

Comparison Study for Act 44 Benefit Plan Study for the City of Philadelphia

Issued July 27, 2015

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LETTER OF TRANSMITTAL

July 27, 2015

Pennsylvania Public Employee Retirement Commission and
the Special Pension Commission
City of Philadelphia Municipal Retirement System
Two Penn Center Plaza – 16th Floor
Philadelphia, PA 19102-1721

Dear Commission Members:

At your request, we are providing our report on the comparative retirement benefits of a number of different jurisdictions with those of the City of Philadelphia Municipal Retirement System. The purpose of this report is to compare the retirement benefits, costs (employer and employee), and basic characteristics of the retirement benefits from each jurisdiction to the System's pension benefits, as defined under Act 44.

In preparing our report, we relied on information we were able to obtain through public sources as well as information we have through our work with the System.

We hereby certify that, to the best of our knowledge, this report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries we meet the Qualification Standards, as defined by the American Academy of Actuaries, to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Commission Members
July 27, 2015
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This report was prepared solely for the Special Pension Commission for the purposes described herein. Our report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely,
Cheiron



Kenneth A. Kent, FSA, FCA, EA, MAAA
Principal Consulting Actuary



Karen Zangara, FSA, EA, MAAA
Principal Consulting Actuary

SECTION I SURVEY RESULTS

Section 1002 of the Pennsylvania Municipal Pension Plan Funding Standard and Recovery Act No. 205 (Act 205) calls for a special commission to perform a Benefit Plan Study (as defined in Chapter 1, Section 102, of Act 205) every two years following July 1, 2009. In particular, item four (4) of the definition of the Benefit Plan Study requires “a comparison of each benefit and proposed benefit and its cost in other jurisdictions, including other municipalities and states of comparable size to this Commonwealth”. Cheiron has been engaged to perform this study comparing the benefits of a number of different jurisdictions. Under the Commission’s direction in determining the relevant jurisdictions, this report provides the comparison of the benefits and other aspects of the retirement systems of six different jurisdictions that have some relative measurements comparable with the City of Philadelphia (Philadelphia or the City) and the City of Philadelphia Municipal Retirement System (the System). We understand our report is just one part of the overall report to be submitted to the Appropriate Committees of the Pennsylvania State Legislature.

We consider the purpose of this report along with other supporting documents as a means of providing context in understanding the current financial position and overall benefit structure of the System’s provisions for providing retirement security for Philadelphia’s employees.

In this part of our report, we discuss various components of comparability to highlight the specific characteristics of the City’s retirement system relative to other jurisdictions including:

- Describing the other jurisdictions used for comparison and the criteria considered by the Commission in the selection
- Looking at the implicit retirement ages and expected benefit levels and compensation replacements targets
- Considering the expectations for purchasing power of retirement income after retirement against inflation and cost of living adjustment
- Determining the relative costs of benefits under each jurisdiction’s pension program
- Identifying how benefit changes are made
- What authority has the ability to change the benefits
- How often have they been changed and during what economic periods
- Comparing the funded ratios and how they have changed by jurisdiction over time

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- Considering who has authority over paying the actuarially determined cost and what discretion is there in how the benefits are funded
- Providing a comparison of each benefit and recently proposed benefit changes that have occurred or are set to occur among the different jurisdictions.

Jurisdiction Selection

The selection of other retirement systems for comparison is often driven by the intent behind a comparative study. If for example the study is intended to help compete for qualified employees you would focus exclusively on neighboring jurisdictions because you are competing in a regional market place on a compensation and benefits level. If the study is intended to provide information of benefit comparisons for economically similar employers then you will focus on jurisdictions of similar population, size, and wealth.

For this study, to consider a context for assessing the fiscal progress and future health of the City of Philadelphia's Retirement System, jurisdictions have been selected to demonstrate a number of different criteria to provide similarities and differences among systems that have similar financial challenges. Act 205 states that the following is needed:

This report is intended to provide: A comparison of each benefit and proposed benefit and its cost in other jurisdictions, including other municipalities and states of comparable size to the commonwealth.

In looking at jurisdictions of “comparative size” we explored the basis of this measurement. Size could be referencing city population, or annual city revenue, or it could refer to the number of retirement system participants, or unfunded percent of liabilities. The Commission also considered the geographic cost of living as an important consideration for jurisdiction selection, because a meaningful pension benefit can be measured based upon the ability to cover living costs, which can vary dramatically in different jurisdictions.

It is also helpful in a comparative study to include systems providing contrast which facilitates an understanding of what may drive the differences they have in achieving and funding retirement security programs for their employees. At the same time it is beneficial to compare the System with some of the previously selected jurisdictions to have some comparability of progress or change with the prior report. (In performing the process of identifying jurisdictions for this study, information was gathered using public sources including Summary of Plan Descriptions, Actuarial Valuation Reports, CAFRs, and various documents describing plan changes or provisions, as available for different jurisdictions.).

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Based on these considerations, five jurisdictions were selected as appropriate from the 2012 study which included:

- Baltimore – This is a relatively “older city” in the United States, with a close proximity to Philadelphia. These pension plans have more retirees than actives, which is similar to Philadelphia’s pension plans. This is an east coast port city with comparable cost of living to Philadelphia.
- Pennsylvania -- The State and City’s economic past, present and future are closely tied, however the financial journey for their respected retirement systems to today’s funded status is very different and important to compare and contrast when the legislature looks at the status for Philadelphia.
- Boston – This city is similar to Philadelphia as a north east port city of similar age. Boston is within a close proximity to Philadelphia, but it is not sharing the same labor market. Boston has a comparable cost of living among its citizens as Philadelphia.
- Chicago – This is a larger city representing a different region of the country but one with strong labor unions which often influence the benefit structure. While economically bigger than Philadelphia, it has a funded ratio less than 50%, demonstrating similar financial stress of the pension fund for the city similar to Philadelphia. The Chicago cost of living is comparable to Philadelphia.
- Los Angeles – This is a large city, with total City revenues that are similar to Philadelphia. Again, the cost of living is comparable with broader municipal responsibilities beyond the city borders similar to Philadelphia.

One new jurisdiction was selected:

- Atlanta – While this is a smaller city, Atlanta maintains a mature Defined Benefit plan with more inactive participants than active participants, which is similar to Philadelphia, although not to the same degree as with the City of Philadelphia.

City population size and cost of living comparisons were determined based upon data from the US Census Bureau and cost of living indices.

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There was one jurisdiction used in the last study that is not included in this one. Discussing the reason for the exclusion of the previous studied system can add additional context for the systems studied. San Diego has frozen its defined benefit plan, so while it may be useful to compare past benefits, it no longer provides a meaningful comparison with regard to new hires. Furthermore, San Diego is not within close proximity to Philadelphia nor does it share a labor market, while Atlanta is on the east coast and continues to provide defined benefits to their general, police and fire employees.

The following tables represent some of the fundamental measurements for the jurisdictions considered with those selected. The first table outlines whether the jurisdiction was included in a prior study, city specific information, and the participant information concerning employees who can participate in the pension plan. The second table provides pension plan specific information including the liabilities, assets, funding ratio and participant count based upon the most recent publicly available actuarial valuation reports.

THE CITY OF PHILADELPHIA MUNICIPAL RETIREMENT SYSTEM
JULY 1, 2014 BENEFIT COMPARISON STUDY UNDER ACT 44

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Data for Comparative System Selection							
Included in 2010 Study?	Included in 2012 Study?	City/State Name	City Specific Data			Defined Benefit Plan Participation Information	
			Estimated 2013 Total City Population ¹	Cost of Living Comparison ²	Cost of Living Ratio Relative to Philadelphia	Employee Covered Groups	Plan Frozen to New Entrants Since Last Study?
Yes	Yes	Philadelphia	1,553,165	\$50,000	1.00	General municipal employees, Police, Fire plans	No
No	No	Atlanta	447,841	\$41,729	0.83	General municipal employees, Police, Fire separate plans ³	No
Yes	Yes	Baltimore	622,104	\$45,843	0.92	General municipal employees plan, and Police & Fire Plan	Yes ⁵
No	Yes	Boston	645,966	\$57,640	1.15	General municipal employees, Police, Fire plans ³	No
No	Yes	Chicago	2,718,782	\$48,866	0.98	General municipal employees, Police, Fire separate plans ⁴	No
Yes	No	Houston	2,195,214	\$41,477	0.83	General municipal employees plan, Police, Fire plans	No
No	Yes	Los Angeles	3,884,307	\$56,549	1.13	General municipal employees plan, and Police & Fire Plan	No
Yes	No	Phoenix	1,513,367	\$40,260	0.81	General municipal employees (Police & Fire in state plan)	No
Yes	Yes	San Diego	1,355,896	\$56,675	1.13	General municipal employees, Police, Fire plans	Yes ⁶
Yes	Yes	Pennsylvania	12,781,296	N/A	N/A	General municipal employees, Police, Fire plan	No
Yes	No	New Jersey	8,899,339	N/A	N/A	General municipal employees, Police, Fire separate plans ³	No

¹ Based upon the United States Census Bureau

² Based upon CNN Money cost of living calculator

³ Does not include the Teachers plan

⁴ Does not include the Teachers and Park Plans

⁵ Municipal Plan frozen

⁶ Municipal and Fire Plans frozen

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Pension Plan Data for Comparative System Selection									
Included in 2010 Study?	Included in 2012 Study?	City/State Name	Retirement System Statistics from Most Recent Valuation						
			Fund Ratio < 80%	Assets (in \$ billion)	Total liabilities (in \$ billion)	System Funded Ratio	Total Active	Total Retired	
Yes	Yes	Philadelphia	x	\$ 4.81	\$ 10.52	46%	27,065	34,269	
No	No	Atlanta	x	\$ 2.35	\$ 3.82	61%	5,888	6,274	
Yes	Yes	Baltimore	x	\$ 4.01	\$ 5.54	72%	13,321	15,076	
No	Yes	Boston	x	\$ 3.99	\$ 5.68	70%	14,235	9,925	
No	Yes	Chicago	x	\$ 9.16	\$ 28.03	33%	47,493	42,057	
Yes	No	Houston	x	\$ 9.69	\$ 13.26	73%	21,167	15,450	
No	Yes	Los Angeles	x	\$ 26.62	\$ 34.36	77%	37,106	30,034	
Yes	No	Phoenix	x	\$ 2.12	\$ 3.61	59%	7,731	6,290	
Yes	Yes	San Diego	x	\$ 5.83	\$ 7.86	74%	7,272	8,822	
Yes	Yes	Pennsylvania	x	\$ 25.98	\$ 43.87	59%	105,186	120,052	
Yes	No	New Jersey	x	\$ 53.89	\$ 80.00	67%	313,218	197,708	

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Benefit Comparison

Every system's retirement benefit structure has an implied expectation of the appropriate level of income that the plan sponsor is responsible to provide for a career employee's retirement security. These benefit levels can reflect what is considered as a career employee. Is it 30 or 35 years of service for general employees and/or 20 to 25 years of service for uniform service employees (police officers and fire fighters)? Are employees eligible to receive Social Security Benefits, requiring additional contributions by both the employer and employees while providing additional retirement resources and typically lower member contributions to the retirement system to reflect the additional Social Security payroll taxes paid? Does the retirement structure account for the opportunity for employees to accumulate savings to supplement retirement income or provide for additional options to achieve the same objective (for example through the opportunity to participate in a deferred retirement option program [DROP])?

The generally accepted practice is to have different retirement expectations for general/non-uniform employees versus the public safety/uniform service employees, which includes police officers and fire fighters.

Another component of the benefit structure is the governance model in which the benefits are agreed upon. Is the process one that is driven by labor-management negotiations or legislated?

In this section, we will present a model that demonstrates the normalized form of benefit among the selected jurisdictions on a comparative basis as a percent of final income replacement. In the next section, we discuss the cost comparison between the systems. In a separate section of our report we provide a detailed catalogue of the comparative benefit descriptions for each of the jurisdictions.

We have found that benefit comparisons at the time of a specific event, in this case normal retirement eligibility, does not necessarily provide a complete picture of the level of benefits by jurisdiction. A key component that is not apparent when comparing benefits only at the time of retirement is the fact that not all plans provide cost of living increases (COLAs). For example, a lower benefit at retirement with a full inflation type automatic cost of living adjustment could result in higher replacement income in a relatively short period of time after retirement when compared to a benefit that has no COLA. Similarly if one system's members are covered under Social Security Benefits that kick in after the expected normal retirement date the relative levels of retirement security can be understated or overstated if focused solely on a benefit comparison at retirement eligibility.

We will start with one set of plan options and provide additional illustrations ten to eighteen years after the retirement event.

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The charts demonstrate the final *pay replacement income ratios* for the respective retirement benefits offered by the pension plans which include retirement income, COLAs, employer sponsored defined contribution benefits, and Social Security benefits (if applicable). *The replacement income ratio is the total retirement benefit the participant is expected to receive divided by the final compensation the participant was earning just prior to retirement.* For example, if a participant is earning \$50,000 right before retiring, and will receive a \$40,000 annuity from the pension plan upon retirement, then the replacement income ratio is 80%.

These charts provide the replacement income ratio for each comparable jurisdiction based on the same sample employee. They also reflect the ratio of benefit to final pay, so if the benefit is based on a final average pay where for example the benefit is no more than 80% of the final average, then the replacement ratio will be less than 80% because we assume the final pay will be greater than a 3 or 5 year average for example. The following table outlines the alternative sample employees illustrated for the retirement event comparisons:

Illustration Number	Type of Employee	Plans Reviewed¹	Age at Hire	Age at Retirement	Current Compensation
Illustration 1	General	Current Plan	25	62	\$48,000
Illustration 2	Police	Current Plan	25	52	\$60,000
Illustration 3	Fire	Current Plan	25	52	\$60,000
Illustration 4	Elected	Current Plan	45	65	\$110,000

¹For current plan provisions we are using Plan 87 Prime benefits for General, Elected, Police, and Fire. The Plan 87 Prime benefits include the additional member contribution rate accounting for 50% of Normal Cost of General plus the additional 1% increase for new hires and 0.5% and 0.5% contribution increases in effective in 2015 and 2016 respectively and assumed to be in effect for these illustrations and Elected Officials. For Police and Fire it includes a 6% of pay rate. Plan 10, which applies a lower benefit accrual rate and different retirement eligibility provisions, has not been reflected, primarily because of the low participation.

For each illustration, we are providing at least the following charts:

(A) Comparison of the defined benefits only at retirement age

(B) Comparison of the defined benefits and social security benefits 10 years after retiring.

For purposes of our analysis we have used a 5% interest assumption for accumulating employee contributions to convert to an annuity to offset the portion provided by the employer versus employee for comparison. The 5% assumption is simply one range of acceptable

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assumptions that could be used for this analysis. For example, based upon current market conditions, it may be argued that a higher rate of return could be used for accumulating employee contributions and a lower discount rate could be employed for converting to an annuity. For simplicity, only the 5% scenario is provided in this report. Annuity conversions reflect the cost of living assumption as applicable for each plan.

Any automatic COLAs are based upon an assumed 2.8% inflation assumption and for our study we do not differentiate between inflation and the consumer price index. It is assumed that the participant's current age is the retirement age. Also, all benefits are based upon the most recent publicly available information concerning plan provisions. For Philadelphia, this means we are reflecting the plan changes which increased the general employee contribution rates. For other systems, we reflected the most recent information as available in the CAFR, actuarial valuation reports, or other publicly available information.

To complete this analysis, simplifications were made in assumptions and calculations. For example, we assumed the same pay definition was being applied to determine the benefits from each plan. Also, alternative account based benefits which may be offered in lieu of the defined benefit formula for some plans were not programmed. While we attempted to fully reflect the benefits offered from each of these plans, we may not have programmed certain subtleties associated with a plan. For a complete listing of the assumptions and simplifications made to calculate the replacement ratios in the following charts, please refer to Appendix A.

Different illustrations with different hire dates, retirement ages and pay levels can produce materially different results than the ones provided for these illustrations. Therefore, care should be applied in making too specific a set of conclusions from these results other than the relative relationships for a given set of parameters and variables. For example some plans may have different regular retirement ages at which point the benefits for that system may have the highest value of benefits. If our illustration is for a retirement age that is younger, for one of the jurisdictions, their comparative value may appear lower.

Our first illustration covers general/municipal/non-uniform employees. We are looking **at the plans currently in effect, consistent with the prior report.** This would also include using Plan 87 Prime for the City. While Plan 87 Prime was reflected for the uniformed plans in the prior study, this was not effective for the General employees at that time. It also reflects any benefit changes for the other jurisdictions since the prior study. The graphs reflect an age 25 hire eligible to retire at age 62 for general employees and 52 for uniform employees and we are looking at the benefits payable as a ratio of their final pay at retirement. This illustration includes Social Security Benefits if applicable.

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New for this study is a comparison of benefit payments based upon employer contributions to defined contribution plans. Similar to the employee contribution assumptions, we are using 5% interest rate and 5% conversion rate for the estimated annuity payable to the participant upon retirement from the defined contribution benefits. The employer only funded portion of the defined contribution benefit is provided in these charts. The defined contribution benefits are illustrated with the turquoise bars for some participants in Atlanta, Baltimore or Los Angeles plans only.

The interesting development since the previous study is the changes made by a number of the jurisdictions. Some of these changes include the following:

- For Philadelphia, for the general new members and existing members, the member contribution rates increased by 0.50% effective January 1, 2015 and again in January 1, 2016. Also, new entrants into Plan 87 Prime general and elected pay an additional 1% in contributions beyond the original Plan 87 Prime contribution rate. And finally, the Plan 87 Prime contribution rates are now being reflected for the general employees (in the prior study 87 Prime was reflected for the uniformed plans only).
- For Baltimore, general new employees will be covered by a lower defined benefit formula and a supplemental defined contribution structure. The current employee's contribution rate will be phasing in from 0% to 5.0% over five years beginning in 2013, and new employees pay 5%.
- For Los Angeles, the benefit formula changed to decrease the defined benefit amount and to provide a defined contribution supplemental benefit for the uniformed plans.
- There were no changes to the Boston, Pennsylvania and Chicago benefits, although there were minor adjustments to Chicago due to improved understanding of the 80% maximum benefit available.
- Although Atlanta is the new jurisdiction this year, the pension benefit structure was updated in September 2011 for all participants (general, police, fire). New participants receive reduced pension benefits and a supplemental defined contribution benefit while paying 8% of pay. Contributions for all employees grandfathered under the prior plan have increased employee contribution rates of 13%.

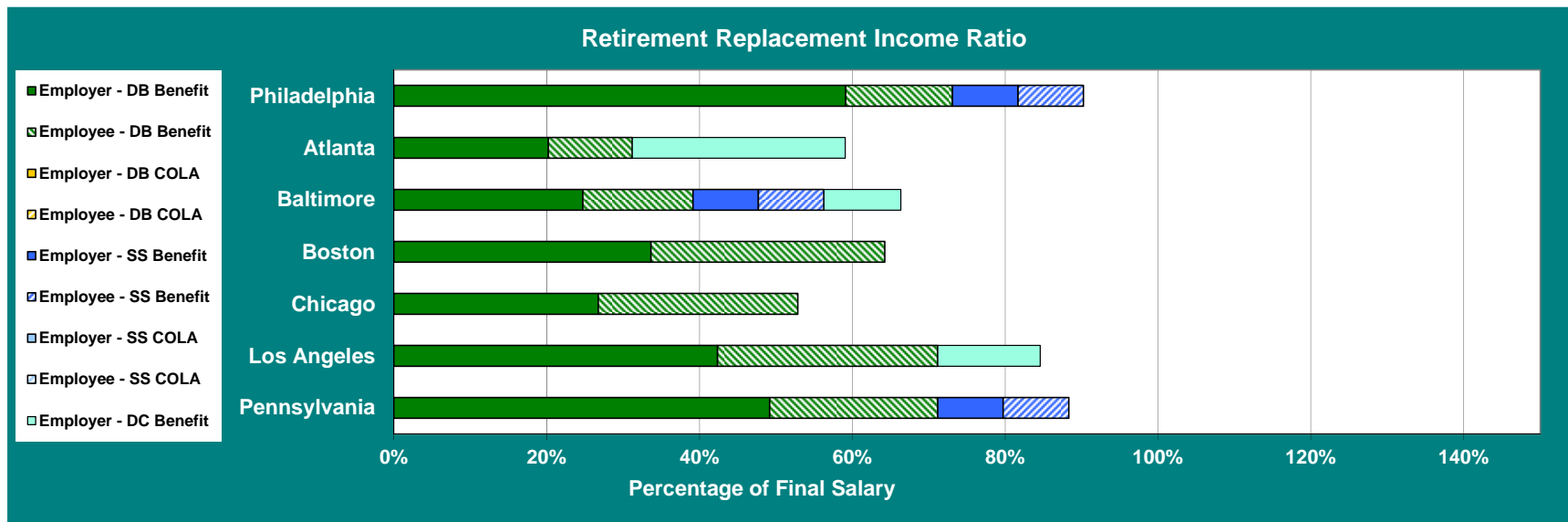
As the charts below demonstrate, we see a comparison of each of the plans' benefits at age 62 and 52 for general and uniform employees respectively, the benefits payable at the time of retirement relative to pay at retirement. We also assume a career employee entering the system at age 25 so they have 37 years of service with their employer for a general participant (27 years for a uniformed

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participant). To capture benefits with today's perspective we are assuming final pay is \$48,000 for general employees and \$60,000 for uniform employees.

We also show the portion of benefit that is attributable to employee versus employer contributions so the employer only provided benefit can be compared among the jurisdictions studied both on a System basis and where covered by Social Security Benefits, the portion that is employer and employee provided as well.

Illustration 1 (A) – General Employees – Employer Retirement Benefits and Social Security Benefits at Retirement Age 62



The bar colors differentiate the portion of the different benefits provided. Green bars indicate the defined benefit portion of the retirement income. Blue bars indicate the Social Security portion of the retirement income. Yellow bars (not shown in the graph above) indicate the portion of the benefit associated with the COLA for the defined benefit pension. Light yellow bars (not shown in

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the graph above) indicate the portion of the benefit associated with the Social Security provided COLA. Turquoise bars indicate the benefits provided by the employer's contributions to the defined contribution plan (if applicable).

The bar types (solid or dashed) help differentiate the portion of the different benefits provided by either the employer (solid) versus the employees (dashed). The dashed bar represents the estimated employee provided benefit paid with member contributions and employee portion of their Social Security taxes. This means that the green bars (solid and dashed) combined provide the total replacement income ratio provided from each retirement plan at each jurisdiction.

