Retirement System, Department of Finance

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Fire and Police Employees' Retirement System – Benefits – Corrective**

3 FOR the purpose of clarifying certain changes made by Ordinance 10-306 as they relate to the
4 “grandfather” rules applicable to the amended definition of “average final compensation”,
5 the change in the age and service requirements for the normal service retirement benefit, and
6 the change to eligibility for DROP 2; modifying the requisites for the Fire Chief’s
7 representative on the Board of Trustees; clarifying the age and service requirements for the
8 normal service retirement benefit; clarifying the DROP 2 eligibility provisions; providing a
9 special grace period for the purchase of service in order to satisfy the “grandfather” rules;
10 making certain other technical changes; providing for a special effective date; and generally
11 relating to the Fire and Police Employees' Retirement System of the City of Baltimore.

12 BY repealing and reordaining, with amendments

13 Article 22 - Retirement Systems
14 Section(s) 30(11)(d), 32(f)(1), 33(b)(3), 34(a-1)(2) and (a-2)(1), and
15 36C(b)(7), (c)(1-a) and (c)(1-b)
16 Baltimore City Code
17 (Edition 2000)

18 BY adding

19 Article 22 - Retirement Systems
20 Section(s) 30(20)
21 Baltimore City Code
22 (Edition 2000)

23 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
24 Laws of Baltimore City read as follows:

25 **Baltimore City Code**

26 **Article 22. Retirement Systems**

27 **Subtitle – Fire and Police Employees' Retirement System**

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 **§ 30. Definitions.**

2 In this subtitle, unless a different meaning is plainly required by the context, the following
3 words and phrases have the meanings indicated:

4 (11) (d) For members who:

5 (i) retired on or after July 1, 1988, and on or before June 30, 2010, or

6 (ii) retire on or after July 1, 2010, and who, as of June 30, 2010, meet the
7 applicable age and service requirements for a normal service retirement under
8 § 34(a-1)(1) or have acquired 15 or more years of [continuous] service [as a
9 contributing member of this System],

10 “average final compensation” means the average annual earnable compensation for
11 the 18 consecutive months of service as an employee during which his or her earnable
12 compensation was highest.

13 (20) “CONTRIBUTING MEMBER OF THIS SYSTEM” MEANS A MEMBER WHO MAKES REQUIRED
14 MEMBER CONTRIBUTIONS WHILE AN EMPLOYEE.

15 **§ 32. Service creditable.**

16 (f) *Military service credit.*

17 (1) Notwithstanding any other provision of this subtitle, upon proper application to the
18 System, credit for military service, as defined in § 32(e) of this subtitle, [for benefit
19 purposes and] for purposes of eligibility for a normal service retirement under
20 § 34(a-1), DROP under § 36B, or DROP 2 under § 36C, AND FOR BENEFIT PURPOSES
21 shall be granted to any member of this system who has served in the military prior to
22 employment with the City, if that member has acquired at least 10 years of service
23 and attained the age of 50, or has acquired 20 years of service.

24 **§ 33. Administration.**

25 (b) *Members.*

26 The Board consists of 11 trustees, as follows:

27 (3) The Chief of the Fire Department, ex officio. The Chief of the Fire Department
28 may designate a representative to attend any meeting of the Board of Trustees in
29 his or her place. This representative must be [the Department’s Chief of Staff or
30 the Department’s Deputy Chief for Finance and Administration] A DEPUTY FIRE
31 CHIEF and must be a member of this system. This representative has the authority
32 to act in the Chief’s place.

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1 **§ 34. Benefits.**

2 (a-1) *Normal service retirement benefits.*

3 (2) *Age and service requirements for retirements on or after July 1, 2010.*

4 A member may retire with a normal service retirement on or after July 1, 2010, if he
5 or she satisfies item (i), (ii), or (iii) that follows:

6 (i) as of June 30, 2010, he or she has met the applicable age or service
7 requirements set forth in paragraph (1) of this subsection.

8 (ii) as of June 30, 2010, he or she has acquired 15 or more years of [continuous]
9 service [as a contributing member of this System] and, on the last day of his
10 or her City employment, he or she has met the applicable age or service
11 requirements set forth in paragraph (1) of this subsection.

