

BY AUTHORITY

ORDINANCE NO. *632*
SERIES OF 2009

COUNCIL BILL NO. *612*
COMMITTEE OF REFERENCE:
Finance

A BILL

For an ordinance amending the 1963 Retirement Plan with regard to the actuarially required contribution

WHEREAS, the actuary for the Denver Employees Retirement Plan (the "Plan") has determined that due to the market events of 2008 causing a significant decrease in the Market Value of Plan Assets and a resulting increase in the Unfunded Actuarial Accrued Liabilities of the Plan, the total computed contribution rate for the entire plan has increased from 10.97% to 13.04%; and,

WHEREAS, the actuary has further determined that receiving this increased contribution is actuarially necessary to help stabilize and improve the funded status of both the Pension and Retiree Medical Plans and to strengthen their actuarial soundness; and,

WHEREAS, Section 18-407(a) of the Revised Municipal Code of the City and County of Denver states that the employer intends to continue the plan and to contribute regularly to the trust each payroll period for each member such amounts as are necessary to maintain or assist in maintaining the plan on a sound actuarial basis as prescribed by applicable law and, particularly, the Internal Revenue Code for defined benefit pension plans qualified under section 401(a) thereof, and that employees shall contribute regularly to the trust each payroll period in such amounts as are necessary, in the judgment of the city, to assist in maintaining the plan on a sound actuarial basis; and,

WHEREAS, it is in the judgment of the city that, in order to maintain the Plan on a sound actuarial basis, employees shall have their contributions to the Plan increased by two (2) percentage points:

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. That Section 18-407(f) (sometimes known and cited as Section 407, Subsection (f), Chapter 18) of the Revised Municipal Code, relating to contributions and payroll deductions be amended by deleting the language stricken and by adding the language underlined as follows:

1 **Sec. 18-407. Contributions; payroll deductions.**

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3 (f) *Employee contributions.* Each active member shall contribute to the trust fund, by means of
4 payroll deductions which shall be withheld by the city auditor or contractual entity and
5 transferred each payroll period directly to the trust, the following amounts:
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7 (1) For each active member, including each elected official and each participant of the
8 deferred retirement option plans (DROP and DROP II) under divisions 3 and 4 of this
9 article, the employee shall, contribute ~~two~~ four and one-half (~~2.5~~ 4.5) percent of his or her
10 gross salary to the trust fund.

11 (2) For the employee contributions required under paragraph (1) above and subject to the
12 requirements of section 414(h) of the Internal Revenue Code the employer shall pick-up
13 the designated employee contributions as an employer pick-up of the contributions. If an
14 active member terminates employment prior to being vested, the plan shall refund to the
15 terminated employee in a lump sum the employee contribution plus three (3) percent per
16 annum simple interest attributable to the employee's contributions to the trust fund.
17 Employee contributions attributable to an employee who is vested or eligible to receive a
18 retirement benefit from the plan, shall not be considered "accumulated contributions" as
19 that term is defined in this division, and shall not be refunded to the employee at any time
20 but shall remain a part of the trust fund and used to fund, but not increase, retirement
21 benefits.
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24 **Section 2.** The effective date of the amendments set forth herein shall be the first full pay
25 period following January 1, 2010.
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28 COMMITTEE APPROVAL DATE: October 7, 2009

29 MAYOR-COUNCIL DATE: October 13, 2009

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31 PASSED BY THE COUNCIL November 2 2009

32 [Signature] -PRESIDENT

33 APPROVED: [Signature] MAYOR Nov. 3 2009

34 ATTEST: [Signature] -CLERK AND RECORDER,
35 EX-OFFICIO CLERK OF THE
36 CITY AND COUNTY OF
37 DENVER

38
39 NOTICE PUBLISHED IN THE DAILY JOURNAL Oct. 30, 2009 Nov. 6, 2009

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41 PREPARED BY: Victoria A. Halliday, GENERAL COUNSEL,
42 DENVER EMPLOYEES RETIREMENT PLAN,
43 October 1, 2009
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45 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
46 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
47 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to

1 §3.2.6 of the Charter.

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3 David Fine, City Attorney

4 BY: [Signature], Asst. City Attorney

5 DATE: 19 Oct 09