When looking only at the defined benefits provided before consideration of Social Security benefits (the green and light green bars), the Philadelphia Retirement System ranks just behind Los Angeles in terms of benefits provided among the seven jurisdictions in this study. Looking at the employer only provided benefits, the City would be ranked first as the value of employer contributions. Because Plan 87 municipal prime employees also participate in Social Security Benefits that could commence payment as early age 62, and the City provides half of this benefit, this creates a higher employer provided benefit when compared to Los Angeles. Therefore, the City of Philadelphia's retirement system is providing the greatest percent of replacement income at approximately 90% of final pay (when including the social security benefit).

The City's total benefits provided by employee and employer contributions are also very close to those provided under the Pennsylvania State Employees Retirement System. However when looking at employee and employer contributions, Pennsylvania is providing this benefit in a different way with the Commonwealth's employee contributions providing a greater portion of the benefit.

The employer provided portion of the benefit illustrated above for the System is the highest amongst the jurisdictions measured.

Only Philadelphia, Pennsylvania and Baltimore general employees under the current benefit structure participate in Social Security benefits based on the information we were able to obtain from the different jurisdictions (we were not able to confirm for example the participation of participants in Chicago under Social Security and for some systems participants under different tiers participate while older tier participants may not).

With the City's benefits under Plan 87 prime for municipal employees, the employee contribution now represents about 45% of the total normal cost. This is illustrated in the Cost Comparison section of our results. The normal cost for a plan is the value of the benefit earned each year but discounted for the probability the members of the plan will stay in the plan until retirement age so the member

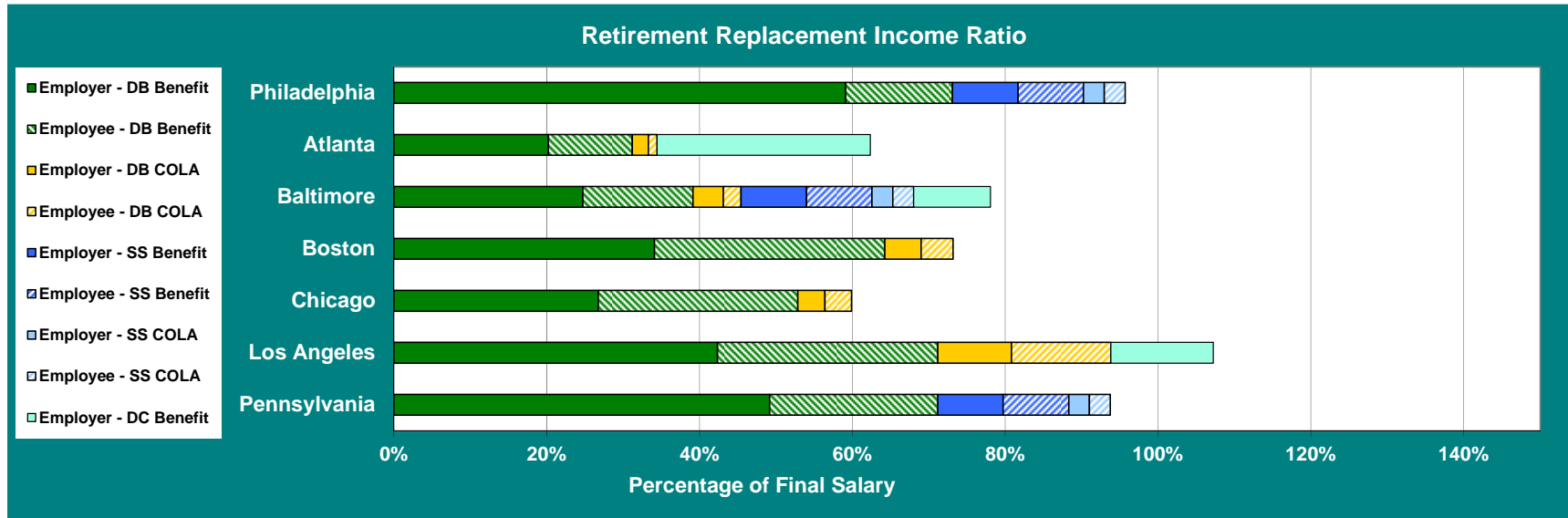
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contribution rate includes these discounts. For our comparative study we assume the illustrated benefits are earned with only interest and mortality as a factor in determining the annuity provided from member contributions. For jurisdictions that provide defined contribution retirement benefits, the employer cost as a percentage of the payroll was included in the annual cost calculation.

In this next graph, we show the same sample individual but we are comparing the benefit ten years into retirement at age 72. We now see the emergence of the COLA provisions available under the employer provided benefit (yellow bars) and Social Security benefits (light blue bars). In comparison to the previous graph where the City's benefits, when accounting for all employer and employee provided benefits, is the best among the different jurisdictions measured, demonstrates the implications of cost of living increases and shows that the Los Angeles benefits are richest, and the City's benefits are more in line with Pennsylvania's benefits. (While Philadelphia's System does have the Pension Adjustment Fund provisions that can provide some additional funds for retirees based on excess earnings, for comparative purposes we are only showing the benefits that are currently promised and not subject to contingent investment return thresholds).

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Illustration 1 (B-72) – General Employees – Employer Retirement Benefits and Social Security Benefits 10 Years After Retirement (age 72)

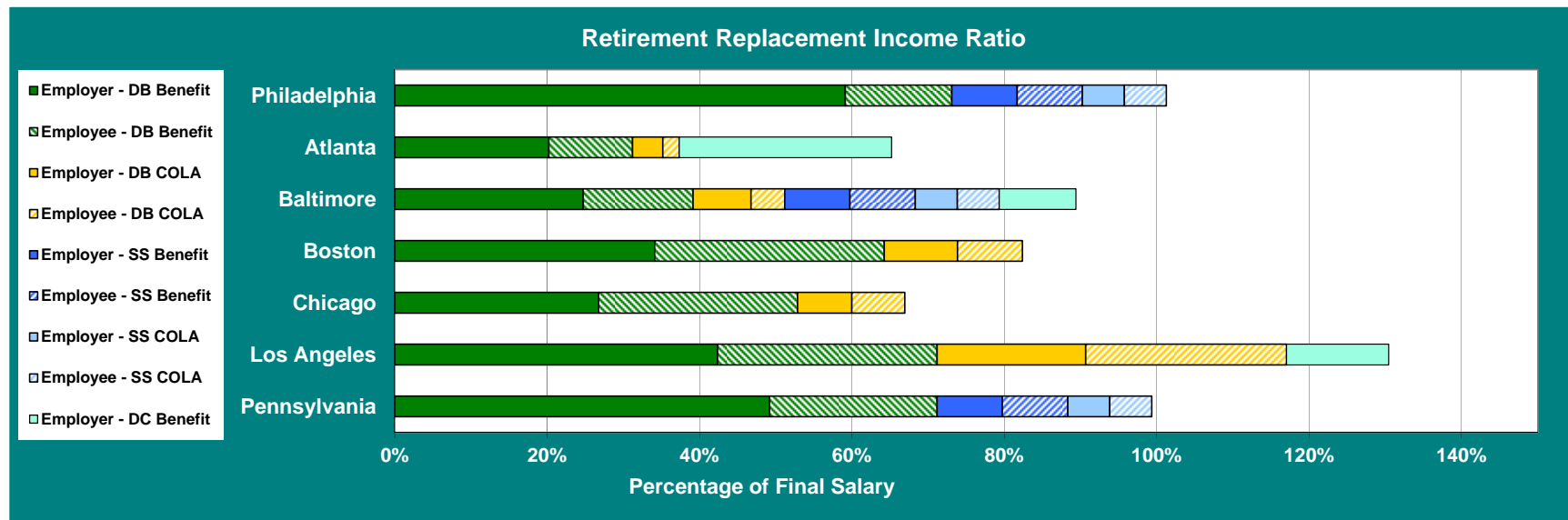


At this point, Los Angeles has pulled ahead in terms of the greatest benefit provided to general employees. If we continued to extend the actual age out we would see the cities of Baltimore and Chicago exceeding Philadelphia's benefits over time because of their COLA provisions (as illustrated below). Atlanta has a COLA as well, but the increases from the COLA do not exceed the Philadelphia benefits because the COLA is a relatively small amount of the total benefit. For this next illustration we show how the benefits compare theoretically at age 80.

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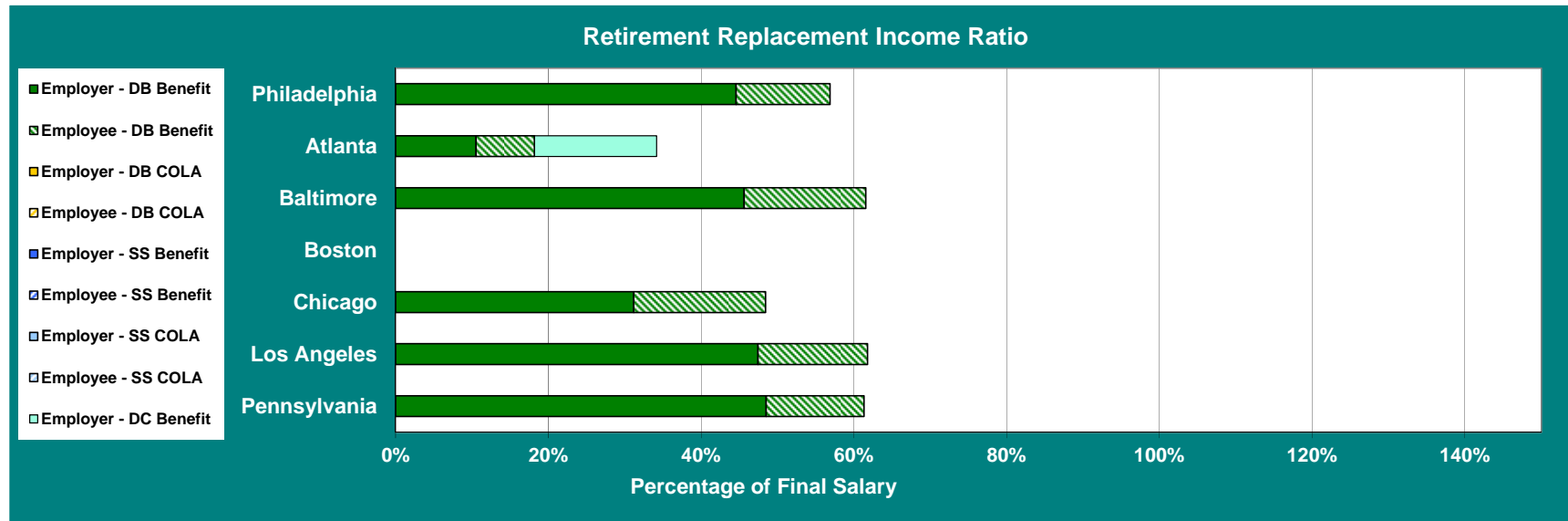
Illustration 1(B-80) - General Employees – Employer Retirement Benefits and Social Security Benefits at Age 80 with 62 Retirement



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Turning now to the uniform services of police officers and fire fighters, the plans typically do not include Social Security benefits, which is why the blue bars will not show up in the graphs below. The plans tend to provide for younger normal retirement age to account for the nature of the job. For Philadelphia, we are presenting the Plan 87 Prime benefits in this analysis reflecting the 1% higher contribution rate. If we look at someone entering the system at age 25 as a police officer with retirement eligibility at age 52 and final pay of \$60,000 we get the following comparison.

Illustration 2 (A) – Police – Employer Retirement Benefits at Retirement Age 52

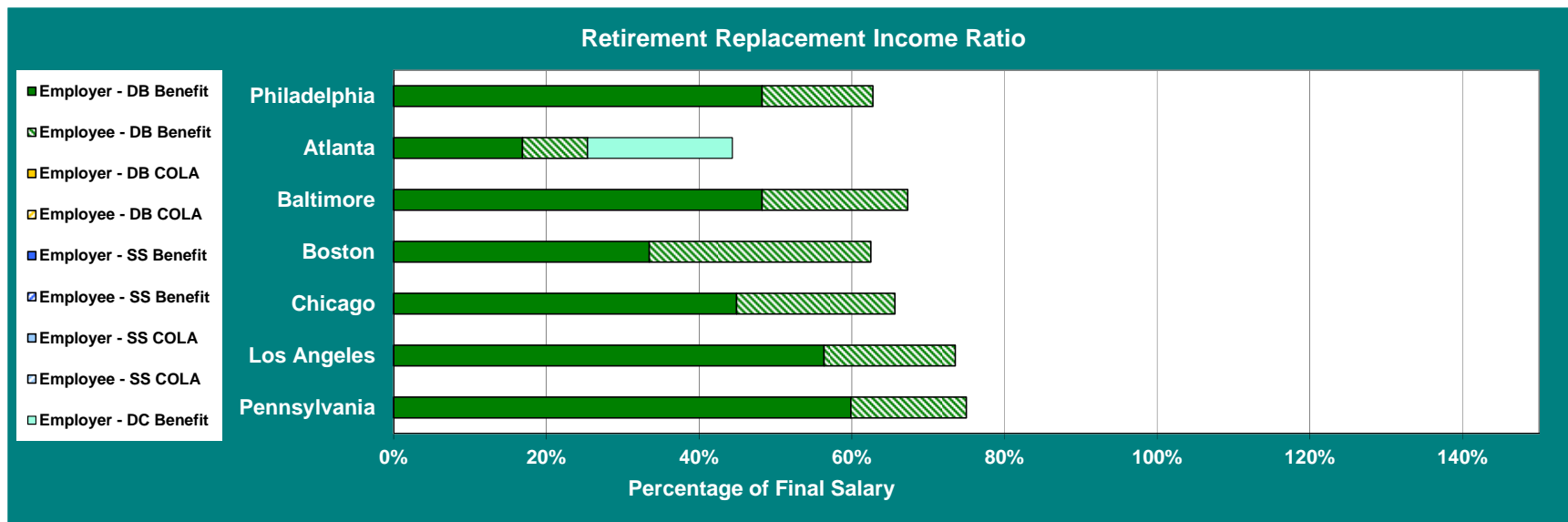


Nothing shows up under Boston because although their system covers uniform employees, they are not eligible to retire until age 55. Among the jurisdictions measured the City of Philadelphia police plan falls in around the middle of the pack. Overall, Baltimore, Los Angeles and Pennsylvania offer very similar replacement ratios of around 61 – 62%, while Philadelphia's replacement ratio is a bit lower.

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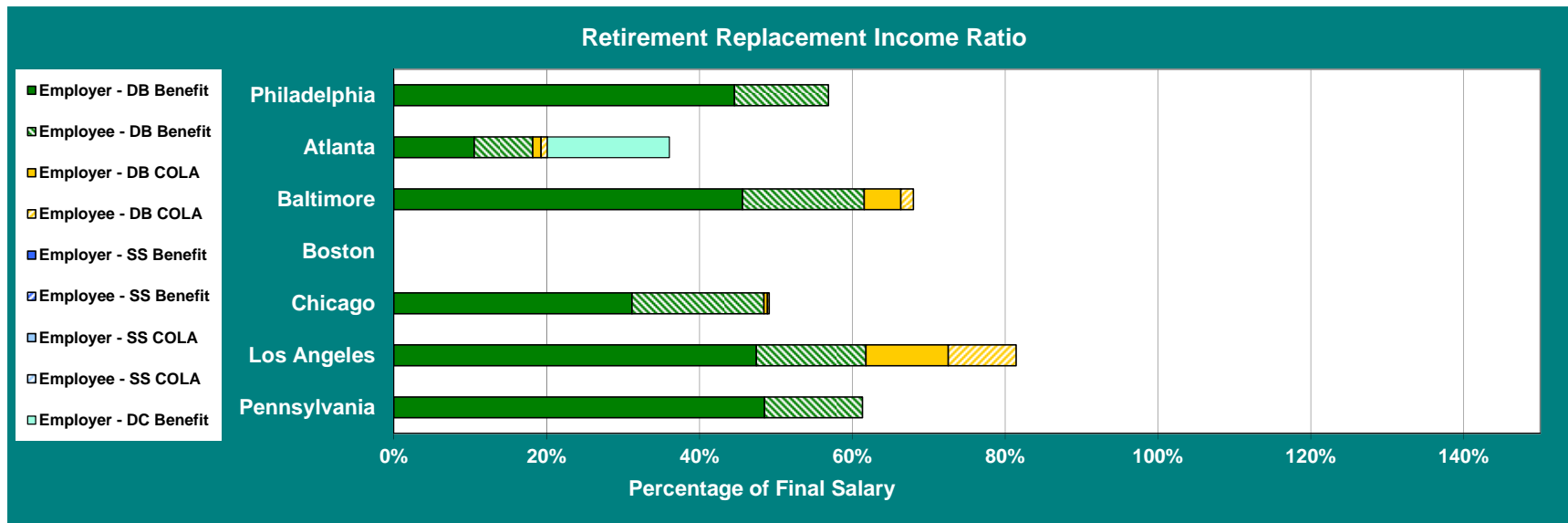
If the illustration was changed to show the retirement benefits at an assumed age 55 retirement age, Boston and Philadelphia are very similar in terms of the total replacement ratio as shown below. Also, Philadelphia, Baltimore, Boston, and Chicago continue to have the same approximate employer costs, which are illustrated later in this summary. Atlanta is the only system to provide defined benefit and defined contribution based benefits to uniformed employees.

Illustration 2 (A - 55) – Police – Employer Retirement Benefits at Retirement Age 55



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Illustration 2 (B) – Police – Employer Retirement Benefits 10 Years After Retirement (age 62)



The City of Philadelphia and Pennsylvania are the only jurisdictions in this study that provides no guaranteed cost of living increase for their Police plans. Chicago's cost of living increase continues to be very small because the retiree does not qualify for this COLA until a deferred period of time for retirees, depending upon the date of birth.

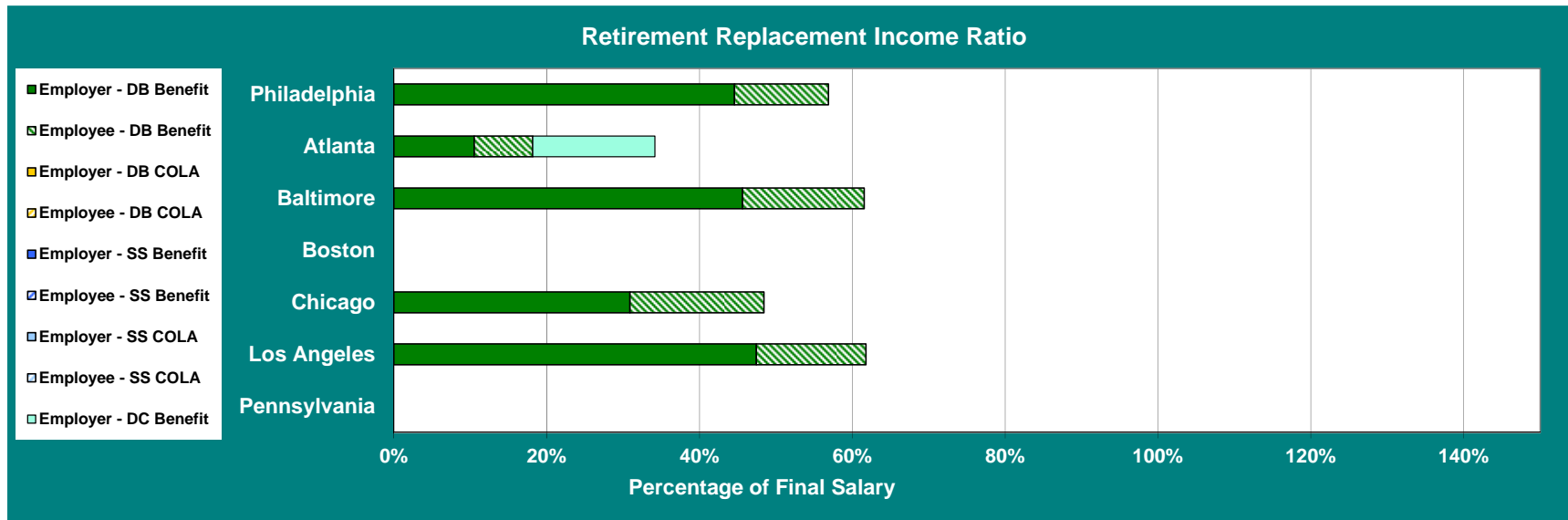
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The next two graphs show similar information and illustration for the fire fighter's plans. Again, Plan 87 Prime is being reflected for Philadelphia.

Nothing shows up under Boston because although their system covers uniform employees, they are not eligible to retire until age 55.

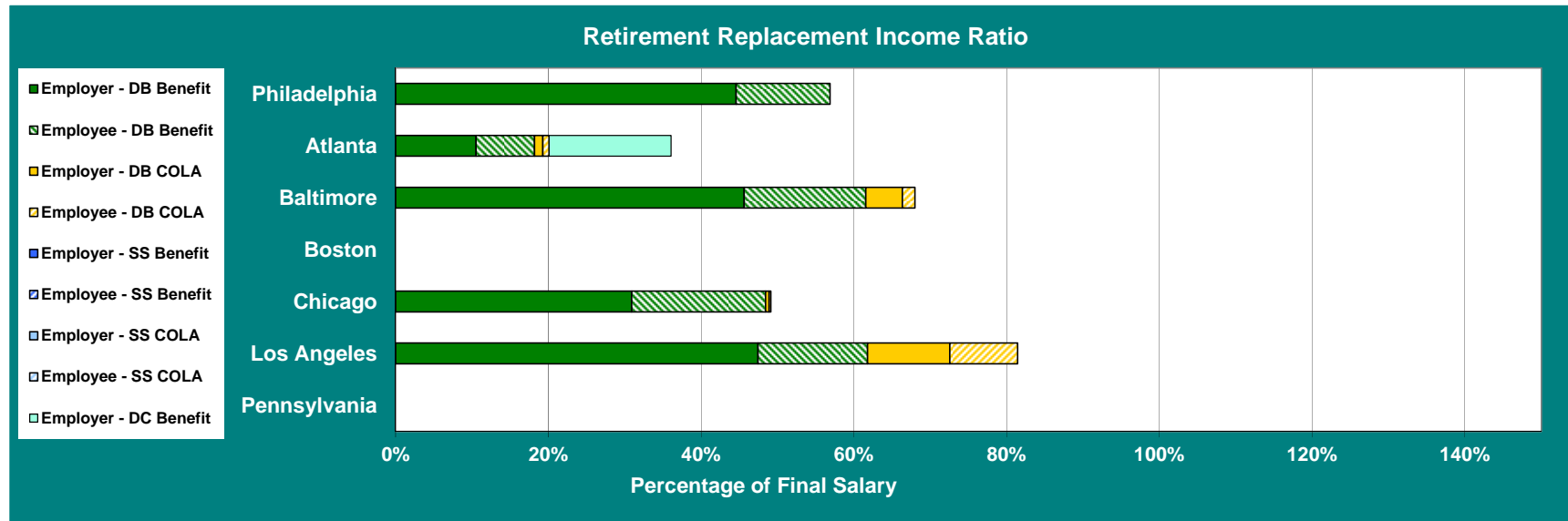
Illustration 3 (A) – Fire – Employer Retirement Benefits at Retirement age 52



The Commonwealth of Pennsylvania does not employ any fire fighters so they do not appear in this comparison. Among the five remaining jurisdictions the City's benefits rank a close third out of five.

