

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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: September 28, 2018

SUBJECT: Fiscal Impact Statement – Teachers’, Police, and Firefighters
Retirement Benefits Technical Amendment Act of 2018

REFERENCE: Bill 22-468, Committee Print provided to the Office of Revenue
Analysis on September 25, 2018

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

The bill makes three technical amendments to the laws governing the retirement benefits for teachers, police and firefighters.

First, the bill reinstates a provision exempting participants who were active in any of the plans prior to October 1, 2002 from compensation limits¹. The provision, which grandfathered the exemption for that group, was inadvertently removed by previous technical correction bills in 2013.²

Second, the bill conforms the law to current practice of providing domestic partner benefits for non-federal annuitants participating in the police and firefighter retirement plans.

Third, the bill allows certain Fire and Emergency Medical Services (FEMS) employees who become sworn officers to receive credit for their prior FEMS service. Individuals eligible to participate in the police and firefighters’ retirement plan will be able to apply funds in their District 401(a)

¹ Compensation limits are used for determining allowable annual contributions into the plan.

² Retirement of Public-School Teachers Omnibus Amendment Act of 2012, D.C. Law 19-312 effective from May 1, 2013, and Police and Firefighter’s Retirement and Disability Omnibus Amendment Act of 2012, D.C. Law 19-314, effective May 1, 2013.

The Honorable Phil Mendelson

FIS: "Teachers', Police, and Firefighters Retirement Benefits Technical Amendment Act of 2018," Bill 22-468, Committee Print provided to the Office of Revenue Analysis on September 25, 2018.

Retirement Plan³ toward the purchase of service credit in the police and firefighter plan. Current law allows the transfer-out of funds for this purpose, but the police and firefighters' plan statute does not allow for the transfer-in.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. An actuary hired by the District of Columbia Retirement Board determined⁴ that the changes proposed in the bill are technical and do not have a fiscal impact on the retirement funds.

³ D.C. Law 2-139; D.C. Official Code § 1-626.05(3).

⁴ Actuarial Impact letter provided by Cavanaugh Macdonald Consulting, LLC to the DC Retirement Board dated March 12, 2018.