



Legislation Details (With Text)

File #: 13-0248 **Version:** 0 **Name:** Employees' and Elected Officials' Retirement Systems - Actuarial Funding Method and Clarifications
Type: Ordinance **Status:** Enacted
File created: 7/15/2013 **In control:** City Council
On agenda: **Final action:** 12/12/2013
Enactment date: **Enactment #:** 13-191
Title: Employees' and Elected Officials' Retirement Systems - Actuarial Funding Method and Clarifications

FOR the purpose of changing the actuarial method used to fund the Employees' and Elected Officials' Retirement Systems; clarifying the due dates for the City's contributions to the Employees' and Elected Officials' Retirement Systems; clarifying certain provisions of the Employees' Retirement System that relate to deferred vested pension benefits; and generally relating to the funding and operation of the Employees' and Elected Officials' Retirement Systems.

Sponsors: City Council President (Administration)
Indexes: Elected Officials, Employees Retirement System, Funding, Retirement Systems
Code sections:

Attachments: 1. 13-0248 - 1st Reader.pdf, 2. ERS - 13-0248.pdf, 3. Labor Comm - 13-0248.pdf, 4. Law - 13-0248.pdf, 5. Finance - 13-0248.pdf, 6. 13-0248 - 3rd Reader.pdf

| Date | Ver. | Action By | Action | Result |
|------------|------|--|--|--------|
| 12/12/2013 | 0 | Mayor | Signed by Mayor | |
| 12/5/2013 | 0 | Taxation, Finance and Economic Development Committee | Recommended Favorably with Amendment | |
| 12/5/2013 | 0 | City Council | Advanced to 3rd Rdr., Adopted Comm. Report | |
| 12/5/2013 | 0 | City Council | Approved and Sent to the Mayor | |
| 12/5/2013 | 0 | City Council | Advanced to 3rd Reader on same day | |
| 9/16/2013 | 0 | Taxation, Finance and Economic Development Committee | Scheduled for a Public Hearing | |
| 7/18/2013 | 0 | The City Council | Referred for a Report | |
| 7/18/2013 | 0 | The City Council | Referred for a Report | |
| 7/18/2013 | 0 | The City Council | Referred for a Report | |
| 7/18/2013 | 0 | The City Council | Referred for a Report | |
| 7/15/2013 | 0 | City Council | Assigned | |
| 7/15/2013 | 0 | City Council | Introduced | |

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

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL

Introduced by: The Council President

At the request of: The Administration (Employees' and Elected Officials' Retirement Systems)

A BILL ENTITLED

AN ORDINANCE concerning

Employees' and Elected Officials' Retirement Systems - Actuarial Funding Method and Clarifications

FOR the purpose of changing the actuarial method used to fund the Employees' and Elected Officials' Retirement Systems; clarifying the due dates for the City's contributions to the Employees' and Elected Officials' Retirement Systems; clarifying certain provisions of the Employees' Retirement System that relate to deferred vested pension benefits; and generally relating to the funding and operation of the Employees' and Elected Officials' Retirement Systems.

BY repealing and reordaining, with amendments

Article 22 - Retirement Systems

Section(s) 5(s), 8(c), 9(l), and 24(b) and (c)

Baltimore City Code

(Edition 2000)

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

Baltimore City Code

Article 22. Retirement Systems

Subtitle - Employees' Retirement System

§ 5. Administration; Board of Trustees.

(s) Actuarial funding method.

Effective retroactively with the year beginning July 1, 1988, AND THROUGH THE YEAR ENDING JUNE 30, 2013, the Retirement System shall be funded by using the projected unit credit cost method. EFFECTIVE RETROACTIVELY WITH THE YEAR BEGINNING JULY 1, 2013, THE RETIREMENT SYSTEM SHALL BE FUNDED BY USING THE ENTRY AGE NORMAL COST METHOD.

§ 8. Method of financing.

(c) Certification of appropriation.

(1) On or before January 1 of each year, the Board of Trustees shall certify to the Board of Estimates the amount of the appropriation necessary to pay to the Retirement System the amounts payable by the City of Baltimore, as enumerated in this article, for the fiscal year beginning on THE ENSUING July 1 [of the succeeding year].

(2) THE AMOUNT SO CERTIFIED IS DUE TO THE SYSTEM ON JULY 1 OF THE FISCAL YEAR, AND [Items of appropriation providing those amounts] APPROPRIATIONS FOR THAT AMOUNT shall be included in the Ordinance of Estimates FOR THAT FISCAL YEAR.

§ 9. Class C membership.

(l) Deferred vested pension benefits on termination of employment.

(1) (I) [Should a] THIS PARAGRAPH (1) APPLIES TO ANY Class C member [leave the] WHO LEAVES CITY employ [of the City]:

A. BEFORE ATTAINING AGE 55 AND after acquiring 10 years of service[.]; OR

B. AFTER ATTAINING AGE 55 AND ACQUIRING 5 YEARS OF SERVICE, BUT WITHOUT HAVING ELECTED AN IMMEDIATE EARLY RETIREMENT BENEFIT UNDER § 9(F).

