

ORDINANCE NUMBER O- 20376 (NEW SERIES)

DATE OF FINAL PASSAGE JUN 10 2014

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 4, DIVISION 1 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0103 AND 24.0104, BY AMENDING AND RENUMBERING SECTION 24.0103.1 TO SECTION 24.0103.0001, BY RETITLING AND RENUMBERING SECTION 24.0105.1 TO SECTION 24.0105, BY REPEALING SECTION 24.0106, BY RENUMBERING SECTION 24.0107 TO 24.0106, AND SECTION 24.0108 TO 24.0107; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 2 BY AMENDING SECTION 24.0201, AND BY RETITLING AND AMENDING SECTIONS 24.0205 AND 24.0206; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 3 BY AMENDING SECTION 24.0301, AND BY RETITLING AND AMENDING SECTIONS 24.0305 AND 24.0306; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 4 BY RETITLING DIVISION 4, BY RETITLING AND AMENDING SECTIONS 24.0401, 24.0402, 24.0402.0001, AND 24.0403, BY RETITLING, AMENDING, AND RENUMBERING SECTION 24.0405.0002 TO SECTION 24.0403.0001, SECTION 24.0405.0003 TO SECTION 24.0403.0002, SECTION 24.0405.0004 TO SECTION 24.0403.0003, AND BY ADDING SECTION 24.0403.0004; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 14 BY AMENDING SECTIONS 24.1401, 24.1402, 24.1403, 24.1404, 24.1405, 24.1406, AND 24.1407, AND BY REPEALING SECTION 24.1402.1; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 17 BY AMENDING SECTIONS 24.1701 AND 24.1702, BY REPEALING SECTION 24.1703, BY AMENDING AND RENUMBERING SECTION 24.1704 TO SECTION 24.1703, BY AMENDING, RETITLING, AND RENUMBERING SECTION 24.1705 TO SECTION 24.1704, SECTION 24.1706 TO SECTION 24.1705, AND SECTION 24.1707 TO SECTION 24.1706; AND BY AMENDING CHAPTER 2, ARTICLE 9, DIVISION 1 BY AMENDING SECTION 29.0102, ALL RELATING TO THE CITY EMPLOYEES' RETIREMENT SYSTEM.

WHEREAS, San Diego Charter (Charter) section 140 states that, except for sworn police officers, officers and employees, who are initially hired or assume office on or after the effective date of section 140 (July 20, 2012), are not eligible to participate in the City's defined benefit plan, and may participate only in defined contribution plans; and

WHEREAS, under Charter section 140, and the Memorandum of Understanding (MOU) between the City and the San Diego Police Officers Association (SDPOA) effective July 1, 2013 (SDPOA MOU), police recruits initially hired after June 30, 2013, are not eligible to participate in the defined benefit plan until they become sworn police officers, and must instead participate in a defined contribution plan while they are in the City's police academy; and

WHEREAS, Charter section 141.1 and the SDPOA MOU implement a new defined benefit formula for sworn police officers hired after June 30, 2013; and

WHEREAS, the defined benefit plan provisions in the San Diego Municipal Code (Municipal Code) must now be amended to conform to Charter sections 140 and 141.1 and the SDPOA MOU; and

WHEREAS, the definition in the defined benefit plan of "City-Sponsored Health Insurance" must be amended to reflect that retirees who do not qualify for City-paid retiree health benefits may still purchase City-Sponsored Health Insurance coverage; and

WHEREAS, Municipal Code section 24.1404(c)(5) currently states, in error, that "an amount representing the member's unused annual leave accrued after July 1, 2002," will be credited to the member's Deferred Retirement Option Plan (DROP) Account if the Member is represented by the International Association of Fire Fighters, Local 145 (Local 145); and

WHEREAS, the City and Local 145 never agreed to this provision; and

WHEREAS, Municipal Code section 24.1405(c)(5) has never been implemented, and no Member has ever received the described benefit; and

WHEREAS, implementation of Municipal Code section 24.1405(c)(5) would nullify a benefit that the City and Local 145 did agree to, which has been in effect since July 1, 2002; and

WHEREAS, the defined benefit plan contains provisions stating that employees may make voluntary additional contributions to receive higher retirement benefits, which would constitute an illegal cash or deferred arrangement (CODA), unless the defined benefit plan is amended to require that the additional contributions be made on an after-tax basis; and

WHEREAS, the defined benefit plan provisions regarding return of member contributions must be amended to clarify that a member may leave his or her contributions on deposit after terminating City employment and may request a refund at a later date; and

WHEREAS, the defined benefit plan provides that elected officers need not join the defined benefit plan upon assuming office, but may join on a later date and elect to receive retroactive service credit, which constitutes an impermissible CODA and must be removed from the plan; and

WHEREAS, the City and the San Diego City Employees' Retirement System (SDCERS) wish to resolve the issue of overlapping service credit, which affects employees the City hires from public agencies with reciprocal retirement systems; and

WHEREAS, overlapping service credit, which prevents an employee from receiving reciprocity benefits, occurs when an employee begins working for the City while still receiving vacation pay from his or her previous public agency employer, or begins working for another public agency while still receiving vacation pay from the City; and

WHEREAS, the City wishes to give SDCERS limited flexibility to resolve instances of overlapping service credit in a way that is cost-neutral to the City and complies with the Municipal Code and CalPERS reciprocity guidelines; and

WHEREAS, other non-substantive amendments must now be made to the defined benefit plan, including italicizing defined terms, and removing outdated language; and

WHEREAS, other than amendments that are necessary to comply with federal tax law and the Charter, none of the amendments contained in this Ordinance will affect the benefits of any employee under the retirement plan; and

WHEREAS, this Ordinance therefore does not require approval of the SDCERS membership pursuant to Charter section 143.1; NOW, THEREFORE,

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

Section 1. That Chapter 2, Article 4, Division 1 of the San Diego Municipal Code is amended by amending sections 24.0103 and 24.0104, by amending and renumbering section 24.0103.1 to section 24.0103.0001, by retitling and renumbering section 24.0105.1 to section 24.0105.0001, by repealing section 24.0106, by renumbering section 24.0107 to 24.0106, and section 24.0108 to 24.0107, to read as follows:

Article 4: City Employees' Retirement System

Division 1: Creation of System and Definitions

§24.0103 Definitions

Unless otherwise stated, for purposes of this Article:

Accumulated Additional Contributions means the sum of *Additional Contributions* credited to a *Member's* account and interest thereon.

Accumulated Contributions means *Accumulated Normal Contributions* plus any *Surviving Spouse Contributions*, *Cost of Living Annuity Contributions*, and *Accumulated Additional Contributions* credited to a *Member's* account.

Accumulated Normal Contributions means the sum of all normal cost contributions credited to a *Member's* account and interest thereon.

Actuarial Equivalent [No change in text.]

Actuary [No change in text.]

Additional Contributions means post-tax contributions made by a *General Member* under section 24.0205 or a *Safety Member* under section 24.0305.

Annuity means a payment for life derived from contributions made by a *Member*.

Base Compensation [No change in text.]

Base Retirement Benefit means the monthly retirement benefit for service or disability paid to a *Member*, or a like amount which is deposited monthly in the account of a *DROP* participant, which includes: (1) the *Unmodified Service Retirement Allowance* (which is modified if the *Member* selects an optional retirement as provided in Division 6); (2) the *Cost of Living Annuity* for eligible *Members*; (3) the annual Cost of Living Adjustment (COLA) described in section 24.1505; and (4) the *Surviving Spouse Annuity* described in section 24.0601 (if selected by the *Member*). The *Base Retirement Benefit* does not include the Annual Supplemental Benefit (13th check) described in section 24.1503 or the Supplemental COLA adjustment described in section 24.1504.

Beneficiary [No change in text.]

Board [No change in text.]

City means the City of San Diego.

City-Sponsored Health Insurance Plan means a group health insurance plan, selected by and under contract with the *City*, made available to retired *Members* receiving a retirement allowance from the *System*, and their eligible family members and dependents.

Code [No change in text.]

Continuous Service means an eligible *Member's* service that is deemed to be of a continuous nature pursuant to section 24.1003. *Continuous Service* is not synonymous with *Creditable Service*.

Cost of Living Annuity [No change in text.]

Cost of Living Annuity Contributions [No change in text.]

Creditable Service, *Service Credit*, and *Current Service* mean: (1) service rendered for compensation as an employee or officer (employed, appointed or elected) of the *City* or a contracting agency, and only while he or she is receiving compensation from the *City* or a contracting agency, and is contributing to this *System* pursuant to appropriate provisions of this Article, and (2) service purchased or repurchased under Chapter 2, Article 4, Division 13. Except as provided in Chapter 2, Article 4, Division 13, for which repurchase of credits may be permissible, time during which a *Member* is absent from *City* service without compensation is not allowed in computing *Creditable Service*.

Creditable Service Pension means the pension derived from the *City's* contributions, that when added to the *Member's Service Retirement Annuity*, equals the *Unmodified Service Retirement Allowance*.

Deferred Member means a *Member* who leaves his or her employee contributions on deposit with the *System* after terminating *City* or contracting agency service.

When a *Deferred Member* applies for retirement benefits, he or she is entitled, when eligible, for the retirement benefits that were in effect on the day the *Deferred Member* terminated *City* or contracting agency service and left his or her contributions on deposit with the *System*.

DROP [No change in text.]

Elected Officer means a person who is elected to serve as the *City's* Mayor, a member of the City Council, or the City Attorney, and who is initially hired or assumes office with the *City* before July 20, 2012.

Final Compensation means the *Member's* highest one-year period of *Base Compensation* while a *Member*, for *General Members* hired before July 1, 2009, and *Elected Officers* regardless of hire date.

Final Compensation means the average of the *Member's* three highest years of *Base Compensation* while a *Member*, for *General Members* hired after June 30, 2009, but before July 20, 2012.

Final Compensation means the *Member's* highest one-year period of *Base Compensation* while a *Member*, for: (1) *Safety Members* employed in the *City* Police Department who were on the *City's* active payroll before January 1, 2012, (2) *Safety Members* employed in the *City* Lifeguard Services who were on the *City's* active payroll before July 1, 2011, and (3) *Safety Members* employed in the *City* Fire Department who were on the *City's* active payroll before January 1, 2012.

Final Compensation means the average of a *Member's* three highest years of *Base Compensation* while a *Member*, for: (1) *Safety Members* employed in the *City* Police Department who were hired by the *City* after December 31, 2011, but

before July 1, 2013, (2) *Safety Members* employed in the *City* Lifeguard Services who were hired by the *City* after June 30, 2011, and (3) *Safety Members* employed in the *City* Fire Department who were hired by the *City* after December 31, 2011.

Final Compensation means the *Member's* highest consecutive 36 months of *Base Compensation* as a *Member* of the *System* for *Safety Members* employed in the *City* Police Department who were hired by the *City* after June 30, 2013.

General Member means a *Member* who was initially hired by the *City* before July 20, 2012, and who is not a *Safety Member* or an *Elected Officer*.

Health Eligible Retiree means a retired *General Member*, *Safety Member*, or *Elected Officer* who: (1) was on the *City's* active payroll after October 4, 1980, but before July 1, 2005, (2) retires after October 5, 1980, (3) is eligible for and is receiving a retirement allowance from the *System*, and (4) if the *Member* is a *General Member* or a *Safety Member*, retires before April 1, 2012.

Investment Earnings Received [No change in text.]

Member means a person employed by the *City* who actively participates in and contributes to the *System*, and who will be entitled, when eligible, to receive benefits from the *System*. There are three classes of *Member*: *General*, *Safety*, and *Elected Officer*.

Normal Contributions means normal cost contributions by a *Member* at the normal rates of contribution adopted by the *Board*, but does not include *Additional Contributions*, *Surviving Spouse Contributions*, or *Cost of Living Annuity Contributions* by a *Member*.

Public Agency [No change in text.]

Public Agency Participant means a *Public Agency* employee who is:

- (1) compensated through the *Public Agency's* payroll system, (2) treated as an employee by the *Public Agency* for tax-reporting and other purposes, and
- (3) participates in the *Public Agency's* retirement plan administered by the *System* under Division 18 of this Article.

Qualified Retiree [No change in text.]

Retirement Fund [No change in text.]

Retirement System and *System* [No change in text.]

Rules means the current set of funding, contribution and actuarial equivalent factor rules promulgated by the *Board* and covering the period from July 1, 1989 to June 30, 2008, attached as Appendix A to San Diego Ordinance O-19740, and such rules, as the *Board* may amend or adopt from time to time, which will constitute part of the SDCERS written plan document for purposes of the Internal Revenue Code section 401(a) qualification requirements.

