

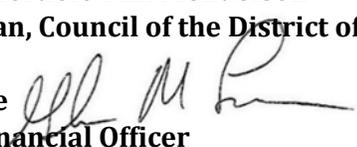
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee 
Chief Financial Officer

DATE: February 20, 2025

SUBJECT: Fiscal Impact Statement – First Responder Retention Efforts
Amendment Act of 2025

REFERENCE: Draft Committee Print provided to the Office of Revenue Analysis
January 14, 2026

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The Metropolitan Police Department (MPD) and the Fire and Emergency Medical Services Department (FEMS) can implement the bill within current resources. No additional funding is estimated to be required for the District's retirement funds based on personnel impacts of the bill.

Background

Current law¹ allows members² of MPD and FEMS to retire after 25 years of service and reaching the age of 50, but also considers all members, subject to the discretion of the Mayor, retired at age 60. Retired members are entitled to receive an annuity based on their years of service. The bill amends current law to remove references to MPD and FEMS members age 60 or above as retired. Effectively, MPD and FEMS members are no longer required to retire at age 60.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. MPD and FEMS can implement the bill's new retirement policy within excising

¹ D.C. Official Code § 5-712.

² For members hired after 1979.

The Honorable Phil Mendelson

FIS: First Responder Retention Efforts Amendment Act of 2025, Draft Committee Print as provided to the Office of Revenue Analysis on January 14,2026

resources, and no additional funding is estimated to be required for the District's retirement funds based on personnel impacts of the bill.

Budgeted District contributions to the District's Police and Fire Retirement Fund ("Fund") are based on an annual actuarial valuation commissioned by the District of Columbia Retirement Board. (DCRB). The bill may alter historical patterns of when employees choose to retire or must retire. Extending years of service for example may increase the annuity due to an employee upon retirement, either through an increase of the percentage of salary for which the annuity is calculated or an increase in the average final salary (through step increases, longevity pay or negotiated salary increases) upon which the annuity payment will be based. At the same time, additional years of service will delay annuity payments to the employee and provide positive inflows to the Fund from the employee's required payroll contributions.

The Office of the Chief Financial Officer has contracted with an actuary to project these various impacts to the retirement fund and has found that the overall impact of the bill should not require any increased District contributions to the retirement fund over the financial plan. DCRB performs updated actuarial valuations annually which include updated personnel and retiree data as well as financial performance of the Fund's assets, and actual annual contributions from the District to the Fund will be based on the annual valuations performed by DCRB.