

FISCAL IMPACT NOTE

Legislation No: O-25-14

First Reader Date: 9-22-14

Note Date: 10-24-14

Legislation Title: Funding Purchase of Service Credits for Certain Employees in the Police and Fire Retirement Plan

Description: For the purpose of authorizing the City of Annapolis to fund all or a portion of the cost of purchasing service credits or any actuarial or other fees and costs for certain employees in the Police and Fire Retirement Plan; and specifying that the City of Annapolis shall have the authority to determine the respective percentages that a certain employee and the City of Annapolis shall contribute towards the cost of purchasing service credits or any actuarial or other fees and costs towards participation in the Police and Fire Retirement Plan.

Analysis of Fiscal Impact: This legislation provides an opportunity for the Police Chief and the Fire Chief, not already participating in the Plan, to become a member and purchase service credits retroactive to the date of his or her appointment at an amount determined by the Plan's actuary. The employee would be responsible for paying the necessary contributions to the Plan and for any actuarial or other fees and costs associated with the calculation, unless the City elects to fund all or a portion of the cost of purchasing such service credits or any actuarial or other fees and costs. This legislation would produce a negative fiscal impact depending on the percentage, as determined by the City, of service credits or any actuarial or other fees and costs that the City elects to fund. In addition, any new members to the Police and Retirement Plan would increase the employer contribution on an annual basis.