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Illustration 3 (B) – Fire – Employer Retirement Benefits 10 years After Retirement (age 62)

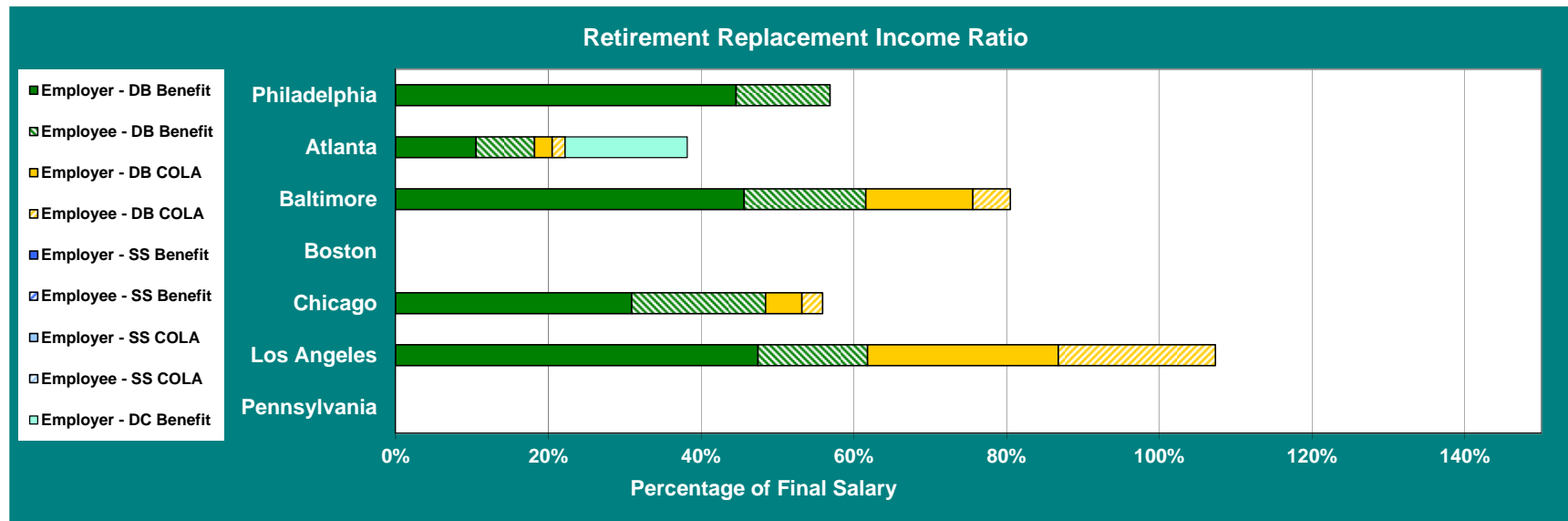


After 10 years of retirement looking at the implications at age 62 we get the above comparison. It is interesting to look at this same comparison at age 72, 20 years after retirement, the COLA for Los Angeles would increase considerably, and Chicago's replacement ratio would be comparable to Philadelphia's.

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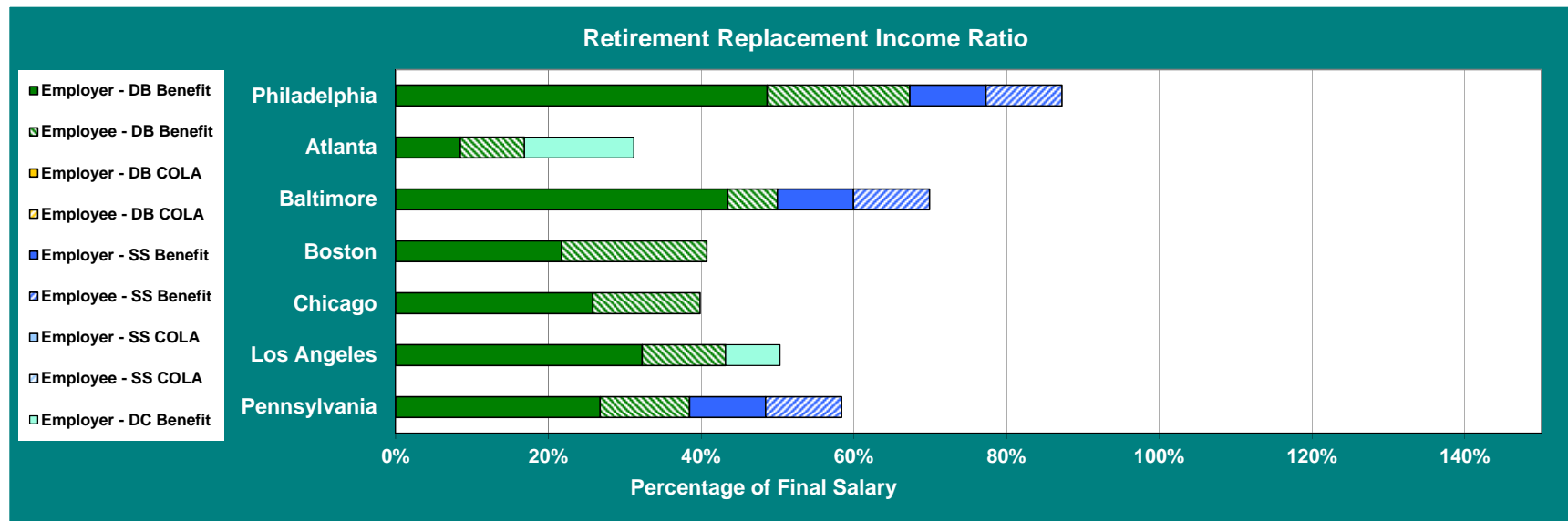
Illustration 3 (B - 72) – Fire - Defined Benefits Only 20 years After Retirement (age 72)



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This last set of graphs provides for comparison of elected officials benefits at retirement. Here we assume a later start in their career, with a hire age of 45, retirement at age 65 and final pay of \$110,000. For Philadelphia, we are using Plan 87 as the current plan for the elected officials.

Illustration 4 (A) – Elected Employees – Employer Retirement Benefit at Retirement Age 65



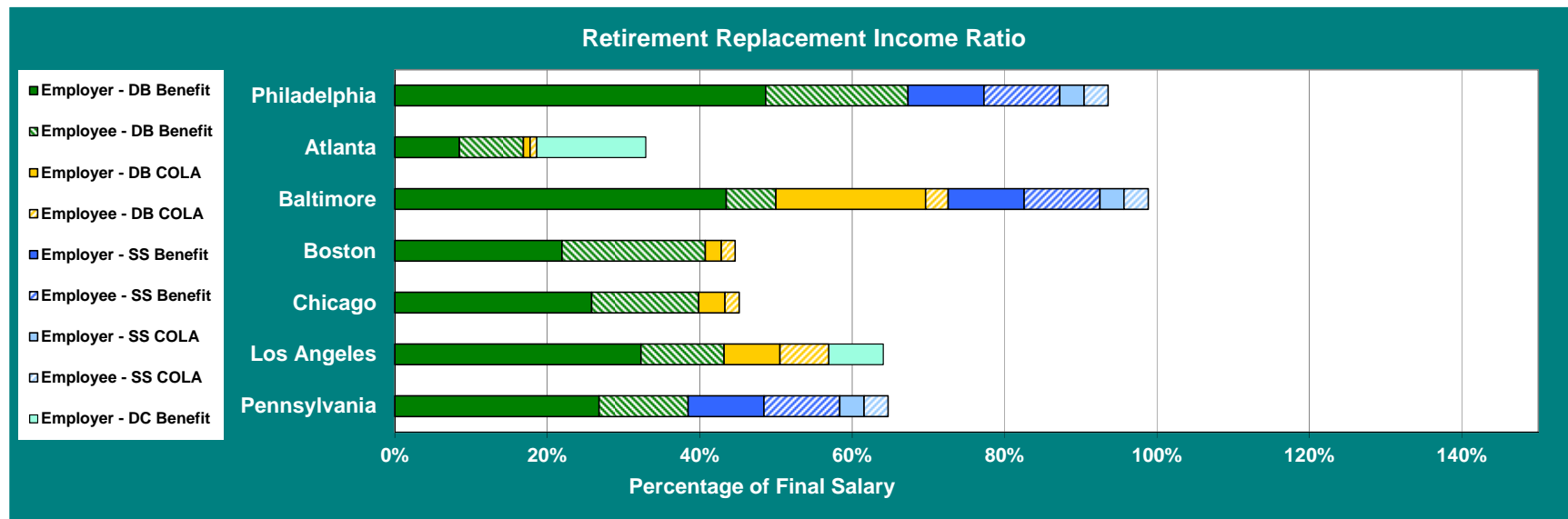
As demonstrated above, the City's elected officials get the highest level of replacement income on retirement at age 65. This does not take into account the likelihood that other elected officials may have earned Social Security Benefits before or after taking office, and this may also be true for uniform employees and general employees for those jurisdictions that don't provide for Social Security benefits.

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Looking at the results ten years into retirement we see that Baltimore benefits have a significant COLA that brings their benefits up past the other systems. Currently retirees from the Baltimore plan for elected officials receive cost of living increases equal to pay increases for the current elected officials so we used a pay growth rate instead of the inflation assumption in calculating their COLA.

Illustration 4 (B) – Elected Employees – Employer Retirement Benefits and Social Security Benefits 10 years After Retirement (age 75)



SECTION I SURVEY RESULTS

Cost Comparison

Providing a relative cost comparison is valuable for considering how the financial obligations differ regarding the main benefit structures but does not include ancillary benefits or the financial burden of paying down the unfunded liabilities of each jurisdiction. We are using a uniform methodology to benchmark costs that are only relevant for comparative purposes. Given that each of the retirement systems of the jurisdictions can be using different funding methods that distribute the cost over time and different assumptions for interest rate, mortality and the other decrements, to perform a cost comparison we are determining a relative normal cost per year of service as the basis for comparison. For comparative purposes we are determining the gross normal cost – cost under the entry age normal cost method (the most prevalent method in use by public plans). This method uses the projected value of the benefit payable at normal retirement and spreads the cost evenly as a percent of pay over a participant's working life from age at entry into the plan to the expected retirement age. This method of measurement allows us to look at prior and current benefit structures and the cost by membership class, municipal, fire, police and elected officials.

For the defined contribution plans, the employer cost is simply the contribution percentage of pay. For matching contributions, the maximum match amount was assumed.

For this year's study, Atlanta has an employee contribution rate for the defined benefit plan greater than the normal cost calculated for this study. For this jurisdiction, the employee contribution associated with the defined benefit plan was limited to the normal cost as a percent of pay rate.

These gross costs **will not** match up to the respective systems valuation reports because we are using one funding method approach and uniform assumptions (based on the current System's discount rate assumption of 7.80%). We are also only accounting for the incidents of pre and post retirement mortality (typically for funding purposes other decrements including pre-retirement disability and severance are used in calculation the cost of benefits). Therefore, the material discount of the benefit cost attributable to turnover and the probability of not staying until retirement to receive an annuity is excluded from our analysis. The unit cost for comparison may be materially higher than reported for funding purposes. We provide the employer and the employee provided normal cost, where the employee provided normal cost is based on member contributions.

SECTION I SURVEY RESULTS

The following charts follow the similar order as the benefit comparison section. However, here the costs are only relevant up to the retirement event because all cost methods are designed to achieve full funding of a members' benefit at the time of retirement. For each cost comparison, we are following the employee illustrations as outlined above for each plan.

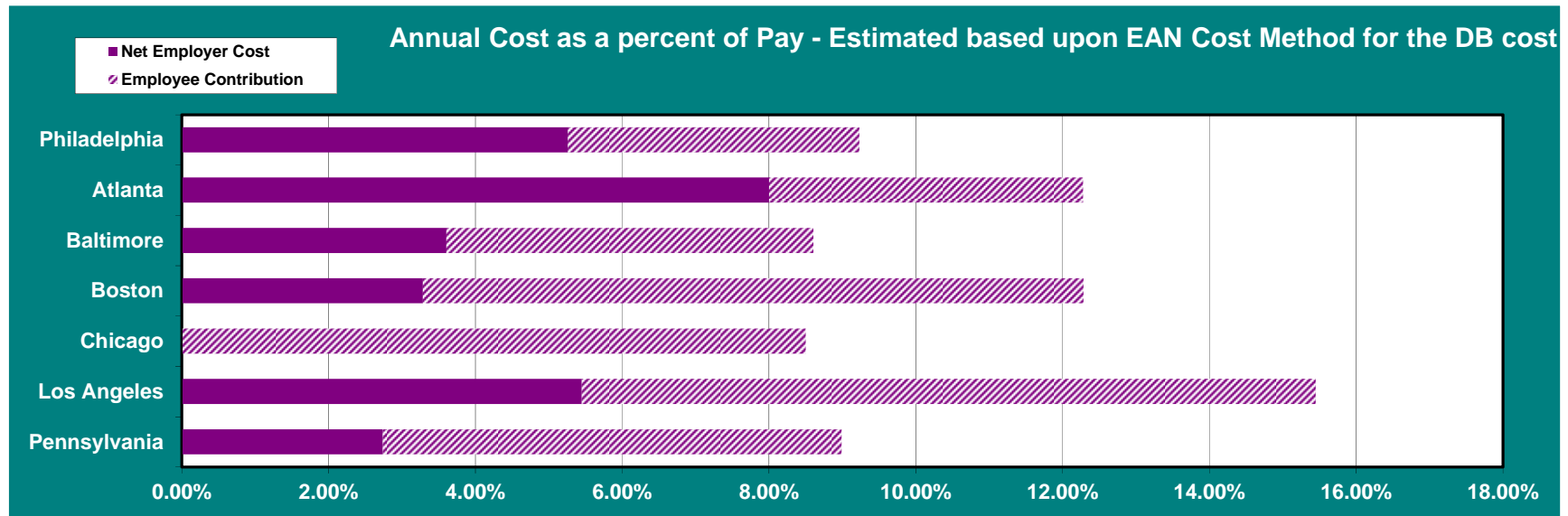
Similar to the charts provided above, the solid bars (in purple) represent the employer portion of the normal cost and the dashed bars (in purple) represent the employee portion of the normal cost through contributions.

For general employees the breakdown of employer and employee normal costs for the same sample employee based on the System's discount rate assumption is as follows.

These charts illustrate employer and employee portions of the annual accrual cost (normal cost) of the plans including costs to the defined contribution plans for the employer only. The cost comparison is shown for an employee hired at age 25 and retiring at age 62 for General employees, age 52 for Police and Firefighters and hired age 45 and retiring at age 65 for Elected officials.

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Illustration 1 - General Employee Annual Cost (Normal Cost plus Defined Contribution Cost for employer)

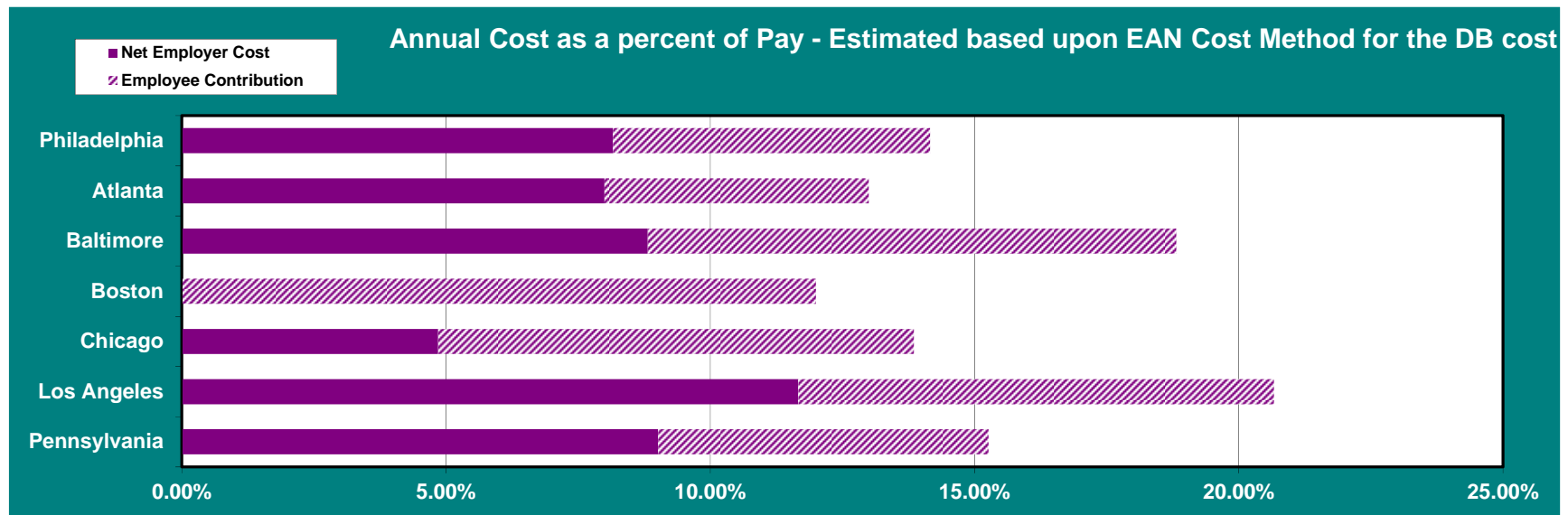


In this illustration, Philadelphia's benefits are the fourth most expensive overall with the City's portion being the third most expensive when considering the employer costs only. Since the last study the systems for the cities of Los Angeles, Philadelphia, and Baltimore, member contribution rates have been increased to help pay down the unfunded liability. This is true for Philadelphia as well, where the employer cost is about 5.25% while without this change the employer cost would be about 7.25% of pay. Atlanta, while not included in the prior study, also recently had increases in the contributions compared to the benefits being offered. Defined contribution costs for Atlanta, Los Angeles and Baltimore are included in the employer costs. Because of this trend there is the potential as seen here that the employee contribution rate is sufficient to cover most or all of the cost of the participants' benefit (which is what we are seeing for Atlanta). Therefore, all of Atlanta's annual cost associated with retirement benefits is assumed to be 8% of pay, the maximum contribution rate that can be matched under the defined contribution plan.

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The next graph shows the comparative costs for the police officers' plan. Similar to the general employees, in this illustration, Philadelphia's benefits are the fourth most expensive overall with the City's portion coming in fourth as the most expensive when considering the employer costs only. Plan 87 Prime is being reflected for the police benefits.

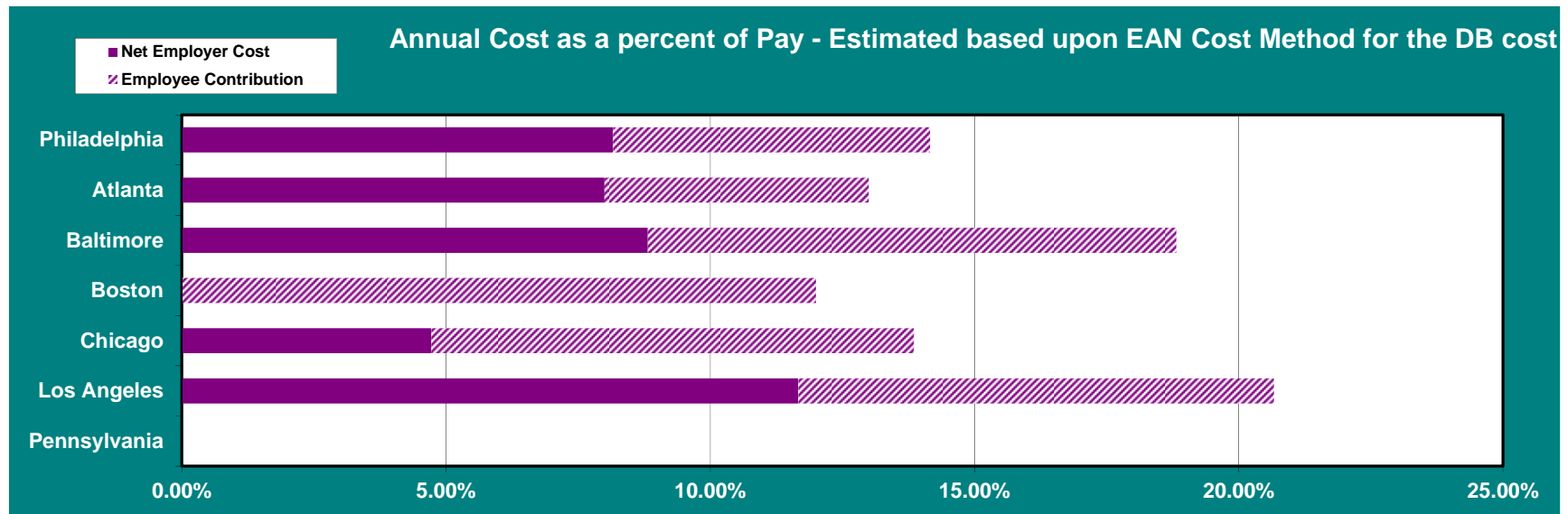
Illustration 2 – Police Normal Cost



SECTION I SURVEY RESULTS

The next graph shows the comparative costs for the fire fighter plan. In this illustration, Philadelphia's benefits are the third most expensive overall with the City's portion being third for the most expensive when considering the employer costs only.