Safety Member means a *Member* who is one of the following: (1) a sworn officer of the *City* Police Department, (2) a uniformed member of the *City* Fire Department who was initially hired before July 20, 2012, (3) a full-time *City* lifeguard who was initially hired before July 20, 2012, or (4) effective July 1, 2003, a Police Department recruit employed by the *City* and participating in the *City's* Police Academy, provided the recruit was initially hired by the *City* before July 1, 2013. Except as provided above, police cadets, persons sworn for limited purposes only, and all other employees of the *City's* Police Department, Fire Department and lifeguard service are not *Safety Members*.

Service Credit means *Creditable Service*.

Service Retirement Annuity means the *Annuity* that is the *Actuarial Equivalent* of the *Member's Accumulated Normal Contributions* at the time of the *Member's* retirement.

Surviving Spouse means the *Member's* spouse at the time of the *Member's* death.

Surviving Spouse Annuity means the annuity referenced in section 24.0601(e)(2).

Surviving Spouse Contributions [No change in text.]

Undistributed Earnings Reserve means the balance remaining in the account to which fund earnings are credited, after the annual distribution to the employee and employer reserve accounts in accordance with interest assumption rates the *Board* establishes, plus accumulated earnings that have not been so distributed.

Unmodified Service Retirement Allowance [No change in text.]

§24.0103.0001 Compliance with the California Domestic Partner Rights and Responsibilities Act of 2003

Unless otherwise stated, for purposes of this Article, the terms *Surviving Spouse* and "spouse" include a registered Domestic Partner pursuant to the California Domestic Partner Rights and Responsibilities Act of 2003. This section 24.0103.0001, as added by San Diego Ordinance O-19568 N.S., is retroactively effective January 1, 2005, to comply with California law.

§24.0104 Membership

- (a) Except as provided in subsection (c), membership in the *System* is compulsory and a condition of employment for all: (1) salaried, classified and unclassified employees initially hired by the *City* before July 20,

2012, who regularly work at least half-time, (2) police recruits initially hired before July 1, 2013, and (3) sworn officers in the *City's* police department regardless of hire date.

- (b) Classified employees paid on an hourly basis, who participate in the *City's* Supplemental Pension Savings Plan for Hourly Employees, are not salaried employees and are not eligible to join or accrue benefits in the *System*, except as provided in section 24.1304.
- (c) *Members* who are salaried employees and regularly work at least half-time, but less than full-time, accrue *Service Credit* in the same proportion to full benefits as their service relates to the service of a full-time *Member*.
- (d) Effective August 11, 1993, an unclassified employee who regularly works for the *City* at least half-time must join the *System* upon employment, if the employee: (1) was initially hired by the *City* before July 20, 2012, or (2) is a sworn police officer in the *City's* Police Department. Upon joining the *System*, the employee will receive all the privileges and benefits afforded other *Members* and will be bound by all regulations governing such membership.
- (e) Notwithstanding anything to the contrary in this section, the *Board* may, subject to rules it adopts under section 24.0901 and the requirements of this subparagraph, adjust a *Member's* first and last dates of membership to prevent a *Member* from earning *Service Credit* in the *System* for the same time period for which the *Member* is earning or has earned *Service Credit* in a reciprocal retirement system.

- (1) The *Board* may adjust a *Member's* last date of membership only to eliminate *Service Credit* for a period during which the *Member* received annual leave after his or her last day of actual work for the *City*. The *Board* may not adjust a *Member's* last date of membership to eliminate *Service Credit* for time during which the *Member* actually performed work for the *City*.
- (2) The *Board* may adjust a *Member's* first date of membership to a date after the *Member's* first day of *City* employment, but that date must not be more than 12 weeks after the *Member's* first day of *City* employment.
- (3) Notwithstanding subparagraphs (1) and (2), the *Board* may not adjust a *Member's* first and last dates of membership under this section if the adjustment will result in a period of *City* employment during which the *Member* would be subject to mandatory Social Security coverage.
- (4) In no event may the *Board* adjust membership dates under this section to include days during which a *Member* was not a *City* employee.

§24.0105 Exclusion of Federally Funded Positions of Limited Duration

[No change in text.]

§24.0106 Severability

[No change in text.]

§-24.0107 Salary Reduction Pick-Up Plan

[No change in text.]

Section 2. That Chapter 2, Article 4, Division 2 of the San Diego Municipal Code is amended by amending section 24.0201, and by retitling and amending sections 24.0205 and 24.0206, to read as follows:

Article 4: City Employees' Retirement System

Division 2: General Member Contributions

§24.0201 Normal Rate of Contribution

- (a) The *Board* determines the normal rate of contribution for a *General Member* based upon the *Member's* age at his or her birthday nearest to the date the *Member* joined the *System*.
- (b) Effective November 18, 2002, a *Member* who is serving as the duly elected president of a recognized employee organization will continue to participate in the *System* if, while serving as president:
 - (1) the *Member* remains a full-time *City* employee and receives a salary from the *City*;
 - (2) the *Member* continues to make contributions, as set forth in this Division, based upon his or her *City* salary;
 - (3) the *Member's Base Compensation* is based solely upon the salary paid to the *Member* by the *City*, and does not include any amounts paid by the employee organization, either directly or indirectly.

§24.0205 Additional Contributions by General Members

Subject to the rules and regulations prescribed by the *Board*, a *General Member* may elect to make post-tax *Additional Contributions* at rates in excess of his or her *Normal Contributions*, for the purpose of providing additional benefits. The exercise of this privilege by a *General Member* will not obligate the *City* to make

any additional contributions. Upon application, the *Board* will furnish to the *Member* information concerning the nature and amount of additional benefits to be obtained by the *Additional Contributions*. The *Member* may stop or change the amount of his or her *Additional Contributions* at any time, but may not withdraw *Additional Contributions* except upon termination of membership, and then only if the employee withdraws all of his or her *Accumulated Contributions*.

§24.0206 *Withdrawal of Accumulated Contributions and Deferred Benefits by General Member*

If a *General Member's City* employment is discontinued other than by death or retirement, and the *Member* makes a written request for return of employee contributions, the *Board* will pay the *Member* his or her *Accumulated Contributions*, including interest compounded annually, within six months of the request. A *Member* who has ten or more years of *Service Credit* and leaves his or her *Accumulated Contributions* on deposit with the *System*, will be eligible for a service retirement upon meeting the age requirements for a service retirement.

The *Member's* service retirement benefit will be calculated using the benefit formula in effect on the date the *Member* terminated *City* employment. A *General Member* may not withdraw his or her *Accumulated Contributions* under any circumstances other than those provided in this section.

Section 3. That Chapter 2, Article 4, Division 3 of the San Diego Municipal Code is amended by amending section 24.0301, and by retitling and amending sections 24.0305 and 24.0306, to read as follows:

Article 4: City Employees' Retirement System

Division 3: Safety Members Contributions

§24.0301 Normal Rate of Contributions

- (a) The *Board* determines the normal rate of contribution for a *Safety Member* based upon the *Member's* age at his or her birthday nearest to the date the *Member* joined the *System*.
- (b) Effective November 18, 2002, a *Member* who is serving as the duly elected president of a recognized employee organization will continue to participate in the *System*, if, while serving as president:
 - (1) the *Member* remains a full-time *City* employee, and receives a salary from the *City*;
 - (2) the *Member* continues to make contributions, as set forth in this Division, based upon his or her *City* salary;
 - (3) the *Member's Base Compensation* is based solely upon the salary paid to the *Member* by the *City*, and does not include any amounts paid by the employee organization, either directly or indirectly.

§24.0305 Additional Contributions by Safety Members

Subject to the rules and regulations prescribed by the *Board*, a *Safety Member* may elect to make post-tax *Additional Contributions* at rates in excess of his *Normal Contributions*, for the purpose of providing additional benefits. The exercise of this privilege by a *Safety Member* will not obligate the *City* to make any additional contributions. Upon application, the *Board* will furnish to the *Safety Member* information concerning the nature and amount of additional benefits to be obtained by the *Additional Contributions*. The *Member* may stop or

change the amount of his or her *Additional Contributions* at any time, but may not withdraw *Additional Contributions* except upon termination of membership, and then only if the employee withdraws all of his or her *Accumulated Contributions*.

§24.0306 Withdrawal of Accumulated Contributions and Deferred Benefits by Safety Members

If a *Safety Member's City* employment is discontinued other than by death or retirement, and the *Member* makes a written request for return of employee contributions, the *Board* will pay the *Member* his or her *Accumulated Contributions*, including interest compounded annually, within six months of the request. A *Member* who has ten or more years of *Service Credit* and leaves his or her *Accumulated Contributions* on deposit with the *System*, will be eligible for a service retirement upon meeting the age requirements for a service retirement. The *Member's* service retirement benefit will be calculated using the benefit formula in effect on the date the *Member* terminated *City* employment. A *Safety Member* may not withdraw his or her *Accumulated Contributions* under any circumstances other than those provided in this section.

Section 4. That Chapter 2, Article 4, Division 4 of the San Diego Municipal Code is amended by retitling Division 4, by retitling and amending sections 24.0401, 24.0402, 24.0402.0001, and 24.0403, by retitling, amending, and renumbering section 24.0405.0002 to section 24.0403.0001, section 24.0405.0003 to section 24.0403.0002, section 24.0405.0004 to section 24.0403.0003, and by adding section 24.0403.0004, to read as follows:

Article 4: City Employees' Retirement System

Division 4: Service Retirement

§24.0401 Management of System and Normal Retirement for Service

The management and control of the *System* is vested in the *Board*, which is authorized to adopt the rules and regulations it deems appropriate to administer the *System*. The *Board* is vested with the power and authority to provide a normal retirement allowance for *Members* as provided in this Division and in section 24.1706.

§24.0402 General Member Retirement Allowance for Employees Hired Before July 1, 2009

- (a) The *System* will pay a *General Member* hired before July 1, 2009, who is entitled to a service retirement, a retirement allowance consisting of:
- (1) a *Service Retirement Annuity*, and
 - (2) a *Creditable Service Pension*.
- (b) The *Unmodified Service Retirement Allowance* is calculated by multiplying the *Member's* years of *Service Credit* by the retirement factor for his or her age at retirement, as shown in the table for section 24.0402. The resulting number is then multiplied by the *Member's Final Compensation*. The *System* prorates the factors from the table for section 24.0402, to reflect quarterly increments in the *Member's* retirement age.
- (c) Effective July 1, 2002, a *General Member* who joined the *System* before July 1, 2002 may choose, at retirement, to have his or her *Unmodified Service Retirement Allowance* calculated using:

- (1) the unmodified factors in effect on July 1, 2000 (“Corbett Factors”), as shown in the table for section 24.0402, with no increase to the *Member’s Final Compensation*,
 - (2) the unmodified factors in effect on June 30, 2000 (“Old Factors”), as shown in the table for section 24.0402, with a 10% increase to the *Member’s Final Compensation*, or
 - (3) the unmodified factors in effect on July 1, 2002 (“New Factors”), as shown in the table for section 24.0402, with no increase to the *Member’s Final Compensation*.
- (d) The *System* will calculate the *Unmodified Service Retirement Allowances* of all *General Members* who joined the *System* on or after July 1, 2002 using the New Factors, with no increase to the *Member’s Final Compensation*.
- (e) [No change in text.]
- (f) If the *Member* chooses to have his or her *Unmodified Service Retirement Allowance* calculated using either the Old Factors or the Corbett Factors, the *Member’s Unmodified Service Retirement Allowance* will not be capped. Also, the *System* will refund to the *Member*, upon retirement, any excess contributions the *Member* made to fund the New Factors plus interest as determined by the *Board*.
- (g) The *System* uses the factors in the table for section 24.0402 to calculate the *Unmodified Service Retirement Allowance*. The *Unmodified Service Retirement Allowance* is reduced if the *Member* selects any of the optional settlements described in Division 6.

§24.0402.0001 General Member Retirement Allowance for Employees Hired On or After July 1, 2009

- (a) The *System* will pay a *General Member* hired on or after July 1, 2009, who is entitled to a service retirement, a retirement allowance consisting of the following benefits as defined by this Article:
 - (1) a *Service Retirement Annuity*, and
 - (2) a *Creditable Service Pension*.
- (b) The *Unmodified Service Retirement Allowance* is calculated by multiplying the *Member's* years of *Service Credit* by the retirement factor for his or her age at retirement, as shown in the *General Member Retirement Calculation Factors* table. The resulting number is then multiplied by the *Member's Final Compensation*. The *System* prorates the factors from the *General Member Retirement Calculation Factors* table, to reflect quarterly increments in the *Member's* retirement age.
- (c) The *Unmodified Service Retirement Allowance* for a *General Member* hired on or after July 1, 2009, may not exceed 80% of his or her *Final Compensation*.

