

ORDINANCE NO. _____

And ordinance to amend the Code of the City of Flint by amending Chapter 35, Personnel; Article II, Retirement Center; Section 35-26.1, Actuarial Equivalencies.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the Code of the City of Flint shall be amended by amending Chapter 35, Personnel; Article II, Retirement Center; by amending Section 35-26.1, Actuarial Equivalencies, which shall read in its entirety as follows:

§35-26.1 ACTUARIAL EQUIVALENCIES.

~~Actuarial equivalencies shall be calculated using such rates of interest and mortality tables as the Board of Trustees shall from time to time adopt. In no case shall a rate of interest be less than 5 percent a year, compounded yearly. No change in interest rate or mortality table shall reduce the accrued benefit of any member. In the event the makeup of the Board of Trustees is changed in a manner that brings the Board of Trustees under the direct control of any employer, actuarial equivalencies shall be calculated using the 1984 group annuity mortality table (male) and an interest rate of 5 percent a year, compounded yearly.~~

ACTUARIAL EQUIVALENCE WILL BE DETERMINED ON THE BASIS OF THE FOLLOWING INTEREST RATES AND MORTALITY TABLES ADOPTED BY THE BOARD OF TRUSTEES:

(A) INTEREST: FOR PURPOSES OF ACTUARIAL EQUIVALENCY BETWEEN THE STANDARD FORM OF PAYMENT (STRAIGHT LIFE PENSION) AND THE OPTIONAL FORMS OF PAYMENT DESCRIBED IN § 35-26, THE ACTUARIAL EQUIVALENCY INTEREST RATE OF 6% PER ANNUM AS SET FORTH IN § 35-6.

FOR PURPOSES OF DETERMINING THE REMAINING AMOUNT OF PENSION PAYABLE AFTER A MEMBER HAS WITHDRAWN HIS ACCUMULATED CONTRIBUTIONS UNDER §35-26(C), THE ACTUARIAL EQUIVALENCY INTEREST RATE OF 1% PER ANNUM AS SET FORTH IN § 35-26(C)(2).

(B) MORTALITY: 1971 GROUP ANNUITY MORTALITY TABLE WITH A 90% UNISEX BLEND.

ACTUARIAL ASSUMPTIONS THAT WILL BE USED TO DETERMINE THE AMOUNT OR LEVEL OF ANY OPTION BENEFIT FORMS WILL BE THE ACTUARIAL EQUIVALENT OF THE NORMAL RETIREMENT BENEFIT. OPTIONAL BENEFITS PROVIDED UNDER THE PLAN SHALL BE ACTUARIALLY ADJUSTED IN RELATION TO THE STRAIGHT LIFE ANNUITY IN ACCORDANCE WITH IRC § 415(B)(2), AS AMENDED, WHICH IS INCORPORATED BY REFERENCE. THE ACTUARIAL EARLY RETIREMENT REDUCTION AND REDUCTION OF THE DOLLAR LIMIT IF THE EMPLOYEE HAS LESS THAN TEN (10) YEARS OF PARTICIPATION UNDER IRC § 415 DO NOT APPLY TO INCOME RECEIVED AS A PENSION OR ANNUITY AS A RESULT OF AN EMPLOYEE'S PERSONAL INJURY, SICKNESS OR DEATH AND SHALL BE ADMINISTERED IN ACCORDANCE WITH IRC §415(B)(2), AS AMENDED.

IN THE EVENT OF A CHANGE IN THESE ACTUARIAL ASSUMPTIONS AS APPLICABLE TO ANY MEMBER, ACTUARIALLY EQUIVALENT BENEFITS FOR AFFECTED MEMBERS AFTER THE DATE OF SUCH CHANGE SHALL BE THE GREATER OF (A) OR (B) BELOW:

(A) THE ACTUARIAL EQUIVALENT OF THE BENEFIT

ACCRUED TO THE DATE OF CHANGE, BASED UPON THE MEMBER'S FINAL AVERAGE COMPENSATION AND CREDITED SERVICE (BOTH DETERMINED AS OF THE DATE OF CHANGE) AND THE PROVISIONS OF THE RETIREMENT ORDINANCE AS OF THE DATE OF CHANGE, INCLUDING THE ACTUARIAL EQUIVALENCY FACTORS PRIOR TO THE DATE OF CHANGE; OR

APPROVED AS TO FORM:



Peter M. Bade, Chief Legal Officer

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(B) THE ACTUARIAL EQUIVALENT OF A BENEFIT BASED UPON ALL FINAL AVERAGE COMPENSATION AND CREDITED SERVICE DETERMINED AS OF THE DATE OF CALCULATION AFTER THE AMENDMENT, AND BASED UPON THE TERMS OF THE RETIREMENT ORDINANCE AFTER THE AMENDMENT APPLYING THE NEW ACTUARIAL EQUIVALENCY FACTORS.

Sec. 2. This ordinance shall become effective immediately upon publication.

Adopted this _____ day of _____, 2012,

A.D.



Dayne Walling, Mayor

Inez M. Brown, City Clerk

DIRECTED TO:

Enact Refer _____ Fail _____



Michael K. Brown, Emergency Manager

EM SUBMISSION NO.: 2012EM116

PRESENTED: 1-19-12

ADOPTED: 2-16-12