

## CITY OF DOVER ORDINANCE #2021-17

### **BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:**

That Chapter 80 - Personnel, Article IV – Pension Plans and Retirement Benefits (Except Police), Division 3 – General Employee Pension Plan of the Dover Code be amended by inserting the text indicated in bold, blue font and deleting the text indicated in red strikeout as follows:

#### **Section 80-504 – Normal Retirement.**

The normal retirement date for each participant shall be the first day of the month following the attainment of the age of 65 years, provided that he has completed ten years of continuous service.

(Code 1968, § 2-99; Ord. of 1-12-1970; Code 1981, § 2-181; Ord. of 6-24-1996; Ord. No. 2017-03, 2-13-2017)

#### **Section 80-505. Early retirement.**

- (a) *Reduced benefits.* A participant who has completed ten years of continuous service and who has attained the age of 55 years may retire at any time within the ten years preceding his normal retirement date; provided, however, that his retirement benefits shall be computed at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years.
- (b) *Unreduced benefits.*
  - (1) *Hired May 1, 1994, or later.* For eligible employees hired on or after May 1, 1994, a participant who has attained the age of 55 years, and whose attained age plus years of continuous service is equal to or greater than 80, may retire at any time prior to his normal retirement date with no reduction in retirement benefits.
  - (2) *Hired before May 1, 1994.* For eligible employees hired before May 1, 1994, a participant who has completed 25 years of continuous service, or has attained the age of 50 years and completed 20 years of continuous service may retire at any time prior to his normal retirement date with no reduction in retirement benefits.

(Code 1968, § 2-100; Ord. of 1-12-1970; Code 1981, § 2-182; Ord. of 10-12-1982, § 1; Ord. of 4-25-1994; Ord. No. 2017-03, 2-13-2017)

#### **Section 80-506. Later retirement.**

If a participant works beyond his normal retirement date, the payment of the participant's retirement benefits shall be deferred until his actual retirement.

(Code 1968, § 2-101; Ord. of 1-12-1970; Code 1981, § 2-183; Ord. of 7-26-1993, § 3; Ord. No. 2010-13, 6-28-2010; Ord. No. 2017-03, 2-13-2017)

#### **Section 80-507. Forced retirement with pension.**

The general employee pension plan board, upon recommendation of the city council or the city

manager, may require retirement in any case where deemed necessary due to the lack of work or inability of the employee to perform with a satisfactory degree of efficiency, provided that the employee qualifies for either normal retirement pursuant to section 80-504, or early retirement pursuant to section 80-505. The employee shall then be entitled to receive, commencing on the first day of the month coinciding with or next following his date of retirement, pension benefits equal to the benefits computed in accordance with the provisions of section 80-508 on the basis of the employee's service completed prior to actual retirement.

(Code 1968, § 2-102; Ord. of 1-12-1970; Code 1981, § 2-184; Ord. No. 2017-03, 2-13-2017)

**Section 80-508. Amount of retirement benefits.**

*Retirement January 1, 1995, or later.* The amount of retirement benefits payable to a participant who retires on or after January 1, 1995 shall be computed on the basis of one-fiftieth of his average actual monthly earnings multiplied by the total number of years of continuous service. Average actual monthly earnings shall be a participant's base pay plus scheduled overtime, payment for being on call, except those hours reported for being called out, and any retroactive pay corrections which involve any one of the mentioned payments during any period of 36 consecutive months in his final ten years of continuous service which results in the highest average monthly earnings.

If an employee's approved absence is the result of a workers compensation injury, the base wages that the employee would have earned had he not been on workers compensation leave will be included when determining the highest 36 consecutive months within his final ten years of continuous service.

The value of lost base salary as a result of mandatory furlough shall be added to an employee's final average compensation and considered in the calculation of the amount of retirement benefits, if the time period in which the mandatory furlough was required is within the highest 36 consecutive months or earnings within the final ten years of continuous service.

