

Introduced by: Councilmen Bell and Street

Introduced on: November 9, 2010

SUBSTITUTE #1 TO ORDINANCE NO. 10- 115

TO AMEND CHAPTER 26 OF THE *NEW CASTLE COUNTY CODE* RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM AND THE COUNTY EMPLOYEES' PENSION PLAN TO PROVIDE FOR SERVICE RETIREMENT ANNUITY AFTER TWENTY-FIVE YEARS CREDITED SERVICE FOR EMERGENCY MEDICAL SERVICES DIVISION EMPLOYEES OR EMERGENCY COMMUNICATIONS DIVISION EMPLOYEES AND PROVIDING FOR INCREASED EMPLOYEE CONTRIBUTIONS FROM EMERGENCY MEDICAL SERVICES DIVISION EMPLOYEES OR EMERGENCY COMMUNICATIONS DIVISION EMPLOYEES AND FURTHER AMENDMENTS RELATED THERETO.

WHEREAS, The current County Pension Plan and County Pension System provide for service pensions after completion of thirty (30) years of credited service;
And,

WHEREAS, County Council has determined that reducing the credited service requirement to twenty-five (25) years is appropriate for County Emergency Medical Services Division Employees and County Emergency Communications Division Employees based upon the nature of the job requirements.

NOW, THEREFORE, THE COUNTY OF NEW CASTLE HEREBY ORDAINS:

Section 1. *New Castle County Code* Chapter 26 Human Resources, Article 4 Pensions, Division 26.04.100 Employees' Retirement System is hereby amended by adding the material that is underscored and deleting the material that is bracketed, as set forth below:

Division 26.04.100 Employees' Retirement System

Sec. 26.04.102. – Definitions.

The following words, terms and phrases, when used in this Division, shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

* * *

County Emergency Medical Services Division Employee means any Employee within the Emergency Medical Services Division required by their class specification to possess and maintain a paramedic or emergency medical technician certification as a requirement of their position.

County Emergency Communications Division Employee means those Employees within the Emergency Communications Division classified as Emergency Call Operator, Emergency Call Operator Coordinator, Fire/Medical Communications Specialist, Fire/Medical Communications Supervisor, Police Communications Specialist, Police Communications Specialist Supervisor, Chief of Emergency Communications, Telcom Training Off. Coordinator, Assistant Chief Emergency Communications or Quality Assurance Coordinator.

Sec. 26.04.106. - Service retirement generally.

A. A member of the employees' retirement system completing at least thirty (30) years of credited service may retire at his or her option at any age and receive a service retirement annuity. A County police officer, completing at least twenty (20) years of credited service, may retire at his or her option at any age up to fifty-five (55), which is mandatory, and receive a service retirement annuity. A County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, completing at least twenty-five (25) years of credited service as a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, may retire at his or her option at any age and receive a service retirement annuity.

B. A member other than a County police officer completing at least twenty-five (25) years of credited service may retire, at his or her option, at age fifty (50) or thereafter.

C. A member completing fifteen (15) years of credited service may, at his or her option, retire at age fifty-five (55) or thereafter and receive a service retirement annuity.

D. A member employed, or who had been extended a written offer of employment, before the effective date of this Ordinance, completing at least five (5) years of credited service may retire, at his or her option, at age sixty (60) or thereafter and receive a service retirement annuity. A member employed, or who had been extended a written offer of employment, on or after the effective date of this Ordinance, completing at least ten (10) years of credited service may retire, at his or her option, at age sixty (60) or thereafter and receive a service retirement annuity. A police officer completing ten (10) years of credited service may retire at age fifty (50).

E. A County police officer, regardless of the date he or she entered the County police service, may opt to retire after completing fifteen (15) years of County police service and receive a service retirement annuity. Such service

annuity shall not be payable until the anniversary of his or her twentieth year of County police service. A County police officer exercising this option to retire earlier than provided for in subsection A of this Section may exercise such option in his or her fifteenth, sixteenth, seventh, eighteenth or nineteenth year of County police service. In any case, however, the service retirement annuity would become payable on the anniversary of his or her twentieth year of County police service. The retiree shall be eligible for postretirement adjustments to his or her service retirement annuity in accordance with Section 26.04.112.

Sec. 26.04.107. - Service retirement annuity.

A. The service retirement annuity payable to any member other than County police officers, a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, shall be the sum of final average salary multiplied by:

1. Two and one-half (2½) percent for each year of credited prior service;
2. One and seven-tenths (17/10) percent for each of the first ten (10) years of credited membership service;
3. Two (2) percent for each year of credited membership service for the eleventh to the twentieth years inclusive; and
4. Two and five-tenths (25/10) percent for each year of credited membership service above twenty (20) years of membership service.

B. The service retirement annuity payable to the County police officers shall be the final average salary multiplied by two and one-half (2½) percent for each year of credited prior service and credited membership service.

