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Chapter 2.64 – City Employees’ Pension Fund

Proposed Ordinance Amendments



Summary

- On October 30, 2023, the Board of Trustees of the City of El Paso Employees Retirement Trust voted in open session to recommend several revisions to the ordinance that governs the City Employees Retirement Trust found in Chapter 2.64 of the El Paso Municipal Code.
- The Board of Trustees are responsible for the administration of the City of El Paso Employees Retirement Trust.
- The recommended revisions clarify various sections of Chapter 2.64 which will primarily facilitate the administration of the Retirement Trust and remove ambiguities in the current language of the governing ordinance.
- **There are no actuarial costs to implement the recommended revisions.**

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Background

- The proposed ordinance amendments are the result of recently identified operational concerns.
- Some of the proposed clarifications are a result of new pay codes or difficulties in being able to properly account for some recent ordinance changes.
- Some changes are a result of the disability hearings with applicants seeking disability retirements.
- The proposed ordinance revisions have been vetted by the Pension Fund's Board of Trustees and have been reviewed by the Trust's compliance counsel.
- The City's Department of Human Resources and the City Attorney's Office have reviewed the proposed ordinance amendments.
- All of the proposed recommended revisions are an effort to increase the operational efficiency in the administration of the retirement trust.
- The Trust's professional consulting actuary reviewed the proposed amendments and indicated that the proposed ordinance amendments will not result in any actuarial costs.

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Overview of Changes

Participants

- Clarified that elections for employee positions on the Pension Trust Board of Trustees are not considered municipal elections and the City Manager may make rules regarding the election not inconsistent with the ordinance.
- Related to Disability Pensions:
 - Clarifies the definition of “disability” by changing from total and permanent to having significant physical, neurological, cognitive, or mobility limitation or combination of these so severe that a person can’t do their job by which they are qualified by training or experience when treatment is unlikely to significantly improve their condition at the time application is made.
 - Allows disability applications for employees who become injured while serving in the armed forces.
 - Clarifies that disabilities will not be allowed due to illegal drug use.
 - Allows the Board to use a court order of incapacitation as evidence sufficient to prove incapacitation in its disability determinations.

Administrative

- Removes the current provisions whereby the City may make an employee contribution of an executive to the Trust on behalf of an employee.
- Clarifies that for a benefit calculation, when an employee is rehired or participates in PRP and reestablishes service, that the three-year average compensation will be the last three years when the participant contributed to the Trust.
- Clarifies the term pensionable earnings.

Retirees

- Clarifies that the Trust may determine a process to verify those with disabilities continue to be disabled.

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Recommendation

- The City of El Paso Employees Retirement Trust Board of Trustees recommends City Council approve the ordinance amendments.

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Thank You.

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