(Code 1968, § 2-103; Ord. of 1-12-1970; Code 1981, § 2-185; Ord. of 10-12-1982, § 2; Ord. of 7-26-1993, § 4; Ord. of 4-25-1994; Ord. of 5-22-2000; Ord. of 7-10-2000; Ord. No. 2010-13, 6-28-2010; Ord. No. 2017-03 , 2-13-2017)

**Section 80-509. Form of benefits.**

- (a) *Normal form.* A monthly benefit shall be payable on the first day of the second month preceding the date on which application for such benefit is filed. Payment will be retroactive to the retirement date. Payments of benefits shall be payable monthly thereafter during his lifetime, and terminating with the last payment on the first day of the month of the death of the participant.
- (b) *Death of participant, etc.* Upon the death of a participant who has retired, or who is eligible to be retired under any of the provisions of this division, payment shall be made to their eligible survivors in the amount of 50 percent of the monthly payments to which the participant was or would have been entitled. Upon the death of a participant who has completed a minimum of ten years of service but is not yet eligible to retire because of age and/or years of service, payment shall be made to their eligible survivors in the amount of

50 percent of the monthly payment to which the participant was or would have been entitled. The pension amount will be based upon Section 80-508. There shall be no reduction in benefit. In no instance shall actual monthly payments be less than \$200.00, to be effective July 1, 2000. Upon the death of both the participant and eligible survivor, if the benefit payments received in aggregate are less than the member's contributions, the balance of the member's contributions, plus five percent interest, will be paid to the surviving beneficiary designated or his estate if no designation has been made and submitted to the general employee pension plan board. The amount of benefit payments received and the amount of the member's contributions shall be determined from the record of the pension board.

- (c) *Eligible survivor.* An eligible survivor shall be one of the following in the order of preference listed:
- (1) *Spouse.* The participant's spouse who was married to the participant for at least one year. Surviving spouse shall be required to provide supporting documents of marriage.
  - (2) *Children, unmarried.*
    - a. The surviving children, biological or legally adopted, of the participant, who have not attained their 18th birthday.
    - b. If said child is attending school on a full-time basis and provides proof of attendance each year of eligibility, with the payment due for the month in which he ceases to attend school on a full-time basis or with the payment due for the month in which his 22nd birthday shall occur, whichever shall occur first.
- (d) *Commencement of payment.* Benefits payable to eligible survivors shall commence on the first day of the month following the date of the participant's death.
- (e) *Benefits payable.* Benefits payable to eligible survivors shall cease:
- (1) *Spouse.* With respect to an eligible survivor who is a spouse, with the payment due for the month in which their remarriage or death shall occur, whichever occurs first.
  - (2) *Children.* With respect to an eligible survivor who is a child(ren), with the payment due for the month in which his 18th birthday or death shall occur, whichever shall occur first. Payments shall be made in accordance with subsections (2)a. and b.
- (f) *Eligibility for benefits.* The eligibility of any person or persons to receive payment of benefits as an eligible survivor shall be determined conclusively by the general employee pension plan board based on application of such person or persons and any other information which the pension board deems to be appropriate.

Ord. of 4-25-1994; Ord. of 12-11-1995; Ord. of 4-14-1997; Ord. of 5-22-2000; Ord. of 7-10-2000; Ord. of 3-12-2001; Ord. of 5-12-2003; Ord. No. 2010-13, 6-28-2010; Ord. No. 2011-28, 12-12-2011; Ord. No. 2013-10, 7-22-2013; Ord. No. 2017-03, 2-13-2017)

**Section 80-510. Early retirement due to permanent disability.**

Any employee who, after completing at least ten years of continuous service, shall be injured or whose health shall become permanently impaired to such an extent as to render him totally and permanently disabled, shall be retired upon application and approval of the general employee pension plan board. The pension amount will be based upon section 80-508. There shall be no reduction in benefit.

(Code 1968, § 2-105; Ord. of 1-12-1970; Code 1981, § 2-187; Ord. No. 2010-13, 6-28-2010; Ord. No. 2017-03, 2-13-2017)

**ADOPTED: SEPTEMBER 27, 2021**

S:\ORDINANCES\2021\RAFT\ORDINANCE #2021- PENSION EQUITY - DECEASED AND DISABLED EMPLOYEES\PROPOSED ORDINANCE #2021-17 - CHAPTER 80 - PENSION.DOCX

**SYNOPSIS**

The pension ordinance currently states that the surviving spouse would receive a reduced pension, one half percent for each month the participant was under age 65; 6% for each year. This reduction would occur even if the employee was within days/months of being eligible for a service/age related pension. With this reduction, based on labor contract language, some employees would not be eligible for retirement health care. An employee retiring with a disability pension would not be subject to a reduced pension and would be eligible for retirement health care. The intent is to make the surviving spouse equal to the employee retiring with a disability pension.

(SPONSORS: ANDERSON AND TAYLOR)

**Actions History:**

09/27/2021 – Final Reading – City Council

09/13/2021 – First Reading – City Council

08/10/2021 – Introduced at Council Committee of the Whole