

Legislation Text

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Amending Title 22 of The Philadelphia Code, entitled "Public Employees Retirement Code," by amending Sections 22-306, 22-701 and 22-702, to make Retirement and Survivorship Benefit Option 4 available to members of additional Plans, to allow the member to designate his or her dependent grandchildren to receive a survivorship benefit, and to allow benefits to be paid to trusts for disabled grandchildren of members; all 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 as follows:

TITLE 22. PUBLIC EMPLOYEES RETIREMENT CODE.

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CHAPTER 22-300. RETIREMENT BENEFITS.

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§22-306. Retirement and Survivorship Benefit Options.

(1) Election of options. Any member may at any time prior to retirement elect in writing one of the following options pursuant to which retirement benefits and survivorship benefits will be paid.

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Option 4 - With respect to a member of Plan D, Plan J, *Plan A*, *Plan B* or Plan X only, the retired member will receive retirement benefits in the form of an annuity for life. If the retired member elected this option or dies without having elected any option, one-half of the amount of the member's retirement benefit, without reduction, shall be paid to the member's surviving spouse, provided that they were married at least two (2) years before retirement or the date on which a separated member became eligible to apply for retirement benefits.

Upon the death of the surviving spouse, or if there is no surviving spouse who qualifies under the previous paragraph, the retirement benefit shall be paid to the dependent children, either natural or adopted,

of the deceased member; and to the dependent grandchildren, either natural or adopted, of the deceased member, if the deceased had court ordered or court sanctioned physical and legal custody of the dependent grandchild, until each child or grandchild attains age eighteen (18) or, if any such child or grandchild remains dependent because of physical or mental infirmity, the duration of the infirmity. If there is no eligible child or eligible grandchild, the retirement benefit shall be paid to the dependent parent or parents of the deceased. Upon election of the member at any time during the member's life, any benefit otherwise payable after the member's death to a child or eligible grandchild who remains dependent at the time of the member's death because of physical or mental infirmity may instead be paid to a trust for the benefit of that child or eligible grandchild, so long as the trust meets the following conditions:

* * *

If there is no surviving spouse, dependent child or eligible grandchild or parent who qualifies, and the member dies before receiving retirement benefits equal to his or her member contributions, the balance shall be paid to the member's beneficiary.

* * *

(2) Failure to choose option; members of plans not eligible for Option 4. If a member of [Plan A, Plan B,] Plan L[,] or Plan Y 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.

* * *

(4) Change of option. Until retirement, a member may revoke the election of any option under this Section, and may elect any other option, except that only members of Plan D, Plan J, Plan A, Plan B, or Plan X may elect Option 4. On retirement, subject to the provisions of § 22-702 (Designation of Survivors), the last election of any of the foregoing options shall be irrevocable.

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CHAPTER 22-400. DISABILITY BENEFITS.

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§ 22-401. Service-Connected Disability Retirement Benefits.

(4) Benefit Amount. Upon retirement for service-connected disability, a member shall receive an annual retirement benefit equal to seventy percent (70%) of the member's final compensation, as it may be adjusted by § 22-401(5) and § 22-306, subject to the provisions of § 22-403 (Reexamination of Disabled Members). The member may also elect to receive either a lump-sum payment equal to the member contributions to the Retirement System or, in lieu thereof, any survivor benefit option available to the member's plan under § 22-306. The member's election shall be irrevocable. A member of Plan D, Plan J, *Plan A*, *Plan B*, or Plan X who fails to make the foregoing election prior to retirement will be deemed to have elected Option 4.

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CHAPTER 22-700. BENEFICIARIES AND SURVIVORS.

§22-701. Designation of Beneficiaries.

(1) Permissible designations. The designation of a member's beneficiaries must be in writing and on file with the Board during the member's employment. A member may designate as beneficiaries only individuals within the following categories:

(a) The spouse who either lives with the member at the time of the member's death or is entitled to financial support by the member;

(b)(1) natural or adopted child or children of the member, *or natural or adopted grandchild or grandchildren of the member, where the member had court ordered or court sanctioned physical and legal custody of the grandchild or grandchildren;*

(.2) a trust for the benefit of a disabled natural child or a disabled adopted child of the member, *or for the benefit of a disabled natural or adopted grandchild of the member, where the member had court ordered or court sanctioned physical and legal custody of the grandchild,* providing that the following conditions are met:

* * *

§22-702. Designation of Survivors.

(1) Permissible designations. Each member shall make an irrevocable designation of survivors upon retirement. The designation of a member's survivors must be in writing and on file with the Board. A member may designate only the following individuals:

(a) spouse;

(b)(1) natural or adopted child or children of the member *or a natural or adopted grandchild or grandchildren of the member, where the member had court ordered or court sanctioned physical and legal custody of the grandchild or grandchildren;*

(2) a trust for the benefit of a disabled natural child or a disabled adopted child of the member *or for the benefit of a disabled natural or adopted grandchild of the member, where the member had court ordered or court sanctioned physical and legal custody of the grandchild,* providing that the following conditions are met:

* * *

(2) Death of designated survivor. If all designated survivors of a member predecease the retired member, the member may, within one (1) year of the death of the last of such survivors, designate new survivors. In the event such redesignation is made, and if the retired member has chosen retirement benefit Option 2 or Option 3 under § 22-306, an appropriate actuarial adjustment shall be made in the benefits of the retired member. A retired member of Plan D, Plan J, *Plan A, Plan B* or Plan X who had elected Option 4 or who had failed to make an election may not designate a new survivor. If such member rejects the option to redesignate survivors, or if one (1) year elapses without the member having exercised such option, an adjustment shall be made to the retired member's benefits to reflect the absence of a survivor. Effective the first day of the month following such retiree's written rejection of the option to redesignate, or the first day of the month following the expiration of the time period to redesignate, whichever date first occurs, such retired member's benefit will be redetermined as a benefit calculated as though the member had selected no survivorship benefit option. The option provided for in this subsection is subject to the following additional conditions:

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SECTION 2. This Ordinance shall take effect immediately.

Explanation:

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