12 (iii) on the last day of his or her City employment, he or she has either:

13 (A) acquired 25 or more years of [continuous] service, AT LEAST 15 YEARS
14 OF WHICH WERE as a contributing member of this System; or

15 (B) 1. attained age 55; and

16 2. acquired 15 or more years of [continuous] service as a contributing
17 member of this System.

18 (a-2) *Early service retirement benefits – age and service requirements.*

19 (1) On or after July 1, 2010, a member of this System on OR AFTER June 30, 2010, who
20 does not satisfy the conditions of either paragraph (2)(i) or paragraph (2)(ii) of
21 subsection (a-1) of this section may retire with an early service retirement when he or
22 she first meets the applicable age or service requirements for a normal service
23 retirement under subsection (a-1)(1) of this section.

24 **§ 36C. Deferred Retirement Option Plan 2.**

25 (b) *Definitions.*

26 (7) (i) [“Interest”] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH,
27 “INTEREST” means the regular interest rate for the Annuity Savings Reserve as
28 defined in § 30(9) of this subtitle.

29 (II) FOR A MEMBER OF THIS SYSTEM WHO, AS OF JUNE 30, 2010, HAS ACQUIRED 15 OR
30 MORE YEARS OF SERVICE, “INTEREST” MEANS 5 ½ % PER ANNUM COMPOUNDED
31 ANNUALLY.

32 (c) *Eligibility and application.*

33 (1-a) Notwithstanding § 30(6) of this subtitle, the service credit requirements for
34 DROP 2 eligibility on or before June 30, 2010, are as follows:

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1 (A) To be eligible, a member of this System as of July 1, 2003, must acquire
2 20 or more years of service[, whether through employment covered by this
3 System or by transfer-in, purchase, or military service pursuant to § 32 of
4 this subtitle].

5 (B) To be eligible, an employee who becomes a member of this System after
6 July 1, 2003, and on or before December 31, 2009, must acquire 20 or
7 more years of service, [whether through employment covered by this
8 System or by transfer-in, purchase, or military service pursuant to § 32 of
9 this subtitle,] 10 or more of which must be years of [continuous] service as
10 a contributing member of this System.

11 (C) To be eligible, an employee who becomes a member of this System on or
12 after January 1, 2010, must acquire 20 or more years of [continuous]
13 service as a contributing member of this System.

14 (1-b) Notwithstanding § 30(6) of this subtitle, the service credit requirements for
15 DROP 2 eligibility on or after July 1, 2010, are as follows:

16 (A) To be eligible, a member of this System who, as of June 30, 2010, has
17 acquired 15 or more years of [continuous] service [as a contributing
18 member of this System,] must acquire 20 or more years of service[,
19 whether through employment covered by this System or by transfer-in,
20 purchase, or military service pursuant to § 32 of this subtitle].

21 (B) To be eligible, a member of this System who, as of June 30, 2010, has not
22 acquired 15 or more years of [continuous] service [as a contributing
23 member of this System,] must acquire 25 or more years of [continuous]
24 service as a contributing member of this System.

25 **SECTION 2. AND BE IT FURTHER ORDAINED,** That, for purposes of the “grandfather” rules
26 applicable to the changes made by Ordinance 10-306 to the definition of “average final
27 compensation”, to the age and service requirements for the normal service retirement benefit,
28 and to eligibility for DROP 2, a member who purchases service under Article 22, § 32 of the
29 Baltimore City Code on or before December 31, 2010, is deemed to have purchased that service
30 on or before June 30, 2010.

31 **SECTION 3. AND BE IT FURTHER ORDAINED,** That if all provisions of this Ordinance are
32 severable. If any provision is held to be invalid or if the application of a provision to any person
33 or circumstances is held to be invalid, the remaining provisions or applications to other persons
34 or circumstances are not affected by that decision.

35 **SECTION 4. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
36 are not law and may not be considered to have been enacted as a part of this or any prior
37 Ordinance.

38 **SECTION 5. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
39 is enacted.