C. The service retirement annuity payable to a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, shall be the final average salary multiplied by two and one-half (2.5) percent for each year of credited prior service and credited membership service.

[C.] D. The maximum retirement annuity shall be eighty (80) percent of final average salary.

[D.] E. Fractional years of credited service shall be computed on a proportionate basis.

Sec. 26.04.115. - Financing.

The benefits prescribed in this Division shall be financed in accordance with the following method of funding:

A. Each member, other than a police officer, a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, shall make contributions at the rate of five (5) percent of each payment of salary from and after the date of becoming a member. Prior to January 1, 1993, police officers shall contribute at the rate of six (6) percent of salary. Effective January 1, 1993, and prior to January 1, 1998, police officers shall contribute at the rate of eight (8) percent of salary. Effective January 1, 1998, and prior to January 1, 2003, police officers shall contribute at the rate of seven and one-half (7½) percent of salary. Effective January 1, 2003, police officers shall contribute at the rate of seven (7) percent of salary. Effective January 1, 2011, County Emergency Medical Services Division Employees or a County Emergency Communications Division Employees, shall contribute at the rate of seven (7) percent of salary.

B. See Division 26.04.600 of this Article for additional sections on funding and for sections on County contributions, pickup contributions and financing generally.

C. All contributions required to be made under subsection A of this Section with respect to current County service rendered by an active member on or after January 1, 1983, shall be picked up by the County and shall be treated as the employer's contribution in determining tax treatment under the United States Internal Revenue Code for federal tax purposes, pursuant to 26 USC 414(h)(2). For all other purposes, under this Article and otherwise, such pickup contributions shall be treated as contributions made by a member in the same manner and to the same extent as contributions made by a member prior to January 1, 1983. The County shall pay its member contributions from the same source of fund which is used in paying salary. The County will pick up these contributions by a reduction in current cash salary.

D. Effective January 1, 1983, all contributions required under subsection A of this Section, although designated as employee contributions, will be paid by the employer as pickup contributions in lieu of contributions by the employees; such pickup contributions are to be paid through salary reductions. The employee shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the pension plan.

Section 2. *New Castle County Code* Chapter 26 (Human Resources), Article 4 Pensions, Division 26.04.100 Employees' Retirement System is hereby amended by adding the material that is underscored and deleting the material that is bracketed, as set forth below:

Division 26.04.300. - County employees' pension plan.

Sec. 26.04.302. - Definitions.

The following words, terms and phrases, when used in this Division, shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

* * *

County Emergency Medical Services Division Employee means any Employee within the Emergency Medical Services Division required by their class specification to possess and maintain a paramedic or emergency medical technician certification as a requirement of their position.

County Emergency Communications Division Employee means those Employees within the Emergency Communications Division classified as Emergency Call Operator, Emergency Call Operator Coordinator, Fire/Medical Communications Specialist, Fire/Medical Communications Supervisor, Police Communications Specialist, Police Communications Specialist Supervisor, Chief of Emergency Communications, Telcom Training Off. Coordinator, Assistant Chief Emergency Communications or Quality Assurance Coordinator.

Sec. 26.04.306. - Eligibility for service pension.

A. An employee, employed, or who had been extended a written offer of employment, before the effective date of this Ordinance, shall become eligible to receive a service pension, beginning with the month after he or she has terminated employment, if he or she has:

1. Five (5) years of credited service and has attained age sixty-five (65);
2. Ten (10) years of credited service and has attained age sixty-two (62);
3. Fifteen (15) years of credited service and has attained age sixty (60); or
4. Thirty (30) years of credited service.

B. An employee shall become eligible to receive a reduced service pension, beginning with the month after he or she has terminated employment, if he or she has fifteen (15) years of credited service and has attained age fifty-five (55); the amount of the service pension payable to such an employee shall be reduced by four-tenths (4/10) percent for each month the employee is under age sixty (60).

C. Any employee employed, or who had been extended a written offer of employment, on or after the effective date of this Ordinance, shall become eligible to receive a service pension, beginning with the month after he or she has terminated employment, if he or she has:

1. Ten (10) years of credited service and has attained age of sixty-two (62);
2. Fifteen (15) years of credited service and has attained age sixty (60); or
3. Thirty (30) credited years of service.

D. A County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee shall become eligible to receive a service pension, beginning with the month after he or she has terminated employment, if he or she has twenty-five (25) credited years of service as a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee.

Sec. 26.04.309. - Amount of service or disability pension.