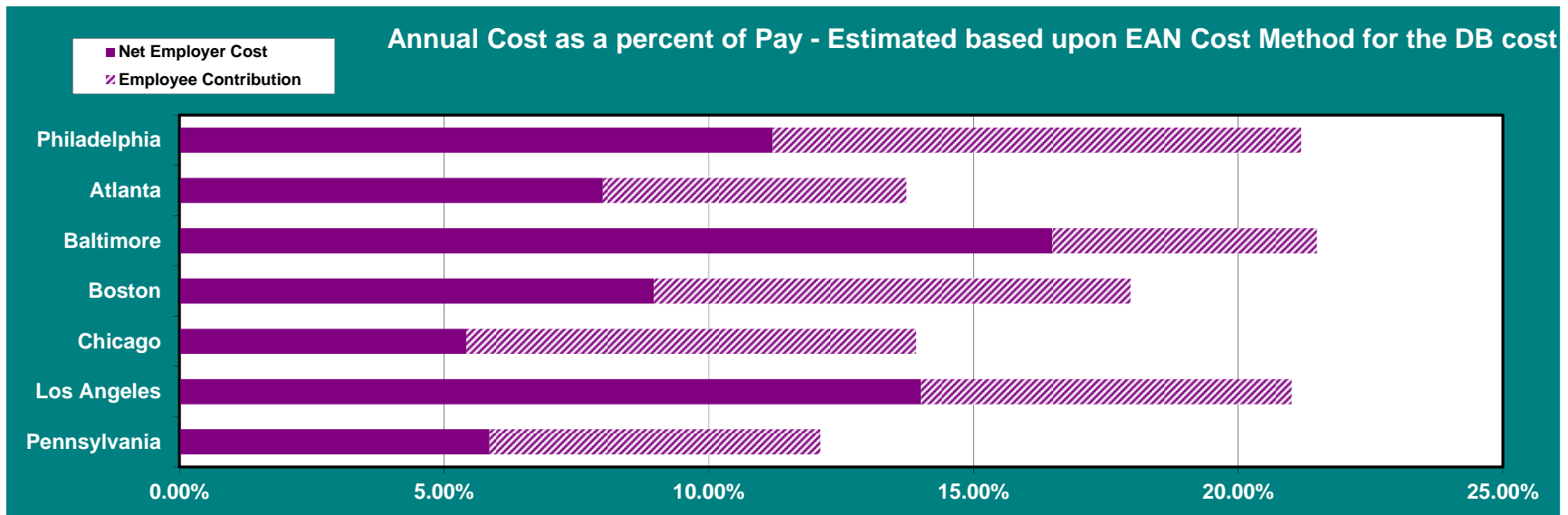
Illustration 3 – Firefighter Normal Cost



SECTION I SURVEY RESULTS

The final graph shows the comparative costs for the elected officials plan. In this illustration, Philadelphia's benefits are the second most expensive overall.

Illustration 4 – Elected Official Normal Cost



SECTION I SURVEY RESULTS

Governance of Benefits

It is relevant to consider, along with the level and cost of retirement benefits how each of the jurisdictions got to their current benefit level and what authorities are involved and responsible for such changes. To get complete and thorough answers to this question is not straight forward but has bearing on the history that may have contributed to each of these systems' current financial position and the ability to address changes.

Philadelphia – Because the implementation of a new benefit structure was required for severely distressed municipalities upon the enactment of Act 205, Plan 87 has been in place without significant or fundamental change in the benefit structure or the level of member contribution rates since 1987. Benefit changes that have been made have occurred either through a three person arbitration panel or on occasion as an act of City Council.

Atlanta – The General Fund Pension Board is responsible for managing the benefits for the City of Atlanta, under the City Council's Code of Ordinances. The plans were created by City and state laws. The amount of employer contributions is set by law based upon actuarial calculations. From time to time, the City may make supplemental contributions. Employee contributions are also required, with higher contributions for participants with a beneficiary.

Baltimore – Benefits are determined through City Council and Administration process. The bargaining parties may interject but do not participate directly in the process. Benefit provisions are established by city ordinance, as contained in Article 22 of the Baltimore City Code, and may be amended only by the mayor and city council.

Boston –The Boston Retirement Board is responsible for managing the benefits for the City of Boston which are enacted by the Massachusetts General Laws Chapter 32 which governs Massachusetts' pensions.

Chicago – For general and elected officials, MEABF is governed in accordance with the requirements of the Illinois Pension Code. It is our understanding that benefit changes must be legislated on the state level; however, we have been unable at the time of publishing our report to confirm this.

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Los Angeles – For fire and police, The Benefits Committee within the LAFPP board are responsible for reviewing matters pertaining to benefit design and the determination of benefits, as referred to the Committee by the Board or President at a public meeting, and for providing recommendations to the Board for its consideration. For general and elected officials, the Benefits Administration Committee makes recommendations to The LACERS board regarding draft policies and procedures for member benefits. It is our understanding benefit changes are approved by the City for referendum vote by the general population.

Pennsylvania - SERS is responsible for administering the retirement law in accordance with the expressed intent of the Pennsylvania General Assembly. The administration of the SERS Fund is vested in an 11-member Board. Plan changes are made by changing the state retirement law through the legislature. This involves votes from the state senate and house as well as the governor's approval. Currently, the benefits under this plan are under review.

As described above, there is a wide range of processes among the systems for the governance of the plans. For Los Angeles, the general population votes on benefit changes. Pennsylvania plan changes are made through state legislature system. The review process of plan changes, including a review of the financial impact of employees impacted by the change and the financial impact of the plan overall, can help all parties involved understand the bigger picture of such a change and capacity to respond to costs and the financial condition of the systems.

Benefit History - Recent Changes

The history of changes is also an important aspect for comparison. For example, if the current benefit structure is a cut back like those for the City of Philadelphia, how long has the current structure been in effect? With some jurisdictions the current benefit rate has been in effect for a much shorter time period and could be a reflection of higher benefit accrual rates that reflect the boom markets of the 1990's only to be pulled back recently in response to the 2001 and 2008 market declines. Many jurisdictions like the City of Philadelphia have instituted benefit structural changes to address the financial strains due to the investment markets.

The following provides a general comparison of the major plan changes instituted by the jurisdictions. Some jurisdictions have had multiple changes, many of them relatively immaterial. This comparison does not focus on the minutia, and instead attempts to identify the trends and big picture changes.

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Philadelphia – as discussed above, the last major benefit change was in 1987 with the adoption of Plan 87 (Plans A, B, L and Y). The City has since instituted Plan 10' and what we are referring to as **Plan 87 Prime** which provide either a reduced benefit accrual rate and defined contribution benefit with matching City contributions or under the Plan 87 Prime (Plan 87') plan which provides the current plan 87 provisions with a 1.0% increase in member contributions for new employees only, at various effective dates beginning January 1, 2010. In addition, for new hires in the general plan, the employee contributions will increase by 2% beginning in 2016. This 2% increase has been reflected in the comparison charts above.

Baltimore – In June of 2013 City Council adopted a bill to reinstitute employee contributions with the same benefit accrual rate beginning at 1.0% of pay increasing by 1.0% each year to 5.0% of pay provided payroll increases of at least 2% accompany each expected member contribution rate increase. Furthermore, the General benefit accrual rates decreased to 1% (1.1% if the participant has more than 20 years of service). In 2010 the police and fire benefits were changed to increase the service requirements for retirement eligibility and add early retirement factors for early retirement benefits.

Boston – the retirement benefits for current hires for all four job types for Boston were recently changed on April 2, 2012. Eligibility requirements for service retirement changed for all four job types, which made it easier for police and fire to gain eligibility and more difficult for general and elected officials. General and elected officials also saw a decrease in the accrual rate for minimum formula annuity from 2.50% to 2.25% of final average salary. Additionally, all four job types went from a final average salary calculation based on three years to a calculation based on five years. No changes have been made since the prior study.

Chicago – a new tier of benefits for police and fire employees was created for those hired on or after January 1, 2011. This change included a decrease in COLA from 3.00% per year to 1.50% per year for both police and fire. Additionally, final average compensation for fire fighters was changed from a 4 year average to an 8 year average. Beginning January 1, 2002 the accrual rate for the minimum formula annuity for general and elected officials increased from 2.2% to 2.4% of final average salary and the maximum annuity increased from 75% to 80% of final average salary. In 2011 for the general and elected employees, the normal and early retirement eligibility requirements were increased and the early retirement factor was increased to reduce benefits at a higher rate.

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Pennsylvania – ACT 9 of 2001 – applicable to both PSERS AND SERS increased benefits for members (past and future service), ACT 38 of 2002 – Granted COLAs to retirees. Around the same time of the benefit enhancements, the markets fell dramatically. In response to the significant increase in contributions, ACT 40 of 2003 was passed. This reset the amortization period for the benefit increases to 30 years while amortizing the pre-ACT 9 gains over 10 years and the pre-ACT 9 losses over 30 years. Thus employer contribution rates were kept low. ACT 120 of 2010 dealt with the rising costs due to the asset losses and the impending “rate spike” due to the mismatch of the amortization of gains and losses. It decreased the benefits to the pre-ACT 9 benefit levels for new members while keeping employee contribution rates the same and increased retirement eligibility for new hires. It also re-amortized the unfunded liability (24 years for PSERS and 30 years for SERS), and put in collars (i.e., limited the amount the employer contributions could increase from one year to the next: the increase was limited to 3% in FY12; 3.5% for FY13 and 4.4% for FY14 and later). While no changes have been made since the prior study, these pension benefits are currently being reviewed by the state legislature and might result in an elimination of pension benefits for new hires or a cash balance plan for new hires.

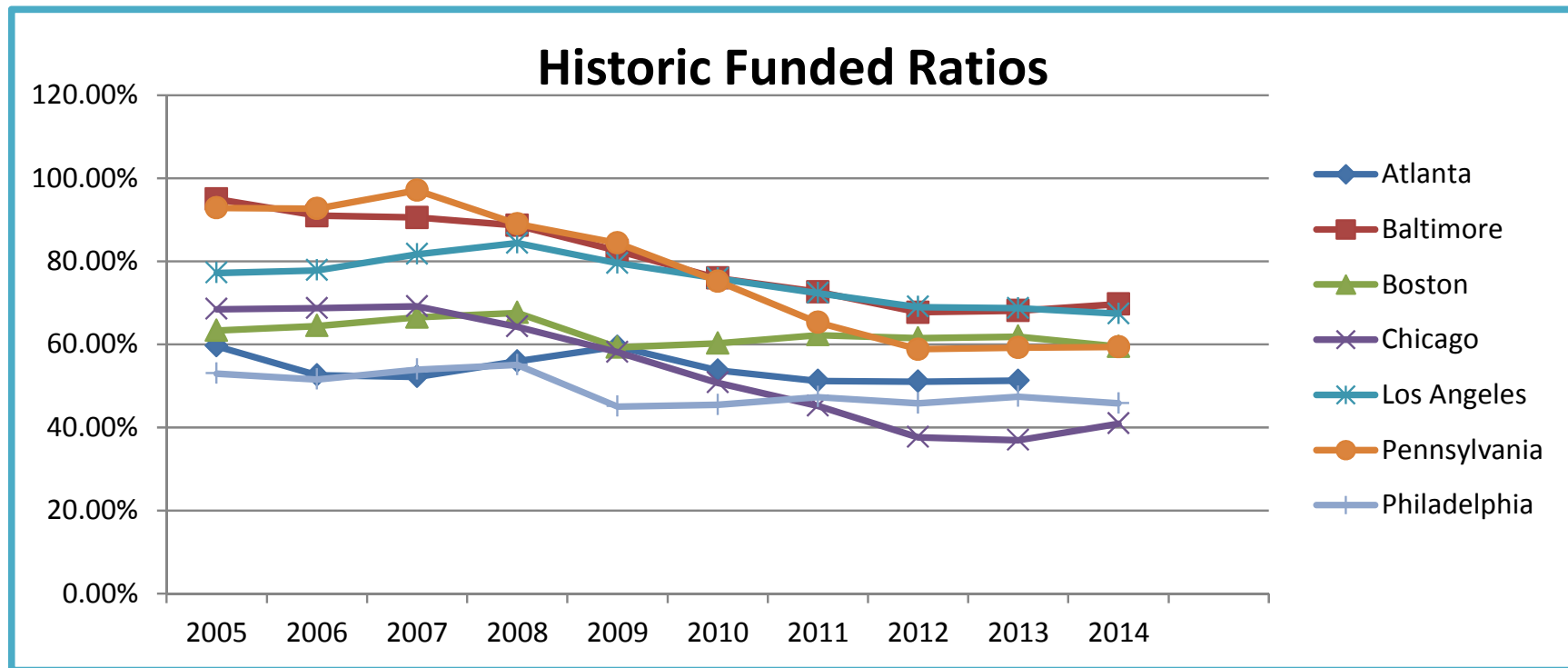
Los Angeles – the Los Angeles Fire and Police Plan has gone through a series of tiers from tier 3 through the newest tier 6 to manage both the level of benefits and funding obligations over time. There have been no changes to these uniformed plans since the last study. For the general plans, the new benefits provide a combination of a reduced defined benefit plan and a supplemental defined contribution plan. Also, for the general employees steps taken were to increase the member contribution rate from 6% to 7% in 2011.

Atlanta - the Atlanta pension benefit structure was updated in September 2011 for all participants (general, police, fire) to provide a reduced pension benefit and a supplemental defined contribution benefit. Furthermore, contributions for all prior employees who decided to remain in the current pension plan increased to 13% (a 5% increase from the prior contribution rate of 8%).

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Historic Funded Ratio

The current benefit level, benefit history, and benefit changes are typically driven by a number of factors. However, today the pre-dominate factor is the funded status and financial burden of pension system costs for many jurisdictions across the country. The following chart maps the funded ratio of the general or municipal employee funds covered by the Study.



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The observable trend relative to the City of Philadelphia is that a number of these systems experienced dramatic declines in funded ratios. When a system is fully funded the only cost is the normal cost rate. When the same system becomes underfunded the cost can grow by a factor of 400-600% of the normal cost only rate. For example, the financial crisis for the Commonwealth of Pennsylvania, driven by their pension funds, is a result of going from fully funded over this 10 year period to less than a 60% funded position. While Philadelphia started out the period at 60% funded, the decline to 45%, while certainly in the wrong direction over the period, was not as dramatic a change as other systems and the circumstances faced by the Pennsylvania, Baltimore, Chicago or Los Angeles. This was likely due to Philadelphia's commitment to pay the MMO every year and to not increase benefits retroactively for prior service (as Pennsylvania did in the early 2000's).

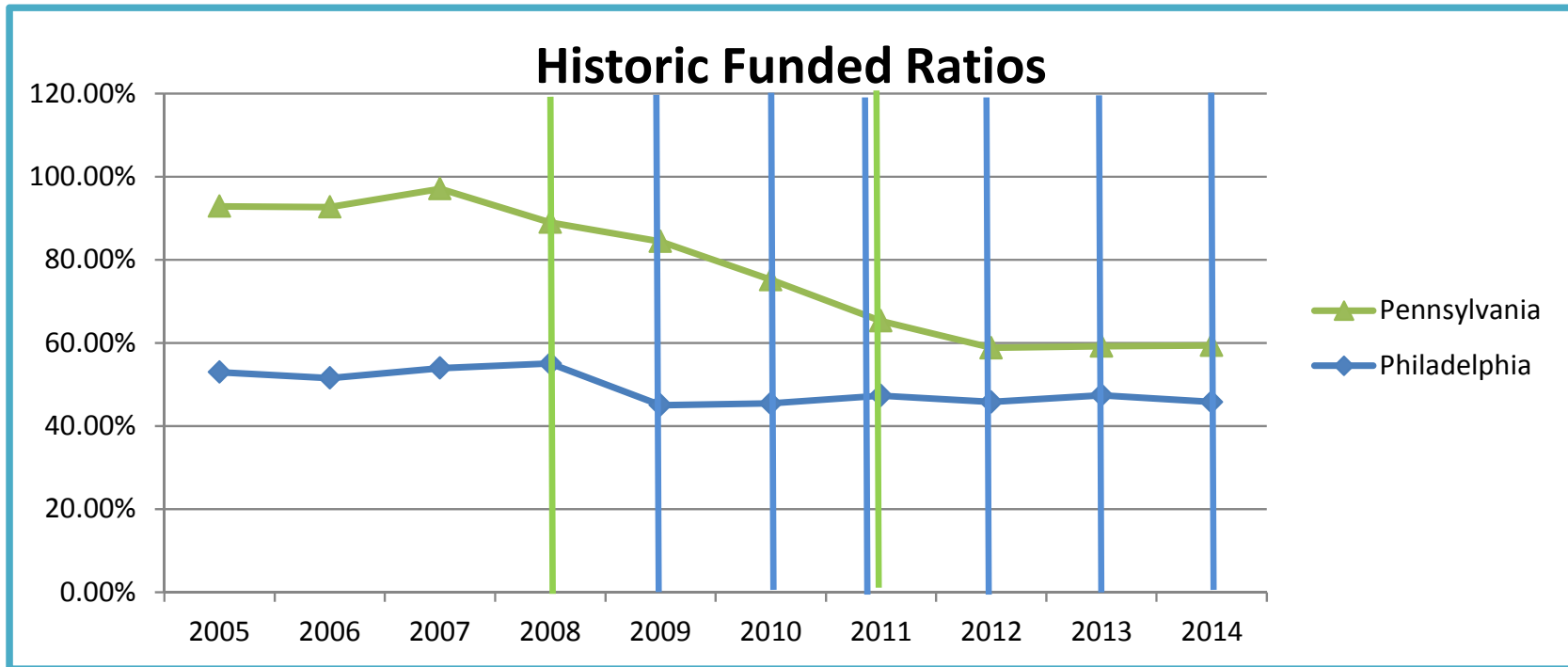
This funded ratio comparison is not entirely a true apples to apples comparison between the jurisdictions, because each jurisdiction may have used a different cost method, assumptions, and asset smoothing method. However, this comparison is relevant to see how the funded ratios have changed within each jurisdiction. Also, some of the change in funding ratios may be due to removing the plan risk by lowering the interest rate assumption over this period of time. But the trend remains that there are jurisdictions among those studied here that have had dramatic erosion of their funded status during this time period, while others have had less change.

An interesting observation is, following the 2008 market decline, a number of these jurisdictions had a continuous downward trend from 2008 to 2012 while Philadelphia's, Chicago's, and Boston's funded ratio's flatten out from 2009 through 2012. This may be a function of a number of factors including, dedicated funding of the systems, a review of plan changes that increase benefits before providing to participants, and the lower funded levels preceding the 2008 market decline lost less assets proportional to liabilities than the higher funded plans. Therefore, the lower funded plans were already managing high retirement system funding obligations in their budgets while other systems were struggling to manage significantly higher costs and imposing differing forms of funding relief, not fully appropriating the costs needed to stabilize the funded ratio.

An important observation made after last years study is consideration of the changes in the interest rates used to discount the liabilities among these jurisdictions and particularly that during this period of time the City of Philadelphia's interest was decreased from 9.00% to the current rate of 7.80%. The following graph compares the funded ratios for Philadelphia and Pennsylvania. A *blue vertical line* denotes when Philadelphia lowered its valuation interest rate, and similarly a *green vertical line* indicates when Pennsylvania decreased its valuation interest rate from 8.00% to 7.50% in 2011. Observe that while Philadelphia has decreased its interest rate often in the last several years, its funding ratio has remained relatively stable.

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Appropriations

A final piece to the puzzle is the flexibility in funding. Is funding mandated and is the funding policy (how the unfunded liability paid down over time) also mandated or subject to an appropriation process or at the discretion of a governing or oversight body?

- For the City of Philadelphia, the funding policy was recently changed and codified in Act 44, an amendment to Act 205 which governs the funding requirements for all municipalities in the Commonwealth of Pennsylvania. In the formulation of Act 44, special funding requirements were defined for the City which provided some relief while adding more discipline to ensure the actual pay-down of the unfunded as a level dollar amount, ensuring interest and some portion of the principal unfunded liability is contributed each year. The obligation to meet the Minimum Municipal Obligation (MMO) defined in Act 205 is required to be eligible for the State Aid which is a significant subsidy for the Retirement System.
- For police, fire and general employees in the City of Baltimore, the actuarial required contribution is equal to the normal cost plus the unfunded actuarial liability amortized over twenty years. For elected officials, the actuarial required contribution is equal to the normal cost plus the unfunded actuarial liability amortized over ten years. The City is billed and is obligated to pay the costs determined by the two retirement boards under City law. The Retirement Boards however has discretion over the assumptions and funding policy.
- For all job types in the City of Boston, the actuarial required contribution is equal to the normal cost plus an amortization of the unfunded actuarial liability based on the contribution amount based upon the ARC as defined under GASB
- For all job types in the City of Chicago, the actuarial required contribution is equal to the normal cost plus the unfunded actuarial liability amortized over thirty years at which point the fund must be 90% funded under state law that is applicable for all municipal and state retirement systems. The funding obligation requires a back solving approach that results in funding less than the interest on the unfunded for a number of years.
- In the State of California there are Charter Cities which include the City of Los Angeles that operate under City laws. The City charter provides that the City shall make the contributions to meet reasonable funding. While this is similar to San Diego, the City of Los Angeles has always made the contribution amounts called for by the Retirement Board. It is the Retirement Boards authority to determine the funding policy on which an actuarially determined funding amount is arrived at.

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- For the State of Pennsylvania, the legislature made material benefit increases for prior and future services and when the contributions grew to reflect the asset decline the legislature changed the funding method repeatedly to avoid the significant costs increase. There were also a couple years in which they capped the funding percent required, below the actuarially determined amount and under Act 120 they adopted contribution collars to avoid costs increasing. While the Commonwealth maintains the obligation to meet the funding requirement, the legislature has changed the funding requirement to manage the size of the obligation through legislation.
- For Atlanta, funding levels are mandated by law, although supplemental funding can be provided by the City, if so warranted.

SECTION II PLAN PROVISIONS COMPARISONS

The following section of the report compares the pension plan provisions for a current hire (as of July 1, 2014) and a prior hire at each jurisdiction.

This section provides a comparison of the significant benefits provisions for each of the jurisdictions. The following plan provisions are summarized:

1. Service Retirement
2. Early Retirement
3. Service Connected Disability
4. Ordinary Disability
5. Service Connected Death
6. Ordinary Death While Active Employee
7. Termination Benefit
8. Deferred Retirement Option Plan (DROP)
9. Other Information
10. Defined Contribution

For items 1 – 8, the benefit formula, form of payment, and eligibility for the benefit is reviewed. For the description of the benefit formula, a number of abbreviations were used. Please see the list of abbreviations below that were applied. Benefit eligibility includes age and/or service requirements that need to be satisfied in order for a participant to receive the benefit described. The form of payment describes the normal benefit form of payment available to the participant upon retirement.

The cost of living adjustment, employee contributions, and social security information is provided under item 9, *Other Information*.

The *Defined Contribution* information highlights employer sponsored benefits (if available) for current hires only.