§24.0403 Safety Member Retirement Allowances

- (a)-(b) [No change in text.]
- (c) The *Unmodified Service Retirement Allowance* for a *Safety Member* may not exceed 90% of the *Safety Member's Final Compensation*, except as provided in subsections (d) and (e) of this section.

- (d) If the *Unmodified Service Retirement Allowance* of a *Safety Member* exceeds 90% of the *Safety Member's Final Compensation* using the Retirement Calculation Factors in effect and applicable to his or her membership category (Police, Fire or Lifeguard) on December 31, 1996, that *Safety Member* may elect to continue to accrue benefits under the Retirement Calculation Factors in effect and applicable to his or her membership category on December 31, 1996, and not be subject to the 90% retirement allowance cap. A *Safety Member* who makes this election is not required to pay any additional contributions as recommended by the *Actuary* and adopted by the *Board*, related to the increase in benefits effective January 1, 1997.
- (e) If, on a date after January 1, 1997 but before April 1, 1997, the *Unmodified Service Retirement Allowance* of a *Safety Member* exceeds 90% of the *Safety Member's Final Compensation* using the Retirement Calculation Factors in effect and applicable to his or her membership category on January 1, 1997, that *Safety Member* may elect to accrue benefits in excess of the 90% retirement allowance cap, but his or her accrual of benefits will stop at the level he or she has attained on March 31, 1997.
- (f) Except as otherwise provided in sections 24.0403.0001 through 24.0403.0004, effective July 1, 2000, a *Safety Member* may choose at the time of his or her retirement either: (1) the Retirement Calculation Factor in effect and applicable to his or her membership category on July 1, 2000, with no change in the *Safety Member's Final Compensation*, or (2) a 10%

increase in the *Safety Member's Final Compensation*, with the *Safety Member's Unmodified Service Retirement Allowance* calculated using the Retirement Calculation Factors in effect and applicable to his or her membership category in effect on June 30, 2000.

§24.0403.0001 Retirement Allowance for Police Officer Safety Members Hired After June 30, 2009

Notwithstanding section 24.0403, a *Safety Member* employed in the *City's* Police Department who was hired by the *City* after June 30, 2009, is not entitled to a Retirement Calculation Factor of 3% until the *Safety Member* reaches age 55 with at least 10 years of *Service Credit*. Such a *Safety Member* may, however, retire at age 50 with 20 years of *Service Credit*, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section.

§24.0403.0002 Retirement Allowance for Firefighter Safety Members Hired On or After January 1, 2012

Notwithstanding section 24.0403, a *Safety Member* employed in the *City's* Fire Department who was hired by the *City* on or after January 1, 2012, is not entitled to a Retirement Calculation Factor of 3% until the *Safety Member* reaches age 55 with at least 10 years of *Service Credit*. Such a *Safety Member* may, however, retire at age 50 with 20 years of *Service Credit*, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section.

§24.0403.0003 Retirement Allowance for Lifeguard Safety Members Hired After June 30, 2011

Notwithstanding section 24.0403, a *Safety Member* employed in the *City's* Lifeguard Services who was hired by the *City* after June 30, 2011, is not entitled to a Retirement Calculation Factor of 3% until the *Safety Member* reaches age 55 with at least ten years of *Service Credit*. Such a *Safety Member* may, however, retire at age 50 with 20 years of *Service Credit*, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section.

§24.0403.0004 Retirement Allowance for Police Officer Safety Members Hired After June 30, 2013

Notwithstanding sections 24.0403 and 24.0403.0001, a *Safety Member* employed in the *City's* Police Department who was hired by the *City* after June 30, 2013 is not entitled to a Retirement Calculation Factor of 3% until the *Safety Member* reaches age 55 with at least ten years of *Service Credit*. Such a *Safety Member* may, however, retire at age 50 with 20 years of *Service Credit*, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section. In addition, the maximum retirement benefit payable at age 55 to a police officer *Safety Member* hired after June 30, 2013 is 80% of the *Member's Final Compensation*. If the *Member* retires before age 55, this maximum amount is reduced by 3% per year for each year under age 55.

UNMODIFIED RETIREMENT CALCULATION FACTORS*

POLICE OFFICER SAFETY MEMBERS HIRED AFTER

JUNE 30, 2013

Retirement Age	Police Hired After June 30, 2013	Benefit Cap as a Percentage of Final Compensation
50	2.5%	65%
51	2.6%	68%
52	2.7%	71%
53	2.8%	74%
54	2.9%	77%
55	3.0%	80%

*Unmodified Factors are used to calculate the maximum service retirement allowance. The *Unmodified Service Retirement Allowance* is actuarially reduced if *Member* elects any optional retirement settlements pursuant to Division 6 of this Chapter.

Section 5. That Chapter 2, Article 4, Division 14 of the San Diego Municipal Code is amended by amending section 24.1401, by amending sections 24.1401, 24.1402, 24.1403, 24.1404, 24.1405, 24.1406, and 24.1407, and by repealing section 24.1402.1, to read as follows:

Article 4: City Employees' Retirement System

Division 14: Deferred Retirement Option Plan

§24.1401 Purpose and Duration

- (a) Effective April 1, 1997, a deferred retirement option plan (*DROP*) is created and offered to *Members* as an alternative method of benefit accrual in the *System* as set forth in this Division.

- (b) *DROP* is created to add flexibility to the *System* and its *Members*. It provides *Members* who elect to participate in *DROP* access to a lump sum benefit at the time of their actual retirement, in addition to their normal monthly retirement allowance. *DROP* is intended to be cost neutral.
- (c) *DROP* was initially offered on a trial basis for a period of three years beginning on April 1, 1997. *DROP* became a permanent benefit effective April 1, 2000.

§24.1402 Eligibility, Duration of DROP Participation, and Waiver

- (a) A *Member* is eligible to participate in *DROP* if the *Member*: (1) was hired by or assumed office with the *City* before July 1, 2005, (2) is eligible for a service retirement, and (3) is not a *Safety Member* who elected to accrue benefits under section 24.0403(d).
- (b) Before a *Member* may participate in *DROP*, he or she must voluntarily and irrevocably:
 - (1)-(2) [No change in text.]
 - (3) designate his or her *Beneficiary* for the continuance payable upon his or her death, if any;
 - (4) stop accruing benefits under any other Division of this Article starting on the date the *Member* enters *DROP*;
 - (5) have *DROP* benefits credited to a *DROP* Account as provided in this Division;
 - (6) accrue benefits under the terms of this Division starting on the date the *Member* enters *DROP*;

- (7) receive benefits from the *System* when the *Member* leaves *City* employment, as provided in the relevant sections of this Article;
- (8) agree to leave *City* employment on or before the end of the *Member's* designated *DROP* period, unless the *Member* is represented by the San Diego City Fire Fighter's Local 145 bargaining unit, in which case the *Member* may extend his or her five-year *DROP* period by the amount of unused annual leave the *Member* has remaining at the end of his or her *DROP* period that was earned after July 1, 2002.

§24.1403 Termination of DROP Participation

- (a) A *Member* who is participating in *DROP* may leave *DROP* at any time before the end of his or her designated *DROP* period by voluntarily leaving *City* employment.
- (b) The *System* will terminate the *Member's* *DROP* participation when any of the following events occurs:
 - (1) the *Member's* designated *DROP* period ends, or in the case of a *Member* who is represented by the Firefighter's Local 145 bargaining unit, at the end of the *Member's* five-year *DROP* period extended by the amount of unused annual leave earned after July 1, 2002 that the *Member* has at the end of his or her *DROP* period, if the *Member* elects to extend his *DROP* period pursuant to 24.1402(b)(8);

- (2) the *Member's City* employment is terminated for cause; but, if the termination for cause is reversed, the *Member's* participation will be reinstated for the remainder of the *Member's* designated *DROP* period, less any benefits previously distributed from the *Member's DROP Account*;
- (3) the *Member* dies; or
- (4) the *Board* grants the *Member* a disability retirement.

§24.1404 DROP Benefits and Accounts

- (a) A *DROP Account* is a “nominal” account established within the *System* on behalf of each *DROP* participant. All benefits accrued by a *Member* under this Division are accounted for in the *Member's DROP Account*. A *DROP* participant does not have a claim on the assets of the *System* with respect to his or her *DROP Account*, nor will the *System* set aside any assets for any *DROP* participant that are separate from other *System* assets.
- (b) All amounts credited to a *Member's DROP Account* are fully vested.
- (c) A *Member's DROP Account* will be credited with:
 - (1) The *Member's Base Retirement Benefit*, credited monthly, using the *Member's* age, *Service Credit*, and *Final Compensation* in effect when the *Member* enters *DROP*, and consistent with the retirement benefit levels in place on that date. This amount will increase each year by a cost of living adjustment (COLA), as described in Division 15 of this Article.

- (2) An amount, credited annually, representing the annual supplemental benefit described in Division 15 of this Article, based upon the *Member's Service Credit* on the day before the *Member* entered *DROP*.
- (3) An amount equal to 3.05% of the *Member's Base Compensation*, credited bi-weekly at the end of each pay period, which is paid by the *City*.
- (4) An amount equal to 3.05% of the *Member's Base Compensation*, credited bi-weekly at the end of each pay period. This amount will be deducted from the *Member's* salary on a pre-tax basis pursuant to Internal Revenue Code section 414(h)(2).
- (5) Interest on the above amounts, as determined by the *Board* through *Rules* adopted under Division 9 of this Article. These *Rules* have the same force and effect as a duly adopted ordinance.

§24.1405 Additional DROP Provisions

- (a) The *Member* and the *City* will stop making employer and employee contributions for the *Member* on the day the *Member* enters *DROP* (except as provided under section 24.1404(c), subsections (3) and (4)).
- (b) A *Member* who becomes disabled while participating in *DROP* is eligible to apply for disability retirement benefits. If the *Member's* application for disability retirement benefits is approved by the *Board*:
 - (1) the *Member's* disability retirement benefit will be calculated using the *Member's* age, *Service Credit*, and *Final Compensation* in effect the day the *Member* entered *DROP*; and

- (2) the *Member* will be eligible to receive all amounts in his or her *DROP* Account, as provided in section 24.1407.
- (c) If a *Member* dies while participating in *DROP*, his or her *Beneficiary* or *Beneficiaries* will receive:
- (1) All amounts in the *Member's DROP* Account.
 - (2) [No change in text.]
 - (3) If eligible, the *Member's Beneficiary* may elect to receive an industrial death benefit in place of any survivor continuance otherwise payable under this Division. The industrial death benefit is calculated using the *Member's* age, *Service Credit*, and *Final Compensation* in effect on the day the *Member* entered *DROP*.
 - (4) If the *Member's Beneficiary* is not eligible for an industrial death benefit, and the *Member* designated a *Beneficiary* to receive a continuance before entering *DROP*, the *Member's Beneficiary* will receive the survivor continuance elected by the *Member*.
- (d) When a *DROP* participant leaves *DROP* and retires, the participant will begin receiving any retiree health benefits under Division 12, or post-employment health benefits under Article 9, Division 1, that the participant is eligible to receive.

§24.1406 Designation of Beneficiary

- (a) Before entering *DROP*, the *Member* must designate a *Beneficiary* for his or her *DROP* Account. This designation will apply to all distributions made from the *Member's DROP* Account. The *Member* may change this *Beneficiary* designation at any time before the amounts in his or her *DROP* Participation Account are fully distributed.
- (b) If the *Member's DROP* Account *Beneficiary* dies before the *Member* does, and the *Member* then dies before designating a new *Beneficiary*, all amounts in the *Member's DROP* Account will be distributed pursuant to section 24.0706.
- (c) No *Beneficiary* designation made under this section may abrogate the *Member's* community property obligations under applicable California law.

§24.1407 Payment of Benefits

- (a) When a *Member* simultaneously leaves *DROP* and leaves *City* employment:
 - (1) the *Member* will begin receiving his or her monthly retirement allowance, as determined under this Division;
 - (2) the *Member* will begin receiving the annual supplemental benefit in accordance with Division 15, to the extent the *Member* is eligible, based upon the *Member's Service Credit* on the day he or she entered *DROP*; and
 - (3) the *Member* will be entitled to receive the amounts credited to his or her *DROP* Account as of the day the *Member* left *DROP*.

