(0-82-115)

ORDINANCE NUMBER 0- 15653 (New Series)

AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0104 AND 24.0402 RELATING TO WITHDRAWAL FROM SOCIAL SECURITY AND COMPUTATION OF RETIREMENT ALLOWANCES; ADDING NEW SECTIONS 24.0104.1, 24.0201.1, 24.0202.1 AND 24.0608.1, ALL RELATED TO WITHDRAWAL FROM AND CONTRIBUTIONS AFTER WITHDRAWAL FROM SOCIAL SECURITY; REPEALING SECTION 24.0802 RELATING TO SOCIAL SECURITY PAYMENTS.

WHEREAS, the City Council of The City of San Diego has directed that the City withdraw from participation in the Social Security System effective January 1, 1982; and

WHEREAS, the City has declared that certain benefits shall be provided to employees in lieu of social security participation; and

WHEREAS, included in the benefits so indicated are programs for City-sponsored group health insurance for retirees and a savings plan for all affected employees, to be effective after withdrawal from Social Security; and

WHEREAS, it is the intention of the City Council to appropriately promulgate those benefits by separate legislative action and, where necessary and, at an appropriate time, reflect those benefits by amendment to the retirement ordinances of the City; and

WHEREAS, certain changes to the retirement ordinances are presently required to reflect the withdrawal from Social

Security and concomitant provisions relating thereto; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter II, Article 4, of the San Diego Municipal Code be and the same is hereby amended by amending sections 24.0104 and 24.0402 to read as follows:

Section 24.0104 SOCIAL SECURITY INTEGRATION AND DEFINITIONS

Unless the context otherwise requires, the definitions and general provisions contained in this section govern the construction of this ordinance.

- a. "Integration Date" shall be the first day of the calendar month following or coincident with the effective date of the agreement with the appropriate State Agency to extend Social Security coverage to eligible members of this system.
- During the period between January 1, 1956 and June 30, 1967, the member's monthly compensation earnable not in excess of 1/12th the statutory maximum limit of annual renumeration subject to tax (for Social Security benefits) under the terms of the

"Social Security Compensation" means:

Subsequent to July 1, 1967, the member's monthly compensation earnable not in excess of \$400 per month.

Federal Insurance Contributions Act or statutes

c. "Eligible Safety Member" means a safety member eligible for Social Security coverage.

amending or superseding such Act; and

- d. "Basic Final Compensation" means the average of the member's Social Security Compensation after the integration date and while he was a member of this system.
- e. "Excess Final Compensation" shall mean the difference between Final Compensation and Basic Final Compensation, if Final Compensation is the greater, if not, then Excess Final Compensation shall be zero.
- f. "Withdrawal Date" shall mean December 31, 1981, the date that Social Security coverage was terminated for all City of San Diego officer and employee members of this system.

## Section 24.0402 RETIREMENT ALLOWANCE - GENERAL MEMBER

- a. The Board of Administation shall provide that upon retirement for service, a member, other than a safety member, is entitled to receive a retirement allowance which shall consist of:
  - (1) A service retirement annuity.
  - (2) A current service pension.
- b. The service retirement annuity is an annuity which is the actuarial equivalent of the member's accumulated normal contributions at the time of said member's retirement.
- c. The current service pension is the pension derived from the contributions of the City, sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement,

to equal the fraction set forth in the following table opposite the member's age at retirement taken to the preceding completed quarter year multiplied by the sum of:

- 1/60th of final compensation multiplied (i) by the number of years, and fractions thereof, of current service prior to the integration date, plus
- 1/90th of final basic compensation, (ii) multiplied by the number of years, and fractions thereof, of current service subsequent to the integration date, plus
- (iii) 1/60th of final excess compensation multiplied by the number of years, and fractions thereof, of current service subsequent to the integration date.
- d. The current service pension for all City of San Diego employee members, except safety members, subsequent to January 1, 1982, shall be calculated as described in subsection c. above, multiplied by the sum of:
- 1/60th of final compensation multiplied (i) by the number of years, and fractions thereof, of current service prior to the integration date, plus
- (ii)1/90th of final basic compensation, multiplied by the number of years, and fractions thereof, of current service subsequent to the integration date through the withdrawal date, plus
  - 1/60th of final excess compensation (iii)

multiplied by the number of years, and fractions thereof, of current service subsequent to the integration date, plus

(iv) 1/60th of final compensation multiplied by the number of years, and fractions thereof, of current service subsequent to the withdrawal date.