SECTION II

PLAN PROVISIONS COMPARISONS

While every effort has been made to clearly portray the different plan provisions, in an effort to keep this comparison concise, we have represented the main provisions of each plan based upon our understanding from the provided documents (see the Appendix B for a complete listing of the documents used). Special considerations and exceptions have not been included in this outline of the plan provisions, because the goal is to review the general plan provisions across different jurisdictions and not delve into the subtle differences for specific subsets of the general population. If in fact more detailed analysis of the specific plan provisions is required, then the municipal code as it pertains to each plan should be reviewed, which is outside of the scope of this project.

SECTION II PLAN PROVISIONS COMPARISONS

Abbreviations Used

The provided table lists all abbreviations used in the charts and their description.

Abbreviation	Description
AECWI	Accumulated employee contributions with interest
AECWOI	Accumulated employee contributions without interest
CC	Covered compensation
COLA	Cost of living adjustment
CPI	Consumer price index
DC	Dependent child
DROP	Deferred retirement options plan
DROP1	Deferred retirement options plan #1 for Baltimore
DROP2	Deferred retirement options plan #2 for Baltimore
EEC	Earnings in excess of a base amount
FAC1	Final average compensation over a one-year period
FAC2	Final average compensation over a two-year period
FAC3	Final average compensation over a three-year period
FAC4	Final average compensation over a four-year period
FAC5	Final average compensation over a five-year period
FAC8	Final average compensation over an eight-year period
FC	Final compensation
NRA	Normal retirement age
PA	Pennsylvania
SS	Surviving spouse
YOCS	Years of credited service

SECTION II PLAN PROVISIONS COMPARISONS

Form of Payment Descriptions

A **life annuity** provides a monthly benefit to the retiree until the participant becomes deceased, at which point the monthly annuity ceases.

A **modified cash refund** is a life annuity that guarantees a minimum payment equal to the employee's accumulated contributions. This amount may include interest, depending on the plan the employee is participating in.

A **joint and survivor annuity** provides a monthly benefit to the retiree until the participant becomes deceased, at which point the applicable survivor will receive a portion of the retiree's benefit until the survivor becomes deceased.

The following section of the report provides a comparison of the plan provisions for each of the following types of plans:

- General Employees – Current plan provisions
- General Employees – Prior plan provisions
- Police Employees – Current plan provisions
- Police Employees – Prior plan provisions
- Fire Employees – Current plan provisions
- Fire Employees – Prior plan provisions
- Elected Employees – Current plan provisions
- Elected Employees – Prior plan provisions

SECTION II PLAN PROVISIONS COMPARISONS

Benefit Comparisons – General Employees

- *Philadelphia* – General employees participate in the City of Philadelphia Municipal Retirement System. The benefits for the current hires are for the members of Plan 87 Prime, which include members hired after January 1, 2012 (for employees of the Sheriff's Office or Register of Wills), March 5, 2014 (for employees represented by AFSCME, District Council 47), and September 9, 2014 (for employees in civil service and not represented by a union). The benefits for the earlier hires are for the members of Plan 87, which include members hired after January 8, 1987.
- *Atlanta* – General employees participant in the City of Atlanta General Employees Pension Fund. The benefits for current hires are for the members hired after November 1, 2011. The benefits for earlier hires are for the members hired before November 1, 2011.
- *Baltimore* – General employees participate in the Employees' Retirement System of the City of Baltimore. The benefits for the prior hires are for members in Class C, which include those that were hired before July 1, 2014. The benefits for the current hires are for the members in Class D, which include those that were hired after July 1, 2014.
- *Boston* – General employees participate in Massachusetts's Public Employee Retirement System. The benefits for the current hires are for the members hired after April 2, 2012. The benefits for earlier hires are for the members hired before April 2, 2012.
- *Chicago* – General employees participate in State Retirement System of Illinois, in accordance with the Illinois Compiled Statutes. The benefits and eligibility for the current hires are for the members hired after January 1, 2011. The benefits for the earlier hires are for the members hired before January 1, 2011.
- *Los Angeles* – General employees participate in the Los Angeles City Employees' Retirement System. The benefits for the current hires are for the members hired after July 1, 2013. The benefits for the earlier hires are for the members hired before July 1, 2013.

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- *Pennsylvania* – General employees participate in the Pennsylvania State Employees’ Retirement System. The benefits for the current hires are for the members hired after January 1, 2011, which include the Class A-3 members. The benefits for the earlier hires are for the members hired before January 1, 2011, which include the Class AA members.

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General - Service Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 60 w/ 10 YOCS (5 YOCS if additional employee contributions paid), or 33 YOCS	2.2% of FAC3 for first 10 YOCS, plus 2% of FAC3 for each YOCS over 10; maximum 100% of FAC3
Atlanta	Age 65 or 62 with 15 YOCS	1.0% of FAC10 for each YOCS; minimum of \$12 per month per YOCS, maximum of 80% FAC10
Baltimore	Age 65 with 5 YOCS, or 30 YOCS at any age; age 62 with 20 YOCS for enhanced benefit	For participants retiring with less than 20 YOCS, 1.0% of FAC3 for each YOCS. For participants retiring with at least 20 YOCS, 1.1% of FAC3 for each YOCS.
Boston	Age 60 and 10 YOCS	1.45% to 2.5%, depending on age at retirement and whether or not member has accumulated 30 YOCS, of FAC5 for each YOCS; maximum 80% of FAC5.
Chicago	Age 67 with 10 YOCS	2.4% of FAC8 for each YOCS; maximum 80% of FAC4, or the Money purchase account with 12.5% contributions per year increased with interest and converted to an annuity (if greater)
Los Angeles	Age 60 or older with at least 10 years of Continuous Service or age 70 or older regardless of YOCS	2.0% of FAC3 for each YOCS; maximum 75% FAC3.
Pennsylvania	Age 65 with 3 YOCS or 35 YOCS with sum of age and YOCS at least 92	2.0% of FAC3 for each YOCS; maximum 100% FC

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PLAN PROVISIONS COMPARISONS

General - Early Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 52 with 10 YOCS (5 YOCS if additional employee contributions paid), or any age with 33 YOCS	Service Retirement benefit, reduced by 6% for each year prior to age 60. Unreduced if he or she has at least 33 YOCS.
Atlanta	Age 52 with 15 YOCS	Reduce by 0.5% per month before age 62.
Baltimore	Age 55 with 5 YOCS	Service retirement benefit reduced by 6.67% for first 5 years and 3.33% for each additional year before age 65. Unreduced benefit if at least 30 years of service.
Boston	None	Refund of accumulated deductions plus interest in lump sum.
Chicago	10 YOCS and Age 62	Service Retirement benefit, reduced by 6% for each year prior to age 67.
Los Angeles	Age 55 or older and have at least 10 years of Continuous Service	Service Retirement benefit, reduced by age based retirement factors.
Pennsylvania	10 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (about 3% to 6% per year)

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General – Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	No minimum service. Disabled due to performance of duties.	AECWOI plus 70% of final rate of pay, payable immediately, offset by workers' compensation. If contributions are withdrawn, then benefit is for participant's life only. If not, then participant may choose a survivor benefit option.
Atlanta	No minimum service. Disabled due to performance of duties.	Normal benefit based on service accrued and FAC10 at disability, payable immediately; minimum of 50% of FAC10. Payable until age 65 or 62 with 15 YOCS, then recalculate benefit to include years disabled as years of service.
Baltimore	No minimum service. Disabled due to performance of duties.	66 2/3% of FAC3, payable immediately, offset by workers' compensation plus actuarial equivalent EEC as annuity.
Boston	No minimum service. Disabled due to performance of duties.	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC . Increased for each qualifying child. Sum should not exceed 75% of FC. Offset by workers' compensation.
Chicago	No minimum service. Disabled due to performance of duties.	75% of final rate of pay, payable immediately, offset by workers' compensation and \$10 per month for each DC ; benefit not to exceed 90% of FC. Also credited 8.5% of FC for pension purposes so annuity rights continue, increases to 10% on 6th year. If less than 60 at commencement, payments stop at age 65; else payments stop after 5 years.
Los Angeles	10 or more years of continuous service and determined to be too disabled to perform duties.	1/90 of FAE3 per year of service. If eligible to retire, participant receives maximum of retirement and disability benefits.
Pennsylvania	Disabled due to performance of duties after 5 YOCS.	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

SECTION II PLAN PROVISIONS COMPARISONS

General – Non-Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (5 YOCS if additional employee contributions paid) and disabled not due to performance of duties.	Service retirement benefit payable immediately. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS.	Normal benefit based on service accrued and FAC10 at disability, payable immediately; minimum of 50% of FAC10. Payable until age 65 or 62 with 15 YOCS, then recalculate benefit to include years as disabled as years of service.
Baltimore	Disabled not due to performance of duties after 5 YOCS.	Based on membership service credit, minimum 15% FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties and 10 YOCS.	Same as service retirement formula, but persons under 60, the age factor is bumped up to 60 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties.	50% of FC payable after 30 days, benefit is payable until the earlier of the date the disability ceases, date the disability exceeds in aggregate 25% of total service, but not to exceed a lifetime total of 5 years.
Los Angeles	10 or more years of continuous service and determined to be too disabled to perform duties.	1/90 of FAE3 per year of service. If eligible to retire, participant receives maximum of retirement and disability benefits.
Pennsylvania	Disabled not due to performance of duties after 5 YOCS.	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 or service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

General – Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties.	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	N/A	N/A
Baltimore	Death due to performance of duties.	AECWI as lump sum plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties.	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties.	66.67% of FC payable immediately to the time the employee would have reached 65. From that point spouse collects an annuity equal to amount if spouse had worked and retired at 65, offset by any compensation provided by the Industrial Commission.
Los Angeles	No eligibility requirements for initial benefit; 5 years of continuous service for additional benefit.	Refund of contributions plus a pension equal to 50% of salary with a length based on years of service. If at least 5 years of continuous service, continuance of service or disability benefit under 100% J&S option to an eligible spouse.
Pennsylvania	Death due to performance of duties after 10 YOCS or age 65 with 3 YOCS.	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

General – Non-Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 60 or 10 YOCS (5 YOCS if additional employee contributions paid) and death not due to performance of duties.	Benefit is either a 100% J&S or a lump sum of final compensation (reduced if not vested) with accumulated contributions.
Atlanta	Death not due to performance of duties.	If eligible for a pension benefit, 75% of pension is payable to beneficiary. If not eligible for a pension benefit, AECWI over benefits already paid out by plan.
Baltimore	Death not due to performance of duties after 1 YOCS.	If eligible for service retirement, joint and 100% survivor annuity. If 20 YOCS, 40% of service retirement benefit payable to SS as an annuity. Otherwise 50% of maximum of FC and FAC3 as a lump sum. Offset by workers' compensation.
Boston	Death not due to performance of duties.	If participant was retirement eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties.	Spouse entitled to largest of the following choices: total employee and city contributions, 50% of the annuity employee would have received had he/she retired the preceding day of death or \$800 per month for life if the employee had at least 5 YOCS. Cannot exceed 50% FC.
Los Angeles	None; 5 years of continuous service.	Refund of contributions plus a pension equal to 50% of salary with a length based on years of service. If at least 5 years of continuous service, continuance of service or disability benefit under 100% J&S option to an eligible spouse.
Pennsylvania	Death not due to performance of duties after 10 YOCS or age 65 with 3 YOCS.	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

General – Termination Benefit for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (5 YOCS if additional employee contributions paid).	If not vested, AECWOI. If vested, same as service retirement benefit.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 62.
Baltimore	10 YOCS (5 YOCS if laid off)	If vested, service retirement benefit payable immediately if 20 YOCS and laid off; otherwise deferred to age 65.
Boston	10 YOCS	Annuity and pension equal to 33 1/3% of FAC3.
Chicago	Under 62 with any YOCS, or any age with 10 YOCS; age 62 and 10 YOCS.	If age 62 with 10 YOCS, annuity based on all employee contributions plus 1/10 of city contributions for each year of service over 10. Else, refund of AECWI.
Los Angeles	None	Leave contributions on deposit with plan until eligible for deferred service retirement if 5 YOCS continuous, or refund of contributions.
Pennsylvania	10 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

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General – Deferred Retirement Option Plan (DROP) for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 62 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	None	N/A
Boston	None	N/A
Chicago	None	N/A
Los Angeles	None	N/A
Pennsylvania	None	N/A

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General – Other Information for Current Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	30% of the gross normal cost for all general employees, plus 1.5% of compensation, plus 0.5% of compensation (effective 1/1/2016), plus an additional amount to be vested in 5 years payable until vested.	None	Yes
Atlanta	8%	CPI, maximum 1% per year, after retirement.	No (if not eligible for social security, required to participate in FICA).
Baltimore	5% of pay for DB participants	1.5% per year if participant is under age 65; else, 2.0% per year.	Yes
Boston	9%, dropped down to 6% once they have 30 years of service, + 2% if over \$30,000 in pay.	Maximum 3% per year, after retirement.	No
Chicago	8.5% from each salary check is deducted to fund the plan.	Minimum of 1/2 CPI or 3%. Retirees with annual payments under 22,000 are guaranteed at least 1%.	No
Los Angeles	10% of pay. Starting 7/1/2017, set rate to fund 75% of NC and 50% of UAL and will be established for a 3 year period.	3%	Yes
Pennsylvania	6.25% (9.3% if elect 2.5% accrual instead of 2.0% accrual) plus shared-risk contribution.	None	Yes

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General – Defined Contribution Information for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	N/A	N/A
Atlanta	N/A	100% match on employee contributions, maximum 8% of compensation.
Baltimore	If did not opt out of DB, smaller city contribution (3% vs 4%).	The city makes a contribution equal to 3% of pay, as well as a 50% match of the first 2% of pay the employee voluntarily contributes.
Boston	N/A	N/A
Chicago	N/A	N/A
Los Angeles	N/A	Match employees' salary deferrals, maximum 4.0%.
Pennsylvania	N/A	N/A

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General - Service Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 60 w/ 10 YOCS (5 YOCS if additional employee contributions paid), or 33 YOCS.	2.2% of FAC3 for first 10 YOCS, plus 2.0% of FAC3 for each YOCS over 10; maximum 100% of FAC3.
Atlanta	Age 65, age 60 and 10 YOCS, or 30 YOCS.	2.0% of FAC3 for each YOCS.
Baltimore	Age 65 with 5 YOCS or 30 YOCS at any age.	(1.6% of FAC3 + .25% of FAC3 above CC)(each YOCS up to 30 years), plus 1.85% of FAC3 for each YOCS over 30.
Boston	Age 55 and 10 YOCS or 20 YOCS.	0.1% to 2.5%, depending on age at retirement, of FAC3 for each YOCS; maximum 80% of FAC3.
Chicago	30 YOCS payable at 50, 20 YOCS payable at 55, 10 YOCS payable at 60.	2.4% of FAC4 for each YOCS; maximum 80% of FAC4.
Los Angeles	Age 55 or older with at least 30 YOCS, age 60 or older with at least 10 years of Continuous Service or age 70 or older regardless of YOCS.	2.16% of FAC1 for each YOCS; maximum 100% FC.
Pennsylvania	Age 60 with 3 YOCS or 35 YOCS.	2.5% of FAC3 for each YOCS; maximum 100% FC.

SECTION II PLAN PROVISIONS COMPARISONS

General - Early Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 52 with 10 YOCS (5 YOCS if additional employee contributions paid) or any age with 33 YOCS.	Service Retirement benefit, reduced by 6% for each year prior to age 60. Unreduced if he or she has at least 33 YOCS.
Atlanta	10 YOCS	For first 5 years from 60 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	Age 55 with 5 YOCS.	Service retirement benefit reduced by 6.67% for first 5 years and 3.33% for each additional year before age 65.
Boston	20 YOCS	Benefit amount as determined based upon age.
Chicago	10 YOCS	Service Retirement benefit, reduced by 3% for each year prior to age 60, unreduced if he or she has 25 YOCS.
Los Angeles	Age 55 or older and have at least 10 years of Continuous Service, less than age 55 with at least 30 YOCS.	Service Retirement benefit, reduced by 1.5% for each of the first 5 years prior to age 60 and 3% for the next 10 years.
Pennsylvania	5 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (about 3% to 6% per year).

SECTION II PLAN PROVISIONS COMPARISONS

General – Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	No minimum service. Disabled due to performance of duties.	AECWOI plus 70% of final rate of pay, payable immediately, offset by workers' compensation. If contributions are withdrawn, then benefit is for participant's life only. If not, then participant may choose a survivor benefit option.
Atlanta	No minimum service. Disabled due to performance of duties.	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. Retirement benefit will be recalculated at NRA to include years disabled as years of service.
Baltimore	No service requirement. Disabled due to performance of duties.	66 2/3% of FAC3, payable immediately, offset by workers' compensation plus actuarial equivalent EEC as annuity.
Boston	No minimum service. Disabled due to performance of duties.	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC. Sum should not exceed 75% of FC plus additional pension for each qualifying child. Offset by workers' compensation.
Chicago	No minimum service. Disabled due to performance of duties.	75% of final rate of pay, payable immediately, offset by workers' compensation and \$10 per month for each DC; benefit not to exceed 90% of FC. Also credited 8.5% of FC for pension purposes so annuity rights continue, increases to 10% on 6th year. If less than 60 at commencement, payments stop at age 65; else payments stop after 5 years.
Los Angeles	5 or more years of continuous service and disabled due to performance of duties.	33 1/3% of FC. May be higher % if > 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled due to performance of duties after 5 YOCS.	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

SECTION II PLAN PROVISIONS COMPARISONS

General – Non-Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS and disabled not due to performance of duties.	Service retirement benefit payable immediately. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS.	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. Retirement benefit will be recalculated at NRA to include years disabled as years of service.
Baltimore	Disabled not due to performance of duties after 5 YOCS.	Based on membership service credit, minimum 15% FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties and 10 YOCS.	Same as service retirement formula, but persons under 60, the age factor is bumped up to 60 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties.	50% of FC payable after 30 days, benefit is payable until the earlier of the date the disability ceases, date the disability exceeds in aggregate 25% of total service, but not to exceed a lifetime total of 5 years.
Los Angeles	5 or more years of continuous service and determined to be too disabled to perform duties.	33 1/3% of FC. May be higher % if > 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled not due to performance of duties after 5 YOCS.	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 or service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

General – Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties.	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	Death due to performance of duties.	If eligible for a pension benefit, 75% of pension is payable to beneficiary. If not eligible for a pension benefit, AECWI over benefits already paid out by plan.
Baltimore	Death due to performance of duties.	AECWI as lump sum plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties.	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC plus additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties.	60% of FC payable immediately to the time the employee would have reached 65. From that point spouse collects an annuity equal to amount if spouse had worked and retired at 65, offset by any compensation provided by the Industrial Commission.
Los Angeles	Death due to performance of duties.	If under 5 years of service, refund of contributions plus a limited pension, or a disability pension. If at least 5 years of service, refund of contributions or continuance of service/disability benefit under 100% J&S option to an eligible spouse.
Pennsylvania	Death due to performance of duties after 5 YOCS or age 60 with 3 YOCS.	If not eligible to retire, present value of service retirement benefit assuming retirement occurred the day before death as a lump sum. If eligible to retire, annuity is paid to survivor.

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General – Non-Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 60 or 10 YOCS (5 YOCS if additional employee contributions paid) and death not due to performance of duties.	Benefit is either a 100% J&S or a lump sum of final compensation (reduced if not vested) with accumulated contributions.
Atlanta	Death not due to performance of duties.	If eligible for a pension benefit, 75% of pension is payable to beneficiary. Otherwise, AECWI over benefits already paid out by plan.
Baltimore	1) Eligible for service retirement, 2) 90 days until service retirement eligibility, 3) retired due to service or disability and died within 30 days, 4) entitled to deferred retirement, 5) 20 YOCS and dies between effective ret date at 65 and 30 days after turning 65.	Maximum of joint and 100% survivor annuity and 40% of accrued service retirement benefit payable to SS as an annuity.
Boston	Death not due to performance of duties.	If participant was ret eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties.	Spouse entitled to largest of the following choices, total employee and city contributions, 50% of the annuity employee would have received had he/she retired the preceding day of death or \$800 per month for life if the employee had at least 5 YOCS. Cannot exceed 50% FC.
Los Angeles	None; 1 year service; 5 years of service.	If under 1 year of service, refund of contributions. If 1 year of service, refund of contributions plus a pension equal to 50% of salary with a length based on YOCS. If at least 5 YOCS, refund of contributions or continuance of service/disability benefit under 100% J&S option to an eligible spouse.

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Jurisdiction	Eligibility	Benefit
Pennsylvania	Death not due to performance of duties after 5 YOCS or age 60 with 3 YOCS.	If not eligible to retire, present value of service retirement benefit assuming retirement occurred the day before death as a lump sum. If eligible to retire, annuity is paid to survivor.

SECTION II PLAN PROVISIONS COMPARISONS

General – Termination Benefit for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (5 YOCS if additional employee contributions paid).	If not vested, AECWOI. If vested, same as service retirement benefit.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	10 YOCS (5 YOCS if laid off).	If vested, service retirement benefit payable immediately if 20 YOCS and laid off; otherwise deferred to age 65.
Boston	10 YOCS but under age 55	Service retirement benefit payable at age 55.
Chicago	Under 55 with any YOCS or 55-60 with under 10 YOCS.	Service Retirement benefit if 10 YOCS, reduced by 3% for each year prior to age 60, plus refund of annuity contributions with interest.
Los Angeles	None	Leave contributions on deposit with plan until eligible for deferred service retirement if 5 YOCS continuous, or refund of contributions.
Pennsylvania	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

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General – Deferred Retirement Option Plan (DROP) for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 62 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	None	N/A
Boston	None	N/A
Chicago	None	N/A
Los Angeles	None	N/A
Pennsylvania	None	N/A

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General – Other Information for Previous Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	30% of the gross normal cost for all general employees, plus 0.5% of compensation, plus 0.5% of compensation (effective 1/1/2016), plus an additional amount to be vested in 5 years payable until vested.	None	Yes
Atlanta	12% if participant is without beneficiary, 13% if participant is with beneficiary.	CPI, maximum 3% per year, after retirement.	No (if not eligible for social security, required to participate in FICA).
Baltimore	1% of pay (as of 7/1/2013), increasing 1% per year until reaching maximum of 5% of pay.	1.5% for participants under age 65, 2.0% for participants age 65 and over.	Yes
Boston	9% of salary plus an additional 2% of salary over \$30,000.	None	No
Chicago	8.5% from each salary check is deducted to fund the plan.	3% increase on life annuities starting on the earlier of the 3rd year of retirement and age 53, or 1st year of retirement and age 60. Survivors ineligible for COLA.	No
Los Angeles	7%	The Consumer Price Index (CPI) for the Los Angeles area every July, not to exceed 3% annually.	Yes
Pennsylvania	6.25%	None	Yes

SECTION II PLAN PROVISIONS COMPARISONS

Benefit Comparisons – Police Employees

Philadelphia – Police employees participate in the City of Philadelphia Municipal Retirement System. The benefits for the current hires are for the members of Plan 87 Prime, which include members hired after January 1, 2010. Police hired after January 1, 2010 have the option to participate in Plan 10 or Plan 87. If they elect Plan 87 Prime, they are required to have higher employee contributions. Currently, there are no participants in Plan 10. The benefits for the earlier hires are for the members of Plan 87, which include members hired after July 1, 1988.