- (b) A *Member* may receive the amounts in his or her *DROP* Account in any of the following benefit forms:
- (1) a single lump sum distribution of all amounts credited to the *Member's DROP* Account;
 - (2) equal monthly payments over 240 months starting with the date the *Member* leaves *DROP* and retires; or
 - (3) any other benefit form approved by the *Board*, subject to applicable provisions of the Internal Revenue Code.
- (c) The following rules govern the payment of benefits under this Division:
- (1) [No change in text.]
 - (2) Each form of benefit paid must be the *Actuarial Equivalent* of the amount credited to the *Member's DROP* Account at the end of his or her *DROP* period. Where appropriate, the *Annuity* will be calculated using the *Member's* age and, if the *Member* elected a joint and survivor option, the age of the *Beneficiary* at the end of the *DROP* period.
 - (3) Each form of benefit paid must equal the amount credited to the *Member's DROP* Account, including interest credited to that account after the *Member* retires. If amounts remain credited to the *Member's DROP* Account after the *Member's* death, the *System* will pay the remaining amounts to the *Member's Beneficiary* in the form selected by the *Member* before his or her death. If the *Member* did not select a form, the *Beneficiary* may elect to be paid under any of the benefit forms provided in subsection (b).

- (d) The *System* will credit the *DROP* Accounts of retired *Members* as follows:
- (1) If a *Member* or *Beneficiary* receives a benefit in a form other than a single, lump-sum distribution of the entire *DROP* Account, the value of his or her *DROP* Account will be credited with interest quarterly and reduced by the amount of distributions.
 - (2) The interest rate credited to the *DROP* Account under subsection (d)(1) may not exceed the higher of the following:
 - (A) [No change in text.]
 - (B) the interest rate the *Board* is using to credit *DROP* Accounts on the date the *Member* is first eligible to receive distributions from his or her *DROP* Account.

Section 6. That Chapter 2, Article 4, Division 17 of the San Diego Municipal Code is amended by amending sections 24.1701 and 24.1702, by repealing section 24.1703, by amending and renumbering section 24.1704 to section 24.1703, by amending, retitling, and renumbering section 24.1705 to section 24.1704, section 24.1706 to section 24.1705, and section 24.1707 to section 24.1706, to read as follows:

Article 4: City Employees' Retirement System

Division 17: Elected Officers' Retirement Plan

§24.1701 Elected Officers' Retirement Plan Established

From and after July 1, 1971, there is established within this *System* a separate retirement plan for those present and future *Elected Officers* who become *Members* of this *System* and who are not otherwise entitled to benefits from this *System* for the period of service under consideration. *Elected Officers* who

become *Members* of this *System* are entitled to all of the privileges and benefits of other *Members* of this *System* except as specifically provided in the section of the Municipal Code describing the benefit.

§24.1702 Membership by Elected Officers Permissive

Every *Elected Officer* in office on July 1, 1971, or elected after that date, may become a *Member* of this *System*, provided he or she initially assumes office or is initially hired by the *City* before July 20, 2012, and files with the *Board* a written election to become a *Member*.

§24.1703 Contribution Rate

The Comptroller will withhold from the wages or salary of an *Elected Officer* who becomes a *Member* of this *System* 9.05% of his or her *Base Compensation*, which will be deposited in the *Retirement Fund* and credited to the individual *Member's* account. The employee contribution rate will also be 9.05% of *Base Compensation* for any purchase of prior service as an *Elected Officer Member*.

§24.1704 Age and Service Requirements

(a) Upon written application to the *Board*, an *Elected Officer* who is a *Member* of this *System* will be retired and thereafter will receive for life the service retirement allowance provided in section 24.1705 if the *Member*:

- (1) Is 55 or more years of age and has four or more years of *Service Credit* at retirement, or
- (2) Has eight or more years of *Service Credit* at an age less than 55 with the retirement allowance reduced by 2% for each year and fractional year under age 55.

(b) Notwithstanding the vesting requirements set forth in section 24.1704(a), upon written application to the *Board*, an *Elected Officer* who is a *Member* of this *System* and who was elected for Districts 1, 3, 5, and 7 in 1993 or Districts 2, 4, 6, and 8 in 1995, and who serves a three-year term, will be retired and receive for life the service retirement allowance provided in section 24.1705 if the *Member*:

- (1) Is 55 or more years of age and has three or more years of *Service Credit* at retirement, or
- (2) Has seven or more years of *Service Credit* at an age less than 55 with the retirement allowance reduced by 2% for each year and fractional year under age 55.

§24.1705 Computation of Service Retirement Benefits

The annual service retirement benefit payable to eligible *Elected Officer Members* is an amount sufficient, when added to the annuity that is derived from the *Member's Accumulated Normal Contributions*, to equal 3.5% of his or her *Final Compensation* for each year of *Service Credit*. *Elected Officers* and former *Elected Officers* who are either *Members* or *Deferred Members* of the *System* will receive the service retirement allowance provided for in this section.

§24.1706 Disability Benefits

Any *Elected Officer* who is a *Member* of this *System* and who becomes permanently incapacitated from the performance of duty will be retired for disability with a retirement allowance determined in accordance with the provisions of section 24.1705.

Section 7. That Chapter 2, Article 9, Division 1 of the San Diego Municipal Code is amended by amending section 29.0102, to read as follows:

Article 9: Other Post-Employment and Health-Related Benefits

Division 1: Post-Employment Health Benefits for Eligible Employees Who Retire After March 31, 2012

§29.0102 Definitions

Unless otherwise stated, for purposes of this Article:

Base Compensation [No change in text.]

DC Plan Account [No change in text.]

Deferred Member [No change in text.]

DROP [No change in text.]

Elected Officer [No change in text.]

General Member [No change in text.]

Member [No change in text.]

MOUs [No change in text.]

Retiree Medical Trust [No change in text.]

Retirement System or System [No change in text.]

Safety Member [No change in text.]

Service Credit [No change in text.]

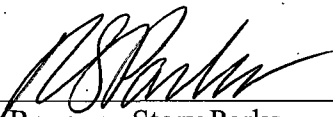
Service Retirement means, for *Safety Members* and *General Members*, a retirement based upon *Service Credit* and age under Chapter 2, Article 4, Division 4, and for *Elected Officers*, means a retirement under section 24.1704.

Surviving Spouse [No change in text.]

Section 8. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 9. That this ordinance will take effect and be in force on the 30th day after its final passage.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Roxanne Story Parks
Deputy City Attorney

RSP:ccm
05/16/2014 COR. COPY
04/30/2014
Or.Dept:HumanResources
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I certify that this Ordinance was passed by the Council of the City of San Diego, at this meeting of 6/10/14

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/10/14
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~

NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 4, DIVISION 1 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0103 AND 24.0104, BY AMENDING AND RENUMBERING SECTION 24.0103.1 TO SECTION 24.0103.0001, BY RETITLING AND RENUMBERING SECTION 24.0105.1 TO SECTION 24.0105, BY REPEALING SECTION 24.0106, BY RENUMBERING SECTION 24.0107 TO 24.0106, AND SECTION 24.0108 TO 24.0107; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 2 BY AMENDING SECTION 24.0201, AND BY RETITLING AND AMENDING SECTIONS 24.0205 AND 24.0206; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 3 BY AMENDING SECTION 24.0301, AND BY RETITLING AND AMENDING SECTIONS 24.0305 AND 24.0306; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 4 BY RETITLING DIVISION 4, BY RETITLING AND AMENDING SECTIONS 24.0401, 24.0402, 24.0402.0001, AND 24.0403, BY RETITLING, AMENDING, AND RENUMBERING SECTION 24.0405.0002 TO SECTION 24.0403.0001, SECTION 24.0405.0003 TO SECTION 24.0403.0002, SECTION 24.0405.0004 TO SECTION 24.0403.0003, AND BY ADDING SECTION 24.0403.0004; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 14 BY AMENDING SECTIONS 24.1401, 24.1402, 24.1403, 24.1404, 24.1405, 24.1406, AND 24.1407, AND BY REPEALING SECTION 24.1402.1; AMENDING CHAPTER 2, ARTICLE 4, DIVISION 17 BY AMENDING SECTIONS 24.1701 AND 24.1702, BY REPEALING SECTION 24.1703, BY AMENDING AND RENUMBERING SECTION 24.1704 TO SECTION 24.1703, BY AMENDING, RETITLING, AND RENUMBERING SECTION 24.1705 TO SECTION 24.1704, SECTION 24.1706 TO SECTION 24.1705, AND SECTION 24.1707 TO SECTION 24.1706; AND BY AMENDING CHAPTER 2, ARTICLE 9, DIVISION 1 BY AMENDING SECTION 29.0102, ALL RELATING TO THE CITY EMPLOYEES' RETIREMENT SYSTEM.

Article 4: City Employees' Retirement System

Division 1: Creation of System and Definitions

§24.0103 Definitions

Unless otherwise stated, for purposes of this Article:

"*Accumulated Additional Contributions*" means the sum of ~~additional contributions standing to the credit of~~ Additional Contributions credited to a Member's individual *Member's* account and interest thereon.

"*Accumulated Contributions*" means ~~Accumulated Normal Contributions~~ Accumulated Normal Contributions plus any Accumulated Additional Contributions standing to the credit of a Member's *Surviving Spouse Contributions, Cost of Living Annuity Contributions, and Accumulated Additional Contributions* credited to a *Member's* account.

"*Accumulated Normal Contributions*" means the sum of all normal cost contributions standing to the credit of a Member's individual credited to a *Member's* account and interest thereon.

"*Actuarial Equivalent*" [No change in text.]

"*Actuary*" [No change in text.]

Additional Contributions means post-tax contributions made by a *General Member* under section 24.0205 or a *Safety Member* under section 24.0305.

"*Annuity*" means a payment for life derived from contributions made by a ~~Member~~ *Member*.

"*Base Compensation*" [No change in text.]

~~“Base Retirement Benefit”~~ means the monthly retirement benefit for service or disability paid to a ~~Member~~Member, or a like amount which is deposited monthly in the account of a ~~DROP~~PDROP participant, which includes: (1) the ~~Unmodified Service Retirement allowance~~Unmodified Service Retirement Allowance (which will be ~~is~~ modified if the ~~member~~Member selects an optional retirement as provided in Division 6); (2) the ~~Cost of Living Annuity~~Cost of Living Annuity for eligible ~~Members~~Members; (3) the annual Cost of Living Adjustment (COLA) described in ~~Section~~Section 24.1505; and (4) the ~~Surviving Spouse Annuity~~Surviving Spouse Annuity described in ~~Section~~Section 24.0601 (if selected by the ~~Member~~Member). The ~~Base Retirement Benefit~~Base Retirement Benefit does not include the Annual Supplemental Benefit (13th check) described in ~~Section~~Section 24.1503 or the Supplemental COLA adjustment described in ~~Section~~Section 24.1504.

~~“Beneficiary”~~ [No change in text.]

~~“Board”~~ [No change in text.]

City means the City of San Diego.

~~“City sponsored health insurance plan”~~City-Sponsored Health Insurance Plan means a group health insurance plan, selected by and ~~in contractual privity under contract~~with the City of San DiegoCity, made available to ~~Health Eligible Retirees~~retired Members receiving a retirement allowance from the System, and their eligible family members and dependents.

~~“Code”~~ [No change in text.]

~~“Continuous Service” means service of an eligible Member~~Member’s service that
~~is deemed to be of a continuous nature pursuant to Section 24.1005 of this~~
~~Code 24.1003. “Continuous Service” shall not be construed as not~~ synonymous
with ~~“Creditable Service~~Creditable Service.”

~~“Cost of Living Annuity”~~ [No change in text.]

~~“Cost of Living Annuity Contributions”~~ [No change in text.]

~~“Creditable Service” for purposes of qualification for benefits and retirement~~
~~allowances under this System means, Service Credit, and Current Service mean:~~
(1) service rendered for compensation as an employee or officer (employed,
appointed or elected) of the City or a contracting agency, and only while he or she
is receiving compensation from the City or a contracting agency, and is a Member
of and contributing to this SystemSystem pursuant to appropriate provisions of
this Article, and (2) service purchased or repurchased under Chapter 2, Article 4,
Division 13. Except as provided in Chapter 2, Article 4, Division 13, for which
repurchase of credits may be permissible, time during which a MemberMember is
absent from CityCity service without compensation shall not benot allowed in
computing ~~Creditable Service~~Creditable Service. ~~The term “Current Service,”~~
~~shall mean the same as Creditable Service.~~

~~“Creditable Service Pension” means the pension derived from the City’s~~
~~contributions of the City, that when added to the Member’s Service Retirement~~
~~Annuity~~Member’s Service Retirement Annuity, ~~is sufficient to equal~~ the
~~Unmodified Service Retirement Allowance~~Unmodified Service Retirement
Allowance.

