

# Retirement Reform Agreement

Police and Fire Employees in the PFPF



OFFICE OF THE MAYOR  
ALVIN BROWN  
MAYOR

## Pension Benefit Changes for Current Employees

Plan Element	Current Plan	2013 Agreement	2014 Agreement
<b>DROP Interest Rate</b>	Guaranteed DROP interest rate of 8.4 percent	Same as Current Plan	<p>For employees who have not yet entered DROP by the end of 2014, eliminates guaranteed rate of return.</p> <p>DROP interest rate will be the actual rate with floor of 5% and cap of 10%.</p>
<b>Final Average Compensation(FAC)</b>	FAC based on last 24 months of service	Same as Current Plan	For employees with less than 10 years of service, the FAC will be based on the last 48 months of service.
<b>Employee Contributions</b>	Employee pre-tax contribution of 7 percent	Contribution would have increased to 9%, but only if the City restored the 2% pay cut implemented for fire employees in 2010 and police employees in 2012 <i>and</i> provided additional pay raises.	<p>Contribution will increase to 10%.</p> <p>Increase will occur in two stages.</p> <p>Upon implementation of the agreement on October 1, 2014, the employee contribution will increase from 7% to 8%.</p> <p>When the City restores the 2% pay cut implemented for fire employees in 2010 and police employees in 2012, the employee contribution will increase from 8% to 10%.</p>