Atlanta – Police employees participate in the City of Atlanta Police Officers' Pension Plan. The benefits for the current hires are the members hired after November 1, 2011. The benefits for earlier hires are for the members hired before November 1, 2011.

Baltimore – Police employees participate in the Fire and Police Employees' Retirement System of the City of Baltimore. The benefits for the current hires are primarily for members with less than 15 years of credited service after July 1, 2010. The benefits for the prior hires are for the members with more than 15 years of credited service before July 1, 2010.

Boston – Police employees participate in Massachusetts's Public Employee Retirement System. The benefits for the current hires are for the members hired after April 2, 2012. The benefits for earlier hires are for the members hired before April 2, 2012.

Chicago – Police employees participate in State Retirement System of Illinois, in accordance with the Illinois Compiled Statutes. The benefits for the current hires are for the members hired after January 1, 2011. The benefits for the earlier hires are for the members hired before January 1, 2011.

Los Angeles – Police employees participate in the Los Angeles Fire and Police Retirement System. The benefits for the current hires are for the members hired after July 1, 2011. The benefits for the earlier hires are for the members hired before July 1, 2011.

Pennsylvania – Police employees participate in the Pennsylvania State Employees' Retirement System. The benefits for the current hires are for the members hired on or after July 1, 2012, which include the Class A-3 members. The benefits for the earlier hires are for the members hired before July 1, 2012 and after March 1, 1974, which include the Class A members.

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Police - Service Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS (or 5 YOCS if additional contributions), or 25 YOCS.	2.2% of FAC3 for each of the first 20 YOCS, 2.0% FAC3 for service over 20 YOCS; maximum 100% of FAC2
Atlanta	15 YOCS, for sworn police/fire 55 (DB and hybrid) and 57 (combination), for others 60 (DB and hybrid) and 62 (combination).	DB plan only uses a multiplier of 1% times FAE10 per year of service. (Hybrid plan can be elected, but identical benefits, just no minimum retirement age.).
Baltimore	Age 55 with 15 YOCS or 25 YOCS	2.5% of FAC3 for first 20 YOCS, plus 2% of FAC3 for each YOCS over 20.
Boston	Age 55	1.45% to 2.5%, depending on age at retirement and whether or not member has accumulated 30 YOCS, of FAC5 for each YOCS; maximum 80% of FAC5.
Chicago	Age 55 and 10 YOCS	50% of FAC4, plus 2.5% for each additional YOCS over 20 with a maximum of 75% FAC4. Minimum annuity is: 2.5% of FAC8 for each YOCS, maximum of 75% FAC8 and annual salary max at \$106,800/year for computing purposes.
Los Angeles	Age 50 with 20 years	40% of FAC2 for first 20 YOCS, plus 3% of FAC2 for each YOCS between 20 and 24; plus 4% of FAC2 for each YOCS between 25 and 30; plus 5% of FAC2 for each YOCS over 30; max 90% of FAC2.
Pennsylvania	Age 55 and 20 YOCS, 35 YOCS and no age, or age plus YOCS at least 92.	2% of FAC3 for each YOCS; maximum 100% FC

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Police - Early Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 40 with 10 YOCS	Service retirement benefit, reduced by 6% for each year prior to age 50.
Atlanta	15 YOCS with no minimum age (DB or hybrid plan), age 47 (sworn police/fire in combination plan), age 52 (others in combination plan); combination plan also has 30 YOCS and no minimum age.	For first 5 years from 57 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	20 YOCS or age 50 and 10 YOCS	Service retirement benefit reduced by (6.5/12)% per month for the first 60 months, (4.5/12)% per month for the second 60 months, (1/4)% per month for the third 60 months, and (1/6)% per month for each additional month.
Boston	None	Refund of accumulated deductions in lump sum.
Chicago	50 and 10 YOCS	Service retirement benefit reduced by 6% for each year prior to age 55, subject to a 75% maximum.
Los Angeles	None	N/A
Pennsylvania	10 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (3% to 6% per year).

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Police – Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties.	70% of final rate of pay payable immediately offset by workers' compensation.
Atlanta	Disabled due to performance of duties.	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including worker's compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.).
Baltimore	Disabled due to performance of duties.	66 2/3% of FAC3 plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties.	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC plus additional pension for each qualifying child. Sum should not exceed 75% of FC. Offset by workers' compensation.
Chicago	Disabled due to performance of duties.	75% of salary at the time the disability is allowed plus \$100.00 per month for each unmarried child less than age 18, (total amount of child's benefits shall not exceed 25% of salary). Beginning January 1, 2000, after 7 years of payment, the benefit shall not be less than 60% of the current salary attached to the rank held by the policemen at the time of disability. Payable to employee's age 63 or by operation of law, whichever is later. Salary deductions are contributed by the City.
Los Angeles	Disabled due to performance of duties.	Between 30 and 90% of FAC2; minimum pension no less than 2% of FAC2 per year of service.
Pennsylvania	Disabled due to performance of duties.	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

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Police – Non-Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Total and permanent disability, or 10 YOCS (or 5 YOCS if additional contributions) if partial and permanent.	Service retirement benefit payable immediately, calculated with a minimum of 10 YOCS. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS.	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including worker's compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.).
Baltimore	Disabled not due to performance of duties after 5 YOCS.	Service retirement benefit, minimum 25% of FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties.	Same as service retirement formula, but persons under 55, the age factor is bumped up to 55 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties.	50% of salary at the time of injury, payable for a period not more than 25% of service (excluding any previous disability time) rendered prior to injury, nor more than 5 years. Disability shall cease at age 63. Salary deductions are contributed by the City.
Los Angeles	Disabled not due to performance of duties with 5 YOCS.	Between 30-50% of FAC2, depending on severity of disablement.
Pennsylvania	Disabled not due to performance of duties.	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 or service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties.	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	Death due to performance of duties.	100% of base salary for first two years, offset by workers' compensation, then reverts to 75% of monthly accrued benefit.
Baltimore	Death due to performance of duties.	AECWI as a lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties.	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties.	75% of the member's salary attached to the civil service position that would ordinarily have been paid to such member as though in active discharge of his duties at the time of death payable until the date the policeman would have attained age 63.
Los Angeles	Death due to performance of duties.	80% of Member's FAC2 payable to surviving spouse. If 1 minor or dependent child, then additional 25% of survivor benefit is payable. If 2 minors or dependent children, then additional 40% of survivor benefit. If more than 2 minors or dependent children, then 50% of benefit the survivor is receiving. Total benefit cannot exceed 100% of FAC2.
Pennsylvania	Death due to performance of duties after 10 YOCS or age 55 with 3 YOCS.	If retirement eligible and present value of service retirement benefit (assuming retirement occurred the day before death) is under \$10,000, then lump sum. If retirement eligible and the present value is at least \$10,000, then choice of lump sum or annuity. Else, return of contributions.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Non-Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties.	Assumes participant retired with a 100% J&S benefit payable to the survivor, calculated with a minimum of 10 YOCS.
Atlanta	Death not due to performance of duties after 5 YOCS.	Pension is payable to beneficiary as 75% J&S.
Baltimore	Death not due to performance of duties after 1 YOCS.	AECWI plus 50% of greater of FAC3 or FC as lump sum. Or if 2 YOCS, 25% plus 1.5% for each YOCS over 2, maximum 50%, of FC payable to SS as an annuity, or joint and 100% survivor annuity if eligible for service retirement. Offset by workers' compensation.
Boston	Death not due to performance of duties.	If participant was retirement eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties after 1.5 YOCS.	Widow's annuity is the greater of (a) 30% of the annual maximum salary attached to the classified civil service position of a first class patrolman at the time of his death (without dollar limit) or (b) 50% of the benefit accrued by the policeman at date of death.
Los Angeles	Death not due to performance of duties after 1 YOCS.	If at least 1 YOCS, return of contributions and 50% of Member's FAC2 for a period not to exceed 6 years. If at least 5 YOCS, survivor may choose a life annuity of 50% of FAC2 in lieu of return of contributions.
Pennsylvania	Death not due to performance of duties after 10 YOCS or age 55 with 3 YOCS.	If retirement eligible and present value of service retirement benefit (assuming retirement occurred the day before death) is under \$10,000, then lump sum. If retirement eligible and the present value is at least \$10,000, then choice of lump sum or annuity. Else, return of contributions.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Termination Benefit for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 45 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	15 YOCS and removed without fault; none.	If 15 YOCS and removed from position without fault, service retirement benefit payable immediately. Else, AECWOI.
Boston	Resign before 55	Normal retirement benefit, payable at age 55.
Chicago	Under 50 or under 57 with less than 10 YOCS	Refund of all salary deductions with 1.5% simple interest.
Los Angeles	20 YOCS	2% FAC2 per year up to 20 years, then 3% FAC2 per year between 20 and 30 years, payable at age 50.
Pennsylvania	10 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Deferred Retirement Option Plan (DROP) for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	25 YOCS. Limited to a three-year period	Monthly pension benefit, determined as of DROP enrollment and member contributions paid during DROP period accrue interest (3%). After DROP period ends, can retire or return to work and earn additional benefits.
Boston	None	N/A
Chicago	None	N/A
Los Angeles	Age 50 and 25 Years	DROP benefits are credited to a DROP account with interest at 5% annually. Members may participate for up to 5 years.
Pennsylvania	None	N/A

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Police – Other Information for Current Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	6% of pay limited to a minimum of 30% of gross normal cost and limited to a maximum of 50% gross normal cost.	None	No
Atlanta	DB only plan is 8% with no beneficiary and 9% with beneficiary. Mandatory 3.75% for DC plan.	CPI, after retirement - maximum 3% per year for DB only plan, maximum 1% per year for hybrid and combination plans.	No (if not eligible for social security, required to participate in FICA)
Baltimore	7% effective July 1, 2010, increasing 1% per year until reaching 10% on July 1, 2013.	1% per year if between ages 55 and 65 and 2% per year if above age 65, after 2 years of retirement.	No
Boston	12% of salary	Maximum 3% per year, after retirement.	No
Chicago	9% from each salary check is deducted to fund the plan.	Lesser of 3% or 50% of CPI-U of the original benefit commencing at age 60.	No
Los Angeles	9% from each salary check is deducted to fund the plan, until participant reaches 33 years of service.	3%	No
Pennsylvania	6.25% (9.3% if elect 2.5% accrual instead of 2.0% accrual) plus shared-risk contribution.	None	No

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Police – Defined Contribution Information for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	N/A	N/A
Atlanta	N/A	100% match on employee contributions, maximum 8% of compensation.
Baltimore	N/A	N/A
Boston	N/A	N/A
Chicago	N/A	N/A
Los Angeles	N/A	N/A
Pennsylvania	N/A	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Police - Service Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS (or 5 YOCS if additional contributions), or 25 YOCS	2.2% of FAC3 for each of the first 20 YOCS, 2.0% FAC3 for service over 20 YOCS; maximum 100% of FAC2.
Atlanta	15 YOCS, for sworn police/fire 55 (DB and hybrid) and 57 (combination), for others 60 (DB and hybrid) and 62 (combination).	DB only uses a multiplier defined by the plan (3.0%) times FAE3 per year of service.
Baltimore	Age 50 with 10 YOCS, or 20 YOCS regardless of age	2.5% of FAC (over 18 months) for first 20 YOCS, plus 2.0% of FAC (over 18 months) for each YOCS over 20.
Boston	Age 55 and 10 YOCS, or 20 YOCS	1.1% to 2.5%, depending on age at retirement, of FAC3 for each YOCS; maximum 80% of FAC3.
Chicago	Age 50 and 20 YOCS	50% of FAC4, plus 2.5% for each additional YOCS over 20 with a maximum of 75% FAC4.
Los Angeles	Age 50 and 20 YOCS	50% of your FAC1 at YOCS, plus 3% of your FAC1 for each YOCS over 20. For service year 30, you receive 4% instead of 3%. Maximum of 90%.
Pennsylvania	Age 50 with 3 YOCS, or 35 YOCS	2.5% of FAC3 for each YOCS; maximum 100% FC.

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PLAN PROVISIONS COMPARISONS

Police - Early Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 40 with 10 YOCS	Service retirement benefit, reduced by 6% for each year prior to age 50
Atlanta	15 YOCS with no minimum age (DB or hybrid plan), age 47 (sworn police/fire in combination plan), age 52 (others in combination plan); combination plan also has 30 YOCS and no minimum age	For first 5 years from 55 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	N/A	N/A
Boston	20 YOCS	Benefit amount as determined based upon age.
Chicago	50 and 10 YOCS	7% of your pensionable salary plus 10% of the city Age and Service Contributions for each year or partial year of service in excess of 10. The sum of the contributions are divided by a factor at your date of retirement (or age 50 if you terminated prior to that time) and are then converted into an annuity.
Los Angeles	None	N/A
Pennsylvania	5 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (3% to 6% per year).

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Police – Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties	70% of final rate of pay payable immediately offset by workers' compensation.
Atlanta	Disabled due to performance of duties	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled due to performance of duties	66 2/3% of FAC (over 18 months) plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC. Sum should not exceed 75% of FC plus additional pension for each qualifying child. Offset by workers' compensation.
Chicago	Disabled due to performance of duties	75% of salary at the time the disability is allowed plus \$100.00 per month for each unmarried child less than age 18, (total amount of child's benefits shall not exceed 25% of salary). Beginning January 1, 2000, after 7 years of payment, the benefit shall not be less than 60% of the current salary attached to the rank held by the policemen at the time of disability. Payable to employee's age 63 or by operation of law, whichever is later. Salary deductions are contributed by the City.
Los Angeles	Disabled due to performance of duties	2% of FAC for each YOCS or 30%-90% of FAC, whichever is greater.
Pennsylvania	Disabled due to performance of duties after 5 YOCS	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

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Police – Non-Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Total and permanent disability, or 10 YOCS (or 5 YOCS if additional contributions) if partial and permanent	Service retirement benefit payable immediately, calculated with a minimum of 10 YOCS. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit, minimum 25% of FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties and 10 YOCS	Same as service retirement formula, but persons under 55, the age factor is bumped up to 55 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties	50% of salary at the time of injury, payable for a period not more than 25% of service (excluding any previous disability time) rendered prior to injury, nor more than 5 years. Disability shall cease at age 63. Salary deductions are contributed by the City.
Los Angeles	Disabled not due to performance of duties after 5 YOCS	30% to 50% of FAC1.
Pennsylvania	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 and service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	Death due to performance of duties	100% of base salary for first two years, offset by workers' compensation, then reverts to 75% of monthly accrued benefit.
Baltimore	Death due to performance of duties	AECWI as a lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation. \$100k lump sum if killed in line of duty.
Chicago	Death due to performance of duties	75% of the member's salary attached to the civil service position that would ordinarily have been paid to such member as though in active discharge of his duties at the time of death payable until the date the policeman would have attained age 63. For dependent children, 10% of annual salary while survivor is alive, otherwise 15%. Total maximum benefit is 100% of salary. There is also a lump sum of \$12,000.
Los Angeles	Those hired between July 1, 1997 and March 8, 2011; death due to performance of duties	75% of FAC
Pennsylvania	Death due to performance of duties after 5 YOCS or age 60 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Non-Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties	Assumes participant retired with a 100% J&S benefit payable to the survivor, calculated with a minimum of 10 YOCS.
Atlanta	Death not due to performance of duties after 5 YOCS	Pension is payable to beneficiary as 75% J&S.
Baltimore	Death not due to performance of duties after 1 YOCS	AECWI plus 50% of greater of FAC (over 18 months) or FC as lump sum. Or if 2 YOCS, 25% plus 1.5% for each YOCS over 2, maximum 50%, of FC payable to SS as an annuity, or joint and 100% survivor annuity if eligible for service retirement. Offset by workers' compensation.
Boston	Death not due to performance of duties	Accumulated deductions paid in lump sum.
Chicago	Death not due to performance of duties and 1.5 YOCS	Widow's annuity is the greater of (a) 30% of the annual maximum salary attached to the classified civil service position of a first class patrolman at the time of his death (without dollar limit) or (b) 50% of the benefit accrued by the policeman at date of death. For dependent children, 10% of annual salary while survivor is alive, otherwise 15%. Total maximum benefit is 60% of salary. There is also a lump sum equal to: \$12,000 if under age 50, and reduced by \$400 for each year death exceeds age 49.
Los Angeles	Death not due to performance after 1 YOCS	If eligible to retire, then 40% of FAC1. If more than 5 years of service, then 30% of FAC1. If more than 1 year of service, then refund of contributions and a pension based on FAC1 and service (limited to 6 years).
Pennsylvania	Death not due to performance of duties after 5 YOCS or age 60 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum

SECTION II PLAN PROVISIONS COMPARISONS

Police – Termination Benefit for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 45 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	15 YOCS and laid off	If not vested, AECWOI. If vested, service retirement benefit payable immediately.
Boston	30 YOCS and resign before 55, or 20 YOCS and fail to be reappointed	Annuity and pension equal to 33 1/3% of FAC3.
Chicago	Under 50, or under 57 with less than 10 YOCS	Refund of all salary deductions with 1.5% simple interest.
Los Angeles	20 YOCS	2% per year of service for the first 20 years, then 3% for each additional year of service up to 30 years of service, multiplied by your FAC1. Alternately, may elect refund of contributions.
Pennsylvania	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

SECTION II PLAN PROVISIONS COMPARISONS

Police – Deferred Retirement Option Plan (DROP) for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	20 YOCS. Limited to a three-year period.	Monthly pension benefit, determined as of DROP enrollment and member contributions paid during DROP period accrue interest (3%). After DROP period ends, can retire or return to work and earn additional benefits.
Boston	None	N/A
Chicago	None	N/A
Los Angeles	Age 50 and 25 YOCS	Monthly pension benefit, determined as of DROP enrollment, accrues interest (5%) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum or rolled into another tax-qualified account.
Pennsylvania	None	N/A

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Police – Other Information for Previous Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	5% of pay limited to a minimum of 30% of gross normal cost and limited to a maximum of 50% gross normal cost	None	No
Atlanta	12% with no beneficiary and 13% with beneficiary, effective November 1, 2011.	CPI, after retirement - maximum 3% per year for DB only plan, maximum 1% per year for hybrid and combination plans.	No (if not eligible for social security, required to participate in FICA)
Baltimore	7% effective July 1, 2010, increasing 1% per year until reaching 10% on July 1, 2013	1% per year if between ages 55 and 65 and 2% per year if above age 65, after 2 years of retirement.	No
Boston	None	None	No
Chicago	None	If date of birth is before 1/1/1955, then 3% increase. If date of birth is after 1/1/1955, then 1.5% increase limited to a max of 30%.	No
Los Angeles	9% of compensation	Those hired before March 8, 2011 3% cap	No
Pennsylvania	5%	None	No

SECTION II PLAN PROVISIONS COMPARISONS

Benefit Comparisons – Fire Employees

Philadelphia – Fire employees participate in the City of Philadelphia Municipal Retirement System. The benefits for the current hires are for the members of Plan 87 Prime, which include members hired after October 15, 2010. The benefits for the earlier hires are for the members of Plan 87, which include members hired after July 1, 1988.

Atlanta – Fire employees participate in the City of Atlanta Firefighters' Pension Plan. The benefits for the current hires are for the members hired after November 1, 2011. The benefits for the earlier hires are for the members hired before November 1, 2011.

Baltimore – Fire employees participate in the Fire and Police Employees' Retirement System of the City of Baltimore. The benefits for the current hires are primarily for members with less than 15 years of credited service after July 1, 2010. The benefits for the prior hires are for the members with more than 15 years of credited service before July 1, 2010.

Boston – Fire employees participate in Massachusetts's Public Employee Retirement System. The benefits for the current hires are for the members hired after April 2, 2012. The benefits for earlier hires are for the members hired before April 2, 2012.

Chicago – Fire employees participate in State Retirement System of Illinois, in accordance with the Illinois Compiled Statutes. The benefits for the current hires are for the members hired after January 1, 2011. The benefits for the earlier hires are for the members hired before January 1, 2011.

Los Angeles – Fire employees participate in the Los Angeles Fire and Police Retirement System. The benefits for the current hires are for the members hired after July 1, 2011. The benefits for the earlier hires are for the members hired before July 1, 2011.

Pennsylvania – The Commonwealth of Pennsylvania does not employ firefighters, and so fire employees do not participate in the Pennsylvania State Employees' Retirement System.

