011593

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.64 OF THE EL PASO CITY CODE (CITY EMPLOYEES' PENSION FUND) TO ESTABLISH RETIREMENT ENTITLEMENTS OF PERMANENT PART-TIME EMPLOYEES; TO AMEND PROVISIONS FOR BUY-BACK OF PENSION CREDIT; TO REMOVE THE CAP ON CREDIT FOR UNUSED SICK LEAVE; TO MODIFY TIME LIMITS FOR SUBMITTING RETIREMENT APPLICATIONS IN SOME CASES AND TO CORRECT INADVERTENT DELETIONS FROM SECTION 2.64.030B RELATING TO TERMS OF OFFICE OF MEMBERS OF THE BOARD OF TRUSTEES.

WHEREAS, the Board of Trustees of the City Employees' Pension Fund has determined that the following amendments to Chapter 2.64, Title 2, of the El Paso City Code will not later result in the creation of a potential deficiency in the City Employees' Pension Fund:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That Section 2.64.030B of the El Paso City Code is amended to read as follows:

B. The two citizens currently serving on the board shall continue to hold office until the expiration of their present terms of office. They or their successors shall then be appointed or reappointed for terms of two years. The retiree member shall continue to hold office until the expiration of his present term of office. He or his successors shall then be appointed or reappointed for terms of two years.

The term for city employee representatives shall be three years beginning with the election in 1993 to elect two city employee representatives whose terms expire and the election in 1994 to elect two city employee representatives whose terms expire. Thereafter, city employee representative elections to the board shall be held in the year in which a term expires, in accordance with the procedures set forth in subsection A, above.

There shall be no limitation as to the number of consecutive terms which a person duly appointed or elected to the board may serve.

Each member of the board shall continue in office until his successor qualifies, provided, that if the mayor, a district representative, citizen, employee or retiree serving on such board shall cease to be such during his term, his place on the board shall immediately become vacant. The normal term of office for appointed citizens, elected employees or retirees shall begin on May 1st.

That Section 2.64.140A of the El Paso City Code is amended to read as follows:

A. Any full-time employee who was eligible to apply for membership in the city employees' pension fund at the time of his/her original appointment, but who did not submit his/her application within the ninety day period after original appointment, and any

employee appointed after April 24, 1984, may submit an application at any time after original appointment. Applicants who are not grant-funded employees shall have the further option of paying into the fund in one lump sum, at any time prior to submitting an application for retirement, the amount of contributions which they would have paid had they been members of the fund from the date of their original appointments, or any later date, but not to include any time during breaks in service, plus interest at the rate of seven and one-half percent per annum, compounded annually, on the total amount for the period from the date when the first contribution would have been made to the date when the total is actually paid. In the case of non-grant funded employees, the city will make corresponding contributions without interest, in accordance with the formula in effect at such previous time; provided, however that such employees must pay interest at the current actuarial rate assumption approved by the board of trustees on the employer contributions for the portion of buy-back periods which are longer than five years, as well as the interest on employee contributions; provided, further, however, that this provision relating to paying interest on employer contributions shall not apply to employees in the unclassified service who are eligible for membership in the pension fund at the time this ordinance is adopted. Periods of buy-back without interest on the employer portion of contribution shall cover the first continuous or intermittent service most immediately contiguous to the date of the buy-back. Periods of buy-back on which interest on the employer portion of contribution is payable shall cover continuous or intermittent service most immediately contiguous to the period of buy-back without payment of interest on the employer portion.

If such option is exercised, all rights or benefits under the fund which depend upon length of service shall be determined as if the employee had been a member from the date of his/her original appointment, or such other period for which this option is exercised, excluding any time during a break in service, to which date his/her contributions have been made good. An employee may not make more than one election to buy-back service credit towards eligibility and benefits under this section.

That subsection 2 of Section 2.64.140E of the El Paso City Code is amended to read as follows:

2. Full-time grant funded employees not in the classified services who become members of the fund shall have the further option, at any time prior to submitting an application for retirement, of paying into the fund, in one lump sum, the amount of contributions which they would have paid had they been members from the date of their original appointments, but not to include any time during a break in service, plus interest at the rate of seven and one-half percent per annum, compounded annually, on the total amount for the period from the date when the first contribution would have been made to the date when the total is actually paid, on the following conditions: the employer's corresponding contributions, without interest, in accordance with the formula in effect during the employee's time of previous service must be made as an allowable expense in the relevant grant budget in effect when the employee exercises this option; provided, however, such employees must pay interest at the current actuarial rate assumption approved by the board of trustees on the employer contributions for that period of buy-back which is in excess of five years, as well as the interest on employee contributions; provided, however,

that this provision relating to paying interest on employer contributions shall not apply to such grant-funded employees who are eligible for membership in the pension fund at the time this ordinance is adopted. Periods of buy-back without interest on the employer portion of contribution shall cover the first continuous or intermittent service most immediately contiguous to the date of the buy-back. Periods of buy-back on which interest on the employer portion of contribution is payable shall cover continuous or intermittent service most immediately contiguous to the period of buy-back without payment of interest on the employer portion.

