

Fire & Police Officers Pension Plan Adjustment Mechanism Committee

	Proposed Changes	Estimated % Savings
1	Non-Service Related Partial Disability Benefit Formula (2.5% x Service)	TBD - Range 0.00% - 0.22%
2	Non-Service Related Partial Disability - eliminate COLA	0.09%
3	Non-Service Related Partial Disability - eliminate recalculation with salary increases at normal retirement age	0.00%
4	Non-Service Related Partial Disability eligibility requirement extended to 10 years	0.21%
5	Non-Service Related Total Disability - change formula to 2.5% x Service	0.33%
6	Eliminate all Non-Service Related Disability for new hires	TBD - Range 0.00% - 0.69%
7	Service Related Disability - COLA payable for first 5 years	0.20%
8	Service Related Disability - eliminate recalculation with salary increases at normal retirement age	0.04%
9	Earnings Offset (<u>all</u> partial disability)	0.10%
10	Service Retirement for New Hires Only - change formula to 2.5% x service for all years of service & no DROP	TBD - Range 0.00% -1.19%
11	DROP - eliminate Credited interest rate	0.13%
12	Cost Sharing Mechanism - increased costs, including future contribution rate increases, will be shared by the City and employees - 2/3 City share and 1/3 employee share	TBD *
13	Wellness Program	TBD *
14	Definition of Disability	TBD *
15	Chief makes positions available (ER pay training?)	TBD *
16	Others/Intangibles: to be included in Memorandum	TBD *
	Estimated Savings Today	1.15%
	"Average" Phased-In Savings	0.60%
	Total Savings	1.75%

* This changes will result in savings however the cost savings cannot be estimated at this time by the actuary. Exact savings will be realized as plan changes are phased in over time.

Changes to Non-Service Related Disability were calculated on an isolated basis. Cost savings interact and total savings are not the sum of the parts.

**Firefighters and Police Officers Pension Plan
Proposed Plan Changes**

		Current Plan	Proposed Plan	
		All Employees	Existing Employees	New Hires
Service Retirement				
	Benefit Formula	2.5% x years of service for 1st 20 years; 3.2% thereafter capped at 30 years of service	No change	2.5% x years of service uncapped
	DROP Participation	Eligible to enter after 30 years of service	No change	Not eligible for the DROP
	DROP Credited interest	Annual accrual rate of 3%	No credited interest	N/A
Disability Retirement				
Service Related (Partial & Total)				
	Recalculation at Normal Retirement Age	Recalculated including salary increases after disability	Recalculated with no salary increase	
	COLA	Annually based on the CPI up to 3%	Annually based on the CPI up to 3%; limited to 5 years after initial eligibility	
	Earnings Offset	None	\$1 for every \$3 of earnings	
Non-Service Related Partial				
	Eligibility	5 years of service	10 years of service including pre-2004 service	No non-service related coverage
	Benefit Formula	50% x average monthly compensation	2.5% x years of service x average monthly compensation; limited to 50%	N/A
	Recalculation at Normal Retirement Age	Recalculated including salary increases after disability	Recalculated with no salary increase	N/A
	COLA	Annually based on the CPI up to 3%	None	N/A
	Earnings Offset	None	\$1 for every \$3 of earnings	N/A
Non-Service Related Total				
	Eligibility	Immediate	No change	No non-service related coverage
	Benefit Formula	50% x average monthly compensation	2.5% x years of service x average monthly compensation; limited to 50%	N/A
	Recalculation at Normal Retirement Age	Recalculated including salary increases after disability	Recalculated with no salary increase	N/A
	COLA	Annually based on the CPI up to 3%	None	N/A