

Pension Audit Findings

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Since my last e-mail I have heard from many of you on both sides of the issue. The happy people are getting additional pension payments but many are taking, in some cases, substantial cuts to their pension checks.

I have spoken to many people and would like to share what I have found. This audit was conducted because there was a concern that pensions were not being properly calculated. The city code 18.554 does contain the calculations for the Old Hire Plan.

You, like I, probably thought that you were receiving a set percentage of the rank you attained with all of the longevity when you retired. At first glance 18.554 made me think that we were being confused with the New Hires.

18.554 came about for 2 reasons. In 2000 there was an ordinance passed by the City Council that added pension benefits for additional months worked past your anniversary date. I was told that an actuary was conducted and the FPPA signed off with the approval of the old hire members.

In 2008 the PPA negotiated additional longevity for active officers and the Pension Board added the new longevity to the pension benefit. Hence the complicated formula in 18.554.

These changes to our pension were made without any vote that I remember. My memory is a little suspect, but it could be that maybe no vote was necessary to make these changes. If you are attempting to figure your pension you must use the formulae that are contained in 18.554.

This may begin to answer some of the confusion. For me, it does not answer the wide disparity of results that were returned by the auditors. It is not reasonable to assume that everyone who retired had his or her pension figured differently. It's not reasonable to me that officers retiring in the same year, having their pensions calculated by the same personnel staff, should be in a position that one owes and one was shorted.

The other problem I have is that some of the back pension payments are for calculations that occurred prior to the year 2000. I am having a tough time trying to explain these types of mistakes that had gone on for that amount of time. Not being able to visit with the auditors and any other of the staff involved with the audit only makes understanding this issue harder.

The bottom line for me is, I still have questions about why I am being reduced in benefit. The explanation given to me is that my pension was figured on 31.5 years instead of 31 years. I don't understand why this would make any difference so I am going to ask that I be heard in front of the Pension Board.

The process for asking for a review is to request a hearing before the Board in writing to the Manager of Safety. I would think that an e-mail of that letter would be sufficient. I suggest that if you want to be heard on this issue you need to appeal your situation to the Board. I believe that there is still a chance that all is not well in the pension calculation business. There is just too much difference in these calculations to let them go without any explanation at all.

I will let you know if I happen upon any additional information.