

**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JAN 24 2008

SUBJECT: Fiscal Impact Statement: "Defined Contribution Plan Modifications
for Director of the Department of Corrections Devon Brown
Amendment Act of 2008"

REFERENCE: Draft Bill – No Number Assigned

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978¹ to modify the 401(a) Defined Contribution Pension Plan provisions applicable to District government employees for Director of the Department of Corrections Devon Brown.

Specifically, the proposed legislation would provide that Director Brown's interest in the benefits in the Defined Contribution Pension Plan would not be forfeited upon separation from employment if separation occurs prior to the completion of five (5) years of creditable service. The proposed legislation provides that a calculation of creditable service for Director Brown would include either consecutive service or a combination of different periods of service.

¹ Effective October 1, 1987. D.C. Law 7-27; D.C. Official Code § 1-626.10

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed legislation. Implementation of the proposed legislation would not have an impact on the budget and financial plan, as estimated annual employee forfeitures from the 401(a) Defined Contribution Pension Plan are not included in the budget and financial plan. While there is a potential for reduced employee forfeitures through the enactment of this legislation-- representing a loss of unbudgeted revenues for the District-- this amount, if any, cannot be reliably estimated as it would depend on when Director Brown becomes separated from employment with the District.