

## **Proposed Changes to Retirement Plans**

### Sworn Plan

1. Section 1.01 Change 1971 mortality table to mortality table selected by actuary.
2. Section 3.02 (a) Retirement Allowance. Change installments to be paid on the first day of the month. This is our practice and prevents a gap in income.
3. Section 302 (c) Define times deducted as 24 pay periods, which is our practice (not each pay period – 26 pay periods).
4. Section 302(c) Change the wording so the pension refund can happen at the time the VRS payments exceed the Police Pension payments, not at retirement. This is our practice.
5. Section 3.05 – Supplemental Retirement Allowance (annual increase). Lower eligible age to 46 from 55.
6. Article IV – change method for calculating Joint Survivors option. VRS table is no longer available.
7. Section 8.02 – Administrative Committee
  - a. Add Town Human Resources Director as an ex-officio member
  - b. Change the Chairperson from by Committee election to the Town Director of Finance
  - c. Change the investment requirements for the fund to be consistent with the Town's overall investment requirements (page 26 & 27)
  - d. Change interactions with participants from the Committee to the Human Resources Department. The Human Resources Department will receive applications for benefits and will distribute plan information. The cost of these functions will be borne by the Plan.
  - e. Increase the time Council has to review a dispute between a participant and the Committee to 90 days.
8. Section 8.03 – Refunds of Officer's Contributions. Decrease from 4% to the rate on the 20-year U.S. Treasury Bill at the month-end prior to refund effective 7/1/18 for new entrants after 6/30/18. Current participants grandfathered in.

## Civilian Plan

1. Article IV F. Supplemental Retirement Allowance. Change the CPI to the CPI-U, consistent with the Sworn plan.
2. Article V - change method for calculating Joint Survivors option. VRS table is no longer available.
3. Article VIII A. Contributions by the Town. Change the actuarial review to at least every three years from biennially, consistent with the Sworn plan.
4. Article VIII B. Remove all references to the Trust Fund. We do not have a Trustee or a Trust Fund currently.
5. Article IX B. Administrative Committee. Comparable changes to the Sworn plan:
  - a. Add Town Human Resources Director as an ex-officio member
  - b. Change the Chairperson from by Committee election to the Town Director of Finance
  - c. Add the requirement that member of the plan is a member of the Committee. Does not have to be a current employee as the plan is closed to new entrants.
  - d. Define the investment requirements for the fund to be consistent with the Town's overall investment requirements (pages 20 & 21).
  - e. Change interactions with participants from the Committee to the Human Resources Department. The Human Resources Department will receive applications for benefits and will distribute plan information. The cost of these functions will be borne by the Plan.
  - f. Allow the actuary to choose the appropriate mortality table.
  - g. Remove all references to the Trustee.
6. Article X B. Termination of the Plan. Add language that the plan was closed to new entrants in 2006.
7. Article X B. Termination of the Plan. Remove paragraph about the termination of the plan and how to distribute funds. This provision is after a provision about how to divide the funds in case of plan termination. This assumes an on-going plan with new entrants, which this is not.