

ORDINANCE NO. BL2012-237

An ordinance amending Title 3 of the Metropolitan Code relative to employee and retiree benefits, pensions and medical benefits.

WHEREAS, the Council of the Metropolitan Government of Nashville and Davidson County has adopted a system of employee benefits known as the Metropolitan Employee Benefit System; and,

WHEREAS, the system of employee benefits includes pensions and medical benefits for officers, employees and retirees of the Metropolitan Government; and,

WHEREAS, the Study and Formulating Committee has issued a Final Report dated March 22, 2012, recommending that certain changes be made to pensions and retiree medical benefits; and,

WHEREAS, it is deemed to be in the best interest of the Metropolitan Government to implement some of the recommendations made by the Study and Formulating Committee.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. Section 3.32.040 of the Metropolitan Code is hereby deleted in its entirety and the following language substituted in lieu thereof:

“3.32.040 - Vested pension after required years of credited employee service.

Any member who becomes a metropolitan employee on or after September 1, 2012 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.32.020 or 3.32.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-five, provided he is then living, computed and payable in accordance with the provisions in Section 3.32.020.

Any member who was a metropolitan employee at any time from October 1, 2001 through August 31, 2012 and whose termination occurs after he has completed at least five years of service and before he is eligible to receive a benefit under either Section 3.32.020 or 3.32.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-five, provided he is then living, computed and payable in accordance with the provisions in Section 3.32.020.

Any member who was not a metropolitan employee on or after October 1, 2001 and whose termination occurs after he has completed at least ten years of service

and before he is eligible to receive a benefit under either Section 3.32.020 or 3.32.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-five, provided he is then living, computed and payable in accordance with the provisions in Section 3.32.020.”

Section 2. Section 3.33.040 of the Metropolitan Code is hereby deleted in its entirety and the following language substituted in lieu thereof:

“3.33.040 - Vested pension after required years of credited employee service.

Any member who becomes a metropolitan employee on or after September 1, 2012 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.33.020 or 3.33.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.33.020.

Any member who was a metropolitan employee at any time from October 1, 2001 through August 31, 2012 and whose termination occurs after he has completed at least five years of service and before he is eligible to receive a benefit under either Section 3.33.020 or 3.33.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.33.020.

Any member who was not a metropolitan employee on or after October 1, 2001 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.33.020 or 3.33.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.33.020.”

Section 3. Section 3.36.040 of the Metropolitan Code is hereby deleted in its entirety and the following language substituted in lieu thereof:

“3.36.040 - Vested pension after required years of credited employee service.

Any member who becomes a metropolitan employee on or after September 1, 2012 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.36.020 or 3.36.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-two, provided he is then living, computed and payable in accordance with the provisions in Section 3.36.020.

Any member who was a metropolitan employee at any time from October 1, 2001 through August 31, 2012 and whose termination occurs after he has completed at least five years of service and before he is eligible to receive a benefit under either Section 3.36.020 or 3.36.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-two, provided he is then living, computed and payable in accordance with the provisions in Section 3.36.020.

Any member who was not a metropolitan employee on or after October 1, 2001 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.36.020 or 3.36.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of age sixty-two, provided he is then living, computed and payable in accordance with the provisions in Section 3.36.020.”

Section 4. Section 3.37.040 of the Metropolitan Code is hereby deleted in its entirety and the following language substituted in lieu thereof:

“3.37.040 - Vested pension after required years of credited employee service.

Any member who becomes a metropolitan employee on or after September 1, 2012 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.37.020 or 3.37.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.37.020.

Any member who was a metropolitan employee at any time from October 1, 2001 through August 31, 2012 and whose termination occurs after he has completed at least five years of service and before he is eligible to receive a benefit under either Section 3.37.020 or 3.37.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which

shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.37.020.

Any member who was not a metropolitan employee on or after October 1, 2001 and whose termination occurs after he has completed at least ten years of service and before he is eligible to receive a benefit under either Section 3.37.020 or 3.37.030 shall be eligible to leave any employee contributions in the system and shall be eligible to receive a monthly deferred pension which shall commence on the first day of the month following his attainment of unreduced retirement age, provided he is then living, computed and payable in accordance with the provisions in Section 3.37.020.”

Section 5. Section 3.08.110 of the Metropolitan Code is hereby amended by adding the following new subsection F:

“F. No later than January 1, 2014, the board shall implement Medicare Part D or an Employer Group Waiver Plan for eligible pensioners.”

