


*Roselyn H. Spencer*

FROM	NAME & TITLE	Roselyn H. Spencer, Executive Director	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Employees' & Elected Officials' Retirement Systems 7 East Redwood Street, 12 <sup>th</sup> Floor		
	SUBJECT	<b>City Council Bill 13-0247 -- Retirement Savings Plan</b>		

TO DATE: August 16, 2013

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

Dear Mr. President and City Council Members:

On behalf of the Board of Trustees of the Employees' Retirement System ("ERS"), I hereby submit the following response to City Council Bill 13-0247 (the "Bill") which establishes the Retirement Savings Plan of the City of Baltimore ("RSP"), effective January 1, 2014, and amends several provisions of Article 22 of the Baltimore City Code pertaining to the ERS. A summary of the Bill and the recommendations of the Board are as follows:

1. Establishment of the RSP. City Council Bill 13-0247 establishes a new tax-qualified defined contribution retirement plan for the benefit of civilian employees initially employed or reemployed on or after January 1, 2014. Membership in the RSP is a condition of employment or reemployment and is in lieu of membership in the ERS.

2. Cutoff of Membership in ERS. City Council Bill 13-0247 amends existing ERS law (Article 22, Section 2) to recognize the establishment of the RSP. The amendment provides that:

- civilian employees who are initially employed on or after January 1, 2014 may not join the ERS (C Plan).
- former ERS members who are reemployed on or after January 1, 2014 may not rejoin the ERS (C Plan).

3. ERS Prohibition on Doing Business with Other City Plans. Existing ERS law (Article 22, Section 5(b)(5)(ii)) prohibits ERS Board members and employees from doing business with, or being employed by, any retirement plan sponsored by the City or from having a financial interest in any person or entity doing business with such a plan. City Council Bill 13-0247 amends Article 22, Section 5(b)(5)(ii) to add the RSP to the list of retirement plans with whom ERS Board members and employees may not do business, be employed, or have a financial interest.



At its August 15, 2013 meeting, the ERS Board voted to take the following positions:

- |   |    |                           |
|---|----|---------------------------|
| 1. Establishment of the RSP               | -- | Take No Position          |
| 2. Cutoff of membership in the ERS C Plan | -- | Administratively workable |
| 3. Prohibition of doing business with RSP | -- | Administratively workable |

I would be pleased to answer any questions or provide additional information about City Council Bill 13-0247.

RHS/dsb

cc: Sheila Wyche, Mayor's Office of Government Relations (via email)  
Angela Gibson, Mayor's Legislative Liaison to the City Council  
Harry E. Black, Director of Finance  
Avery Aisenstark, Dept. of Legislative Reference  
George Nilson, City Solicitor  
The Honorable Joan M. Pratt, City Comptroller  
Deborah Moore-Carter, Labor Commissioner  
Ian Berger, ERS General Counsel