



Legislation Details (With Text)

File #: 10-0571 **Version:** 0 **Name:** Fire and Police Employees' Retirement System - Benefits - Corrective
Type: Ordinance **Status:** Enacted
File created: 7/12/2010 **In control:** City Council
On agenda: **Final action:** 8/10/2010
Enactment date: **Enactment #:** 10-357
Title: Fire and Police Employees' Retirement System - Benefits - Corrective

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

Sponsors: City Council President (Administration)
Indexes: Benefits, Corrective Bill, Fire & Police Retirement Systems
Code sections:

Attachments: 1. 10-0571 - 1st Reader.pdf, 2. Law - 10-0571.pdf, 3. Finance - 10-0571.pdf, 4. F&P Retirement - 10-0571.pdf, 5. F&P Retirement - 10-0571 - Mercer Cost Analysis.pdf, 6. 10-0571 - 3rd Reader.pdf

Date	Ver.	Action By	Action	Result
8/10/2010	0	Mayor	Signed by Mayor	
8/9/2010	0	Taxation, Finance and Economic Development Committee	Recommended Favorably	
8/9/2010	0	City Council	Advanced to 3rd Rdr., Adopted Comm. Report	
8/9/2010	0	City Council	Advanced to 3rd Reader on same day	
8/9/2010	0	City Council	Approved and Sent to the Mayor	
7/15/2010	0	The City Council	Referred for a Report	
7/15/2010	0	The City Council	Referred for a Report	
7/15/2010	0	The City Council	Referred for a Report	
7/12/2010	0	City Council	Assigned	
7/12/2010	0	Taxation, Finance and Economic Development Committee	Scheduled for a Public Hearing	
7/12/2010	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

A BILL ENTITLED

AN ORDINANCE concerning
Fire and Police Employees' Retirement System - Benefits - Corrective

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

BY repealing and reordaining, with amendments

Article 22 - Retirement Systems

Section(s) 30(11)(d), 32(f)(1), 33(b)(3), 34(a-1)(2) and (a-2)(1), and
36C(b)(7), (c)(1-a) and (c)(1-b)

Baltimore City Code
(Edition 2000)

BY adding

Article 22 - Retirement Systems

Section(s) 30(20)

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 - Fire and Police Employees' Retirement System

§ 30. Definitions.

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

(11) (d) For members who:

- (i) retired on or after July 1, 1988, and on or before June 30, 2010, or
- (ii) retire on or after July 1, 2010, and who, as of June 30, 2010, meet the applicable age and service requirements for a normal service retirement under § 34(a-1)(1) or have acquired 15 or more years of [continuous] service [as a contributing member of this System],

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

(20) "CONTRIBUTING MEMBER OF THIS SYSTEM" MEANS A MEMBER WHO MAKES REQUIRED MEMBER CONTRIBUTIONS WHILE AN EMPLOYEE.

§ 32. Service creditable.

- (f) Military service credit.

(1) Notwithstanding any other provision of this subtitle, upon proper application to the System, credit for military service, as defined in § 32(e) of this subtitle, [for benefit purposes and] for purposes of eligibility for a normal service retirement under § 34(a1), DROP under § 36B, or DROP 2 under § 36C, AND FOR BENEFIT PURPOSES shall be granted to any member of this system who has served in the military prior to employment with the City, if that member has acquired at least 10 years of service and attained the age of 50, or has acquired 20 years of service.

§ 33. Administration.

- (b) Members.

The Board consists of 11 trustees, as follows:

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

§ 34. Benefits.

- (a-1) Normal service retirement benefits.

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

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

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

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

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

(B) 1. attained age 55; and

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

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

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

§ 36C. Deferred Retirement Option Plan 2.

(b) Definitions.

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

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

(c) Eligibility and application.

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

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

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

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

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

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

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

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

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

SECTION 3. 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 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.

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art22/corrective/aa:me

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