

Time Service Purchase Errors

Here is a brief update on this subject based on my early investigation.

- In June 2016, the PFPF Board received a memo from Steve Durden regarding whether Cecil Field Firefighters could purchase the time they worked for the federal government and connect it to time they worked for the City of Jacksonville. Language in that memo was misinterpreted by administration and staff at the time to mean that our members connecting time from the beaches should be charged 8% rather than 20%.
- Since that time there have been eight time service transactions which have been calculated incorrectly. Here is the impact of time service purchase errors on our members. Two members were charged 20% and lowered to 8%; six members were charged 8% (including one retired); and five members who have requested a recalculation from 20% to 8%. In total, members were under-charged approximately \$187,000.
- This practice went on until it came to my desk last month. Staff received requests to lower earlier time service rates and did not know what to do. I went to our attorney for guidance. You will recall from the February board meeting Lawsikia Hodges stating "...the law (Section 121.107 on Time Service Connections) is black and white; members may connect time at either a 10% (or current contribution rate) or a 20% rate, depending on where they worked...any incorrect payments would be corrected just like in any other case."
- When did the time service purchase errors stop? ***December 2017 was the last. Anyone requesting time service purchase from the Beaches now is charged the correct rate 20%.***
- How will the errors get corrected? ***I'm working with our lawyers and staff on a correction policy. It will likely correct underpayment by the member (if the member is still active) this way. The member (i) pays by a date certain for the correct amount that credit is worth, (ii) decides to reduce credit to whatever amount member can afford and files an amended application to be resubmitted to AC; or (iii) elects to get no credit and all monies are returned. What happens if the error occurs and the member has already retired and is receiving benefits is yet to be determined. There will be an appeal mechanism. The final policy will come to the Board for review in April.***
- What about the members? ***I intend to meet with the board's police and fire representatives separately to review the specifics and for advice. Then the benefits manager and I will contact the 13 impacted members directly.***

THJ 3/16/2018