

(O-93-61)

ORDINANCE NUMBER O- 17856 (NEW SERIES)

ADOPTED ON NOV 02 1992

AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4, DIVISION 10, OF THE SAN DIEGO MUNICIPAL CODE BY ADDING SECTION 24.1013 RELATING TO THE EARLY RETIREMENT INCENTIVE PROGRAM FOR THE CITY EMPLOYEES' RETIREMENT SYSTEM.

WHEREAS, The City of San Diego faces budget constraints severe enough to force a reduction in payroll in Fiscal Year 1992-1993; and

WHEREAS, temporary incentives to encourage early retirement on a voluntary basis have become increasingly common in the past few years as economic conditions have forced public and private employers to reduce staff and streamline their operations; and

WHEREAS, the Retirement Board and City Manager recommended development and analysis of an early retirement and incentive program for City employees; and

WHEREAS, an early retirement incentive program has been developed by staff for the Retirement System and City Manager's office; and

WHEREAS, the proposed early retirement incentive program has been reviewed by the Retirement System's Actuary; and

WHEREAS, the early retirement incentive program would provide City employees who are general or safety members of the Retirement System who are currently eligible to retire with up to an additional two years of service credit in exchange for their commitment to retire within a specified period of time and their

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WHEREAS, the early retirement incentive program would provide City employees who are general or safety members of the Retirement System who are currently eligible to retire with up to an additional two years of service credit in exchange for their commitment to retire within a specified period of time and their

agreement to select option 3, as modified herein, to receive payment for accrued unused sick leave or annual leave set forth in Administrative Regulation No. 95.90, Section 4.3a(3); and

WHEREAS, effective September 1, 1992, to January 4, 1993, City employees who are currently

(1) General members with 10 or more years of creditable service who are age 62 and over; or,

(2) General members with 20 or more years of creditable service who are age 55 or over; or,

(3) General members enrolled prior to February 19, 1991, who are currently age 65 or over regardless of years of creditable service; or,

(4) Safety members with 10 or more years of creditable service who are age 55 and over; or,

(5) Safety members with 20 or more years of creditable service who are age 50 and over

are eligible to participate in the early retirement program; and

WHEREAS, the early retirement incentive program is limited to service retirements, including service retirements pursuant to Board Rule 17b set forth in Rules of the Retirement Board of Administration (as amended to include 1981 Pension Plan, which was effective September 3, 1982); and

WHEREAS, the early retirement incentive program is wholly voluntary on the part of the eligible participants; and

WHEREAS, individuals who elect to participate in the early retirement incentive program must retire no later than January 5, 1993, or the additional service will not be credited; and

WHEREAS, the additional service credit offered pursuant to

the early retirement incentive program will be included in the calculations for the annual supplemental benefit set forth in San Diego Municipal Code (SDMC) section 24.0404; and

WHEREAS, the additional service credit offered pursuant to the early retirement incentive program will be included in the percentage calculations for the City-Sponsored Group Health Insurance for Eligible Retirees set forth in SDMC section 24.1204(b); and

WHEREAS, it is anticipated that the early retirement incentive program will provide a salary savings to the City depending on the number of individuals who avail themselves of the program and the number of positions so vacated that remain unfilled; and

WHEREAS, the City will bear the cost of the program as an increase in the contribution rate to reflect an increase in the unfunded liability; and

WHEREAS, the cost of the early retirement incentive program will be offset on the short term by a decrease in the normal cost of those individuals who avail themselves of the program; and

WHEREAS, the early retirement incentive program was approved by the Board of Administration of the Retirement System at its regularly scheduled meeting of October 16, 1992; and

WHEREAS, the early retirement incentive program was voted upon by all active members of the Retirement System pursuant to Charter section 143.1 with vote counted and certified on 11-20-92 with a vote of YES 5,314, NO 393 and VOID 47; and

WHEREAS, it is now necessary and appropriate to amend the San Diego Municipal Code to provide for the early retirement

incentive program; and

WHEREAS, the sections of the San Diego Municipal Code describing the early retirement incentive program have been reviewed and approved by the Retirement Board; and

WHEREAS, the Retirement Board now recommends approval by the City Council of the amendments contained in this Ordinance; NOW, THEREFORE,

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

Section 1. That Chapter II, Article 4, Division 10, of the San Diego Municipal Code be and the same is hereby amended by adding Section 24.1013, to read as follows.

**SEC. 24.1013 EARLY RETIREMENT INCENTIVE PROGRAM**

**(a) DEFINITION**

The Early Retirement Incentive Program is a program offering temporary incentives to eligible employees to encourage early retirement on a voluntary basis.

**(b) PURPOSES**

The Early Retirement Incentive Program has been established to address the severe budget constraints faced by The City of San Diego in Fiscal Year 1992-1993. The purposes of the Early Retirement Incentive Program are as follows:

(1) To reduce expenditures for personnel employed by the City; and

(2) To provide voluntary financial incentives to encourage eligible employees to retire earlier from employment and to minimize forced lay offs that would

otherwise be required; and

(3) To enable and encourage department heads to replace only where needed those employees eligible and electing to participate in Early Retirement Incentive Program in order to control the level of expenditures for personnel while maintaining the proper level of performance of duties.

