

1 **BY AUTHORITY**

2 ORDINANCE NO.  
3 SERIES OF 2009

COUNCIL BILL NO. 612  
COMMITTEE OF REFERENCE:  
FINANCE

4  
5 **A BILL**

6 **For an ordinance amending the 1963 Retirement Plan with regard to**  
7 **the actuarially required contribution**  
8

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

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

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

27 **WHEREAS**, it is in the judgment of the city that, in order to maintain the Plan on  
28 a sound actuarial basis, employees shall have their contributions to the Plan increased  
29 by two (2) percentage points:  
30

31 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND**

1 **COUNTY OF DENVER:**

2  
3 **Section 1.** That Section 18-407(f) (sometimes known and cited as Section 407,  
4 Subsection (f), Chapter 18) of the Revised Municipal Code, relating to contributions and  
5 payroll deductions be amended by deleting the language stricken and by adding the  
6 language underlined as follows:  
7

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

9  
10 (f) *Employee contributions.* Each active member shall contribute to the trust fund, by  
11 means of payroll deductions which shall be withheld by the city auditor or contractual  
12 entity and transferred each payroll period directly to the trust, the following amounts:  
13

14 (1) For each active member, including each elected official and each participant of  
15 the deferred retirement option plans (DROP and DROP II) under divisions 3 and  
16 4 of this article, the employee shall, contribute ~~two~~ four and one-half (~~2.5~~ 4.5)  
17 percent of his or her gross salary to the trust fund.

18 (2) For the employee contributions required under paragraph (1) above and subject  
19 to the requirements of section 414(h) of the Internal Revenue Code the employer  
20 shall pick-up the designated employee contributions as an employer pick-up of  
21 the contributions. If an active member terminates employment prior to being  
22 vested, the plan shall refund to the terminated employee in a lump sum the  
23 employee contribution plus three (3) percent per annum simple interest  
24 attributable to the employee's contributions to the trust fund. Employee  
25 contributions attributable to an employee who is vested or eligible to receive a  
26 retirement benefit from the plan, shall not be considered "accumulated  
27 contributions" as that term is defined in this division, and shall not be refunded to  
28 the employee at any time but shall remain a part of the trust fund and used to  
29 fund, but not increase, retirement benefits.  
30

31  
32 **Section 2.** The effective date of the amendments set forth herein shall be the first full  
33 pay period following January 1, 2010.  
34

35  
36 COMMITTEE APPROVAL DATE:

37 MAYOR-COUNCIL DATE:

38  
39 PASSED BY THE COUNCIL

40 \_\_\_\_\_ 2009

41 \_\_\_\_\_ -PRESIDENT

1 APPROVED: \_\_\_\_\_ -MAYOR \_\_\_\_\_ 2009

2 ATTEST: \_\_\_\_\_ -CLERK AND RECORDER,  
3 EX-OFFICIO CLERK OF THE  
4 CITY AND COUNTY OF  
5 DENVER  
6

7 NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2009 \_\_\_\_\_ 2009

8  
9 PREPARED BY: Victoria A. Halliday, GENERAL COUNSEL,  
10 DENVER EMPLOYEES RETIREMENT PLAN,  
11 October 1, 2009  
12

13 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the  
14 office of the City Attorney. We find no irregularity as to form, and have no legal objection  
15 to the proposed ordinance. The proposed ordinance is not submitted to the City Council  
16 for approval pursuant to §3.2.6 of the Charter.

17  
18 David Fine \_\_\_\_\_, City Attorney

19 BY: \_\_\_\_\_, \_\_\_\_\_ City Attorney

20 DATE: \_\_\_\_\_