



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 110836

Introduced November 17, 2011

**Councilmember Tasco
for
Council President Verna
(By Request)***

**Referred to the
Committee on Labor and Civil Service**

AN ORDINANCE

Amending Title 22 of The Philadelphia Code, entitled "Public Employees Retirement Code," to expand the scope of "Plan '10" and "DC Plan" to cover additional employees pursuant to an arbitration decision, and to make technical amendments, all under certain terms and conditions.

WHEREAS, An Arbitration Panel constituted pursuant to Act of July 23, 1970, No. 195, P.S. §§ 1101.101 *et seq.* ("Act 195"), issued an Award dated June 21, 2011, providing for inclusion of certain municipal employees in Plan '10; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 22 of The Philadelphia Code is hereby amended to read as follows:

TITLE 22. PUBLIC EMPLOYEES RETIREMENT CODE.

CHAPTER 22-100. GENERAL PROVISIONS.

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§ 22-105. Definitions.

*Information on file in Room 402 City Hall

City of Philadelphia

BILL NO. 110836 continued

In addition to the definitions set forth in § 1-103(1) of the Code, the following definitions apply to this Title unless the context plainly requires otherwise:

* * *

(9) Compensation.

(a) The gross pay, exclusive of any taxable fringe benefits, of any member for personal services as appears on the City payroll, subject to the following:

* * *

(.3) For members of Plan J or Plan Y *and for municipal employee members of Plan '10*, compensation shall include base pay, leave and longevity payments, overtime and holiday overtime paid before the member's separation from service, but shall exclude compensatory time, shift differentials and any lump sum payment of benefits.

* * *

(25) Minimum retirement age. The youngest age at which an employee may retire from City service and receive full service retirement benefits, or the age at which a separated member may receive full separation service retirement benefits. The minimum retirement age for the various plans of the Retirement System is as follows:

- (1) Plan A: fifty (50);
- (2) Plan B: fifty (50);
- (3) Plan D: forty-five (45);
- (4) Plan J: fifty-five (55);
- (5) Plan L: fifty-five (55);
- (6) Plan X: forty-five (45);
- (7) Plan Y: sixty (60); and
- (8) Plan '10: fifty (50) for police or fire employees[.]; *and*
- (9) *Plan '10: sixty (60) for municipal employees.*

* * *

CHAPTER 22-200. MEMBERSHIP.

City of Philadelphia

BILL NO. 110836 continued

§ 22-201. Membership Upon Employment.

* * *

(2) Employees first hired on or after January 8, 1987. All employees who are hired, rehired, or first elected on or after January 8, 1987, shall be members of Plan A, Plan B, Plan L, or Plan Y of the Retirement System, except to the extent that they are afforded other options pursuant to § 22-203 (Membership After Reemployment) or are Police or Fire employees covered by subsection (3) or (5), or are municipal employees covered by subsection (4) *or* (5). Of these employees:

* * *

(5) Employees first hired or assuming elected office on or after January 1, 2010. All employees who (i) are police or fire employees *or employees of the Sheriff's Office or of the Register of Wills*; and who (ii) are [hired, rehired, or first assume elected office] *hired or rehired* on or after [January 1, 2010, for police employees, or October 15, 2010, for fire employees;] *the date set out below* are members of Plan '10 immediately upon employment by the City or upon taking office, unless, *with respect to only police employees, fire employees and employees of the Sheriff's Office*, within thirty (30) days of employment, the employee makes an irrevocable election to become a member of Plan A or B *or Y*, as applicable.

(a) *For police employees: January 1, 2010.*

(b) *For fire employees: October 15, 2010.*

(c) *For employees of the Sheriff's Office or of the Register of Wills: January 1, 2012.*

* * *

CHAPTER 22-300. RETIREMENT BENEFITS.

§ 22-301. Service Retirement Benefits.

* * *

City of Philadelphia

BILL NO. 110836 continued

(3) Amount and calculation of benefits. Annual service retirement benefits may not exceed the member's average final compensation. Annual service retirement benefits are calculated as follows:

* * *

(i) For members of Plan '10 who are municipal employees, one and a quarter percent (1.25%) of average final compensation multiplied by the member's years of credited service for the first twenty (20) years of credited service.

[(i)] (j) Notwithstanding the provisions of subsections (h) and (i) above, the sum of any benefits under Plan '10 plus any benefits to which a member is entitled pursuant to prior membership in another Plan under this Title shall not exceed the member's average final compensation. For purposes of this subsection (j) only, "average final compensation" shall be as defined with respect to the member's prior Plan, as set forth in § 22-105(6)(a), (b) or (c), as applicable.

* * *

§ 22-306. Retirement and Survivorship Benefit Options.

