

LEGISLATIVE

120680

FOP/PBA Pension – Summary of Changes (10/15/12 Meeting)

TIA
SAA
11-19-12
MSB

FOP/PBA Proposed Pension Changes	Normal Retirement Definition	FAE Period	Multiplier*	COLA	DROP	SB 1128 Changes**	EE Contribution Rate	Share Plan***
DROP Participants – Already in DROP prior to implementation (4/2/13)	No change – 20 and out	No change – highest consecutive 36 months	No changes/No impact	No changes/No impact	No changes/No impact	N/A	No change: 7.5%	Eligible
Greater than 25 Years of Service, but not in DROP at time of implementation	No change	“	2.5% prospectively	No changes/No impact	If Reverse DROP w/effective date on or <u>BEFORE</u> 4/1/13 – No changes (5.5% return)	N/A	No change: 7.5%	Eligible
Greater than 25 Years of Service, but not in DROP at time of implementation	No change	“	2.5% prospectively	No changes/No impact	If Reverse DROP w/effective date <u>AFTER</u> 4/1/13 – 4.5% return	Limitations applicable	No change: 7.5%	Eligible
Rule of 70 – If Retire/DROP prior to implementation	No change	“	No changes/No impact	2% @ 62	5.5% return	N/A	No change: 7.5%	Eligible
Rule of 70 – If Retire/DROP after implementation	No change	“	2.5% prospectively	No COLA	4.5% return	Limitations applicable	No change: 7.5%	Eligible
Retirement Eligible (20 hard years of service; or including sick leave credit <u>only</u> if you actually retire on or before 4/1/13)	No change	“	Mix of 2.5%, 2.625%, and 2.5% post 4/1/13	2% @ 62, if <25 YOS; 2% @ 55, if 25 or more YOS (no change – already earned opportunity for early COLA)	Return % will be negotiated rate (5.5% on or before 4/1/13; 4.5% after 4/1/13)	Limitations applicable	No change: 7.5%	Eligible
Employed at time of implementation, but not retirement eligible	No change	“	2.5% prospectively	Requires 25 YOS; 1% @ 55; 2% @ 62	4.5% return	Limitations applicable	No change: 7.5%	Will be eligible
New/Hired after implementation	25 Years of Service	Highest consecutive 48 months	2.5% prospectively	Requires 25 YOS; 1% @ 55; 2% @ 62	4.5% return	Limitations applicable	No change: 7.5%	Will be eligible

* Multiplier = 2.5% for service prior to October 2005; 2.625% for service October 2005 to 4/1/13; 2.5% for service 4/2/13 and beyond.
 ** SB 1128 Impacts = Creditable Sick cap set on 4/1/13; Cap on Vacation creditable to FAE set on 4/1/13; Max of 300 O/T hours/year that are pensionable.
 *** Members who retired after 1997 base year may also be eligible for a share plan distribution.
 Note – Ordinance will allow current, vested, terminated members to withdraw member contributions without interest, subject to legal ability to do so.

FOP/PBA Pension - Summary of Benefit Changes

I.A. 11/19/12 *[Signature]*

	<u>Current</u>	<u>New*</u>	<u>Not retirement eligible</u>	<u>Retirement eligible</u>
Normal retirement	20 yrs	25 yrs	No change	No change
Early Retirement	Rule of 70	No change	No change	No change
Multiplier	2.625	2.5	2.5, prospectively	2.5, prospectively
COLA	2% > 25 yrs @ age 55 >20<25 @ age 62	1% @ age 55 and 2% @ age 62 Requires 25 yrs svc	1% @ age 55 and 2% @ age 62 Requires 25 yrs svc	No change
Rule of 70 COLA	2% @ age 62	No COLA	No COLA	No COLA
FAE	36 months no max OT includes 3rd party OT	48 months max 300 hrs OT Includes 3rd party OT	36 months max 300 hrs OT Includes 3rd party OT	36 months max 300 hrs OT Includes 3rd party OT
DROP Period	5 yrs @ 25 yrs svc	No change	No change	No change
DROP return	5.5%	4.50%	4.50%	4.50%
Employee Contribution	7.5%	7.5%	7.5%	7.5%

*New = Employees hired after the date of implementation (4/1/13).

Chart does not reflect changes to Ch. 185 impacting use of vacation/sick leave.

Note - Ordinance will eliminate 90-day notice requirement for default option.

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