

Reply to Common Council File No. 001566

From DOA-Budget and Management Division

March 30, 2001

Ref: 99042

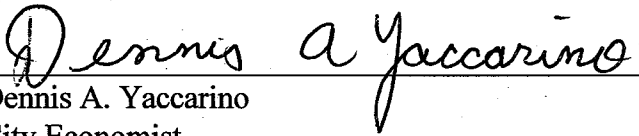
This file contains a substitute ordinance to implement the global pension settlement insofar as it relates to the firemen and policemen's survivorship funds.

A portion of the global settlement included the dissolving of the firemen and policemen's survivorship fund based on the approval of 100% of the members and beneficiaries of the fund. As of January 1, 2000, not all members and beneficiaries of the fund had consented to participate in the combined funds. On October 18, 2000 the involved parties entered into an agreement to investigate a means by which non-consenting members could be provided with survivorship benefits while the fund was still dissolved.

A new memorandum of understanding, contained in common council file 001565, will provide a solution by having the Annuity and Pension Board select a carrier to provide survivorship benefits on a single premium basis for non-consenting members. This single premium policy shall be paid from the assets of the survivorship fund. All remaining funds, which are not transferred in accordance with the global settlement or needed to pay the single premium from the survivorship fund, shall be transferred to the combined fund.

The substitute ordinance will provide the mechanism to implement the memorandum of understanding.

RECOMMENDATION: ADOPT SUBSTITUTE CHARTER ORDINANCE IMPLEMENTING THE GLOBAL SETTLEMENT INsofar AS IT RELATES TO THE FIREMEN AND POLICEMEN'S SURVIVORSHIP FUND.


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