* * *

(2) Failure to choose option; members of plans not eligible for Option 4. If a member of Plan L or Plan Y; or a member of Plan '10 who is a municipal employee, retires without electing a retirement benefit option among Option 1, Option 2 and Option 3, the member shall receive retirement benefits without actuarial reduction except for early retirement under § 22-303 (Optional Early Retirement Benefits). Upon the member's death, subject to the provisions of subsection (3), no further benefits will be paid.

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CHAPTER 22-400. DISABILITY BENEFITS.

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§ 22-402. Ordinary Disability Retirement Benefits.

City of Philadelphia

BILL NO. 110836 continued

(1) Qualification.

(a) Any member found to be mentally or physically totally incapacitated from the further performance of duty as the result of causes occurring not in the actual performance of duty to the City and who, as a member of Plan B, Plan D, Plan J, Plan L or Plan Y, or as a [police] member of Plan '10 *other than a fire employee*, has had ten (10) or more years of credited service, or who as a member of Plan A or Plan X, or as a fire member of Plan '10, has had five (5) years of credited service, or a member of Plan B or Plan D who is totally disabled, in which case such member is considered to have had at least ten (10) years of credited service, shall be deemed retired and shall receive ordinary disability retirement benefits.

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CHAPTER 22-900. CONTRIBUTIONS.

* * *

§ 22-902. Member Contributions.

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(2) Basic Contribution Rate. Member contributions shall be made at the following basic contribution rates:

* * *

(e) Members of Plan '10 who are police or fire employees, five and a half percent (5.5%) of compensation; provided that no contributions shall be required of any employee with more than twenty (20) years of credited service.

(f) *Members of Plan '10 who are municipal employees, a percentage amount equal to fifty percent (50%) of the aggregate normal cost percentage for members of Plan '10 who are municipal employees, as reported in the most recent actuarial valuation report of the Retirement System.*

[(f)] (g) Members of Plan A, Plan B, Plan L, or Plan Y, such contributions as the Board shall determine based on the most recent actuarial valuation report, in accordance with the following:

City of Philadelphia

BILL NO. 110836 continued

(.1) Separate basic contribution rates shall be determined for members of each of Plan A, Plan B, Plan L, or Plan Y.

(.2) For members of Plan L, and Plan Y, the required contributions shall equal [thirty percent (30%)] *such percent* of the aggregate normal cost for all members in such plans *as set forth in subsections (A) through (C) below*, including but not necessarily limited to, the normal cost for service retirement benefits, separation service retirement benefits; optional early retirement benefits, disability benefits, death benefits, survivor benefits, and expenses; provided, however, that for that portion of the benefits under Plan L which exceeds those available to members of Plan Y, the required Plan L contribution for each employee shall equal a proportionate share of one hundred percent (100%) of the aggregate normal cost of such greater benefits for all such members.

(A) For members of Plan L, and for members of Plan Y except employees of the Sheriff's Office, thirty percent (30%).

(B) For members of Plan Y who are employees of the Sheriff's Office and who were hired before January 1, 2012, thirty percent (30%).

(C) For members of Plan Y who are employees of the Sheriff's Office and who were hired on or after January 1, 2012, fifty percent (50%).

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CHAPTER 22-1400. DEFINED CONTRIBUTION PLAN.

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§ 22-1403. Membership in DC Plan.

(1) Newly hired and elected employees. All members of Plan '10 shall be members in the DC Plan.

(2) Electing members of the Retirement System. If a police or fire employee *or an employee of the Sheriff's Office or the Register of Wills* is a member of any other plan within the Retirement System, such member may elect to participate in the DC Plan. In such case, any credited service rendered by the member, or compensation paid to the

City of Philadelphia

BILL NO. 110836 continued

member, after the member is enrolled in the DC Plan shall apply solely to the calculation of the member's benefit under the DC Plan and Plan '10 and shall not be considered for purposes of determining the accrued benefit under the member's original plan. Credited service accrued by the member under the original plan shall not be considered for purposes of calculating the member's benefit under DC Plan and Plan '10. The above notwithstanding, in determining the member's credited service for vesting purposes under Section 22-1406, all credited service with the City shall be considered. An election to become a member of the DC Plan must be made within ninety (90) calendar days of the effective date of this Chapter or, with respect to fire employees, within ninety (90) calendar days of the effective date of the ordinance adding fire employees to this subsection *or, with respect to municipal employees, within ninety (90) calendar days of the effective date of the ordinance adding this clause to this subsection.* Prior to enrollment in the DC Plan, the Board shall provide to the member an estimated calculation of the member's projected total pension and retirement benefits determined as of the member's minimum retirement age. Enrollment in the DC Plan is irrevocable.

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SECTION 2. Effective Date. This Ordinance shall be effective immediately.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.

City of Philadelphia

BILL NO. 110836 continued