**(c) ELIGIBILITY**

Any employee of The City of San Diego who is a general or safety member of the Retirement System who currently meets the following age and service requirements effective September 1, 1992, until January 4, 1993, will be eligible to participate in the Early Retirement Incentive Program:

(1) General members with 10 or more years of creditable service who are age 62; or

(2) General members with 20 or more years of creditable service who are age 55; or

(3) General members enrolled prior to February 19, 1991, who are currently age 65 or over regardless of years of creditable service; or

(4) Safety members with 10 or more years of creditable service who are age 55; or

(5) Safety members with 20 or more years of creditable service who are age 50.

**(d) REQUIREMENTS**

(1) Participation in Early Retirement Incentive Program is wholly voluntary.

(2) Any eligible employee who wishes to participate in

Early Retirement Incentive Program shall submit a written application to the Retirement Administrator no later than January 4, 1993. All applications must be received at the Retirement office by 5:00 p.m., on January 4, 1993.

(3) Any eligible employee electing to participate in Early Retirement Incentive Program shall retire no later than January 5, 1993.

(4) Any eligible employee electing to participate in Early Retirement Incentive Program shall agree to select option 3 covering yearly installments to receive payment for accrued unused sick leave or annual leave set forth in Administrative Regulation No. 95.90, section 4.3a(3), of the Administrative Regulations Manual for The City of San Diego with the express modification that the first installment will be due on July 1, 1993 and subsequent installments due on July 1, 1994 and July 1, 1995.

(5) Any increase to the unfunded liability of the Retirement System caused by the Early Retirement Incentive Program will be paid by The City of San Diego through an increase in the City's contribution rate to the Retirement System.

**(e) BENEFITS**

(1) Eligible employees, other than those eligible employees age 65 or over with fewer than ten years of continuous service, electing to participate in the Early Retirement Incentive Program will receive an additional two years of service credit. Eligible employees age 65 or over with fewer than ten years of continuous service will receive

additional service credit of up to two years to be determined in the proportion that their years of service bears to ten years of continuous service.

(2) The additional service credit offered under Early Retirement Incentive Program will also be included in the calculations for the annual supplemental benefit described in SDMC section 24.0404.

(3) The additional service credit offered under Early Retirement Incentive Program will also be included in the percentage calculations for the City-Sponsored Group Health Insurance for Eligible Retirees set forth in SDMC section 24.1204(b).

**(f) LIMITATIONS**

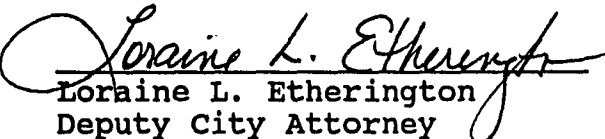
The early retirement benefits under this section will be limited by Section 415 of the Internal Revenue Code of 1986, as amended from time to time, and no early retirement benefits under this section will be effective if they have an adverse effect on the tax qualified status of the retirement system under Section 401 of the Internal Revenue Code of 1986, as amended from time to time.

Section 2. This ordinance shall take effect and be in force on the thirtieth day from and after its passage, if and only if, the voluntary Early Retirement Incentive Program described in this ordinance is approved by a majority of the active members of



the Retirement System pursuant to Section 143.1 of the Charter  
for The City of San Diego.

APPROVED: JOHN W. WITT, City Attorney

By   
Loraine L. Etherington  
Deputy City Attorney

LLE:mrh  
10/19/92  
10/29/92 COR.COPY  
Or.Dept:Retire.  
O-93-61  
Form=o.code

NOV 02 1992

Passed and adopted by the Council of The City of San Diego on.....  
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Stevens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valerie Stallings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR  
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By *Mary Cepeda* Deputy.

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on  
OCT 20 1992, and on NOV 02 1992

~~I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.~~

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

(Seal)

By *Mary Cepeda* Deputy.

Office of the City Clerk, San Diego, California

Ordinance Number **0-17856** Adopted **NOV 02 1992**

92 OCT 30 11:20

CITY CLERK'S OFFICE  
SAN DIEGO, CA

NOV 10 1985

NOV 10 1985

CERTIFICATE OF PUBLICATION

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NOV 17 AM 9:35

SAN DIEGO, CALIF.

*clp*

OFFICE OF THE CITY CLERK  
CITY ADMINISTRATION BUILDING  
202 C STREET, 2ND FLOOR  
SAN DIEGO, CA 92101

IN THE MATTER OF

NO.

EARLY RETIREMENT INCENTIVE PROGRAM FOR THE  
CITY EMPLOYEES' RETIREMENT SYSTEM

I, Corey Donahue, 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

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This ordinance amends Chapter II, Article 4, Division 10 of the San Diego Municipal Code relating to the Retirement System by establishing an Early Retirement Incentive Program for eligible employees of The City of San Diego who are members of the Retirement System.  
A complete copy of the ordinance is available for inspection in the office of the City Clerk of the City of San Diego, 2nd Floor, City Administration Building, 202 "C" Street, San Diego, CA 92101.  
INTRODUCED ON OCTOBER 20, 1992  
Passed and Adopted by the Council of the City of San Diego on NOVEMBER 2, 1992.  
AUTHENTICATED BY:  
MAUREEN O'CONNOR  
Mayor of The City of San Diego, CA  
CHARLES G. ABDELNOUR  
City Clerk of the City of San Diego, CA  
(SEAL)  
By MARY CEPEDA, Deputy  
Pub. Nov. 16 259070

ORDINANCE NUMBER O-17856 (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:

NOVEMBER 16

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

Dated at San Diego, California this 16th day of NOV., 1992.

*Corey Donahue*  
\_\_\_\_\_  
(Signature)

4 1/2 = 64.00