



Legislation Details (With Text)

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Title: BILL - (For introduction) - Amending Section 3-422 of the Fresno Municipal Code relating to the redeposit by members of the Fire and Police Retirement System of contributions withdrawn by former spouses

Sponsors: Personnel Services Department

Indexes:

Code sections:

Attachments: 1. Ordinance Amending 3-422.pdf

Date	Ver.	Action By	Action	Result
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REPORT TO THE CITY COUNCIL

January 17, 2019

FROM: JEFF CARDELL, Director of Personnel Services
Personnel Services Department

BY: KEN PHILLIPS, Labor Relations Manager
Personnel Services Department

SUBJECT

BILL - (For introduction) - Amending Section 3-422 of the Fresno Municipal Code relating to the redeposit by members of the Fire and Police Retirement System of contributions withdrawn by former spouses

RECOMMENDATION

It is recommended that Council approve the introduction of the ordinance amending Section 3-422 of the Fresno Municipal Code (“FMC”) relating to the redeposit by members of the second tier of the Fire and Police Retirement System of contributions withdrawn by former spouses.

EXECUTIVE SUMMARY

The FMC does not currently allow for members of the Police and Fire Retirement System to redeposit any accumulated contributions withdrawn by an ex-spouse or terminated registered

domestic partnership. The attached ordinance will amend Section 3-422 of the FMC, "Dissolution or Legal Separation or Termination Prior to a Member's Retirement," to allow the redeposit by members of the Fire and Police Retirement System of contributions withdrawn by former spouses.

BACKGROUND

The FMC does not currently allow for members of the Police and Fire Retirement System to redeposit any accumulated contributions withdrawn by an ex-spouse or terminated registered domestic partnership. At the request of the Fresno Police Officers Association (FPOA), the City and FPOA explored the possibility of allowing members of the Fire and Police Retirement System to "buy back" a portion of a member's retirement benefit that was awarded to an ex-spouse or a terminated registered domestic partnership. An actuarial study was conducted to determine the impact of amending provisions of the FMC relating to "Dissolution or Legal Separation or Termination Prior to a Member's Retirement," with the understanding that there would be no cost to the City and no negative impact to the Retirement System. In order to meet the requirements of no new cost and no negative impact, an employee in the Fire and Police Retirement System would be required to pay for an actuarial study to determine the appropriate amount to be refunded to the Retirement System and then to refund the amount determined by the study.

In order to allow members to re-deposit a portion of their retirement contributions withdrawn by a former spouse or terminated domestic partnership, Section 3-422 of the Fresno Municipal Code (FMC) needs to be amended.

The City has met with all affected and represented bargaining groups in the City of Fresno Fire and Police Retirement System. There is a consensus to move forward with amending the FMC to allow an employee to buy back a withdrawal made pursuant to FMC Section 3-421.

The Retirement Board has considered and approved the proposed change to the FMC. The City attorney's office has approved the ordinance to amend the FMC as to form.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference is not implicated because this item does not involve public contracting or bidding with the City of Fresno.

FISCAL IMPACT

There is no fiscal impact. All costs are borne by an employee who elects to redeposit funds. The payback would be cost neutral to the Fire and Police Retirement System.

Attachment: Ordinance Amending Section 3-422

