

**CITY OF BALTIMORE
COUNCIL BILL 07-0830
(First Reader)**

Introduced by: Councilmembers Clarke, D'Adamo, Young, Holton, Spector, Conaway,
Middleton, Curran, President Rawlings-Blake, Councilmembers Welch, Mitchell, Kraft,
Crider

Introduced and read first time: October 1, 2007

Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Fire and Police Employees' Retirement
System, Housing Authority of Baltimore City (HABC)

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Fire and Police Employees' Retirement System –**
3 **Purchase of Prior HABC Police Service Credit**

4 FOR the purpose of authorizing members of the Fire and Police Employees' Retirement System
5 to purchase certain service previously earned in the HABC pension plan while working
6 for the HABC Police; and providing for a special effective date.

7 By adding

8 Article 22 - Retirement Systems
9 Section(s) 32(m)
10 Baltimore City Code
11 (Edition 2000)

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

Baltimore City Code

Article 22. Retirement Systems

Subtitle – Fire and Police Employees' Retirement System

17 **§ 32. Service creditable.**

18 (M) *PURCHASE OF SERVICE – FORMER HABC POLICEMEN BECOMING MEMBERS.*

19 (1) *DEFINITIONS.*

20 (i) *IN GENERAL.*

21 IN THIS SUBSECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

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

Council Bill 07-0830

1 (ii) *CIVILIAN POSITION.*

2 “CIVILIAN POSITION” MEANS A POSITION HELD BY A FORMER HABC EMPLOYEE
3 THAT WAS NOT AN HABC POLICE POSITION.

4 (iii) *HABC.*

5 “HABC” MEANS THE HOUSING AUTHORITY OF BALTIMORE CITY.

6 (iv) *HABC PENSION PLAN.*

7 “HABC PENSION PLAN” MEANS THE NON-ACTUARIALLY FUNDED PENSION PLAN
8 COVERING THE FORMER HABC POLICE.

9 (v) *HABC POLICE POSITION.*

10 “HABC POLICE POSITION” MEANS A POSITION COVERED BY THE HABC PENSION
11 PLAN HELD BY A FORMER HABC POLICE EMPLOYEE WHO WAS REGULARLY
12 ENGAGED IN ENFORCING THE PUBLIC PEACE AND WHOSE DUTIES INCLUDED THE
13 POWER OF ARREST.

14 (2) *PURCHASE AUTHORIZED.*

15 AN EMPLOYEE WHO BECOMES A MEMBER OF THIS SYSTEM MAY PURCHASE SERVICE
16 PREVIOUSLY ACQUIRED IN THE HABC PENSION PLAN IF:

17 (i) THE MEMBER BEGINS EMPLOYMENT COVERED BY THIS SYSTEM WITHIN 30
18 DAYS OF TERMINATING HIS OR HER HABC POLICE POSITION;

19 (ii) THE MEMBER FILES AN APPLICATION WITH THIS SYSTEM TO PURCHASE THAT
20 SERVICE ON OR BEFORE JUNE 30, 2008;

21 (iii) THE HABC PENSION PLAN PROVIDES VERIFICATION TO THIS SYSTEM OF THE
22 MEMBER’S PURCHASEABLE SERVICE; AND

23 (iv) ON PURCHASING CREDIT EARNED IN THE HABC PENSION PLAN, THE MEMBER
24 WOULD NO LONGER BE ELIGIBLE TO RECEIVE A PRESENT OR FUTURE BENEFIT
25 FROM THE HABC PENSION PLAN FOR THE SERVICE PURCHASED.
26

27 (3) *LIMIT OF YEARS PURCHASEABLE.*

28 (i) IF THE SERVICE FROM THE HABC PENSION PLAN WAS EARNED ON ACCOUNT OF
29 EMPLOYMENT IN AN HABC POLICE POSITION, THE MEMBER MAY PURCHASE UP TO
30 10 YEARS OF THAT SERVICE.

