



Legislation Text

File #: 12-0954, Version: 1

An Ordinance to Amend Section 1:562(2) of Chapter 18, Employees Retirement System, of Title I of the Code of the City of Ann Arbor (Ordinance No. ORD-12-25)

The following amendment to Section 1:562(2) of Chapter 18, Employees Retirement System of the City Code is an IRS requested technical qualification amendment, the adoption of which is required as a condition of the favorable IRS tax qualification ruling letter dated June 20, 2012 being effective.

In 2011, City Council repealed and replaced in its entirety Chapter 18, Employees Retirement System, of the City Code in part to address changes required by federal tax laws to meet tax qualification requirements of the Internal Revenue Code. This technical amendment completes that process.

Approval is recommended.

Prepared by: Nancy Niemela, Senior Assistant City Attorney and Mary Joan Fales, Senior Assistant City Attorney

Reviewed by: Stephen K. Postema, City Attorney

Approved by: Steven D. Powers, City Administrator

ORDINANCE NO. ORD-12-25

First Reading: August 9, 2012 Published: September 5, 2012

Public Hearing: August 20, 2012 Effective: September 15, 2012

EMPLOYEES RETIREMENT SYSTEM

AN ORDINANCE TO AMEND SECTION 1:562(2) OF CHAPTER 18, EMPLOYEES RETIREMENT SYSTEM, OF TITLE I OF THE CODE OF THE CITY OF ANN ARBOR.

The City of Ann Arbor Ordains:

Section 1. That Section 1:562(2) of Chapter 18 of Title I of the Code of the City of Ann Arbor be amended to read as follows:

1:562. - Normal or Early Retirement.

A Member may retire upon satisfaction of the applicable age and service requirements as follows:

(1) *Early Retirement.*

(a) General City Members-Age 50 with 20 or more years of Service.

(b) Firefighter or Police Officer Members-Age 50 with 20 or more years of Service.

(2) *Normal Retirement.*

(a) General City Members hired or rehired prior to July 1, 2011-Age 60 with 5 or more years of Service, or age 50 with 25 or more years of Service.

(b) Non-Union General City Members hired or rehired on or after July 1, 2011 or AFSCME Members hired or rehired on or after August 29, 2011-Age 60 with 10 or more years of Service, or age 50 with 25 or more years of Service.

(c) All Firefighter Members hired or rehired prior to July 1, 2012, or Ann Arbor Police Officers Association Members hired or rehired prior to January 1, 2012 or all other Police Officer Members-Age 55 with 5 or more years of Service, or 25 years of Service regardless of age.

(d) Firefighter Members hired or rehired on or after July 1, 2012, or Ann Arbor Police Officers Association Members hired or rehired on or after January 1, 2012-Age 55 with 10 or more years of Service, or 25 years of Service regardless of age.-

NOTWITHSTANDING ANYTHING IN THIS ORDINANCE TO THE CONTRARY, A MEMBER SHALL BE ONE HUNDRED PERCENT (100%) VESTED IN HIS/HER RETIREMENT ALLOWANCE IN THE RETIREMENT SYSTEM ON THE DATE A MEMBER SATISFIES THE APPLICABLE AGE AND SERVICE REQUIREMENT FOR NORMAL RETIREMENT, AS DESCRIBED IN THIS SECTION 1:562(2).

The Member SHALL file A written application with the Board setting forth the date, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, upon which retirement is to be effective.

(3) Upon retirement, a General City Member shall be paid a Retirement Allowance provided for in section 1:564(1)(a), a Firefighter or Police Officer Member shall be paid a Retirement Allowance provided for in section 1:564(1)(b).

(4) Once a Member satisfies the requirements for voluntary retirement, the Member's right to a Retirement Allowance is nonforfeitable.

Section 2. If this ordinance amendment or any portion thereof is held to be invalid by any court of competent jurisdiction, said decision shall not effect the validity of the remaining provisions.

Section 3. This ordinance shall take effect ten days following passage and publication.