

Fiscal Impacts of 2.5%@55 Enhancement for Miscellaneous Group

City Council Special Study Session
February 26, 2013

2.5%@55 Enhancement

- Adopted in 2008 (July 1)
 - Retro actively enhanced all active employees years of service from 2%@55 to 2.5%@55
 - Active employees agreed to pay for rate increase at time of adoption
- Review completed by John Bartel

Unfunded Liabilities

- Then - Immediately increased unfunded liabilities by \$4 million
- Now - Unfunded liabilities would be \$15 million less than current

Employer Rates

- Then - Immediately increased employer rate by 2.52%, which employees agreed to pay
- Now - Employer rates are about 2.5% higher than they would have been – essentially no change

Change in numbers

- Then – From 2003 to 2009 total number of retirees increased from 200 to 300
- Now – From 2009-2011 total number of retirees increased from 300 to 387

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