

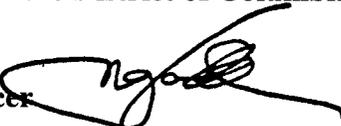
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**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:** OCT 21 2008

**SUBJECT:** Fiscal Impact Statement: "Retired Police Annuity Amendment Act of 2008"

**REFERENCE:** Bill Number 17-743, Committee Print

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**Conclusion**

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation.

**Background**

Under current D.C. law, the benefits payable to survivors of deceased retired members of the Metropolitan Police Department begin on the first month of the date of the death of the retired member. The proposed bill would amend D.C. Official Code § 5-701 *et seq.* so the survivor would receive the annuity of the deceased retired member for the prorated portion of the month of the member's death, instead of the D.C. practice of ceasing such payments to the retired member as of the last day of the month prior to the month of death. Because payments to the retiree during his or her lifetime are at a higher rate than the payments to the survivor, the change in law would result in a marginal increase in benefits payable by the District.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation.

As stated by EFI Actuaries in a letter dated October 10, 2008, the proposed bill provides for a "slight increase in the first month's benefits to the survivor of a deceased retiree of the (District of Columbia Police Officers' and Firefighters' Retirement) Plan." In the same letter, EFI states that they "expect the cost impact to be immaterial," even though "the total amount paid out of the (Police Officers' and Firefighters' Retirement) Fund will increase." Therefore, the impact of implementing the proposed bill would have a negligible impact on the budget and financial plan.