~~“Deferred Member” means any Member~~Member who leaves his or her employee contributions on deposit with the Retirement System~~System~~ after terminating City~~City~~ or contracting agency service. When a ~~Deferred Member~~Deferred Member applies for retirement benefits, he or she is entitled, when eligible, for the retirement benefits that were in effect on the day the ~~Deferred Member~~Deferred Member terminates~~d~~ City or contracting agency service and leaves~~ft~~ his or her contributions on deposit with the Retirement System~~System~~.

~~“DROP”~~ [No change in text.]

~~“Elected Officer” means a person who is elected to serve as the City’s~~City’s Mayor, a members of the City Council, ~~and~~or the City Attorney, and who is initially hired or assumes office with the City before July 20, 2012.

~~“Final Compensation” means the Member’s highest one-year period of Base Compensation while a Member, for General Members~~General Members hired before July 1, 2009, ~~and Elected Officers the Base Compensation based on the highest one year period during membership in the Retirement System for those Members and Elected Officers who are on the active payroll of the City of San Diego on or after June 30, 1989, and who retire on or after July 1, 1989~~Elected Officers regardless of hire date.

~~“Final Compensation”~~ Final Compensation means the average of the Member’s three highest years of Base Compensation while a Member, for General Members General Members hired on or after July 1, June 30, 2009, means the Base Compensation based on the average of the General Member’s three highest years at any time during membership in the Retirement System, but before July 20, 2012.

~~“Final Compensation”~~ for Safety Members means the Member’s highest one-year period of Base Compensation for the Safety Member’s highest one-year period during membership in the Retirement System while a Member, for: (1) Safety Members employed in the City City Police Department who were on the City’s active City payroll before January 1, 2012, (2) Safety Members employed in the City Lifeguard Services who were on the City’s active City payroll before July 1, 2011, and (3) Safety Members employed in the City City Fire Department who were on the City’s active City payroll before January 1, 2012.

~~“Final Compensation”~~ means the average of a Safety Member’s three highest years of Base Compensation at any time during membership in the Retirement System while a Member, for: (1) Safety Members employed in the City City Police Department who were hired by the City on or City after January 1, 2012 December 31, 2011, but before July 1, 2013, (2) Safety Members employed in the City Lifeguard Services who were hired by the City City after June 30, 2011, and (3) Safety Members employed in the City City Fire Department who were hired by the City on or City after January 1, 2012 December 31, 2011.

Final Compensation means the *Member's* highest consecutive 36 months of *Base Compensation as a Member of the System for Safety Members* employed in the *City Police Department* who were hired by the *City* after June 30, 2013.

~~“General Member” is any Member not otherwise classified as a Safety Member or Elected Officer~~ means a *Member* who was initially hired by the *City* before July 20, 2012, and who is not a *Safety Member* or an *Elected Officer*.

~~“Health Eligible Retiree”~~ means any retired *General Member*, *Safety Member*, or *Elected Officer* who: (1) was on the City's active payroll of the ~~City of San Diego~~ on or after October 54, 1980 and, but before July 1, 2005, (2) retires on or after October 65, 1980, (3) is eligible for and is receiving a retirement allowance from the *System*, and (4) if the *Member* is a *General Member* or a *Safety Member*, retires before April 1, 2012.

~~“Investment Earnings Received”~~ [No change in text.]

~~“Member”~~ means any person employed by the ~~City of San Diego~~ City who actively participates in and contributes to the ~~Retirement System~~ System, and who will be entitled, when eligible, to receive benefits from the ~~Retirement System~~ System. There are three classes of ~~Member~~ Member: *General*, *Safety*, and *Elected Officer*.

~~“Normal Contributions”~~ means normal cost contributions by a ~~Member~~ Member at the normal rates of contribution adopted by the Board, but does not include additional contributions Additional Contributions, Surviving Spouse Contributions, or Cost of Living Annuity Contributions by a ~~Member~~ Member.

~~“Prior Service”~~ means service prior to January 1, 1927.

“*Public Agency*” [No change in text.]

“*Public Agency Participant*” means a ~~Public Agency~~Public Agency employee who is: (1) compensated through the ~~Public Agency’s~~Public Agency’s payroll system, (2) treated as an employee by the ~~Public Agency~~Public Agency for tax-reporting and other purposes, and (3) participates in the ~~Public Agency’s~~Public Agency’s retirement plan administered by the ~~Retirement System~~System under Division 18 of this Article.

“*Qualified Retiree*” [No change in text.]

“*Retirement Fund*” [No change in text.]

“*Retirement System*” and “*System*” [No change in text.]

“*Rules*” means the current set of funding, contribution and actuarial equivalent factor rules promulgated by the ~~Board~~Board and covering the period from July 1, 1989 to June 30, 2008, attached as Appendix A to ~~this Article~~San Diego Ordinance O-19740, and ~~said~~such rules, as ~~may be amended or adopted~~the Board may amend or adopt from time to time ~~by the Board~~, which will constitute part of the SDCERS written plan document for purposes of the ~~qualification requirements of Internal Revenue Code Section 401(a)~~qualification requirements.

“*Safety Member*” means ~~any Member~~a Member who is one of the following: (1) a sworn officer of the ~~City~~City Police Department ~~hired after July 1, 1946~~, (2) a uniformed member of the ~~City~~City Fire Department who was initially hired after July 1, 1946before July 20, 2012, (3) a full-time ~~City~~City lifeguard who was initially hired before July 20, 2012, or (4) effective July 1, 2003, a Police

Department recruit employed by the City~~City~~ and participating in the City's~~City's~~ Police Academy, provided the recruit was initially hired by the City before July 1, 2013. Except as provided above, police cadets, persons sworn for limited purposes only, and all other employees of the City's Police Department, Fire Department and lifeguard service are not ~~Safety Members~~Safety Members.

Service Credit means Creditable Service.

~~"Service Retirement Annuity"~~ means the ~~Annuity which~~Annuity that is the Actuarial Equivalent~~Actuarial Equivalent~~ of the Member's Accumulated Normal Contributions~~Member's Accumulated Normal Contributions~~ at the time of the Member's~~Member's~~ retirement.

~~"Surviving Spouse"~~ means the Member's~~Member's~~ spouse at the time of the Member's~~Member's~~ death.

~~"Surviving Spouse Annuity"~~ means ~~an amount to be added to the Member's Base Retirement Benefit, calculated by computing the Actuarial Equivalent of the Accumulated Contributions in the Member's Surviving Spouse Annuity account at the time of the Member's retirement or participation in DROP, if the Member is not married at the effective date of retirement and elects to annuitize~~the annuity referenced in section 24.0601(e)(2).

~~"Surviving Spouse Contributions"~~ [No change in text.]

~~"Undistributed Earnings Reserve"~~~~shall~~ means the balance remaining in the account to which ~~the~~fund earnings ~~to the fund~~ are credited, after the annual distribution to the employee and employer reserve accounts in accordance with

interest assumption rates established by the Board ~~Board~~ establishes, plus accumulated earnings which ~~that~~ have not been so distributed.

“Unmodified Service Retirement Allowance” [No change in text.]

§24.0103.0001 Compliance with the California Domestic Partner Rights and Responsibilities Act of 2003

Unless otherwise stated, for purposes of this ~~a~~Article: ~~“surviving spouse”, the terms *Surviving Spouse* and “spouse” includes a registered Domestic Partner pursuant to the California Domestic Partner Rights and Responsibilities Act of 2003. This ~~S~~section 24.0103.0001, as added by San Diego Ordinance O-19568 N.S., is retroactively effective January 1, 2005, to comply with ~~operation pursuant to~~ California law.~~

§24.0104 Membership

- (a) ~~M~~Except as provided in subsection (c), membership in the Retirement System shall be~~System is compulsory and a condition of employment for all members of the classified and unclassified service: (1) salaried, classified and unclassified employees initially hired by the City before July 20, 2012, who regularly work at least half-time, (2) police recruits initially hired before July 1, 2013, and (3) sworn officers in the City's police department regardless of hire date.~~
- (b) ~~Effective July 1, 1991, employees in the Classified Service are required to join the Retirement System on the date of their employment.~~
- (c) ~~Employees in the classified service~~Classified employees paid on an hourly basis, who participate in the City's Supplemental Pension Savings Plan for Hourly Employees, are not salaried employees and are not eligible for

~~membership to join or accrue benefits~~ in the Retirement System nor shall they ~~system~~System, except as provided in ~~Section~~ Section 24.1304. Salaried employees in the ~~classified service including those working one-half (1/2) or three-quarter (3/4) time~~ are eligible for and shall become members of the Retirement System. Retirement benefits shall accrue to the above eligible members in the same proportion to full benefits as their service relates to the service of a full-time member.

- (c) Members who are salaried employees and regularly work at least half-time, but less than full-time, accrue Service Credit in the same proportion to full benefits as their service relates to the service of a full-time Member.
- (d) Effective August 11, 1993, employees in the unclassified service are required to join the Retirement System on the date of their employment providing they are employed one-half (1/2), three-quarter (3/4) or full-time an unclassified employee who regularly works for the City at least half-time must join the System upon employment, if the employee: (1) was initially hired by the City before July 20, 2012, or (2) is a sworn police officer in the City's Police Department. Upon joining the System, they ~~sha~~System, the employee will receive all the privileges and benefits afforded other members and ~~sha~~Members and will be bound by all regulations governing such membership.

(e) ~~All eligible members in the Classified service transferring to the unclassified service pursuant to Section 117 of the City Charter shall be required to remain in and maintain membership in the Retirement System unless said person first terminates classified employment prior to assuming the unclassified position.~~ Notwithstanding anything to the contrary in this section, the Board may, subject to rules it adopts under section 24.0901 and the requirements of this subparagraph, adjust a Member's first and last dates of membership to prevent a Member from earning Service Credit in the System for the same time period for which the Member is earning or has earned Service Credit in a reciprocal retirement system.

(1) The Board may adjust a Member's last date of membership only to eliminate Service Credit for a period during which the Member received annual leave after his or her last day of actual work for the City. The Board may not adjust a Member's last date of membership to eliminate Service Credit for time during which the Member actually performed work for the City.

(2) The Board may adjust a Member's first date of membership to a date after the Member's first day of City employment, but that date must not be more than 12 weeks after the Member's first day of City employment.

(3) Notwithstanding subparagraphs (1) and (2), the Board may not adjust a Member's first and last dates of membership under this section if the adjustment will result in a period of City employment during which the Member would be subject to mandatory Social Security coverage.

(4) In no event may the Board adjust membership dates under this section to include days during which a Member was not a City employee.

§24.0105.1 Same — ~~Exclusion From~~ Exclusion of Federally Funded Positions of Limited Duration

[No change in text.]

§24.0106 — ~~Transfer of Special Class.~~

~~All members of the Police and Fire Retirement System for policemen and firemen of The City of San Diego who were regularly employed on June 30, 1946, are hereby transferred to the City Employees' Retirement System, who from the effective date of this amendment shall be classed and known as safety members of a special class, or special class safety members. From and after the effective date of this amendment all of such members so transferred shall be entitled to all of the privileges and benefits of safety members of the City Employees' Retirement System, except as hereinafter in this ordinance specifically provided to the contrary.~~

§24.01076 Severability

[No change in text.]

§-24.01087 Salary Reduction Pick-Up Plan

[No change in text.]

Article 4: City Employees' Retirement System

Division 2: General Member Contributions

§24.0201 Normal Rate of Contribution

For General Members, the Board shall provide:

- (a) The Board determines the normal rate of contribution for a General Member, ~~is~~General Member based upon the Member's Member's age at his or her birthday nearest to the date the Member Member joined the Retirement System System.
- (b) Effective November 18, 2002, a Member Member who is serving as the duly elected president of a recognized employee labor organization will continue to participate in the Retirement System. ~~W~~System if, while serving as president:
 - (1) the Member ~~will remain~~Member remains a full-time CityCity employee ~~receiving and receives~~ a salary from the CityCity;
 - (2) the Member ~~will~~Member continues to make contributions, as set forth in this Division, based upon his or her CityCity salary;
 - (3) the Member's Base Compensation ~~will be~~Member's Base Compensation is based solely upon the salary paid to the Member Member by the CityCity, and ~~will~~does not include any amounts paid by the ~~labor~~employee organization, either directly or indirectly.

