


FROM	NAME & TITLE	Henry Raymond, Director <i>HR</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall (410 396-4940)		
	SUBJECT	City Council Bill #15- 0514 - Fire & Police Employees' Retirement System – Benefit Payments		

TO

DATE:
May 11, 2015

The Honorable President and
Members of the City Council
Room 400, City Hall

Attention: Ms. Natawna Austin

Recommendation

The purpose of this legislation is to amend certain provisions relating to the payments of benefits; amending specific administrative provisions to conform with current actuarial and accounting practices; and providing correcting, clarifying and conforming related provisions; providing for a special effective date, generally relating to the Fire and Police Employees' Retirement System of the City of Baltimore.

The Finance Department has reviewed City Council Bill No. 15-~~0514~~ and is in support of it.

Overview

1. The Fire and Police Employees' Retirement System will save approximately \$428,546 as a result of moving to monthly payments versus bi-weekly payments for pensioners. The Employees' Retirement System (ERS) made a similar change several years ago.
2. Various timing changes will allow for ease of administration, smooth cut-over to the monthly payroll, and reduce the number of overpayments for deceased members.
3. Proposed changes will modernize the law to reflect current actuarial practice; and update the financial reporting requirements of the Fire and Police Employees' Retirement System.
4. The new provision of Annual Valuation provides a link to the experience study and the certification of contribution and modernizes the terminology of the law.
5. The change to Actuarial Funding Method will provide flexibility to the Actuary and the Fire and Police Board to adopt funding methodology appropriate to the system on a current basis.

cc: Angela Gibson

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