

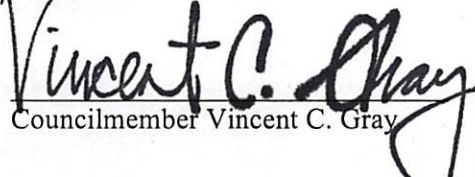


1 
2 Chairman Phil Mendelson


Councilmember Charles Allen

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6 Councilmember Anita Bonds


Councilmember Mary M. Cheh

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10 Councilmember Vincent C. Gray

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14 A BILL

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18 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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23 To incentivize the retention of retirement-eligible FEMS and MPD members by creating a deferred
24 retirement option program to allow eligible members to continue working for up to 5 years
25 while collecting supplemental payments in a separate retirement account.

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27 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
28 act may be cited as the “Deferred Retirement Option Program Amendment Act of 2018”.

29 Sec. 2. The Policemen and Firemen’s Retirement and Disability Act, approved September
30 1, 1916 (39 Stat. 718; D.C. Official Code § 5-701 *et seq.*) is amended as follows:

31 (a) Section 12(a) (D.C. Official Code § 5-701) is amended by adding new paragraphs (21)
32 and (22) to read as follows:

33 “(21) “DROP” means the retirement program established in section 12(h-1).

34 “(22) “Eligible member” means, for the purposes of the deferred retirement option program
35 established in section 12(h-1), a member of the Metropolitan Police Department or the Fire and
36 Emergency Medical Services Department who meets the qualifications for optional retirement in
37 section 12(h).”.

Wm. D. Stewart

38 (b) A new section 12(h-1) is added to read as follows:

39 “Sec. 12(h-1). Deferred retirement option program.

40 “(a) There is established a deferred retirement option program, to be administered by the
41 District of Columbia Retirement Board, under which the District of Columbia Retirement Board
42 shall create separate interest-bearing DROP accounts for participating eligible members, allowing
43 participating eligible members to continue working while receiving monthly retirement benefits in
44 his or her DROP account.

45 “(b)(1) Beginning 91 days after the effective date of this act, an eligible member may elect
46 to participate in the DROP by giving at least 60 days’ written advance notice to his or her
47 department head stating his or her intention to participate and the date on which he or she intends
48 to begin participating.

49 “(2) An eligible member may participate in the DROP for up to 5 years. Upon
50 cessation of the eligible member’s participation, the eligible member shall permanently cease
51 employment with their employing department, except as provided in section 2 of the Retired Police
52 Officer Redeployment Amendment Act of 1992, effective September 29, 1992 (D.C. Law 9-163;
53 D.C. Official Code § 5-761), and section 2 of the Retired Police Officer Public Schools Security
54 Personnel Deployment Amendment Act of 1994, effective July 23, 1994 (D.C. Law 10-136; D.C.
55 Official Code § 5-762).

56 “(c)(1) Payments made under this section shall be paid out of the District of Columbia
57 Police and Firefighters’ Retirement Fund established by the Police Officers, Fire Fighters, and
58 Teachers Retirement Benefit Replacement Plan Act of 1998, effective September 18, 1998 (D.C.
59 Law 12-152).

60 “(2) On a monthly basis, an amount shall be deposited in a participating eligible
61 member’s account equal to the amount that would have been payable to that participating eligible
62 member under section 12(h) of this subchapter had the participating eligible member elected to
63 retire pursuant to section 12(h) on the date he or she began participating in the DROP.

64 “(3) Any unused sick leave credited to a participating eligible member shall not be
65 used in computing the amount paid under paragraph (2) of this subsection and shall be carried
66 forward until the participating eligible member ceases participation.

67 “(4) A participating eligible member’s DROP account shall be eligible for the cost-
68 of-living adjustments determined by the District of Columbia Retirement Board pursuant to section
69 12(h)(i).

70 “(5) The District of Columbia Retirement Board shall set the applicable interest rate
71 as provided in section 12(h)(i).

72 “(6) Participating eligible members entitled to medical leave pursuant to section
73 623 or section 624 of the Fire and Police Medical Leave and Limited Duty Amendment Act of
74 2004, effective September 30, 2004 (D.C. Law 15-194; D.C. Official Code § 5-633 or § 5-634),
75 shall cease participation in the DROP after a period of 120 days on medical leave.

76 “(d)(1) A participating eligible member may cease participation at any time by providing
77 his or her department head with 60 days’ written advance notice. After ceasing participation, the
78 eligible member shall receive the distribution of the member’s DROP account balance, which may
79 be made in one of the following ways:

80 “(A) A lump sum distribution;

81 “(B) Rolled over to another qualified retirement plan or an IRA;

82 “(C) The purchase of an annuity; or

83 “(D) Any other method of distribution provided by the District of Columbia
84 Retirement Board.

85 “(2) The annuity payable to a participating eligible member upon his or her
86 cessation of participation shall be computed to include any increase based on the participating
87 eligible member’s unused sick leave as of the date the participating member ceases participation.

88 “(e)(1) If a participating eligible member becomes eligible for benefits under section 12(f),
89 the participating eligible member shall cease DROP participation and commence distribution of
90 his or her DROP account balance. The monthly pension benefit under section 12(f) shall be equal
91 to the benefits as of the day he or she commenced participation in DROP, as increased by the cost-
92 of-living adjustments that would have accrued if the member had actually retired on that date, and
93 subject to increases for unused sick leave.

94 “(2) If a participating eligible member becomes eligible for benefits under section
95 12(g), he or she may choose to cease participation in the DROP and become eligible for benefits
96 as of the day he or she commenced participation in the DROP, as increased by the cost-of-living
97 adjustments that would have accrued if the member had actually retired on that date, and subject
98 to increases for unused sick leave.

99 “(3) If a participating eligible member is involuntarily terminated, he or she shall
100 receive the remainder of the participating eligible member’s DROP account balance and the
101 annuity that he or she would have received had the participating eligible member retired on the
102 date he or she began participating in the DROP, as increased by the cost-of-living adjustments that
103 would have accrued if the participating eligible member had actually retired on that date, and
104 subject to increases for unused sick leave.

105 “(4) If a participating eligible member dies and his or her survivor is eligible for
106 benefits under section 12(k), his or her survivor shall receive those benefits in addition to the
107 distribution of the participating eligible member’s DROP account balance. The monthly pension
108 shall be equal to the benefits as of the day he or she commenced participation in DROP, as
109 increased by the cost-of-living adjustments that would have accrued if the member had actually
110 retired on that date, and subject to increases for unused sick leave.

111 “(5) If a participating eligible member dies while participating in the DROP and his
112 or her survivor is not eligible for benefits under section 12(k), the participating eligible member’s
113 survivor shall receive the remainder of the participating eligible member’s DROP account balance
114 and the annuity that the survivor would have received had the participating eligible member retired
115 on the date he or she began participating in the DROP, as increased by the cost-of-living
116 adjustments that would have accrued if the participating eligible member had actually retired on
117 that date, and subject to increases for unused sick leave.

118 “(f) On October 1, 2020, and every 5 years thereafter, the Office of the Chief Financial
119 Officer shall submit a report to the Mayor and Council that analyzes:

- 120 “(1) The fiscal impact of the DROP;
- 121 “(2) Eligible members’ participation; and
- 122 “(3) The effect of the DROP on the retention of eligible members.”.

123 Sec. 3. Fiscal impact statement.

124 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
125 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
126 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

127 Sec. 4. Effective date.

128 This act shall take effect following approval by the Mayor (or in the event of veto by the
129 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
130 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
131 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1)), and publication in the District of
132 Columbia Register.