

Legislation Text

File #: 140743, **Version:** 1

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, including elected officials, to change contribution rates, and to make technical amendments, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

TITLE 22. PUBLIC EMPLOYEES RETIREMENT CODE.

CHAPTER 22-100. GENERAL PROVISIONS.

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§ 22-105. Definitions.

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:

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(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);
- (8) Plan '10: fifty (50) for police or fire employees; [and]
- (9) Plan '10: sixty (60) for municipal [employees.] *employees; and*
- (10) *Plan '10: fifty-five (55) for elected officials.*

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CHAPTER 22-200. MEMBERSHIP.

§ 22-201. Membership Upon Employment.

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(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).] (5), *or are elected officials covered by subsection (5)*. Of these employees:

* * *

(5) Employees first hired or assuming elected office on or after January 1, 2010. All employees who

(i) either

(a) are police or fire employees; or

(b) are represented by Lodge 5 of the F.O.P. and are employees of the Sheriff's Office or of the Register of Wills; or

(c) are represented by AFSCME, District Council 47, or AFSCME, District Council 33 (other than OHCD employees); or

(d) are municipal employees not represented by a union *or are elected officials*;

and who

(ii) are hired or rehired *or first elected* on or after the date set out below

are members of Plan '10 immediately upon employment by the City or upon taking office, except to the extent that they are afforded other options pursuant to § 22-203 (Membership After Reemployment) or unless, within thirty (30) days of employment, the employee (except an employee who either (.1) is represented by Lodge No. 5 of the F.O.P. and is an employee of the Register of Wills or (.2) is a guard represented by DC 33) makes an irrevocable election to become a member of Plan A or B or Y *or L*, 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.

(d) For employees represented by AFSCME, District Council 47: March 5, 2014.

(e) For municipal employees in the civil service not represented by a union: May 14, 2014.

(f) For employees represented by AFSCME, District Council 33, other than guards represented by DC 33 or OHCD employees: September 9, 2014.

(g) For guards represented by DC 33: the effective date of the Ordinance adding this subsection (g).

(h) For municipal employees not in the civil service and not represented by a union: the effective date of the Ordinance adding this subsection (h).

(i) *For elected officials: the effective date of the Ordinance adding this subsection (i).*

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CHAPTER 22-300. RETIREMENT BENEFITS.

§ 22-301. Service Retirement Benefits.

(1) Eligibility.

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(d) (.1) After the effective date of this Title (January 13, 1999), members of Plan L *and elected official members of Plan '10* who take office after the effective date of this Title shall vest their retirement benefits upon attaining credited service which shall be the lesser of two full terms in their elected office or eight (8) years. During such vesting period, such elected officials shall each contribute, in addition to the employee contribution as determined in § 22-902, a proportionate contribution equal to one hundred percent (100%) of the member's share of the aggregate normal cost of the additional benefit, over the cost of 10-year vesting, afforded by such earlier vesting period. Provided, however, that any such elected officials who, upon taking elected office, have any prior credited City service, shall not be required to vest in less than ten (10) years and pay the additional contributions, but shall have the option to elect to vest their retirement benefits upon attaining the lesser of two full terms in their elected office or eight (8) years, rather than ten (10) years, under the terms and conditions in Section 22-301(1)(c)(.3) above.

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§ 22-306. Retirement and Survivorship Benefit Options.

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(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,] *employee or an elected official*, 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 22-900. CONTRIBUTIONS.

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§ 22-902. Member Contributions.

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

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(f) Members of Plan '10 who are municipal employees *or elected officials*, a percentage amount equal to fifty percent (50%) of the aggregate normal cost percentage for members of Plan '10 who are municipal employees *or elected officials*, as reported in the most recent actuarial valuation report of the Retirement System. The provisions of § 22-902(3) ("Election to cease contributions") shall not apply.

(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:

(.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 the sum of

(i) such percent of the aggregate normal cost for all members in such plans as set forth in subsections (A) through (D) 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; and

(ii) for members represented by AFSCME, District Council 47, or AFSCME, District Council 33 (except guards represented by DC 33 and OHCD employees), and for municipal employees not represented by a union *and for elected officials*, for the period January 1, 2015, through December 31, 2015, one-half percent (0.5%) of compensation (except for municipal employees of the Auditing Department, not in the civil service, for whom this additional one-half percent (0.5%) shall apply for the period July 1, 2015, through December 31, 2015), and, for the period January 1, 2016, and thereafter, one percent (1.0%) of compensation; and

(iii) for members represented by AFSCME, District Council 47, hired on or after March 5, 2014, for municipal employees in the civil service not represented by a union, hired on or after May 14, 2014, and for members represented by AFSCME, District Council 33, hired on or after September 9, 2014 (except guards represented by DC 33 and OHCD employees), an additional one percent (1.0%) of compensation; and

(iv) for municipal employees not in the civil service and not represented by a union hired or first elected on or after the effective date of the ordinance adding this subparagraph (iv), an additional one percent (1.0%) of compensation.

(v) for elected officials first elected on or after the effective date of the ordinance adding this subparagraph (v), an additional one percent (1.0%) of compensation.

(A) For members of Plan L, and for members of Plan Y except employees of the Sheriff's Office represented by Lodge 5 of the F.O.P., and except guards represented by DC 33, thirty percent (30%).

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CHAPTER 22-1400. DEFINED CONTRIBUTION PLAN.

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§ 22-1403. Membership in DC Plan.

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(2) Electing members of the Retirement System. If (a) a police or fire employee or (b) an employee represented by Lodge 5 of the F.O.P. who is an employee of the Sheriff's Office or the Register of Wills or (c) an employee represented by AFSCME, District Council 47, or AFSCME, District Council 33 (except OHCD employees), or (d) a municipal employee not represented by a union *or an elected official*, 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 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 either represented by Lodge 5 of the F.O.P. who are employees of the Sheriff's Office or of the Register of Wills or represented by AFSCME, District Council 47, or AFSCME, District Council 33 (except OHCD employees), and municipal employees not represented by a union, *and with respect to elected officials*, within ninety (90) calendar days of the effective date of the ordinance adding such employees 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.

SECTION 2. Effective date. This Ordinance shall be effective immediately, except that it shall not apply to any elected official until the commencement of such elected official's term, on or after the date this Ordinance becomes law.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.