§24.0205 Additional Contributions —by General Members

Subject to the rules and regulations prescribed by the ~~Board of Administration~~
~~Board~~, any member, other than a safety member, General Member may elect to
make additional contributions post-tax Additional Contributions at rates in excess
of his normal contributions or her Normal Contributions, for the purpose of
providing additional benefits. The exercise of this privilege by a member, other
than a safety member, shall General Member will not require obligate the City City
to make any additional contributions. Upon application, the Board shall Board will
furnish to the member Member information concerning the nature and amount of
additional benefits to be obtained by the additional contributions Additional
Contributions. Such additional contributions may be changed or discontinued The
Member may stop or change the amount of his or her Additional Contributions at
any time, but may not be ~~withdrawn~~ withdraw Additional Contributions except
upon termination of membership, and then only ~~in the event~~ if the employee
withdraws all of his normal and additional accumulated contributions or her
Accumulated Contributions.

**§24.0206 Withdrawal of Accumulated Contributions and Deferred Benefits —by
General Members**

~~If the service of a general member is discontinued other than by death or~~
~~retirement, upon proper application to the Board of Administration, there shall be~~
~~returned to the member all accumulated contributions and additional~~
~~contributions, plus compound interest, as determined by the Board, within six~~
~~months from the date of termination. If the general member terminating City~~
~~service has less than ten (10) years of continuous service, such member may elect~~

to leave all contributions with the system for purposes of participation and creditable service in the system if reemployed by the City at a later date. If the general member so terminating City service is credited with 10 years or more of continuous City service, said employee shall have the privilege of leaving all of said accumulated contributions (including any accumulated additional contributions) with the System, in which event the general member will be entitled to service retirement benefits when the age requirements are met, based on service and salary prior to the termination of employment. The provisions of this section shall apply to all employees of The City of San Diego hired on or after December 8, 1976. General members If a General Member's City employment is discontinued other than by death or retirement, and the Member makes a written request for return of employee contributions, the Board will pay the Member his or her Accumulated Contributions, including interest compounded annually, within six months of the request. A Member who has ten or more years of Service Credit and leaves his or her Accumulated Contributions on deposit with the System, will be eligible for a service retirement upon meeting the age requirements for a service retirement. The Member's service retirement benefit will be calculated using the benefit formula in effect on the date the Member terminated City employment. A General Member may not withdraw his or her accumulated contributions Accumulated Contributions under any circumstances other than that those provided in this section.

Article 4: City Employees' Retirement System

Division 3: Safety Members Contributions

§24.0301 Normal Rate of Contributions

~~For Safety Members, the Board shall provide:~~

- (a) The Board determines the normal rate of contribution for a Safety Member, is Safety Member based upon the Member's Member's age at his or her birthday nearest to the date the Member Member joined the Retirement System System.
- (b) Effective November 18, 2002, a Member Member who is serving as the duly elected president of a recognized employee labor organization will continue to participate in the Retirement System. ~~W~~System, if, while serving as president:
 - (1) the Member ~~will remain~~ Member remains a full-time CityCity employee ~~receiving, and receives~~ a salary from the CityCity;
 - (2) the Member ~~will~~ Member continues to make contributions, as set forth in this Division, based upon his or her CityCity salary;
 - (3) the Member's Base Compensation ~~will be~~ Member's Base Compensation is based solely upon the salary paid to the Member Member by the CityCity, and ~~will~~ does not include any amounts paid by the ~~labor~~ employee organization, either directly or indirectly.

§24.0305 Additional Contributions ~~for~~by Safety Members

Subject to the rules and regulations prescribed by the ~~Board of Administration~~
~~Board~~, any ~~safety member~~Safety Member may elect to make additional
contributions, ~~on a post-tax basis,~~post-tax Additional Contributions at rates in
excess of his normal contributions~~Normal Contributions~~, for the purpose of
providing additional benefits. The exercise of this privilege by a ~~safety member~~
shall ~~not require the City~~Safety Member will not obligate the City to make any
additional contributions. Upon application, the ~~Board shall~~Board will furnish to
the ~~safety member~~Safety Member information concerning the nature and amount
of additional benefits to be obtained by the ~~additional contributions~~Additional
Contributions. Such ~~additional contributions may be changed or discontinued~~The
Member may stop or change the amount of his or her Additional Contributions at
any time, but may not ~~be withdrawn~~withdraw Additional Contributions except
upon termination of membership, and then only ~~in the event~~if the employee
withdraws all of his normal and additional accumulated contributions ~~or her~~
Accumulated Contributions.

**§24.0306 Withdrawal of Accumulated Contributions and Deferred Benefits —by
Safety Members**

~~If the service of a safety member is discontinued other than by death or~~
~~retirement, upon proper application to the Board of Administration there shall be~~
~~returned to the safety member all accumulated contributions and additional~~
~~contributions, plus compound interest, as determined by the Board, within six~~
~~months from the date of termination. If the safety member so terminating Cit~~
~~service is credited with less than ten (10) years of continuous City service, such~~

~~member may elect to leave all contributions with the system for purposes of participation and creditable service in the system if reemployed by the City at a later date. If the safety member so terminating City service is credited with 10 years or more of continuous City service, said employee shall have the privilege of leaving all of said accumulated contributions (including any accumulated additional contributions) with the System, in which event the safety member will be entitled to service retirement benefits when the age requirements are met, based on service and salary prior to the termination of employment. The provisions of this section shall apply to all employees of The City of San Diego hired on or after December 8, 1976. Safety members~~
If a Safety Member's City employment is discontinued other than by death or retirement, and the Member makes a written request for return of employee contributions, the Board will pay the Member his or her Accumulated Contributions, including interest compounded annually, within six months of the request, A Member who has ten or more years of Service Credit and leaves his or her Accumulated Contributions on deposit with the System, will be eligible for a service retirement upon meeting the age requirements for a service retirement. The Member's service retirement benefit will be calculated using the benefit formula in effect on the date the Member terminated City employment. A Safety Member may not withdraw accumulated contributions his or her Accumulated Contributions under any circumstances other than those provided in this section.

Article 4: City Employees' Retirement System

Division 4: Service Retirement for Service of Members

§24.0401 Management of System and Normal Retirement for Service—~~General Members and Safety Members~~

The management and control of the Retirement System System is vested in the Board of Administration, who shall have authority Board, which is authorized to adopt ~~such~~ the rules and regulations as it may deem proper for the administration of the system. Such Board of Administration is hereby vested with the power and authority it deems appropriate to administer the System. The Board is vested with the power and authority to provide a normal retirement allowance for members Members as provided in this Division and in section 24.1706. Section 24.0402.

The Board is also authorized to provide a normal retirement allowance for safety members as provided in Section 24.0403.

§24.0402 General Member Retirement Allowance ~~F~~for Employees Hired Before July 1, 2009

(a) The System System will pay a General Member General Member hired before July 1, 2009, who is entitled to a service retirement, a retirement allowance consisting of:

- (1) a Service Retirement Annuity Service Retirement Annuity, and
- (2) a Creditable Service Pension Creditable Service Pension.

(b) ~~The Service Retirement Annuity is the Actuarial Equivalent of the Member's Accumulated Normal Contributions when the Member retires.~~

- (c) ~~The Creditable Service Pension is the pension derived from the City's contributions, which is sufficient, when added to the Service Retirement Annuity, to equal the Unmodified Service Retirement Allowance.~~
- (db) The Unmodified Service Retirement Allowance Unmodified Service Retirement Allowance is calculated by multiplying the Member's Member's years of Creditable Service Service Credit by the retirement factor for his or her age at retirement, as shown in the table for section 24.0402. The resulting number is then multiplied by the Member's Final Compensation Member's Final Compensation. The System System prorates the factors from the table for section 24.0402, to reflect quarterly increments in the Member's Member's retirement age.
- (ec) Effective July 1, 2002, a General Member General Member who joined the Retirement System System before July 1, 2002 may choose, at retirement, to have his or her Unmodified Service Retirement Allowance Unmodified Service Retirement Allowance calculated using:
- (1) the unmodified factors in effect on July 1, 2000 ("Corbett Factors"), as shown in the table for section 24.0402, with no increase to the General Member's Final Compensation Member's Final Compensation,

- (2) the unmodified factors in effect on June 30, 2000 (“Old Factors”), as shown in the table for section 24.0402, with a 10% increase to the ~~General Member’s Final Compensation~~Member’s Final Compensation, or
- (3) the unmodified factors in effect on July 1, 2002 (“New Factors”), as shown in the table for section 24.0402, with no increase to the ~~General Member’s Final Compensation~~Member’s Final Compensation.
- (fd) The ~~Retirement System~~System will calculate the ~~Unmodified Service Retirement Allowances~~Unmodified Service Retirement Allowances of all ~~General Members~~General Members who joined the ~~Retirement System~~System on or after July 1, 2002 using the New Factors, with no increase to the ~~General Member’s Final Compensation~~Member’s Final Compensation.
- (ge) [No change in text.]
- (hf) If the ~~Member~~Member chooses to have his or her ~~Unmodified Service Retirement Allowance~~Unmodified Service Retirement Allowance calculated using either the Old Factors or the Corbett Factors, the ~~Member’s Unmodified Service Retirement Allowance~~Member’s Unmodified Service Retirement Allowance will not be capped. Also, the ~~System~~System will refund to the ~~Member~~Member, upon retirement, any excess contributions the ~~Member~~Member made to fund the New Factors plus interest as determined by the ~~Board~~Board.

- (ig) The ~~System~~System uses the factors in the table for section 24.0402 to calculate the ~~Unmodified Service Retirement Allowance~~Unmodified Service Retirement Allowance. The ~~Unmodified Service Retirement Allowance~~Unmodified Service Retirement Allowance is reduced if the ~~Member~~Member selects any of the optional settlements described in Division 6.

§24.0402.0001 ~~General Member~~General Member Retirement Allowance ~~For Employees Hired On or After July 1, 2009~~

- (a) The ~~System~~System will pay a ~~General Member~~General Member hired on or after July 1, 2009, who is entitled to a service retirement, a retirement allowance consisting of the following benefits as defined by this Article:
- (1) a ~~Service Retirement Annuity~~Service Retirement Annuity, and
 - (2) a ~~Creditable Service Pension~~Creditable Service Pension.
- (b) ~~The Service Retirement Annuity is the Actuarial Equivalent of the Member's Accumulated Normal Contributions when the Member retires.~~
- (c) ~~The Creditable Service Pension is the pension derived from the City's contributions, which is sufficient, when added to the Service Retirement Annuity, to equal the Unmodified Service Retirement Allowance.~~
- (db) The *Unmodified Service Retirement Allowance* is calculated by multiplying the *Member's* years of ~~Creditable Service~~Service Credit by the retirement factor for his or her age at retirement, as shown in the *General Member Retirement Calculation Factors* table. The resulting number is then multiplied by the *Member's Final Compensation*. The

System prorates the factors from the *General Member Retirement Calculation Factors* table, to reflect quarterly increments in the *Member's* retirement age.

- (ec) The ~~Unmodified Service Retirement Allowance~~ Unmodified Service Retirement Allowance for a ~~General Member~~ General Member hired on or after July 1, 2009, may not exceed 80-percent% of his or her ~~Final Compensation~~ Final Compensation.

§24.0403 ~~Safety Member~~ Safety Member Retirement Allowances

- (a)-(b) [No change in text.]
- (c) The *Unmodified Service Retirement Allowance* for a *Safety Member* may not exceed ~~ninety percent~~ 90% of the *Safety Member's Final Compensation*, except as provided in subsections (d) and (e) of this section.
- (d) If the *Unmodified Service Retirement Allowance* of a *Safety Member* exceeds ~~ninety percent~~ 90% of the *Safety Member's Final Compensation* using the Retirement Calculation Factors in effect and applicable to his or her membership category (Police, Fire or Lifeguard) on December 31, 1996, that *Safety Member* may elect to continue to accrue benefits under the Retirement Calculation Factors in effect and applicable to his or her membership category on December 31, 1996, and not be subject to the ~~ninety percent~~ 90% retirement allowance cap. A *Safety Member* who

makes this election is not required to pay any additional contributions as recommended by the ~~actuary~~ Actuary and adopted by the Board, related to the increase in benefits effective January 1, 1997.

