



CITY OF GROSE POINTE WOODS

MEMORANDUM

Date: February 20, 2023

To: Mayor and City Council

From: Frank Schulte, City Administrator

Subject: Revisions to the City's Pension Ordinance

The completion of the final phase of negotiations with the command and public safety officers unions will require a revisions to the section 2-302(a)(2) of the city's pension ordinance. The language change required will eliminate the lower pension multiplier for noncovered officers and insert the negotiated 2.5% multiplier. The new language is as follows:

(2) A pension which when added to the member's annuity, shall provide a retirement allowance equal to 2.5 percent of a command member's final average compensation, ~~and 2.125 percent of an AEMT and clerk/dispatch member's final average compensation,~~ and 2.5 percent for a noncovered PSO member's final average compensation ~~if hired prior to July 1, 2011 and 2.0 percent for a noncovered PSO member hired after July 1, 2011,~~ multiplied by the number of years, and fraction of a year, of such member's credited service, up to a maximum of 75 percent of the members final average compensation. If a member, retirant or beneficiary is granted workers' compensation paid for by the city, then during such member's workers' compensation period, the member's pension shall not exceed the difference between the member's final average compensation and the member's weekly workers' compensation allowance converted to a monthly amount.

After review of the section 2-302(a)(2) of the pension ordinance it was discovered that AEMT and Clerk/Dispatch members needed to be moved from that ordinance section to section 2-301(a). This is because section 2-302(a)(2) is for members who do not pay into social security and those members do. The new language is as follows:

(2) A pension which, when added to the member's annuity, shall provide a retirement allowance equal to ~~two percent~~ **2.0 percent for TPOAM members hired prior to March 30, 2011 and 1.75 percent for TPOAM members hired after March 30, 2011, and 2.125 percent for AEMT and Clerk/Dispatch members hired prior to July 1, 2011, and 1.75 percent for members hired after July 1, 2011,** of the member's final average compensation multiplied by the number of years, and fraction of a year, of such member's credited service, not to exceed 25 years, plus one percent of the member's final average compensation multiplied by the number of years, and fraction of a year, of the member's credited service which



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is in excess of 25 years. ~~For a TPOAM covered member hired after March 30, 2011, the pension multiplier shall be 1.75 percent of final average compensation.~~ If a member, retirant or beneficiary is granted workers' compensation paid for by the city, then during such member's workers' compensation period, the member's pension shall not exceed the difference between the member's final average compensation and the member's weekly workers' compensation allowance converted to a monthly amount.

It is administration's recommendation to have council approve the revisions to the city's pension ordinance section's 2-302(a)(2) and 2-301(a) and to authorize the city administrator to execute the negotiated contracts with command and public safety officers unions.

ORDINANCE # _____

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES FOR THE CITY OF GROSSE POINTE WOODS, CHAPTER 2, ADMINISTRATION, ARTICLE IV, EMPLOYEE BENEFITS; DIVISION 2.-RETIREMENT SYSTEM; TO AMEND SECTION 2-302(a)(2) BY DELETING A PROVISION TO IMPLEMENT AND REFLECT A COLLECTIVELY BARGAINED CHANGE TO THE MULTIPLIER FOR NONCOVERED PSO MEMBERS HIRED AFTER JULY 1, 2011

THE CITY OF GROSSE POINTE WOODS ORDAINS:

Section 1. Ordinance Amendment. Chapter 2, Administration, Article IV, Employee Benefits; Division 2.-Retirement System; Section 2-302(a)(2) is hereby amended to read as follows:

Sec. 2-302. - Same—Noncovered member.

(a) Upon retirement, as provided in this division, a noncovered member shall receive a straight life retirement allowance consisting of the benefits provided in subsections (a)(1) and (a)(2) of this section, and such member shall have the right to elect to receive such member's retirement allowance under an option provided in subsection 2-304(a) in lieu of a straight life retirement allowance. The following benefits are available to noncovered members:

(1) An annuity which shall be the actuarial equivalent of the member's accumulated contributions standing to such member's credit in the annuity savings fund at the time of such member's retirement; and

(2) **A pension which when added to the member's annuity, shall provide a retirement allowance equal to 2.5 percent of a command member's final average compensation, and 2.125 percent of an AEMT and clerk/dispatch member's final average compensation, and 2.5 percent for a noncovered PSO member's final average compensation if hired prior to July 1, 2011 and 2.0 percent for a noncovered PSO member hired after July 1, 2011, multiplied by the number of years, and fraction of a year, of such member's credited service, up to a maximum of 75 percent of the members final average compensation. If a member, retirant or beneficiary is granted workers' compensation paid for by the city, then during such member's workers' compensation period, the member's pension shall not exceed the difference between the member's final average compensation and the member's weekly workers' compensation allowance converted to a monthly amount.**

ORDINANCE # _____

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES FOR THE CITY OF GROSSE POINTE WOODS, CHAPTER 2, ADMINISTRATION, ARTICLE IV, EMPLOYEE BENEFITS; DIVISION 2.-RETIREMENT SYSTEM; TO AMEND SECTION 2-301(a) BY ADDING A PROVISION TO IMPLEMENT AND REFLECT A COLLECTIVELY BARGAINED CHANGE TO THE MULTIPLIER FOR COVERED TPOAM MEMBERS AND FOR AEMT AND CLERK/DISPATCH MEMBERS

THE CITY OF GROSSE POINTE WOODS ORDAINS:

Section 1. Ordinance Amendment. Chapter 2, Administration, Article IV, Employee Benefits; Division 2.-Retirement System; Section 2-301(a) is hereby amended to read as follows:

Sec. 2-301. - Retirement allowance—Covered member.

(a) Upon retirement, as provided in this division, a covered member shall receive a straight life retirement allowance consisting of the benefits provided in subsections (a)(1) and (a)(2), of this section, and such member shall have the right to elect to receive his retirement allowance under an option provided in [section 2-304](#) in lieu of a straight life retirement allowance. The following benefits are available to covered members:

(1) Any annuity which shall be the actuarial equivalent of such member's accumulated contributions standing to such member's credit in the annuity savings fund at the time of the member's retirement; and

(2) A pension which, when added to the member's annuity, shall provide a retirement allowance equal to ~~two percent~~ 2.0 percent for TPOAM members hired prior to March 30, 2011 and 1.75 percent for TPOAM members hired after March 30, 2011, and 2.125 percent for AEMT and Clerk/Dispatch members hired prior to July 1, 2011, and 1.75 percent for members hired after July 1, 2011, of the member's final average compensation multiplied by the number of years, and fraction of a year, of such member's credited service, not to exceed 25 years, plus one percent of the member's final average compensation multiplied by the number of years, and fraction of a year, of the member's credited service which is in excess of 25 years. ~~For a TPOAM covered member hired after March 30, 2011, the pension multiplier shall be 1.75 percent of final average compensation.~~ If a member, retirant or beneficiary is granted workers' compensation paid for by the city, then during such member's workers' compensation period, the member's pension shall not exceed the difference between the member's final average compensation and the member's weekly workers' compensation allowance converted to a monthly amount.