(II) [such member shall be] A MEMBER DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (1) IS entitled to receive a maximum deferred vested pension benefit (payable in accordance with the provisions of normal retirement contained in § 9(m) and subject to the offset provisions of normal retirement contained in § 9(e)) to commence on the member's normal retirement date of age 65, calculated in accordance with the following rules:

A. [(i)] The pension shall be determined under § 9(e) based on the member's average final compensation and years of service (and fractions thereof) as of the date [he] THE MEMBER ceased being an employee.

B. [(ii)] The offset of the Primary Social Security Benefit will be calculated on the assumption that the member would have continued to receive, until [his] THE MEMBER'S normal retirement date[.], OF age 65, compensation at the rate in effect at the time [of his termination of employment] THE MEMBER CEASED BEING AN EMPLOYEE.

C. [(iii)] [A] THE member [who terminates employment with the City after acquiring 10 years of service, but before attaining age 55,] may [upon attaining age 55] elect to have payment of [his] THIS benefit commence at any time [thereafter] AFTER THE MEMBER HAS ATTAINED AGE 55. [Such] THE benefit shall be actuarially reduced in accordance with the same rules applicable for early retirement benefits under [§ 9(f)(1)(iii)] § 9(F)(2), if its commencement precedes the member's normal retirement date.

D. [(iv)] [Should said] IF THE member [die] DIES before [the attainment of] ATTAINING age 65 AND BEFORE THE BENEFIT COMMENCES, then no benefits ARE PAYABLE, with the exception of the return of the member's accumulated contributions, if any[, shall be payable].

(2) (I) [Should a] THIS PARAGRAPH (2) APPLIES TO ANY Class C [member's] MEMBER:

A. WHOSE regular permanent position with the City [be] IS eliminated BEFORE ATTAINING AGE 55 AND after acquiring 5 years of service[.]; or

B. [should any member] WHO WAS appointed for a fixed term WAS not [be] reappointed, either voluntarily or otherwise, BEFORE ATTAINING AGE 55 AND after [the member has acquired] ACQUIRING 5 years of service [,.].

(II) [such member shall be] A MEMBER DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (2)

IS entitled to a pension payable in accordance with the provisions of § 9(m) and subject to the offset provisions of normal retirement contained in § 9(e) to commence on the member's normal retirement date of age 65, calculated as follows:

- A. [(I)] The pension shall be determined under § 9(e) based on the member's average final compensation and years of service (and fractions thereof) as of the date [he] THE MEMBER ceased being an employee.
- B. [(ii)] The offset of the Primary Social Security Benefit will be calculated on the assumption that the member would have continued to receive until [his] THE MEMBER'S normal retirement date[,] OF age 65, compensation at the rate in effect at the time [of his termination of employment] THE MEMBER CEASED BEING AN EMPLOYEE.
- C. [(iii)] [A] THE member [described in § 9(l)(2) herein,] may [upon attaining age 55] elect to have payment of [his] THIS benefit commence at any time [thereafter] AFTER THE MEMBER HAS ATTAINED AGE 55. [Such] THE benefit shall be actuarially reduced in accordance with the same rules applicable for early retirement benefits under [§ 9(f)(1)(iii)] § 9(F)(2), if its commencement precedes the member's normal retirement date.
- D. [(iv)] [Should said] IF THE member [die] DIES before [the attainment of] ATTAINING age 65 AND BEFORE THE BENEFIT COMMENCES, then no benefits ARE PAYABLE, with the exception of the return of the member's accumulated contributions, if any[, shall be payable].

Subtitle - Elected Officials' Retirement System

§ 24. Method of financing.

(b) City contributions.

(1) (I) On the basis of regular interest and of the mortality and other tables and assumptions adopted by the Board of Trustees, the actuary engaged by the Board shall make a valuation to determine the required contribution by the City of Baltimore for the System.

(II) [The] THROUGH THE YEAR ENDING JUNE 30, 2014, THE normal cost and accrued liability shall be determined by the projected unit credit cost method. EFFECTIVE WITH THE YEAR BEGINNING JULY 1, 2014, THE NORMAL COST AND ACCRUED LIABILITY SHALL BE DETERMINED BY THE ENTRY AGE NORMAL COST METHOD.

(c) Certification of Appropriation.

(1) On or before January 1 of each year, the Board of Trustees shall certify to the Board of Estimates the amount of the appropriation necessary to pay to this Retirement System the amounts payable by the City of Baltimore, as enumerated in this article, for the fiscal year beginning on THE ENSUING July 1 [of the succeeding year].

(2) THE AMOUNT SO CERTIFIED IS DUE TO THE SYSTEM ON JULY 1 OF THE FISCAL YEAR, AND [Items of appropriation providing such amounts] APPROPRIATIONS FOR THAT AMOUNT shall be included in the Ordinance of Estimates FOR THAT FISCAL YEAR.

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

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day after the date

it is enacted.

dlr`13-579(3)~intro/10Jul13
art22/ERS-EOS Funding/aa:me

dlr`13-579(3)~intro/10Jul13
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art22/ERS-EOS Funding/aa:me