

## Police Officers and Fire Fighters' Retirement System (FD0)

<b>Proposed Operating Budget (\$ in thousands)</b>	<b>\$49,000</b>
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### FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The Police Officers and Fire Fighters' Retirement System is comprised of one control center that serves as the major component of the agency's budget.

### FY 2001 Proposed Budget by Control Center

(Dollars in

Police Officers and Fire Fighters' Retirement

Control Center	Proposed FY 2001 Budget
1000 POLICE / FIREFIGHTERS RETIREMENT	49,000
FD0 Police Officers and Fire Fighters' Retirement	49,000

### Agency Overview and Organization

The Police Officers and Fire Fighters' Retirement System provides annuity payments and other retirement and disability benefits for the District Metropolitan Police and Fire Department retirees and survivors. The FY 2001 proposed budget for the Police Officers and Fire Fighters' Retirement System is \$49,000,000, an increase of \$9,100,000 over the FY 2000 budget. The FY 2001 funding level is based on the certified actuarial analysis from the D.C. Retirement Board. The FY 2001 employer contribution rate for covered payroll is 18.8 percent for police officers and 22.3 percent for fire fighters. For FY 2001, an additional \$1,600,000 is included to implement increased benefits for police officer and fire fighter survivors.

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (the "Act"), the federal government assumed the District's unfunded pension liability for the retirement plans of the teachers, police officers, firefighters and judges. Pursuant to the Act, the federal government pays the future retirement, death and a share of the disability benefits earned by the beneficiaries vested prior to June 30, 1997 (the freeze date). Benefits earned after the freeze date by teachers, police officers and firefighters remain the responsibility of the District of Columbia.

The District transferred most of the current pension assets to a trust, established by the U.S. Treasury. The District retained approximately \$1,275,000,000—from the Teachers' and Police Officers and Fire Fighters' Retirement Systems—of the total assets of the pension funds for the benefit of the future pension beneficiaries.

**FY 2001 Proposed Operating Budget**

The Police Officers and Fire Fighters' Retirement System's Operating Budget is composed of one category: Nonpersonal Services (NPS).

Within the NPS budget category is object class subsidies and transfers.

Authorized spending levels present the dollars by revenue type. Revenue type is local (tax and non-tax revenue not earmarked for a particular purpose).

<b>FY 2001 Proposed Operating Budget</b>										
<b>(Dollars in Thousands)</b>										
Police Officers and Fire Fighters' Retirement System										
<b>Object Class</b>	<b>Actual FY 1999</b>		<b>Approved FY 2000</b>		<b>Proposed FY 2001</b>		<b>Variance</b>			
Subsidies and Transfers	35,100		39,900		49,000		9,100			
Subtotal for: Nonpersonal Services (NPS)	35,100		39,900		49,000		9,100			
Total Expenditures:	35,100		39,900		49,000		9,100			
<b>Authorized Spending Levels by Revenue Type:</b>										
	<b>FTEs</b>		<b>Dollars</b>		<b>FTEs</b>		<b>Dollars</b>		<b>FTEs</b>	
Local	0		35,100		0		39,900		0	
Total:	0		35,100		0		39,900		0	

**Agency Funding Summary**

The proposed FY 2001 operating budget *for all funding sources* is \$49,000,000, an increase of \$9,100,000, or 22.8 percent, over FY 2000 approved budget. The Police Officers and Fire Fighters' Retirement System receives funding from local sources. There are no FTEs supported by this control center.

- **Local.** The proposed *local* budget is \$49,000,000, an increase of \$9,100,000 over the FY 2000 budget. The entire increase is in nonpersonal services.

The change in nonpersonal services is comprised of:

- \$9,100,000 increase based on the certified FY 2001 actuarial statement and an additional contribution to increase benefits for police officer and fire fighter survivors.