

City of Philadelphia



(Bill No. 140205)

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, including employees represented by AFSCME, District Council 47 and certain employees not covered by a collective bargaining agreement, 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 hereby amended to read as follows:

TITLE 22. PUBLIC EMPLOYEES RETIREMENT CODE.

* * *

CHAPTER 22-200. MEMBERSHIP.

§ 22-201. Membership Upon Employment.

* * *

(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 [who] (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 (d) are municipal employees in the civil service not represented by a union;* and who (ii) are hired or rehired 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, with respect to only police employees, fire employees, [and] employees of the Sheriff's Office, employees represented by AFSCME, District Council 47, and municipal employees in the civil service not represented by a union,* 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.

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- (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: the effective date of the Ordinance enacting this subsection (e).*

* * *

CHAPTER 22-300. RETIREMENT BENEFITS.

§ 22-301. Service Retirement Benefits.

- (1) Eligibility.

* * *

(b) Subject to the provisions of paragraphs (c) and (d) below, any member of Plan A, Plan B, Plan L, Plan Y, or Plan '10 who has attained minimum retirement age and has ten (10) or more years of credited service is a vested member of the Retirement System and eligible for service retirement benefits.

(c) (.1) After the effective date of this Title (January 13, 1999), members of Plan A, Plan [B or] B, Plan Y or Plan '10 who hold positions that are both exempt from civil service and who are not entitled to be represented by a union and who are employed after the effective date of this Title shall vest their retirement benefits upon attaining five (5) years of credited service. During such vesting period, such employees 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.

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(.3) After the effective date of this Title (January 13, 1999), members of Plan A, Plan [B or] *B*, Plan Y or *Plan '10* who hold positions that are both exempt from civil service and who are not entitled to be represented by a union and who have prior City service and are reemployed after the effective date of this Title may elect to vest their retirement benefits upon attaining five (5) years of credited service. Such election shall be irrevocable and must be made in writing on forms provided by the Board and filed with the Board within one hundred and eighty (180) days following either the date of the member's reemployment or the effective date of the ordinance adding this subsection, whichever is later. Such employees who make an election for a five (5) year vesting period shall each be charged for the additional benefit afforded by such earlier vesting period 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.

* * *

CHAPTER 22-900. CONTRIBUTIONS.

* * *

§ 22-902. Member Contributions.

* * *

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

(a) Members of Plan J who are not covered under the Federal Social Security Act, as [amended,] *amended*:

(.1) For members represented by AFSCME, District Council 47, and for municipal employees in the civil service not represented by a union:

(A) Through and including December 31, 2014, six percent (6%) of compensation.

(B) For the period January 1, 2015, through December 31, 2015, six and a half percent (6.5%) of compensation.

(C) For the period January 1, 2016, and thereafter, seven percent (7.0%) of compensation.

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(.2) *For all other members, six percent (6%) of compensation.*

(b) Members of Plan J who are covered by the Federal Social Security Act, as amended, three and three-quarters percent (3-3/4%) of that portion of compensation which is subject to tax under the Federal Insurance Contributions Act (26 U.S.C. §§ 3101 et seq.) plus six percent (6%) of that portion of compensation which is not subject to such tax, exclusive of that portion of such tax attributable to coverage for hospital insurance benefits; *plus, for members represented by AFSCME, District Council 47, and for municipal employees in the civil service not represented by a union:*

(.1) *for the period January 1, 2015, through December 31, 2015, one-half percent (0.5%) of compensation; plus,*

(.2) *for the period January 1, 2016, and thereafter, one percent (1.0%) of compensation.*

* * *

(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. *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 (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

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members; and (ii) for members represented by AFSCME, District Council 47, and municipal employees in the civil service not represented by a union, for the period January 1, 2015, through December 31, 2015, one-half percent (0.5%) of compensation, 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, and municipal employees in the civil service not represented by a union, hired on or after the effective date of the Ordinance adding this subsection (iii), an additional one percent (1.0%) of compensation.

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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 (d) a municipal employee in the civil service not represented by a union, 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,] *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, and municipal employees in the civil service not represented by a union,* within ninety (90) calendar days of the effective date of the ordinance adding [this clause] *such employees* to this [subsection.] *subsection.* Prior to enrollment in the DC Plan, the

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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. This Ordinance shall be effective as follows:

(1) With respect to members of AFSCME, District Council 47: retroactive to March 5, 2014.

(2) In all other respects: immediately.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 8, 2014. The Bill was Signed by the Mayor on May 14, 2014.

A handwritten signature in cursive script, reading "Michael A. Decker".

Michael A. Decker
Chief Clerk of the City Council