The amount of the monthly service or disability pension payable to an employee or former employee, other than a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, shall be one-sixtieth (1/60) of his or her final average compensation multiplied by the number of years, taken to the nearest twelfth of a year, of his or her credited service, provided that:

A. Beginning at age sixty-two (62) or, if later, at retirement, the service pension payable shall in no case exceed the sum of 1, 2 and 3, multiplied by 4:

1. One (1) percent of final average compensation;

2. One-half (1/2) percent of final average compensation in excess of thirty (30) percent of covered compensation;

3. One-half (1/2) of final average pay in excess of covered compensation;

4. Years of service, not in excess of thirty (30).

Notwithstanding the above, for any participant who attained age fifty-five (55) prior to January 1, 1997, the maximum benefit calculated using the procedures in this paragraph A shall not be less than the following: seventy-five (75) percent of final average compensation minus the old age insurance benefit for which he or she is eligible under the Social Security Act at age sixty-two (62), the result to be multiplied by the ratio, not to exceed one (1), the numerator of which is his or her years of credited service and the denominator of which is thirty (30) years.

B. The amount of the monthly service pension payable to a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee, shall be two (2) percent of his or her final average compensation multiplied by the number of years of credited service, provided however, that beginning at age sixty-two (62) or, if later, at retirement, the service pension payable shall in no case exceed the sum of 1, 2 and 3, multiplied by 4:

1. One and two tenths (1.2) percent of final average compensation;

2. Six tenths of one percent (0.6) of final average compensation in excess of covered compensation;

3. Six tenths of one percent (0.6) of final average compensation in excess of thirty (30) percent of covered compensation;

4. Years of service, not in excess of thirty (30).

[B] C. The disability pension, when combined with the disability or old age insurance benefit for which he or she is eligible under the federal social security act, without taking into account any increases in such benefit after payments commence, shall not exceed seventy-five (75) percent of final average compensation and

[C] D. As used in this Section, the term "for which he or she is eligible under the federal social security act" means the old age insurance benefit or the disability insurance benefit for which an individual is or will be eligible by virtue of age and his or her wage credits under the federal social security act, based on

his or her final average compensation and the federal social security act in effect when the individual ceased to be an employee under this Article and computed in accordance with rules approved by the Board, regardless of any other factors such as, without limitation, whether the employee has made application for social security benefits or is subsequently employed.

Sec. 26.04.317. - Contributions.

A. Contributions under this Division shall be made on behalf of each member, except each County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee member, at the rate of three (3) percent of total biweekly compensation in excess of two hundred thirty dollars (\$230.00) or weekly compensation in excess of one hundred fifteen dollars (\$115.00) or proportionable, as determined by the manner in which an employee is paid, plus two (2) percent of that portion that exceeds the appropriate social security wage base. Contributions under this Division shall be made on behalf of each County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee member, at the rate of five (5) percent of total biweekly compensation in excess of two hundred thirty dollars (\$230.00) or weekly compensation in excess of one hundred fifteen dollars (\$115.00) or proportionable, as determined by the manner in which an employee is paid, plus two (2) percent of that portion that exceeds the appropriate social security wage base.

B. See Division 26.04.600 of this Article for additional information on funding and for provisions on County contributions, pickup contributions and financing generally.

C. All contributions required to be made under subsection A of this Section with respect to current County service rendered by an active member on or after January 1, 1983, shall be picked up by the County and shall be treated as the employer's contribution in determining tax treatment under the United States Internal Revenue Code for federal tax purposes, pursuant to 26 USC 414(h)(2). For all other purposes, under this Article and otherwise, such pickup contributions shall be treated as contributions made by a member in the same manner and to the same extent as contributions made by a member prior to January 1, 1983. The County shall pay its member contributions from the same source of funds which is used in paying salary. The County will pick up those contributions by a reduction in current cash salary.

D. Effective January 1, 1983, all contributions required under subsection A of this Section, although designated as employee contributions, will be paid by the employer as pickup contributions in lieu of contributions by the employees; such pickup contributions are to be paid through salary deductions.

The employee shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the pension plan.

Section 3. This Ordinance shall become effective immediately upon its adoption.

Adopted by County Council
of New Castle County on

President of County Council
of New Castle County

Approved on:

County Executive of
New Castle County

SYNOPSIS: This Ordinance, if adopted, would provide for a full service retirement annuity under the Employees' Retirement System or for a full service pension under the County Employees' Pension Plan for a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee upon twenty-five (25) years of credited service as a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee at any age. A reduction of service time requirements for pension eligibility for County Emergency Medical Services Division Employee or a County Emergency Communications Division to 25 years credited service will place these employees in a similar position with other public safety professions, and enhance the recruitment of qualified personnel by providing consistency among these essential public safety services. Pension contributions made on behalf of a County Emergency Medical Services Division Employee or a County Emergency Communications Division Employee would be increased from five percent (5%) to seven percent (7%) for the Employees' Retirement System and three percent (3%) to five percent (5%) for the County Employees' Pension Plan.

FISCAL NOTE: An actuarial study will need to be performed to determine the fiscal impact of the legislation