

Legislation Text

File #: 090188, Version: 0

Amending Title 22 of The Philadelphia Code, entitled "Public Employees Retirement Code," by amending Section 22-310, entitled "Deferred Retirement Option Plan (DROP)," by revising the interest rate applied to DROP account balances; under certain terms and conditions.

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.

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CHAPTER 22-300. RETIREMENT BENEFITS.

* * *

§ 22-310. Deferred Retirement Option Plan (DROP).

* * *

(5) Benefit Requirements and Calculation.

* * *

(b) Credits to a DROP participant's DROP account consist of:

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(.2) interest on the member's DROP account balance computed at a rate determined by the Board and compounded monthly. The rate shall be 4.5% upon the effective date of the ordinance amending this Title to provide for this test DROP and shall be reviewed not less than annually by the Board at the beginning of each plan year. The Board [may] shall adjust the interest rate prospectively [or retrospectively] following such review so that the rate for each year shall equal the earnings rate for the fund for the previous year, subject to appropriate timing adjustments as determined by the Board, provided that the rate shall not exceed [10% and shall not fall below 4.5%] fifty percent (50%) of the actuarial assumed earnings rate of the pension system.

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SECTION 2. This Ordinance shall be effective immediately; provided that nothing in this Ordinance shall be applied to affect the rights of any person enrolled in the DROP prior to adoption of this Ordinance.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.