31 (ii) THE MEMBER MAY NOT PURCHASE ANY SERVICE FROM THE HABC PENSION PLAN
32 THAT WAS ACQUIRED OR EARNED ON ACCOUNT OF EMPLOYMENT IN A CIVILIAN
33 POSITION.

Council Bill 07-0830

1 (4) *PAYMENT AMOUNT.*

2 FOR SERVICE PURCHASED FROM THE HABC PENSION PLAN, THE MEMBER MUST PAY:

3 (I) AN AMOUNT EQUAL TO THE PRODUCT OF:

4 1. THE MEMBER'S ACTUAL EARNABLE COMPENSATION FOR THE POSITION
5 COVERED BY THIS SYSTEM AT THE LATER OF:

6 A. THE MEMBER'S DATE OF ENTRY INTO THIS SYSTEM, OR

7 B. OCTOBER 31, 2004; MULTIPLIED BY

8 2. THE NUMBER OF YEARS OR PART OF A YEAR OF SERVICE TO BE
9 TRANSFERRED; MULTIPLIED BY

10 3. 12%; PLUS

11 (II) INTEREST ON THAT PRODUCT, CALCULATED AT THIS SYSTEM'S CURRENT
12 ANNUITY SAVINGS FUND RATE, FROM THE MEMBER'S DATE OF ENTRY INTO
13 THIS SYSTEM TO THE DATE THE PAYMENT FOR THE PURCHASE OF SERVICE IS
14 COMPLETED.

15 (5) *PAYMENT METHODS; DEADLINE.*

16 THE PAYMENT FOR PURCHASED SERVICE FROM THE HABC PENSION PLAN:

17 (I) MAY BE MADE BY A SINGLE PAYMENT OR AN INCREASED RATE OF
18 CONTRIBUTION; BUT

19 (II) MUST BE COMPLETED BEFORE THE EARLIER OF:

20 1. 10 YEARS FROM THE DATE THIS SYSTEM RECEIVES THE MEMBER'S
21 APPLICATION TO PURCHASE SERVICE; OR

22 2. THE MEMBER'S RETIREMENT DATE.

23 (6) *PRO RATA CREDIT.*

24 THE SERVICE PURCHASED FROM THE HABC PENSION PLAN SHALL BE CREDITED PRO
25 RATA AT THE TIME EACH PAYMENT FOR THE SERVICE IS MADE.

26 (7) *PURCHASED SERVICE DEEMED EARNED IN THIS SYSTEM.*

27 FOR PURPOSES OF DETERMINING BENEFIT ELIGIBILITY AND CALCULATION OF BENEFITS,
28 ON PAYMENT BY A MEMBER FOR THE SERVICE EARNED IN THE HABC PENSION PLAN
29 AND THE CREDIT OF THAT SERVICE BY THIS SYSTEM, THE PURCHASED SERVICE MAY
30 NOT BE TREATED AS "SERVICE AS A CONTRIBUTING MEMBER OF THIS SYSTEM" AS IS
31 REQUIRED FOR ELIGIBILITY FOR NORMAL SERVICE RETIREMENT IN § 34(A)(1),
32 ELIGIBILITY FOR THE DEFERRED RETIREMENT OPTION PLAN IN § 36B(A), OR OTHER
33 APPLICABLE SECTIONS.

Council Bill 07-0830

1 (8) *PRE-EXISTING CONDITIONS.*

2 A MEMBER IS NOT ENTITLED TO DISABILITY RETIREMENT FROM THIS SYSTEM
3 ATTRIBUTABLE TO AN INJURY OR ILLNESS THAT OCCURRED PRIOR TO THE MEMBER'S
4 DATE OF ENTRY IN THIS SYSTEM.

5 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
6 are not law and may not be considered to have been enacted as a part of this or any prior
7 Ordinance.

8 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
9 is enacted.