SECTION II PLAN PROVISIONS COMPARISONS

Fire - Service Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS (or 5 YOCS if additional contributions), or 25 YOCS	2.2% of FAC3 for each of the first 20 YOCS, 2.0% FAC3 for service over 20 YOCS.
Atlanta	15 YOCS, for sworn police/fire 55 (DB and hybrid) and 57 (combination), for others 60 (DB and hybrid) and 62 (combination)	Hybrid plan uses 1% of FAE10 per year of service. DB only uses a multiplier defined by the plan (2.0%, 2.5%, or 3.0%) times FAE3 per year of service.
Baltimore	Age 55 with 15 YOCS or 25 YOCS	2.5% of FAC3 for first 20 YOCS, plus 2% of FAC3 for each YOCS over 20.
Boston	Age 55	1.45% to 2.5%, depending on age at retirement and whether or not member has accumulated 30 YOCS, of FAC5 for each YOCS; maximum 80% of FAC5.
Chicago	Age 55 or more with 10 or more YOCS	50% of FAC4, plus 2.5% for each additional YOCS over 20 with a maximum of 75% FAC4. Minimum annuity is: 2.5% of FAC8 for each YOCS, maximum of 75% FAC8 and annual salary max at \$106,800/year for computing purposes.
Los Angeles	Age 50 with 10 years	40% of FAC2 for first 20 YOCS, plus 3% of FAC2 for each YOCS between 20 and 24; plus 4% of FAC2 for each YOCS between 25 and 30; plus 5% of FAC2 for each YOCS over 30; max 90% of FAC2.
Pennsylvania	Not covered under state system	N/A

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Fire - Early Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 40 with 10 YOCS	Service retirement benefit, reduced by 6% for each year prior to age 50.
Atlanta	15 YOCS with no minimum age (DB or hybrid plan), age 47 (sworn police/fire in combination plan), age 52 (others in combination plan); combination plan also has 30 YOCS and no minimum age	For first 5 years from 57 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	20 YOCS or Age 50 with 10 YOCS	Service retirement benefit reduced by (6.5/12)% per month for the first 60 months, (4.5/12)% per month for the second 60 months, (1/4)% per month for the third 60 months, and (1/6)% per month for each additional month.
Boston	None	Refund of accumulated deductions in lump sum.
Chicago	Age 50 with 10 or more YOCS	Service retirement benefit, reduced by ½ of 1% for each month that the participant's is under 55.
Los Angeles	None	N/A
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties	70% of final rate of pay payable immediately offset by workers' compensation.
Atlanta	Disabled due to performance of duties	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled due to performance of duties	66 2/3% of FAC3 plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC and additional pension for each qualifying child. Sum should not exceed 75% of FC. Offset by workers' compensation.
Chicago	Disabled due to performance of duties	75% of final rate pay payable immediately offset by workers' compensation, plus \$30 per month for each DC. Total not to exceed 100% FAC payable until death, retirement or return.
Los Angeles	Disabled due to performance of duties	Between 30 and 90% of FAC2; minimum pension no less than 2% of FAC2 per year of service.
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Non-Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Total and permanent disability, or 10 YOCS (or 5 YOCS if additional contributions) if partial and permanent	Service retirement benefit payable immediately, calculated with a minimum of 10 YOCS. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit, minimum 25% of FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties	Same as service retirement formula, but persons under 55, the age factor is bumped up to 55 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties. Ordinary disability benefits are payable for a period of half the participant's service, limited to a maximum of five years.	50% less 9% (for pension deductions) for a total of 41% of salary on the date of removal from the payroll.
Los Angeles	Death not due to performance of duties after 5 YOCS	Between 30-50% of FAC2, depending on severity of disablement.
Pennsylvania	Not covered under state system	N/A

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Fire – Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	Death due to performance of duties	100% of base salary for first two years, offset by workers' compensation, then reverts to 75% of monthly accrued benefit.
Baltimore	Death due to performance of duties	AECWI as a lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties	75% of the current annual salary attached to his rank and grade, this benefit is increased proportionately with all future department increases to salary and 66 2/3 % of the participant's annuity at the date of death.
Los Angeles	Death due to performance of duties	80% of Member's FAC2 payable to surviving spouse. If 1 minor or dependent child, then additional 25% of survivor benefit is payable. If 2 minors or dependent children, then additional 40% of survivor benefit. If more than 2 minors or dependent children, then 50% of benefit the survivor is receiving. Total benefit cannot exceed 100% of FAC2.
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Non-Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties	Assumes participant retired with a 100% J&S benefit payable to the survivor, calculated with a minimum of 10 YOCS.
Atlanta	5 YOCS	Pension is payable to beneficiary as 75% J&S.
Baltimore	Death not due to performance of duties after 1 YOCS	AECWI plus 50% of greater of FAC3 or FC as lump sum. Or if 2 YOCS, 25% plus 1.5% for each YOCS over 2, maximum 50%, of FC payable to SS as an annuity, or joint and 100% survivor annuity if eligible for service retirement. Offset by workers' compensation.
Boston	Death not due to performance of duties	If participant was retirement eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties	One of 3 options: 1) if at least 1.5 years of service, 30% of salary; 2) 50% of annuity that would have been received if he just retired; 3) money purchase based on the salary deductions and city contributions.
Los Angeles	Death not due to performance of duties after 1 YOCS	If at least 1 YOCS, return of contributions and 50% of Member's FAC2 for a period not to exceed 6 years. If at least 5 YOCS, survivor may choose a life annuity of 50% of FAC2 in lieu of return of contributions.
Pennsylvania	Not covered under state system	N/A

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SECTION II
PLAN PROVISIONS COMPARISONS

Fire – Termination Benefit for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 50 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	15 YOCS and removed without fault; none.	If 15 YOCS and removed from position without fault, service retirement benefit payable immediately. Else, AECWOI.
Boston	Resign before 55	Normal retirement benefit, payable at age 55.
Chicago	Any	Refund of contributions for annuity and spouse's annuity plus interest and the increment increase if under 50 or under 57 with less than 10 YOCS. Otherwise, service retirement benefit, reduced by ½ of 1% for each month that the participant's is under 55.
Los Angeles	20 YOCS	2% FAC2 per year up to 20 years, then 3% FAC2 per year between 20 and 30 years, payable at age 50.
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Deferred Retirement Option Plan (DROP) for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	25 YOCS. Limited to a three-year period.	Monthly pension benefit, determined as of DROP enrollment and member contributions paid during DROP period accrue interest (3%). After DROP period ends, can retire or return to work and earn additional benefits.
Boston	None	N/A
Chicago	None	N/A
Los Angeles	Age 50 and 25 Years	DROP benefits are credited to a DROP account with interest at 5% annually. Members may participate for up to 5 years.
Pennsylvania	Not covered under state system	N/A

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SECTION II
PLAN PROVISIONS COMPARISONS

Fire – Other Information for Current Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	6% of pay limited to a minimum of 30% of gross normal cost and limited to a maximum of 50% gross normal cost.	None	No
Atlanta	DB only plan is 12% with no beneficiary and 13% with beneficiary. Hybrid plan is 8% for DB plan and 3.75% for DC plan.	CPI, after retirement - maximum 3% per year for DB only plan, maximum 1% per year for hybrid and combination plans.	No (if not eligible for social security, required to participate in FICA)
Baltimore	7% effective July 1, 2010, increasing 1% per year until reaching 10% on July 1, 2013.	1% per year if between ages 55 and 65 and 2% per year if above age 65, after 2 years of retirement.	No
Boston	12% of salary.	Maximum 3% per year, after retirement	No
Chicago	9.13%	Lesser of 3% or 50% of CPI-U of the original benefit commencing at age 60.	No
Los Angeles	9% from each salary check is deducted to fund the plan, until participant reaches 33 years of service.	3%	No
Pennsylvania	N/A	N/A	N/A

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SECTION II
PLAN PROVISIONS COMPARISONS

Fire – Defined Contribution Information for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	N/A	N/A
Atlanta	N/A	100% match on employee contributions, maximum 8% of compensation
Baltimore	N/A	N/A
Boston	N/A	N/A
Chicago	N/A	N/A
Los Angeles	N/A	N/A
Pennsylvania	N/A	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire - Service Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS (or 5 YOCS if additional contributions), or 25 YOCS	2.2% of FAC3 for each of the first 20 YOCS, 2.0% FAC3 for service over 20 YOCS.
Atlanta	15 YOCS, for sworn police/fire 55 (DB and hybrid) and 57 (combination), for others 60 (DB and hybrid) and 62 (combination)	Hybrid plan uses 1% of FAE10 per year of service. DB only uses a multiplier defined by the plan (2.0%, 2.5%, or 3.0%) times FAE3 per year of service.
Baltimore	Age 50 and 10 YOCS, or 20 YOCS regardless of age	2.5% of FAC (over 18 months) for first 20 YOCS, plus 2% of FAC (over 18 months) for each YOCS over 20.
Boston	Age 55 and 10 YOCS, or 20 YOCS	1.1% to 2.5%, depending on age at retirement, of FAC3 for each YOCS; maximum 80% of FAC3.
Chicago	Age 50 and 20 YOCS	50% of FAC4, plus 2.5% for each YOCS over 20 YOCS. Maximum of 75% FAC4.
Los Angeles	Age 50 and 20 YOCS	50% of your FAC1 at YOCS, plus 3% of your FAC1 for each YOCS over 20. For service year 30, you receive 4% instead of 3%. Maximum of 90%.
Pennsylvania	Not covered under state system	N/A

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SECTION II
PLAN PROVISIONS COMPARISONS

Fire - Early Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 40 with 10 YOCS	Service retirement benefit, reduced by 6% for each year prior to age 50.
Atlanta	15 YOCS with no minimum age (DB or hybrid plan), age 47 (sworn police/fire in combination plan), age 52 (others in combination plan); combination plan also has 30 YOCS and no minimum age	For first 5 years from 57 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	N/A	N/A
Boston	20 YOCS	Benefit amount as determined based upon age
Chicago	Age 50 with 10 YOCS	Earned annuity, calculated upon the amount the participant has contributed to the Fund, partial City contributions, interest and years of service.
Los Angeles	None	N/A
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties	70% of final rate of pay payable immediately offset by workers' compensation.
Atlanta	Disabled due to performance of duties	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled due to performance of duties	66 2/3% of FAC (over 18 months) plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC . Sum should not exceed 75% of FC plus additional pension for each qualifying child. Offset by workers' compensation.
Chicago	Disabled due to performance of duties	75% of final rate pay payable immediately offset by workers' compensation, plus \$30 per month for each DC. Total not to exceed 100% FAC payable until death, retirement or return.
Los Angeles	Disabled due to performance of duties	2% of FAC for each YOCS or 30%-90% of FAC, whichever is greater.
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Non-Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Total and permanent disability, or 10 YOCS (or 5 YOCS if additional contributions) if partial and permanent	Service retirement benefit payable immediately, calculated with a minimum of 10 YOCS. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. However, total disability benefit (including workers' compensation) is capped at 75% of salary at time of disablement. (Cap spouse's benefit to 60% of salary at disablement.)
Baltimore	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit, minimum 25% of FAC3, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties after 10 YOCS	Same as service retirement formula, but persons under 55, the age factor is bumped up to 55 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties. Ordinary disability benefits are payable for a period of half the participant's service, limited to a maximum of five years.	50% less 9% (for pension deductions) for a total of 41% of salary on the date of removal from the payroll.
Los Angeles	Disabled not due to performance of duties after 5 YOCS	30% to 50% of FAC1
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	N/A	100% of base salary for first two years, offset by workers' compensation, then reverts to 75% of monthly accrued benefit.
Baltimore	Death due to performance of duties	AECWI as a lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation. \$100k lump sum if killed in line of duty.
Chicago	Death due to performance of duties	75% of the current annual salary attached to his rank and grade, this benefit is increased proportionately with all future department increases to salary. For dependent children, 10% of annual salary while survivor is alive, otherwise 15%. Total maximum benefit is 100% of salary. There is also a lump sum of \$12,000.
Los Angeles	Those hired between July 1, 1997 and March 8, 2011; death due to performance	75% of FAC
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Non-Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties	Assumes participant retired with a 100% J&S benefit payable to the survivor, calculated with a minimum of 10 YOCS.
Atlanta	Death not due to performance of duties after 5 YOCS	Pension is payable to beneficiary as 75% J&S.
Baltimore	Death not due to performance of duties after 1 YOCS	AECWI plus 50% of greater of FAC (over 18 months) or FC as lump sum. Or if 2 YOCS, 25% plus 1.5% for each YOCS over 2, maximum 50%, of FC payable to SS as an annuity, or joint and 100% survivor annuity if eligible for service retirement. Offset by workers' compensation.
Boston	Death not due to performance of duties	Accumulated deductions paid in lump sum.
Chicago	Death not due to performance of duties after 1.5 YOCS	Greater of 30% of the salary attached to rank of first class firefighter, or 50% of the retirement annuity participant would have been eligible to receive. For dependent children, 10% of annual salary while survivor is alive, otherwise 15%. Total maximum benefit is 60% of salary. There is also a lump sum equal to: \$12,000 if under age 50, and reduced by \$400 for each year death exceeds age 49.
Los Angeles	Death not due to performance after 1 YOCS	If eligible to retire, then 40% of FAC1. If more than 5 years of service, then 30% of FAC1. If more than 1 year of service, then refund of contributions and a pension based on FAC1 and service (limited to 6 years).
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Termination Benefit for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 45 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	15 YOCS and laid off	If not vested, AECWOI. If vested, service retirement benefit payable immediately.
Boston	30 YOCS and resign before 55, or 20 YOCS and fail to be reappointed	Annuity and pension equal to 33 1/3% of FAC3.
Chicago	20 YOCS	Refund of contributions for annuity and spouse's annuity plus interest and the increment increase if under 50 or under 57 with less than 10 YOCS. Otherwise, service retirement benefit, reduced by ½ of 1% for each month that the participant's is under 55.
Los Angeles	20 YOCS	2% per year of service for the first 20 years, then 3% for each additional year of service up to 30 years of service, multiplied by your FAC1. Alternately, may elect refund of contributions.
Pennsylvania	Not covered under state system	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Fire – Deferred Retirement Option Plan (DROP) for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 50 with 10 YOCS. Limited to a four-year period.	Monthly pension benefit, determined as of DROP enrollment, accrues interest (3.90% as of July 1, 2014) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum.
Atlanta	None	N/A
Baltimore	20 YOCS. Limited to a three-year period.	Monthly pension benefit, determined as of DROP enrollment and member contributions paid during DROP period accrue interest (3%). After DROP period ends, can retire or return to work and earn additional benefits.
Boston	None	N/A
Chicago	None	N/A
Los Angeles	Age 50 and 25 YOCS	Monthly pension benefit, determined as of DROP enrollment, accrues interest (5%) and member contributions cease. Upon retirement, the monthly pension benefit will commence and the accumulated DROP account will be paid as a lump sum or rolled into another tax-qualified account.
Pennsylvania	Not covered under state system	N/A

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PLAN PROVISIONS COMPARISONS

Fire – Other Information for Previous Hires

Payment	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	5% of pay limited to a minimum of 30% of gross normal cost and limited to a maximum of 50% gross normal cost	None	No
Atlanta	DB only plan is 7% with no beneficiary and 8% with beneficiary. Hybrid plan is 8% for DB plan and 3.75% for DC plan.	CPI, after retirement - maximum 3% per year for DB only plan, maximum 1% per year for hybrid and combination plans.	No (if not eligible for social security, required to participate in FICA)
Baltimore	7% effective July 1, 2010, increasing 1% per year until reaching 10% on July 1, 2013	1% per year if between ages 55 and 65 and 2% per year if above age 65, after 2 years of retirement.	No
Boston	None	None	No
Chicago	9.13% of salary	If date of birth is before 1/1/1955, then 3% increase. If date of birth is after 1/1/1955, then 1.5% increase limited to a max of 30%.	No
Los Angeles	9% of compensation	3% cap for those hired before March 8, 2011.	No
Pennsylvania	None	None	N/A

SECTION II PLAN PROVISIONS COMPARISONS

Benefit Comparisons – Elected Employees

Philadelphia – Elected officials participate in the City of Philadelphia Municipal Retirement System. The benefits for the current hires are for the members of Plan 87 Prime, which include members hired after November 11, 2014. The benefits for the earlier hires are for the members of Plan 87, which include members hired after January 8, 1987. Furthermore, for current hires, there is an increased employee contribution of 1%.

Atlanta – Elected officials participate in the City of Atlanta General Employees Pension Fund. The benefits for the current hires are for the members hired after November 1, 2011. The benefits for the earlier hires are for the members hired before November 1, 2011.

Baltimore – Elected officials participate in the Elected Officials' Retirement System of the City of Baltimore. The benefits for the current hires and the earlier hires are the same. It appears that there was no plan for elected officials before 1983.

Boston – Elected officials participate in Massachusetts's Public Employee Retirement System. The benefits for the current hires are for the members hired after April 2, 2012. The benefits for earlier hires are for the members hired before April 2, 2012.

Chicago – Elected officials participate in State Retirement System of Illinois, in accordance with the Illinois Compiled Statutes. The benefits for the current hires are for the members hired after January 1, 2011. The benefits for the earlier hires are for the members hired before January 1, 2011.

Los Angeles – Elected officials participate in the Los Angeles City Employees' Retirement System. The benefits for the current hires are for the members hired after July 1, 2013. The benefits for the earlier hires are for the members hired before July 1, 2013.

Pennsylvania – Elected officials participate in the Pennsylvania State Employees' Retirement System. The benefits for the current hires are for the members hired after December 1, 2010, which include members of Class A-3. The benefits for the earlier hires are for the members hired before December 1, 2010, which include members of Class D-4.

SECTION II PLAN PROVISIONS COMPARISONS

Elected - Service Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 55 with 10 YOCS (8 YOCS if additional employee contributions paid)	3.5% of FAC3 for each YOCS; maximum 100% of FAC3.
Atlanta	Age 65 or 62 with 15 YOCS	1.0% of FAC10 for each YOCS; minimum of \$12 per month per YOCS, maximum of 80% FAC10.
Baltimore	16 YOCS or age 50 with 12 YOCS	2.5% of position's compensation for each YOCS.
Boston	Age 60 and 10 YOCS	1.45% to 2.5%, depending on age at retirement and whether or not member has accumulated 30 YOCS, of FAC5 for each YOCS; maximum 80% of FAC5.
Chicago	Age 67 with 10 YOCS	2.4% of FAC4 for each YOCS; maximum 80% of FAC4, or the money purchase account with 12.5% contributions per year increased with interest and converted to an annuity (if greater).
Los Angeles	Age 55 or older with at least 30 YOCS, age 60 or older with at least 10 years of continuous service or age 70 or older regardless of YOCS	2.16% of FAC1 for each YOCS; maximum 100% FC.
Pennsylvania	Age 65 with 3 YOCS or 35 YOCS with sum of age and YOCS at least 92	2% of FAC3 for each YOCS; maximum 100% FC.

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Elected - Early Retirement for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 52 with 10 YOCS (8 YOCS if additional employee contributions paid)	Service Retirement benefit, reduced by 6% for each year prior to age 55.
Atlanta	Age 52 with 15 YOCS	Reduce by 0.5% per month before age 62.
Baltimore	None	N/A
Boston	None	Refund of accumulated deductions plus interest in lump sum.
Chicago	10 YOCS	Service Retirement benefit, reduced by 6% for each year prior to age 67.
Los Angeles	Age 55 or older and have at least 10 years of Continuous Service, less than age 55 with at least 30 YOCS	Service Retirement benefit, reduced by 1.5% for first 5 years prior to age 60 and 3% for the next 10 years.
Pennsylvania	10 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (about 3% to 6% per year).

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties	70% of FC, payable immediately, offset by workers' compensation.
Atlanta	Disabled due to performance of duties	Normal benefit based on service accrued and FAC10 at disability, payable immediately; minimum of 50% of FAC10. Payable until age 65 or 62 with 15 YOCS, then recalculate benefit to include years as disabled as years of service.
Baltimore	Disabled due to performance of duties	66 2/3% of position's compensation plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC. Increased for each qualifying child. Sum should not exceed 75% of FC. Offset by workers' compensation.
Chicago	Disabled due to performance of duties	75% of final rate of pay, payable immediately, offset by workers' compensation and \$10 per month for each DC ; benefit not to exceed 90% of FC. Also credited 8.5% of FC for pension purposes so annuity rights continue, increases to 10% on 6th year. Ceases at age 65 unless in 5 year window.
Los Angeles	5 or more years of continuous service and determined to be too disabled to perform duties	33 1/3% of FC. May be higher percentage if over 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled due to performance of duties after 5 YOCS	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Non-Service Related Disability for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (5 YOCS if additional employee contributions paid) or after meeting vesting requirement	Service retirement benefit payable immediately. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS	Normal benefit based on service accrued and FAC10 at disability, payable immediately; minimum of 50% of FAC10. Payable until age 65 or 62 with 15 YOCS, then recalculate benefit to include years as disabled as years of service.
Baltimore	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit minimum 25% of position's compensation, payable immediately, offset by workers' compensation.
Boston	Disabled not due to performance of duties and 10 YOCS	Same as service retirement formula, but persons under 60, the age factor is bumped up to 60 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties	50% of FC payable after 30 days, benefit is payable until the earlier of the date the disability ceases, date of the disability exceeds in aggregate 25% of total service, but not to exceed a lifetime total of 5 years.
Los Angeles	5 or more years of continuous service and determined to be too disabled to perform duties	33 1/3% of FC. May be higher percentage if over 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 or service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	N/A	N/A
Baltimore	Death due to performance of duties	AECWI as lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties	60% of FC payable immediately to the time the employee would have reached 65. From that point spouse collects an annuity equal to amount if spouse had worked and retired at 65, offset by any compensation provided by the Industrial Commission.
Los Angeles	None	50% of monthly salary, frequency determined by numbers of years of service.
Pennsylvania	Death due to performance of duties after 10 YOCS or age 65 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Non-Service Related Death for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties	If vested or age 55, choice of 100% survivor annuity or lump sum benefit. Otherwise, lump sum benefit equal to FAC3*(YOCS)/(years required to vest) plus AECWOI, less any City-provided Group Life Insurance.
Atlanta	Death not due to performance of duties	If eligible for a pension benefit, 75% of pension is payable to beneficiary. If not eligible for a pension benefit, AECWI over benefits already paid out by plan.
Baltimore	Death not due to performance of duties	If eligible for service retirement, joint and 100% survivor annuity. Otherwise AECWOI plus, if 1 YOCS, 50% of FC as lump sum. Offset by workers' compensation.
Boston	Death not due to performance of duties	If participant was retirement eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties	Spouse entitled to largest of the following choices, total employee and city contributions, 50% of the annuity employee would have received had he/she retired the preceding day of death or \$800 per month for life if the employee had at least 5 YOCS. Cannot exceed 50% FC.
Los Angeles	5 or more YOCS and death not connected to performance of duties	Continuance of service or disability benefit payable under 100% J&S option to an eligible spouse.
Philadelphia	Death not due to performance of duties after 10 YOCS or age 65 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Termination Benefit for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (8 YOCS if additional employee contributions made)	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 55 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 62.
Baltimore	12 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 50.
Boston	10 YOCS	Annuity and pension equal to 33 1/3% of FAC3.
Chicago	Under 62 with any YOCS, or any age with 10 YOCS; age 62 and 10 YOCS	If age 62 with 10 YOCS, annuity based on all employee contributions plus 1/10 of city contributions for each year of service over 10. Else, refund of AECWI.
Los Angeles	All	Leave contributions on deposit with plan until eligible for deferred service retirement if 5 YOCS continuous, or refund of contributions.
Pennsylvania	10 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

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Elected – Deferred Retirement Option Plan (DROP) for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	None	None
Atlanta	None	None
Baltimore	None	None
Boston	None	None
Chicago	None	None
Los Angeles	None	None
Pennsylvania	None	None
Atlanta	None	None

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Other Information for Current Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	30% of the gross normal cost for all elected officials determined as if general employees plus 100% of the excess gross normal cost for elected officials, plus 1.5% of compensation, plus 0.5% of compensation (effective 1/1/2016), additional amount to become vested in 8 years payable until vested.	None	Yes
Atlanta	8% of salary	CPI, maximum 1% per year, after retirement	No (if not eligible for social security, required to participate in FICA)
Baltimore	5% until age 60 and 35 YOCS	Based on increases in position's compensation	Yes
Boston	9%, dropped down to 6% once they have 30 years of service, + 2% if over \$30,000 in pay	Maximum 3% per year, after retirement	No
Chicago	8.5% from each salary check is deducted to fund the plan	Minimum of 1/2 CPI or 3%. Retirees with annual payments under 22,000 are guaranteed at least 1%.	No
Los Angeles	7% of salary	3%	No
Pennsylvania	6.25% (9.3% if elect 2.5% accrual instead of 2.0% accrual) plus shared-risk contribution	None	Yes

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Elected – Defined Contribution Information for Current Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	N/A	N/A
Atlanta	N/A	100% match on employee contributions, maximum 8% of compensation
Baltimore	N/A	N/A
Boston	N/A	N/A
Chicago	N/A	N/A
Los Angeles	N/A	Match employees' salary deferrals, maximum 4.0%
Pennsylvania	N/A	N/A

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SECTION II
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Elected - Service Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 55 w/ 10 YOCS (8 YOCS if additional employee contributions paid)	3.5% of FAC3 for each YOCS; maximum 100% of FAC3.
Atlanta	Age 65, age 60 and 10 YOCS, or 30 YOCS	2.0% of FAC3 for each YOCS.
Baltimore	16 YOCS or age 50 with 12 YOCS	2.5% of position's compensation for each YOCS.
Boston	Age 55 and 10 YOCS or 20 YOCS	0.1% to 2.5%, depending on age at retirement, of FAC3 for each YOCS; maximum 80% of FAC3.
Chicago	30 YOCS payable at 50, 20 YOCS payable at 55, 10 YOCS payable at 60	2.4% of FAC4 for each YOCS; maximum 80% of FAC4.
Los Angeles	Age 55 or older with at least 30 YOCS, age 60 or older with at least 10 years of Continuous Service or age 70 or older regardless of YOCS	2.16% of FAC1 for each YOCS; maximum 100% FC.
Pennsylvania	Age 60 with 3 YOCS or 35 YOCS	2.5% of FAC3 for each YOCS; maximum 100% FC.

