



Legislation Text

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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 (Department of Finance)

A BILL ENTITLED

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

FOR the purpose of amending provisions of the Fire and Police Employees' Retirement System law pertaining to post-retirement increases; modifying certain System interest rate assumptions; discontinuing the utilization of certain existing System accounting reserves; 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(9) and 36A(intro)
Baltimore City Code
(Edition 2000)

BY adding

Article 22 - Retirement Systems
Section(s) 36A(h) and (i)
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:

(9) [“Regular interest” for the Annuity Savings Fund shall mean interest at 5½% per annum compounded annually. “Regular interest” for the Annuity Reserve Fund and the Pension Reserve Fund shall mean interest at 7% per annum compounded annually. For valuation purposes, regular interest shall mean 8¼% prior to commencement of benefit payments and 68/10% after commencement of benefit payments. “Regular interest” for the purposes of determining actuarial equivalents shall mean interest at 5% per annum compounded annually.] “REGULAR INTEREST” MEANS INTEREST COMPOUNDED ANNUALLY FOR THE RESERVES AND ITEMS LISTED AT THE FOLLOWING RATES:

- (I) THE ANNUITY SAVINGS RESERVE: 5.5%.
- (II) FOR VALUATION PURPOSES:
 - (A) BEFORE COMMENCEMENT OF BENEFIT PAYMENTS 8.25%.
 - (B) AFTER COMMENCEMENT OF BENEFIT PAYMENTS 6.8%.
- (III) FOR DETERMINING ACTUARIAL EQUIVALENTS: 5.0%.

§ 36A. Post-retirement benefit increases to certain retirees and beneficiaries.

[Each] BEGINNING JUNE 30, 1983, AND ENDING JUNE 30, 2008, EACH retired member or beneficiary who is receiving periodic benefits under the provisions of the Retirement System is eligible for an increase in the amount of those periodic benefits subject to the following provisions.

(H) TRANSFER OF ASSETS AND LIABILITIES.

- (1) THE ASSETS OF THE PAID-UP BENEFIT FUND AND THE CONTINGENCY RESERVE FUND SHALL BE TRANSFERRED TO THE GENERAL ASSET ACCOUNT.
- (2) THE POST-RETIREMENT BENEFIT LIABILITIES OF THE PAID-UP BENEFIT FUND SHALL BE TRANSFERRED TO THE PENSION RESERVE.
- (3) FOLLOWING THESE TRANSFERS, THE PAID-UP BENEFIT FUND AND THE CONTINGENCY RESERVE FUND SHALL BE DISCONTINUED.

(I) GUARANTEE OF POST-RETIREMENT INCREASES.

EFFECTIVE JUNE 30, 2009, ALL POST-RETIREMENT BENEFIT INCREASES PAYABLE UNDER THIS § 36A BECOME THE OBLIGATION OF THE CITY OF BALTIMORE AND ARE GUARANTEED UNDER THE PROVISIONS OF § 37 OF THIS SUBTITLE.

SECTION 2. AND BE IT FURTHER ORDAINED, That it is the intention of the City of Baltimore to examine the feasibility of establishing post-retirement increase provisions for the retired members and beneficiaries of this

System once the System attains and maintains a funded ratio of 85% for a minimum of 3 consecutive years. The funded ratio is to be based on market value and shall be determined by the System's actuary.

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 30th day after the date it is enacted.

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