



Lexington-Fayette Urban County Government
OFFICE OF THE COUNCIL CLERK

Jim Gray
Mayor

Meredith Nelson
Council Clerk

TO: Urban County Council

FROM: 
Meredith Nelson, Council Clerk

DATE: November 7, 2013

RE: Recommendation to Council from City Employees' Pension Fund Board

On October 22, 2013, the City Employees' Pension Fund Board voted (7-0) to request the Council's approval of a tiered supplement to retirees and beneficiaries of the City Employees' Pension Fund. The approved proposal supplements annual pensions with a one-time, tiered increase based on the current annual pension and years of service (at retirement) of each pensioner or beneficiary. One-time adjustments will be tiered as follows:

Current Annual Pension	Supplement	Years of Service	Supplement
\$0 - \$10,000.00	\$700	Beneficiary	\$200
\$10,000.01 - \$20,000.00	\$600	0.00-10.00	\$200
\$20,000.01 - \$30,000.00	\$500	10.01-20.00	\$300
\$30,000.01 - \$40,000.00	\$400	20.01-30.00	\$400
\$40,001.01 - \$50,000.00	\$300	30.01-40.00	\$500
\$50,000.01 and Above	\$200		

The Pension is a "closed" fund and, as of October 30, 2013, has 29 retirees and 59 beneficiaries. Beneficiaries receive 75% of the retirees' pension. The current 3% annual COLA was approved by Ordinance No. 110-81, effective on July 1, 1981.

The Pension Fund's Actuarial Study is performed annually and is kept on file in the Council Clerk's Office. The draft study as of July 1, 2013, estimates that the Fund is 216.7% funded.

If approved by Council, this proposal would go into effect January 1, 2014 as the next available pay period.

cc: Mayor Jim Gray
Sally Hamilton, CAO
City Employees' Pension Fund Board Members
Ed Gardner, Dept. of Law