- (e) If, on a date after January 1, 1997 but before April 1, 1997, the *Unmodified Service Retirement Allowance* of a *Safety Member* exceeds ~~ninety percent~~ 90% of the *Safety Member's Final Compensation* using the Retirement Calculation Factors in effect and applicable to his or her membership category on January 1, 1997, that *Safety Member* may elect to accrue benefits in excess of the ~~ninety percent~~ 90% retirement allowance cap, but his or her accrual of benefits will stop at the level he or she has attained on March 31, 1997.
- (f) Except as otherwise provided in sections ~~24.0405.0002~~ 24.0403.0001 through ~~24.0405~~ 24.0403.0004, effective July 1, 2000, a *Safety Member* may choose at the time of his or her retirement either: (1) the Retirement Calculation Factor in effect and applicable to his or her membership category on July 1, 2000, with no change in the *Safety Member's Final Compensation*, or (2) a ~~ten percent~~ 10% increase in the *Safety Member's Final Compensation*, with the *Safety Member's Unmodified Service Retirement Allowance* calculated using the Retirement Calculation Factors in effect and applicable to his or her membership category in effect on June 30, 2000.

§24.0403.0001 Retirement Allowance for Police Officer ~~Safety Members~~Safety Members Hired After June 30, 2009

Notwithstanding the provisions of section 24.0403, a *Safety Member* employed in the ~~City~~City's Police Department who was hired by the ~~City~~City after June 30, 2009, is not entitled to a Retirement Calculation Factor of ~~three percent~~3% until the *Safety Member* reaches age 55 with at least 10 years of ~~Creditable-Service~~Credit. Such a *Safety Member* may, however, retire at age 50 with 20 years of ~~Creditable-Service~~Credit, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section.

§24.0403.0002 Retirement Allowance for Firefighter ~~Safety Members~~Safety Members Hired On or After January 1, 2012

Notwithstanding the provisions of section 24.0403, a *Safety Member* employed in the ~~City~~City's Fire Department who was hired by the ~~City~~City on or after January 1, 2012, is not entitled to a Retirement Calculation Factor of ~~three percent~~3% until the *Safety Member* reaches age 55 with at least 10 years of ~~Creditable-Service~~Credit. Such a *Safety Member* may, however, retire at age 50 with 20 years of ~~Creditable-Service~~Credit, with a proportionately reduced *Unmodified Service Retirement Allowance*, as set forth in the table in this section.

§24.0403.0003 Retirement Allowance for Lifeguard ~~Safety Members~~Safety Members Hired After June 30, 2011

Notwithstanding the provisions of section 24.0403, a *Safety Member* employed in the ~~City~~City's Lifeguard Services who was hired by the ~~City~~City after June 30, 2011, is not entitled to a Retirement Calculation Factor of ~~three percent~~3% until the *Safety Member* reaches age 55 with at least ten years of ~~Creditable-Service~~Credit

Credit. Such a ~~Safety Member~~Safety Member may, however, retire at age 50 with 20 years of ~~Creditable-Service~~ Credit, with a proportionately reduced Unmodified Service Retirement Allowance, as set forth in the table in this section.

§24.0403.0004 Retirement Allowance for Police Officer Safety Members Hired After June 30, 2013

Notwithstanding sections 24.0403 and 24.0403.0001, a Safety Member employed in the City's Police Department who was hired by the City after June 30, 2013 is not entitled to a Retirement Calculation Factor of 3% until the Safety Member reaches age 55 with at least 10 years of Service Credit. Such a Safety Member may, however, retire at age 50 with 20 years of Service Credit, with a proportionately reduced Unmodified Service Retirement Allowance, as set forth in the table in this section. In addition, the maximum retirement benefit payable at age 55 to a police officer Safety Member hired after June 30, 2013 is 80% of the Member's Final Compensation. If the Member retires before age 55, this maximum amount is reduced by 3% per year for each year under age 55.

UNMODIFIED RETIREMENT CALCULATION FACTORS*
POLICE OFFICER SAFETY MEMBERS HIRED AFTER
JUNE 30, 2013

<u>Retirement Age</u>	<u>Police Hired After June 30, 2013</u>	<u>Benefit Cap as a Percentage of Final Compensation</u>
<u>50</u>	<u>2.5%</u>	<u>65%</u>
<u>51</u>	<u>2.6%</u>	<u>68%</u>
<u>52</u>	<u>2.7%</u>	<u>71%</u>
<u>53</u>	<u>2.8%</u>	<u>74%</u>
<u>54</u>	<u>2.9%</u>	<u>77%</u>
<u>55</u>	<u>3.0%</u>	<u>80%</u>

*Unmodified Factors are used to calculate the maximum service retirement allowance. The *Unmodified Service Retirement Allowance* is actuarially reduced if the *Member* elects any optional retirement settlements pursuant to Division 6 of this Chapter.

~~§24.0405.0002 Retirement Allowance for Police Officer Safety Members Hired After June 30, 2009~~

[Amended and renumbered to § 24.0403.0001.]

~~§24.0405.0003 Retirement Allowance for Firefighter Safety Members Hired On or After January 1, 2012~~

[Amended and renumbered to § 24.0403.0002.]

~~§24.0405.0004 Retirement Allowance for Lifeguard Safety Members Hired After June 30, 2011~~

[Amended and renumbered to § 24.0403.0003.]

Article 4: City Employees' Retirement System

Division 14: Deferred Retirement Option Plan

§24.1401 Purpose and Duration

- (a) Effective April 1, 1997, a deferred retirement option plan (~~DROP~~DROP) is created and offered to ~~Members~~Members as an alternative method of benefit accrual in the ~~Retirement System~~System as set forth in this Division.
- (b) ~~DROP~~DROP is created to add flexibility to the ~~Retirement System~~System and its ~~Members~~Members. It provides ~~Members~~Members who elect to participate in ~~DROP~~DROP access to a lump sum benefit at the time of their actual retirement, in addition to their normal monthly retirement allowance. ~~DROP~~DROP is intended to be cost neutral.

- (c) ~~DROP~~DROP was initially offered on a trial basis for a period of three years beginning on April 1, 1997. ~~DROP~~DROP became a permanent benefit effective April 1, 2000.

§24.1402 Eligibility, Duration of DROP Participation, and Waiver

- (a) ~~Any Member who~~Member is eligible to participate in DROP if the
Member: (1) was hired by or assumed office with the City before July 1,
2005, (2) is eligible for a service retirement is eligible to participate in
~~DROP, except for a Safety Member who elects, and (3) is not a Safety~~
Member who elected to accrue benefits under Section 24.0403(gd).
- (b) Before a ~~Member~~Member may participate in ~~DROP~~DROP, he or she must voluntarily and irrevocably:
- (1)-(2) [No change in text.]
 - (3) designate his or her ~~Beneficiary~~Beneficiary for the continuance payable upon his or her death, if any;
 - (4) stop accruing benefits under any other Division of this Article starting on the date the ~~Member~~Member enters ~~DROP~~DROP;
 - (5) have ~~DROP~~DROP benefits credited to a ~~DROP~~DROP ~~Participation~~Account as provided in this Division;
 - (6) accrue benefits under the terms of this Division starting on the date the ~~Member~~Member enters ~~DROP~~DROP;
 - (7) receive benefits from the ~~Retirement System~~System when the ~~Member~~Member leaves ~~City or Port District~~City employment, as provided in the relevant sections of this Article;

- (8) agree to leave ~~City~~City employment on or before the end of the ~~Member's~~Member's designated ~~DROP~~ participation DROP period, unless the ~~Member~~Member is represented by the San Diego City Fire Fighter's Local 145 bargaining unit, in which case the ~~Member~~Member may extend his or her five-year ~~DROP~~ participation DROP period by the amount of ~~Unused Annual~~ Unused Annual ~~Leave~~ the ~~Member~~ accrued Member has remaining at the end of his or her DROP period that was earned after July 1, 2002, ~~DROP~~, including ~~Annual Leave~~ accrued after July 1, 2002, in ~~DROP~~, which was not converted to Creditable Service before the ~~Member~~ entered ~~DROP~~;

~~§24.1402.1 — Ineligibility of DROP Participation, and Waiver~~

~~Members hired or assuming office on or after July 1, 2005, may not participate in DROP.~~

§24.1403 Termination of DROP Participation

- (a) A ~~Member~~Member who is participating in ~~DROP~~DROP may leave ~~DROP~~DROP at any time before the end of his or her designated ~~DROP~~ participation DROP period by voluntarily leaving ~~City or Port District~~City employment.
- (b) The ~~Retirement System~~System will terminate the ~~Member's~~Member's DROP participation in ~~DROP~~ when any of the following events occurs:

- (1) the ~~Member's~~Member's designated ~~DRDP participation~~DRDP period ends, or in the case of a ~~Member~~Member who is represented by the Firefighter's Local 145 bargaining unit, at the end of the ~~Member's~~Member's five-year ~~DRDP participation~~DRDP period extended by the amount of ~~Unused Annual Leave~~ Member accrued after July 1, 2002, including Annual Leave accrued after July 1, 2002, while in ~~DRDP~~, which was not converted to Creditable Service before the ~~Member entered DRDP~~earned after July 1, 2002 that the Member has at the end of his or her DRDP period, if the Member elects to extend his DRDP period pursuant to 24.1402(b)(8);
- (2) the ~~Member's City or Port District~~Member's City employment is terminated for cause; but, if the termination for cause is reversed, the ~~Member's~~Member's participation will be reinstated for the remainder of the ~~Member's~~Member's designated ~~DRDP participation~~DRDP period, less any benefits previously distributed from the ~~Member's DRDP~~Member's DRDP Account;
- (3) the ~~Member~~Member dies; or
- (4) the ~~Retirement Board~~Board grants the ~~Member~~Member a disability ~~discount~~retirement.

§24.1404 **DROP Benefits and Participation Accounts**

- (a) A ~~DROP Participation~~DROP Account is a “nominal” account established within the ~~Retirement System~~System on behalf of each ~~DROP~~DROP participant. All benefits accrued by a ~~Member~~Member under this Division are accounted for in the ~~Member’s DROP Participation~~Member’s DROP Account. A ~~DROP~~DROP participant does not have a claim on the assets of the ~~Retirement System~~System with respect to his or her ~~DROP Participation~~DROP Account, nor will the ~~System~~System set aside any assets for any ~~DROP~~DROP participant that are separate from other ~~System~~System assets.
- (b) All amounts credited to a ~~Member’s DROP Participation~~Member’s DROP Account are fully vested.
- (c) A ~~Member’s DROP Participation~~Member’s DROP Account will be credited with:
- (1) ~~An amount~~The Member’s Base Retirement Benefit, credited monthly, which is calculated in the same manner as an ~~Unmodified Service Retirement Allowance~~ using the ~~Member’s~~Member’s age, ~~Creditable Service~~Service Credit, ~~Final Compensation~~ selected retirement option, in effect on the date the Member enters ~~DROP~~, as well as ~~and~~ Final Compensation in effect when the Member enters DROP, and consistent with the retirement benefit levels in

place on that date. This amount will increase each year by a cost of living adjustment (COLA), as described in Division 15 of this Article.

- (2) An amount, credited annually, representing the annual supplemental benefit described in Division 15 of this Article, based upon the Member's Creditable Service Member's Service Credit on the day before the Member Member entered ~~DROP~~DROP.
- (3) An amount equal to 3.05% of the Member's Base Compensation Member's Base Compensation, credited bi-weekly at the end of each pay period, which is paid by the City or the Port District City.
- (4) An amount equal to 3.05% of the Member's Base Compensation Member's Base Compensation, credited bi-weekly at the end of each pay period. This amount will be deducted from the Member's Member's salary on a pre-tax basis pursuant to Internal Revenue Code section 414(h)(2).
- ~~(5) For a represented Member in the Firefighter's Local 145 bargaining unit, an amount representing the Member's Unused Annual Leave accrued after July 1, 2002, including Annual Leave accrued after July 1, 2002, while in DROP, which was not converted to Creditable Service before he or she entered DROP.~~

(65) Interest on the above amounts, as determined by the ~~Board~~Board through ~~rules and regulations~~Rules adopted under Division 9 of this Article. These ~~rules and regulations will~~Rules have the same force and effect as a duly adopted ordinance.

§24.1405 Additional DROP Provisions

- (a) The ~~Member~~Member and the ~~City or Port District~~City will stop making employer and employee contributions for the ~~Member~~Member on the day the ~~Member~~Member enters ~~DRDP~~DROP (except as provided under section 24.1404(c), subsections (3) and (4)).
- (b) A ~~Member~~Member who becomes disabled while participating in ~~DRDP~~DROP is eligible to apply for disability retirement benefits. If the ~~Member's~~Member's application for disability retirement benefits is approved by the ~~Board~~Board:
- (1) the ~~Member's~~Member's disability retirement benefit will be calculated using the ~~Member's age, Creditable Service, and Final Compensation~~Member's age, Service Credit, and Final Compensation in effect the day the ~~Member~~Member entered ~~DRDP~~DROP; and
 - (2) the ~~Member~~Member will be eligible to receive all amounts in his or her ~~DRDP Participation~~DROP Account, as provided in ~~Section~~Section 24.1407.