Section 2. That chapter II, article 4, of the San Diego Municipal Code be and the same is hereby amended by adding new sections 24.0104.1, 24.0201.1; 24.0202.1 and 24.0608.1 to read as follows:

Section 24.0104.1 APPLICATION OF SOCIAL SECURITY PROVISIONS AFTER WITHDRAWAL - CITY EMPLOYEES.

The provisions of section 24.0104 a. through e. above shall be inapplicable to all officers and employees hired by The City of San Diego on or after January 1, 1982. For officers and employees of The City of San Diego hired prior to January 1, 1982, the above provisions shall apply for that period of Social Security coverage prior to January 1, 1982. Subsequent to the withdrawal date, all provisions for social security integration shall be inapplicable to such employees except for the prior period of vesting.

Section 24.0201.1 CONTRIBUTION OF GENERAL MEMBERS AFTER WITHDRAWAL FROM SOCIAL SECURITY

After the Withdrawal Date, the Board of Administration shall provde:

a. The normal rates of contribution for all City of San Diego Employee members, except safety

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members, shall be based on age as of July 1, 1954, or thereafter at the nearest birthday at the time of entrance into the system.

b. The normal rates of contribution for each City of San Diego employee, except safety members, shall be such as will provide an average annuity at age 57 1/2 equal to 1/20th of such members final compensation, according to the tables adopted by the Board of Administration for each year of service rendered after January 1, 1982.

Section 24.0202.1 GENERAL MEMBERS' CONTRIBUTIONS AFTER WITHDRAWAL DATE.

Subsequent to January 1, 1982, the Board of Administration, based upon the advice of the Actuary, shall periodically adopt the normal rate of contribution of each City of San Diego general member applicable to compensation earnable according to age at the time of entry into the Retirement System. This rate shall be contained in the Operating Tables furnished to the Board of Administration by the system's actuary.

Section 24.0608.1 SOCIAL SECURITY INTEGRATED OPTION AFTER WITHDRAWAL DATE

Notwithstanding the "Withdrawal Date" definition set forth in section 24.0104 f, all City of San Diego employee members of the system who meet the requirements prescribed for the Social Security Integrated Option set forth in section 24.0608 will, subsequent to the withdrawal date, continue to be

eligible for that option.

Section 3. That chapter II, article 4, of the San Diego --Municipal Code be and the same is hereby amended by repealing section 24.0802.

Section 4. In the event that participation in the Social Security system is mandated upon members of this system by federal legislation after January 1, 1982, the provisions of this ordinance shall be deemed null and void. Upon such occurrence, the City Attorney is directed to promulgate amendments to the Municipal Code, as may be appropriate and necessary, to rescind the amendatory actions contained herein.

Section 5. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: John W. Witt, City Attorney

Chief Deputy City Attorney

JK:smm

10/23/81

3/12/82 Revised

Or.Dept:Mgr.

o-82-115

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## **CERTIFICATE OF PUBLICATION**

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San Diego, City of 12th floor, 202 C St. San Diego, CA 92101 BLACKNELL

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CHAPLES Q. ARGOLANDUR, City of Sen Diego, Calibraia.

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\_\_, am a citizen

of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the San Diego Daily Transcript, a newspaper of general circulation, printed and published daily, except Saturdays and Sundays, in the City of San Diego, County of San Diego, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, under the date of January 23, 1909, Decree No. 14894; and the

ORDINANCE NO. 0-15653 (NEW SERIES)

is a true and correct copy of which the annexed is a printed copy and was published in said newspaper on the following date(s), to wit:

February 1, 1982

I certify under penalty of perjury that the foregoing is true and correct.

Dated at San Diego, California this 1st day of Feb. , 1982

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(Signature)