SECTION II PLAN PROVISIONS COMPARISONS

Elected - Early Retirement for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Age 52 with 10 YOCS (8 YOCS if additional employee contributions paid)	Service Retirement benefit, reduced by 6% for each year prior to age 55.
Atlanta	10 YOCS	For first 5 years from 60 reduce benefit by 6%, reduce benefit by 3% for remaining years.
Baltimore	None	N/A
Boston	20 YOCS	Benefit amount as determined based upon age.
Chicago	10 YOCS	Service Retirement benefit, reduced by 3% for each year prior to age 60, unreduced if he or she has 25 YOCS.
Los Angeles	Age 55 or older and have at least 10 years of Continuous Service, less than age 55 with at least 30 YOCS	Service Retirement benefit, reduced by 1.5% for each of the first 5 years prior to age 60 and 3% for the next 10 years.
Pennsylvania	5 YOCS	Service retirement benefit reduced on an actuarial equivalence basis (about 3% to 6% per year).

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Elected – Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Disabled due to performance of duties	70% of FC, payable immediately, offset by workers' compensation.
Atlanta	Disabled due to performance of duties	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. Retirement benefit will be recalculated at NRA to include years disabled as years of service.
Baltimore	Disabled due to performance of duties	66 2/3% of position's compensation plus AECWI as annuity, payable immediately, offset by workers' compensation.
Boston	Disabled due to performance of duties	Annuity based on total accumulated deductions with interest and age on date of retirement, plus a yearly pension equal to 72% of FC . Sum should not exceed 75% of FC plus additional pension for each qualifying child. Offset by workers' compensation.
Chicago	Disabled due to performance of duties	75% of final rate of pay, payable immediately, offset by workers' compensation and \$10 per month for each DC; benefit not to exceed 90% of FC. Also credited 8.5% of FC for pension purposes so annuity rights continue, increases to 10% on 6th year. If less than 60 at commencement, payments stop at age 65; else payments stop after 5 years.
Los Angeles	5 or more years of continuous service and determined to be too disabled to perform duties	33 1/3% of FC. May be higher percentage if over 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled due to performance of duties after 5 YOCS	70% of FAC3, payable immediately, offset by workers' compensation, PA Occupational Disease Act and Social Security Act benefits.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Non-Service Related Disability for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 years credited service or after meeting vesting requirement	Service retirement benefit payable immediately. If eligible for workers' compensation, benefit is not payable.
Atlanta	Disabled not due to performance of duties after 5 YOCS	Maximum of your service retirement benefit, or 50% of FAC3, payable immediately. Retirement benefit will be recalculated at NRA to include years disabled as years of service.
Baltimore	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit minimum 25% of position's compensation, payable immediately, offset by workers' compensation
Boston	Disabled not due to performance of duties after 10 YOCS	Same as service retirement formula, but persons under 60, the age factor is bumped up to 60 years of age. Offset by workers' compensation.
Chicago	Disabled not due to performance of duties	50% of FC payable after 30 days, benefit is payable until the earlier of the date the disability ceases, date of the disability exceeds in aggregate 25% of total service, but not to exceed a lifetime total of 5 years.
Los Angeles	5 or more years of continuous service and determined to be too disabled to perform duties	33 1/3% of FC. May be higher percentage if over 23.3 YOCS, or 1/70 of the FC per year of service, whichever one is greater.
Pennsylvania	Disabled not due to performance of duties after 5 YOCS	Service retirement benefit if more than 33 1/3% of FAC3, otherwise lesser of 33 1/3% of FAC3 or service retirement benefit based on service projected to retirement, payable immediately.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death due to performance of duties	AECWOI as a lump sum plus 60% of FC payable to SS and 10% of FC to each DC until age 18, maximum of 80% of FC, as an annuity. Offset by workers' compensation.
Atlanta	Death due to performance of duties	If eligible for a pension benefit, 75% of pension is payable to beneficiary. If not eligible for a pension benefit, AECWI over benefits already paid out by plan.
Baltimore	Death due to performance of duties	AECWI as lump sum, plus 100% of FC payable to SS as an annuity, offset by workers' compensation.
Boston	Death due to performance of duties	Accumulated retirement deductions in one lump sum. Plus yearly pension equal to 72% of FC and additional pension for each qualifying child. Must not exceed FC. Offset by workers' compensation.
Chicago	Death due to performance of duties	60% of FC payable immediately to the time the employee would have reached 65. From that point spouse collects an annuity equal to amount if spouse had worked and retired at 65, offset by any compensation provided by the Industrial Commission.
Los Angeles	Death due to performance of duties	If under 5 YOCS, refund of contributions plus a limited pension, or a disability pension. If at least 5 YOCS, refund of contributions or continuance of service/disability benefit under 100% J&S option to an eligible spouse.
Pennsylvania	Death due to performance of duties after 5 YOCS or age 60 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Non-Service Related Death for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	Death not due to performance of duties	If vested or age 55, choice of 100% survivor annuity or lump sum benefit. Otherwise, lump sum benefit equal to $FAC3 * (YOCS) / (\text{years required to vest})$ plus AECWOI, less any City-provided Group Life Insurance.
Atlanta	Death not due to performance of duties	If eligible for a pension benefit, 75% of pension is payable to beneficiary. If not eligible for a pension benefit, AECWI over benefits already paid out by plan.
Baltimore	Death not due to performance of duties	If eligible for service retirement, joint and 100% survivor annuity. Otherwise AECWOI plus, if 1 YOCS, 50% of FC as lump sum. Offset by workers' compensation.
Boston	Death not due to performance of duties	If participant was ret eligible, 66.6% J&S payable to beneficiary. If participant had less than 2 YOCS, refund of contributions. Else, survivor can choose refund of contributions or an annuity; minimum annuity is \$500 per month and additional amounts for surviving children.
Chicago	Death not due to performance of duties	Spouse entitled to largest of the following choices, total employee and city contributions, 50% of the annuity employee would have received had he/she retired the preceding day of death or \$800 per month for life if the employee had at least 5 YOCS. Cannot exceed 50% FC.
Los Angeles	None; 1 year service; 5 YOCS	If under 1 year of service, refund of contributions. If 1 year of service, refund of contributions plus a pension equal to 50% of salary with a length based on years of service. If at least 5 YOCS, refund of contributions or continuance of service/disability benefit under 100% J&S option to an eligible spouse.
Pennsylvania	Death not due to performance of duties after 5 YOCS or age 60 with 3 YOCS	Present value of service retirement benefit assuming retirement occurred the day before death as a lump sum.

SECTION II PLAN PROVISIONS COMPARISONS

Elected – Termination Benefit for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	10 YOCS (8 YOCS if additional employee contributions made)	If not vested, AECWOI. If vested, deferred service retirement benefit payable at age 55 or early retirement benefit reduced accordingly.
Atlanta	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 60.
Baltimore	12 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at age 50.
Boston	10 YOCS but under age 55	Service retirement benefit payable at age 55.
Chicago	Under 55 with any YOCS or 55-60 with under 10 YOCS	Service Retirement benefit if 10 YOCS, reduced by 3% for each year prior to age 60, plus refund of annuity contributions with interest.
Los Angeles	All	Leave contributions on deposit with plan until eligible for deferred service retirement if 5 YOCS continuous, or refund of contributions.
Pennsylvania	5 YOCS	If not vested, AECWI. If vested, deferred service retirement benefit payable at service retirement eligibility date or early retirement benefit reduced accordingly.

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Elected – Deferred Retirement Option Plan (DROP) for Previous Hires

Jurisdiction	Eligibility	Benefit
Philadelphia	None	N/A
Atlanta	None	N/A
Baltimore	None	N/A
Boston	None	N/A
Chicago	None	N/A
Los Angeles	None	N/A
Pennsylvania	None	N/A

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Elected – Other Information for Previous Hires

Jurisdiction	Employee Contributions	COLA	Social Security Coverage?
Philadelphia	30% of the gross normal cost for all elected officials determined as if general employees plus 100% of the excess gross normal cost for elected officials, plus 0.5% of compensation, plus 0.5% of compensation (effective 1/1/2016), additional amount to become vested in 8 years payable until vested.	None	Yes
Atlanta	12% if participant is without beneficiary, 13% if participant is with beneficiary.	CPI, maximum 3% per year, after retirement	No (if not eligible for social security, required to participate in FICA)
Baltimore	5% until age 60 and 35 YOCS	Based on increases in position's compensation	Yes
Boston	9% of salary plus an additional 2% of salary over \$30,000	None	No
Chicago	8.5% from each salary check is deducted to fund the plan	3% increase on life annuities starting on the earlier of the 3rd year of retirement and age 53, or 1st year of retirement and age 60. Survivors ineligible for COLA.	No
Los Angeles	7% of salary	The Consumer Price Index (CPI) for the Los Angeles area every July, not to exceed 3% annually	No
Pennsylvania	6.25% of salary	None	Yes

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PLAN PROVISIONS COMPARISONS

Dates of Breaks between Plan Provisions for Prior and Current Hires

Jurisdiction	Division	Date of Break
Atlanta	General	November 1, 2011
Atlanta	Elected	November 1, 2011
Atlanta	Police	November 1, 2011
Atlanta	Fire	November 1, 2011
Baltimore	General	July 1, 2014
Baltimore	Elected	December 5, 1983
Baltimore	Police	July 1, 2010 - grandfathered 15 YOS or retirement eligible
Baltimore	Fire	July 1, 2010 - grandfathered 15 YOS or retirement eligible
Boston	General	April 2, 2012
Boston	Elected	April 2, 2012
Boston	Police	April 2, 2012
Boston	Fire	April 2, 2012
Chicago	General	January 1, 2011
Chicago	Elected	January 1, 2011
Chicago	Police	January 1, 2011
Chicago	Fire	January 1, 2011
Los Angeles	General	July 1, 2013
Los Angeles	Elected	July 1, 2013
Los Angeles	Police	July 1, 2011

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Jurisdiction	Division	Date of Break
Los Angeles	Fire	July 1, 2011
Pennsylvania	General	<ul style="list-style-type: none"> • Park Rangers: July 1, 2011 • All other employees: January 1, 2011
Pennsylvania	Elected	December 1, 2010
Pennsylvania	Police	<ul style="list-style-type: none"> • Capitol Police Officers: July 1, 2011 • State Police Officers: July 1, 2012
Pennsylvania	Fire	N/A
Philadelphia	General	<ul style="list-style-type: none"> • Sheriffs' Office or Register of Wills: January 1, 2012 • AFSCME, DC 47: March 5, 2014 • Nonunion municipal civil service: May 14, 2014 • AFSCME, DC 33 other than guards: September 9, 2014 • Nonunion municipal non-civil service: November 11, 2014
Philadelphia	Elected	November 11, 2014
Philadelphia	Police	January 1, 2010
Philadelphia	Fire	October 15, 2010

APPENDIX A

Glossary of Terminology

1. **Accrued Service** - Service credited under the System which was rendered before the date of the actuarial valuation.
2. **Covered Compensation** - The average social security wage base for each year of work leading up to retirement. Calculated using the 35-year period ending with the calendar year in which the member attains the eligible retirement age.
3. **Early Retirement Factor** – Factor used to reduce the benefit at normal retirement age for payment of benefits at an earlier date.
4. **Final Average Earnings** – The average earnings of the participant, as defined under the plan provisions, immediately prior to retiring.
5. **Normal Cost** - The actuarial present value of retirement system benefits allocated to the current year based upon an entry age normal cost funding method. The normal cost under this method is determined by taking the present value of the projected benefit at retirement age and spreading it as a level percent of payroll over the working life of a participant. The discount rate for this calculation is 7.80%.
6. **Replacement ratio** - the ratio of the pension benefit a participant will receive divided by the final year's salary received by the participant.
7. **Retirement Age** – Assumed age when a participant will retire. If plan does not offer benefits for a specific sample employee illustration, it may indicate that the sample participant outlined in the illustration is not eligible to receive pension benefits.

Data Assumptions and Practices

In preparing our data, we relied, without audit, on information previously supplied by the City of Philadelphia Municipal Retirement System and information we were able to obtain publically used for this comparative analysis. This information includes, but is not limited to, plan provisions, actuarial valuation reports, comprehensive annual financial reports, social security replacement ratios and financial information. The retirement benefits were compared based upon the plans in effect as of July 1, 2014. Some subsequent changes to the retirement or pension benefits were not reflected in this study due to limited information on these changes. However, the following is a brief description of the known subsequent changes effective after July 1, 2014 that we are aware of and were reflected in this report:

- General plan – increased employee contribution rates of 1% by 2016 for current hires, and for new hires.
- Elected employees – increased employee contribution rates of 1% by 2016 for current hires.

APPENDIX A

A. Actuarial Assumptions

To complete the benefit comparison calculations, the following assumptions were applied:

- The estimated early retirement factor of Pennsylvania is 5% per year early.
- The assumed employee contribution rate for Philadelphia's general employees under the current plan is 3.97%, which includes the extra 1% increase in the employee contribution rate.
- Philadelphia's Pension Adjustment Fund was not included in the study.
- Participants are assumed to work continuously from date of hire through retirement and earn a full year of credited service each year.
- To calculate average final compensation, it is assumed salary grows each year, thus the maximum is calculated using the years closest to retirement.
- All benefits are compared as accrued benefits based upon the benefit formulas provided. There has been no conversion for possible forms of payment differences.
- We assume the participant in the calculation to work and then immediately retire with either a normal retirement or early retirement benefit as of the assumed retirement age in each illustration.
- Disability, death, termination, and deferred retirement option plan information for each jurisdiction is provided in the benefit comparison, but is not provided in the calculated comparisons for the employee illustrations.
- We assumed a 4.0% salary growth rate.
- For defined contribution benefits, we assumed the maximum amount was contributed, as provided under the plan.
- Only employer contributions and benefits associated with the defined contribution plans (if applicable) were provided.
- Contributions were assumed to increase at 5% a year and the conversion factor for account based plans was also based upon a 5% discount rate and 2015 417(e) mortality table.

APPENDIX A

The following outlines all other assumptions applied:

1. Investment return assumption

5.00% compounded annually, net of expenses.

2. Salary increase rate

4.00% per year.

3. Cost of living adjustment (consumer price index)

2.8% per year.

4. Annuity conversion rate

5.00%

5. Mortality table for annuity conversion:

Unisex RP-2000 projected to 2015 as published under 417(e).

B. Actuarial Methods

1. Normal Cost

The normal cost used to compare the costs of the plans is based on the most recent benefit provisions. This calculation is based upon 7.80% discount rate assumption and the mortality table as provided above for pre and post retirement. Disability and termination decrements are not reflected in this normal cost calculation. An Entry Age Normal cost method is applied for this calculation.

APPENDIX A

2. Calculation of Retirement Replacement Ratios

There are 4 retirement benefit calculations for each of the 7 jurisdictions, based upon job type. These are “current hire” calculations based upon the pension plans in effect as of July 1, 2014, but reflecting future increases for employee contributions for general and elected employees, as currently available, as of this date for the Philadelphia pension plan.

Each benefit has been programmed individually and depending upon the inputs entered, the appropriate retirement ratios are presented for comparison.

The retirement replacement ratio is the percentage of the pension benefit a participant will receive divided by the final year salary received by the participant. The ratio is the sum of four parts with each component split between employer and employee, which may or may not be included depending on the plan.

- Defined benefit
- Defined benefit cost of living adjustment
- Social security benefit
- Social security benefit cost of living adjustment

Employee provided benefits are calculated by determining the employee contributions throughout the employee’s career and converting to an annuity. The employer provided benefit is the total defined benefit net of the employee provided benefit. Employee contribution accounts are assumed to grow based upon the investment return assumption. The annuity conversion is based upon this assumption as well, but includes the mortality assumption and the COLA adjustment (if applicable).

APPENDIX A

While every effort was made to be accurate in these calculations, some simplifying assumptions for method were made, including the following:

1. If a plan does not offer early retirement service benefits with an ERF and instead only offers a refund of contributions, we did not calculate the annuity value of this refund of contributions.
2. Baltimore COLA – does not reflect additional cola due to variable investment earnings.
3. Boston mandatory retirement ages of 64 and 65 for the Police were not reflected (although these probably do not impact the illustrations provided).
4. Chicago Police Accumulation Annuity benefit was not reflected since the “Dominant Formula”, as outlined in the employee handbook, is the benefit based upon the service, final average earnings, and the accrual rate.
5. Chicago Elected plan does not reflect the Elected City Officers Optional Plan, which possibly provides increased benefits and requires increased employee contributions.
6. Chicago Money Purchase formula was not reflected for the general and elected employees.
7. For Pennsylvania, the estimated actuarial equivalence for the ERF is 5% per year reduction.
8. For Los Angeles, we assumed all retirees would opt to buy the additional COLA at retirement, as available.
9. For Atlanta, we assumed all new hires would enter the “hybrid” plan, which offers both defined benefit and a defined contribution retirement income.

APPENDIX B

Sources of Information

The sources of information used in this report are grouped by jurisdiction and listed below. Supplemental information was also provided for each jurisdiction.

Atlanta

City of Atlanta General Employees' Pension Fund, Actuarial Valuation and Review as of July 1, 2013
Your Pension Benefits from The City of Atlanta and The Atlanta Board of Education, Summary Plan Description for the General Employees' Pension Plan, Police Officer's Pension Plan, Firefighter's Pension Plan
City of Atlanta Pension Reform Presentation, August 2011
City of Atlanta Police Officer's Pension Plan, Summary Plan Description (Revised January 1, 2007)
City of Atlanta Firefighter's Pension Plan, Summary Plan Description (Revised January 1, 2007)
City of Atlanta, Pension Reform – Frequently Asked Questions

Baltimore

Actuarial Valuation Report for the Employees' Retirement System of the City of Baltimore as of June 30, 2014
Actuarial Valuation Report for the Elected Officials' Retirement System of the City of Baltimore as of June 30, 2014
Fire and Police Employees' Retirement System of the City of Baltimore; Actuarial Valuation Report as of June 30, 2014

Boston

State-Boston Retirement System, Actuarial Valuation and Review as of January 1, 2014
Annual Report 2013, Public Employee Retirement Administration Commission, Commonwealth of Massachusetts
Guide to Survivor Benefits for Public Employees Who Became Members Prior to April 2, 2012
Massachusetts Public Employee Guide to Disability Retirement (Regardless of the Date of Membership)
Massachusetts Public Employee Retirement Guide for Public Employees Who Became Members On or After April 2, 2012
Massachusetts Public Employee Retirement Guide for Public Employees Who Became Members Prior to April 2, 2012

APPENDIX B

Chicago

Municipal Employee's Annuity and Benefit Fund of Chicago, 2013 Comprehensive Annual Financial Report, For Fiscal Year Ended December 31, 2013

The Firemen's Annuity and Benefit Fund of Chicago, Actuarial Valuation Report as of December 31, 2013

The Policemen's Annuity and Benefit Fund of Chicago, Actuarial Valuation Report as of December 31, 2013

Municipal Employees' Annuity and Benefit Fund of Chicago, Membership Handbook on the Laws Governing the Fund Including Amendatory Provisions through November 1, 2013, Tier 1 Members

Tier 2 Benefits Summary, Applies to Members who began pension contributions on or after January 1, 2011 and their Survivors for the Municipal Employee's Annuity and Benefit Fund of Chicago

Los Angeles

Los Angeles City Employees' Retirement System Actuarial Valuation and Review of Retirement and Health Benefits as of June 30, 2014

Los Angeles City Employees' Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014

Los Angeles City Employees' Retirement System (LACERS), Tier 1 Summary Plan Description, Updated June 2014

Tier 5 Fire & Police Pension Plan, Summary Plan Description, LAFPP, Revised January 2015

Tier 6 Fire & Police Pension Plan, Summary Plan Description, LAFPP, Revised March 2014

Summary Plan Description, 2011, County of Los Angeles 401(k) Savings Plan

City of Los Angeles Deferred Compensation Plan, Plan Highlights

Pennsylvania

The Commonwealth of Pennsylvania State Employees' Retirement System, SERS Member Handbook 2011

SERS Commonwealth of Pennsylvania State Employees' Retirement System, Comprehensive Annual Financial Report For the Year Ended December 31, 2014

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Philadelphia

City of Philadelphia Municipal Retirement System Actuarial Valuation Report as of July 1, 2014

The Philadelphia Board of Pensions and Retirement Summary Plan Description, Plan A, Plan B, Plan L, Plan Y, Revised May 2013

The Philadelphia Municipal Code – Title 22