- (c) If a ~~Member~~Member dies while participating in ~~DRDP~~DRDP, his or her ~~Beneficiary or Beneficiaries~~Beneficiary or Beneficiaries will receive:
- (1) All amounts in the ~~Member's DRDP Participation~~Member's DRDP Account.
 - (2) [No change in text.]
 - (3) If the ~~Beneficiary is eligible,~~ the Member's Beneficiary may elect to receive an industrial death benefit, ~~the Beneficiary may elect to receive this benefit in place of any survivor continuance otherwise payable under this Division. The~~ industrial death benefit will be calculated using the ~~Member's age, Creditable Service, and Final Compensation~~ Member's age, Service Credit, and Final Compensation in effect on the day the ~~Member~~Member entered ~~DRDP~~DRDP.
 - (4) If the ~~Member's Beneficiary~~Member's Beneficiary is ~~not~~ eligible for an industrial death benefit, and the ~~Member~~Member designated a ~~Beneficiary~~Beneficiary to receive a continuance before entering ~~DRDP~~DRDP, the ~~Member's Beneficiary~~Member's Beneficiary will receive the survivor continuance elected by the ~~Member~~Member.
- (d) ~~A City employee Member who elects to participate in DRDP will qualify as a Health Eligible Retiree and be eligible to receive Post Retirement Health Benefits under Division 12 when the Member leaves DRDP and retires~~When a DRDP participant leaves DRDP and retires, the participant

will begin receiving any retiree health benefits under Division 12, or post-employment health benefits under Article 9, Division 1, that the participant is eligible to receive.

- ~~(e) — No beneficiary designation made under this Section may abrogate the Member's community property obligations under applicable California law.~~

§24.1406 Designation of Beneficiary

- (a) Before entering ~~DROP~~DROP, the ~~Member~~Member must designate a ~~Beneficiary~~Beneficiary for his or her ~~DROP Participation~~DROP Account. This designation will apply to all distributions made from the Member's ~~DROP Participation~~Member's DROP Account. The ~~Member~~Member may change this ~~Beneficiary~~Beneficiary designation at any time before the amounts in his or her ~~DROP~~DROP Participation Account are fully distributed.
- (b) If the ~~Member's DROP Participation~~Member's DROP Account ~~Beneficiary~~Beneficiary dies before the ~~Member~~Member does, and the ~~Member~~Member then dies before designating a new ~~Beneficiary~~Beneficiary, all amounts in the ~~Member's DROP Participation~~Member's DROP Account will be distributed to the ~~Member's estate~~pursuant to section 24.0706.
- (c) No ~~Beneficiary~~Beneficiary designation made under this ~~Section~~Section may abrogate the ~~Member's~~Member's community property obligations under applicable California law.

§24.1407 **Payment of Benefits**

- (a) When a ~~Member~~Member simultaneously leaves ~~DROP~~DROP and leaves ~~City or Port District~~City employment:
- (1) the ~~Member~~Member will begin receiving his or her monthly retirement allowance, as determined under this Division; ~~and~~
 - (2) the ~~Member~~Member will begin receiving the annual supplemental benefit in accordance with Division 15, to the extent the ~~Member~~Member is eligible, based upon the ~~Member's Creditable Service~~Member's Service Credit on the day he or she entered ~~DROP~~DROP; ~~and~~
 - (3) the ~~Member~~Member will be entitled to receive the amounts credited to his or her ~~DROP Participation~~DROP Account as of the day the ~~Member~~Member left ~~DROP~~DROP.
- (b) A ~~Member~~Member may receive the amounts in his or her ~~DROP Participation~~DROP Account in any of the following benefit forms:
- (1) a single lump sum distribution of all amounts credited to the ~~Member's DROP Participation~~Member's DROP Account; ~~;~~
 - (2) equal monthly payments over 240 months starting with the date the ~~Member~~Member leaves ~~DROP~~DROP and retires; ~~;~~ or
 - (3) any other benefit form approved by the ~~Board~~Board, subject to applicable provisions of the Internal Revenue Code.
- (c) The following rules govern the payment of benefits under this Division:
- (1) [No change in text.]

- (2) Each form of benefit paid must be the ~~Actuarial Equivalent~~Actuarial Equivalent of the amount credited to the ~~Member's DROP Participation~~Member's DROP Account at the end of his or her ~~DROP participation~~DROP period. Where appropriate, the ~~Annuity~~Annuity will be calculated using the ~~Member's~~Member's age and, if the ~~Member~~Member elected a joint and survivor option, the age of the ~~Beneficiary~~Beneficiary at the end of the ~~DROP participation~~DROP period.
- (3) Each form of benefit paid must equal the amount credited to the ~~Member's DROP Participation~~Member's DROP Account, including interest credited to that account after the ~~Member~~Member retires. If amounts remain credited to the ~~Member's DROP Participation~~Member's DROP Account after the ~~Member's~~Member's death, the ~~System~~System will pay the remaining amounts to the ~~Member's Beneficiary~~Member's Beneficiary in the form selected by the ~~Member~~Member before his or her death. If the ~~Member~~Member did not select a form, the ~~Beneficiary~~Beneficiary may elect to be paid under any of the benefit forms provided in subsection (b).
- (d) The ~~Retirement System~~System will credit the ~~DROP Participation~~DROP Accounts of retired ~~Members~~Members as follows:

- (1) If a ~~Member or Beneficiary~~ Member or Beneficiary receives a benefit in a form other than a single, lump-sum distribution of the entire ~~DROP Participation~~ DROP Account, the value of his or her ~~DROP Participation~~ DROP Account will be credited with interest quarterly and reduced by the amount of distributions.
- (2) The interest rate credited to the ~~DROP Participation~~ DROP Account under subsection (d)(1) may not exceed the higher of the following:
 - (A) [No change in text.]
 - (B) the interest rate the ~~Board~~ Board is using to credit ~~DROP Participation~~ DROP Accounts on the date the ~~Member~~ Member is first eligible to receive distributions from his or her ~~DROP Participation~~ DROP Account.

Article 4: City Employees' Retirement System

Division 17: Elected Officers' Retirement Plan

§24.1701 Elected Officers' Retirement Plan Established

From and after the effective date of this section July 1, 1971, there is established within this ~~Retirement System~~ System a separate retirement plan for those present and future ~~Elected Officers~~ Elected Officers who become ~~Members~~ Members of this ~~System~~ System and who are not otherwise entitled to benefits from this ~~System~~ System for the period of service under consideration. ~~Elected Officers~~ Elected Officers who become ~~Members~~ Members of this ~~System~~ shall

~~be~~System are entitled to all of the privileges and benefits of other ~~Members~~Members of this ~~System~~System except as specifically provided in the section of the Municipal Code describing the benefit.

§24.1702 Membership by Elected Officers Permissive

Every ~~Elected Officer~~Elected Officer in office at the time this section becomes effective ~~on July 1, 1971~~, or elected after the effective date of this section ~~that date~~, may become a ~~Member~~Member of this ~~System~~System, provided he or she ~~initially assumes office or is initially hired by the City before July 20, 2012, and~~ files with the ~~Board~~Board a written election to become a ~~Member~~Member.

~~§24.1703 Provision Authorizing Retroactive Membership~~

~~Every Elected Officer who elects to become a Member may also elect within one year of becoming a Member to receive credit for the service rendered as a Elected Officer prior to his or her becoming a Member if he or she makes contributions to the System equal to the contributions he or she would have made had he been a Member during the period of prior service for which he or she is electing to receive credit.~~

§24.17043 Contribution Rate

The ~~City Auditor and Comptroller~~ will withhold from the wages or salary of an ~~Elected Officer~~Elected Officer who becomes a ~~Member~~Member of this ~~System~~System ~~8~~9.05% of his or her ~~Base Compensation~~Base Compensation, which will be deposited in the ~~Retirement Fund~~Retirement Fund and credited to the individual ~~Member's~~Member's account. The employee contribution rate will also be ~~8~~9.05% of ~~Base Compensation~~Base Compensation for any purchase of prior

service as an ~~Elected Officer Member~~Elected Officer Member. Beginning on December 30, 1988, each ~~Elected Officer Member~~ will contribute an additional 0.40% of his or her Base Compensation to pay for the high one year basis for Final Compensation. Beginning on July 1, 2001, each ~~Elected Officer Member~~ will contribute an additional 0.49% of his or her Base Compensation as a result of the Corbett Settlement.

§24.17054 ~~Elected Officer~~ Age and Service Requirements for Retirement

- (a) Upon written application to the ~~Board of Administration~~Board, an ~~Elected Officer~~Elected Officer who is a ~~Member~~Member of this System shall~~System will~~ be retired and thereafter shall~~will~~ receive for life the service retirement allowance provided in ~~Section 24.17065~~ if the ~~Member~~Member:
- (1) Is 55 or more years of age and has ~~4~~four or more years of ~~creditable service~~ Service Credit at retirement, or
 - (2) Has ~~8~~eight or more years of ~~creditable service~~Service Credit at an age less than 55 with the retirement allowance reduced by 2% for each year and fractional year under ~~age~~ 55.
- (b) Notwithstanding the vesting requirements set forth in ~~Section 24.17054~~(a), upon written application to the ~~Board of Administration~~Board, an ~~Elected Officer~~Elected Officer who is a ~~Member~~Member of this System~~System~~ and who was elected for Districts 1,~~3,~~5 and 7 in 1993 or Districts 2,~~4,~~6 and 8 in 1995, and who

serves a three-year term, ~~shall~~will be retired and ~~thereafter shall~~ receive for life the service retirement allowance provided in ~~Section 24.17065~~ if the ~~Member~~Member:

- (1) Is 55 or more years of age and has ~~3~~three or more years of creditable ~~service~~Service Credit at retirement, or
- (2) Has ~~7~~seven or more years of creditable ~~service~~Service Credit at an age less than 55 with the retirement allowance reduced by 2% for each year and fractional year under age 55.

§24.17065 ~~Elected Officer Service Retirement Computation of~~ Service Retirement Benefits

The ~~annual~~ service retirement allowance ~~benefit~~ payable to eligible Members shall be ~~Elected Officer Members~~ Elected Officer Members is an amount sufficient, when added to the annuity that is derived from the ~~Accumulated Normal Contributions of the~~ Member's Accumulated Normal Contributions, to equal 3.5% of his or her final monthly compensation Final Compensation for each year of creditable service Service Credit. Notwithstanding ~~Sections 24.0102 and 24.0103~~, all ~~Elected Officers~~ Elected Officers and former ~~Elected Officers~~ Elected Officers who are either ~~Members~~ Members or ~~Deferred Members~~ Deferred Members of the ~~System shall~~ System will receive the service retirement allowance provided for in this ~~Section~~.

§24.17076 Elected Officer Disability Benefits

Any ~~Elected Officer~~ Elected Officer who is a ~~Member~~ Member of this ~~System~~ System and who becomes permanently incapacitated from the performance of duty ~~shall~~ will be retired for disability with a retirement allowance determined in accordance with the provisions of ~~Section~~ Section 24.17065.

Article 9: Other Post-Employment and Health-Related Benefits

Division 1: Post-Employment Health Benefits for Eligible Employees Who Retire After March 31, 2012

§29.0102 Definitions

~~Unless otherwise stated, for the purposes of this Article:~~

~~“Base Compensation”~~ [No change in text.]

~~“DC Plan Account”~~ [No change in text.]

~~“Deferred Member”~~ [No change in text.]

~~“DROP”~~ [No change in text.]

~~“Elected Officer”~~ [No change in text.]

~~“General Member”~~ [No change in text.]

~~“Member”~~ [No change in text.]

~~“MOUs”~~ [No change in text.]

~~“Retiree Medical Trust”~~ [No change in text.]

~~“Retirement System”~~ or ~~“System”~~ [No change in text.]

~~“Safety Member”~~ [No change in text.]

~~“Service Credit”~~ [No change in text.]

“*Service Retirement*” means, for *Safety Members* and *General Members*, a retirement based upon *Service Credit* and age under Chapter 2, Article 4, Division 4, and for *Elected Officers*, means a retirement under section 24.17054.

“*Surviving Spouse*” [No change in text.]

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Passed by the Council of The City of San Diego on: JUN 10 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 10 2014

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Mary Fernandez*, 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

MAY 20 2014, and on JUN 10 2014

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Mary Fernandez*, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20376