If the expense of employer corresponding contributions is not allowable from the relevant grant budget in effect when the employee exercises this option, the employee shall have the option of making the corresponding employer's contributions, without interest, from the employee's personal funds; provided, however, that such employees must pay the applicable interest on the employer contributions for that period of buy-back which is in excess of five years, as well as the applicable interest on employee contributions; provided, further, that this provision relating to paying interest on employer contributions shall not apply to such employees who are eligible for membership in the pension fund at the time this ordinance is adopted. Periods of buy-back without interest on the employer portion of contribution shall cover the first continuous or intermittent service most immediately contiguous to the date of the buy-back. Periods of buy-back on which interest on the employer portion of contribution is payable shall cover continuous or intermittent service most immediately contiguous to the period of buy-back without payment of interest on the employer portion.

In no case shall the employer's contributions be paid from general city revenue not allocated to the relevant grant budget.

If the option permitted under this subsection is exercised, all rights and benefits under the fund which depend upon length of service shall be determined as if the employee had been a member from the date of his original appointment, or such other period for which this option is exercised, but excluding any time during a break in service, to which date his/her contributions have been made.

An employee may not make more than one election to buy-back service credit towards eligibility and benefits under this section.

a. Permanent part-time grant funded employees shall be eligible to become members of the fund, subject to the provisions of this subsection and the provisions of Section 2.64.200F of this chapter.

That Section 2.64.200B(2) of the El Paso City Code is amended by changing the first sentence to read as follows:

For pension purposes, notwithstanding any other provision of this code, the service for an employee who is entitled to be retired under this section will be increased by the aggregate number of days of his current and lapsed unused sick leave.

That Section 2.64.200 of the El Paso City code is amended to add a new subsection E to read as follows:

E. An employee who is otherwise entitled to retire from the service and who is terminated for cause may, if such termination is appealed within the time period allowed for such an appeal and in accordance with applicable procedures for such appeals, submit an application for retirement during the period allowed for submitting such appeals. Such application for retirement shall be held in abeyance subject to the outcome of the appeal.

That Section 2.64.200 of the El Paso City Code is amended by adding a new subsection F to read as follows:

F. Retirement pension of permanent part-time employees who elect to participate in the fund will be calculated as follows:

1. For purposes of calculating benefits earned from permanent part-time service, credit shall be accrued as follows: for each year worked, or part thereof, the number of hours actually worked will be aggregated and expressed as a ratio of hours worked to a base of full-time equivalent hours over the same period. Service credit so earned shall then be multiplied by 2.5 percent of a full-time equivalent yearly final base salary plus longevity to arrive at the benefit due.

2. Pension service credit time towards eligibility will accrue on a calendar basis, provided the part-time employee has worked a minimum of 1000 hours per year. Part-time service credit towards eligibility will accrue on a pro-rata basis for employees working less than 1000 hours per year.

3. For purposes of benefit calculations for part-time employees, "final pay" shall mean the full-time equivalent base pay for part-time employment, but shall otherwise be defined as currently provided in this chapter.

4. For calculating minimum pensions due in cases of accidental death or job-related disability, the minimum pension will be defined as a pro-rata share of the full-time hours worked in the twelve months preceding death or injury. However, any employee in full-time status at the time of the death or injury shall be entitled to full-time minimum pension, past service history notwithstanding.

5. Minimum regular pension benefits shall be construed as a pro-rata share of the full-time minimum pension wherein the proration will represent the estimated proportion of full-time hours worked over the service life of the retiree.

6. Employees who elect to participate in the pension fund shall have the further option of paying into the fund in one lump sum, at any time prior to submitting an application for retirement, the amount of contributions which they would have paid, had they been members of the fund from the date of their original appointments, or any later date, but not to include any time during breaks in service, plus interest at the rate of seven and

one-half percent per annum, compounded annually, on the total amount for the period from the date when the first contribution would have been made to the date when the total is actually paid. In the case of non-grant funded employees, the city will make corresponding contributions, without interest, in accordance with the formula in effect at such previous time; provided, however, that such employees must pay interest at the current actuarial rate assumption approved by the board of trustees on the employer contributions for the portion of buy-back periods which are longer than five years, as well as the interest on employee contributions; provided, however, that this provision relating to paying interest on employer contributions shall not apply to employees in the service who are eligible for membership at the time this ordinance is adopted. Periods of buy-back without interest on the employer portion of contribution shall cover the first continuous or intermittent service most immediately contiguous to the date of the buy-back. Periods of buy-back on which interest on the employer portion of contribution is payable shall cover continuous or intermittent service most immediately contiguous to the period of buy-back without payment of interest on the employer portion.

If such option is exercised, all rights or benefits under the fund which depend upon length of service shall be determined as if the employee had been a member from the date of his/her original appointment, or such other period for which this option is exercised, excluding any time during a break in service, to which date his/her contributions have been made good. An employee may not make more than one election to buy-back service credit towards eligibility and benefits under this subsection.

7. A retiree of the Pension Fund who is rehired as a permanent part-time employee by the City and elects to participate in the Pension Fund, shall have his/her final pension benefit calculated in two distinct parts representing the two distinct periods of service.

PASSED AND APPROVED this 12th day of October, 1993.

CITY OF EL PASO:

Mayor

ATTEST:

Carole Hunter

City Clerk

APPROVED AS TO FORM:

Robert B. Ash

Robert B. Ash
Assistant City Attorney

RBA:pmc\0025656

011593