



# General Employee's Pension Plan Ordinance Amendment and Benefit Modifications



## Goals

- Plan benefit levels should be sustainable and affordable
- The Plan structure should be fair and equitable to both the employees and the taxpayers/rate-payers
- An individual's ultimate benefit should be consistent with the level of funding provided over the length of their career
- Employer contribution growth over the long term should generally be reflective of payroll growth



## Statutory Changes

- Limits Use of Vacation and Sick Leave in Benefit Calculation
  - Applies to Accruals after 10/1/2012
  
- Caps Overtime used in the Calculation of Final Average Earnings
  - Maximum Overtime allowed = 300hrs/yr (current employees only)
  - Negotiated limit of 150hrs/yr for Employees hired after 10/1/2012



## Plan Provisions to be Modified

- Retirement Eligibility – Normal and Early
- Final Average Earnings: Length & Composition
- Cost of Living Adjustment (COLA)
- Multiplier
- Deferred Retirement Option Program (DROP)



## Retirement Eligibility

Current	New Criteria
Normal – 20yrs Any Age	Vested – No change Non-Vested – 25yrs New – 30yrs
Early – 15yrs and Age 55	Vested – No Change Non-Vested – No Change New – 20yr and Age 60



## Final Average Earnings (FAE)

<b>Current</b>	<b>New Criteria</b>
36 Consecutive Months	Vested – No change Non-Vested – 48 Months New – 60 Months
No Overtime Limits	Vested – 300hr Max Non-Vested – 300hr Max New – 150hr Max



## Cost of Living Adjustment (COLA)

Current	New Criteria
2%	2%
Age 60 w/25 YOS Age 62 w/20<25	Vested – Age 65 w/25 YOS Non-Vested – Age 65 w/25YOS New – Age 65 w/30 YOS



## Multiplier

Current	New Criteria
2% per YOS	Vested – No change Non-Vested – No Change New – 1.8%



## Pension Plan Review 2011

### CITY CONTRIBUTIONS SAVINGS BY FUNDING SOURCE WHEN COMPARED TO CURRENT PROJECTED COSTS

	Gen. Fund	GRU	Other Funds	Total \$
FY 2013	\$ 327,781	957,884	\$ 305,505	1,591,170
FY 2014	\$ 372,778	1,089,379	\$ 347,443	1,809,600
FY 2016	\$ 421,160	1,230,770	\$ 392,538	2,044,468
FY 2016	\$ 473,143	1,382,679	\$ 440,987	2,296,809
FY 2017	\$ 528,950	1,545,767	\$ 493,002	2,567,719
<b>5YR TOTALS</b>	<b>\$ 2,123,812</b>	<b>\$ 6,206,479</b>	<b>\$ 1,979,475</b>	<b>\$ 10,309,766</b>



## City Contributions to General Pension Plan Current Plan vs Proposed Plan