Section 6. Section 3.12.050 of the Metropolitan Code is hereby amended by adding the following new subsection C:

“C. Notwithstanding any other provisions of the system to the contrary, a retired member who became a metropolitan employee on or after September 1, 2012, or was rehired on or after September 1, 2012 and had not otherwise become vested for a pension benefit under section 3.32.040, 3.33.040, 3.36.040, or 3.37.040 prior to the date of rehire, shall be entitled to receive medical benefits only if the member was eligible to begin receiving a normal or early retirement pension under section 3.32.020, 3.32.030, 3.33.020, 3.33.030, 3.36.020, 3.36.030, 3.37.020, or 3.37.030 at the time of the member’s employment termination.”

Section 7. Section 3.16.020 of the Metropolitan Code is hereby amended by deleting subsection C in its entirety and substituting in lieu thereof the following new subsection C:

“C. 1. Effective July 1, 1979, the metropolitan government shall contribute seventy-five percent of the contribution rate established for medical care benefits and the covered employee and disabled member receiving disability benefits pursuant to Chapters 3.28 or 3.29 shall contribute twenty-five percent of the contribution rate established for medical care benefits.

2. For a retired member who became a metropolitan employee prior to September 1, 2012, the metropolitan government shall contribute seventy-five percent of the contribution rate established for medical care benefits and the covered retired member shall contribute twenty-five percent of the contribution rate established for medical care benefits. This subsection C(2) shall not apply to a member who ceases employment with the metropolitan government prior to the

vesting of the member's pension pursuant to the provisions of section 3.32.040, 3.33.040, 3.36.040, or 3.37.040, and who is then rehired on or after September 1, 2012. The contribution rate for a member who ceases employment with the metropolitan government prior to the vesting of the member's pension under section 3.32.040, 3.33.040, 3.36.040, or 3.37.040, and who is then rehired on or after September 1, 2012, shall be determined in accordance with subsection C(3).

3. For a retired member who became a metropolitan employee on or after September 1, 2012, the contribution rate shall be as follows:

(i) The metropolitan government shall contribute seventy-five percent of the contribution rate established for medical care benefits for a retired member with at least twenty years of credited employee service and the covered retired member shall contribute twenty-five percent of the contribution rate established for medical care benefits.

(ii) The metropolitan government shall contribute seventy percent of the contribution rate established for medical care benefits for a retired member with nineteen but less than twenty years of credited employee service and the covered retired member shall contribute thirty percent of the contribution rate established for medical care benefits.

(iii) The metropolitan government shall contribute sixty-five percent of the contribution rate established for medical care benefits for a retired member with eighteen but less than nineteen years of credited employee service and the covered retired member shall contribute thirty-five percent of the contribution rate established for medical care benefits.

(iv) The metropolitan government shall contribute sixty percent of the contribution rate established for medical care benefits for a retired member with seventeen but less than eighteen years of credited employee service and the covered retired member shall contribute forty percent of the contribution rate established for medical care benefits.

(v) The metropolitan government shall contribute fifty-five percent of the contribution rate established for medical care benefits for a retired member with sixteen but less than seventeen years of credited employee service and the covered retired member shall contribute forty-five percent of the contribution rate established for medical care benefits.

(vi) The metropolitan government shall contribute fifty percent of the contribution rate established for medical care benefits for a retired member with fifteen but less than sixteen years of credited employee service and the covered retired member shall contribute fifty percent of the contribution rate established for medical care benefits.

(vii) The metropolitan government shall contribute twenty-five percent of the contribution rate established for medical care benefits for a retired member with at least ten but less than fifteen years of credited employee service and the covered retired member shall contribute seventy-five percent of the contribution rate established for medical care benefits.

4. The contribution rates set forth in this subsection C may be modified by ordinance adopted by the Metropolitan Council.”

Section 8. Section 3.24.010 of the Metropolitan Code is hereby amended by deleting subsection D in its entirety and substituting in lieu thereof the following new subsection D:

“D. Notwithstanding any other provisions of the system to the contrary, an eligible employee or disability pensioner may decline coverage for medical and/or dental care benefits upon demonstrating to the board that such employee or disability pensioner has other medical and/or dental care coverage. The policies for declining such benefits and demonstrating alternative coverage shall be as approved by the board. The board shall also adopt policies governing the circumstances under which an employee or disability pensioner who has declined medical or dental care benefits coverage may elect to begin such coverage.”

Section 9. Section 3.24.010 of the Metropolitan Code is hereby amended by adding the following new subsection E:

“E. Notwithstanding any other provisions of the system to the contrary, an eligible retired member may decline coverage for medical and/or dental care benefits. Only retired members who demonstrate alternative non-Medicare coverage at the time of declination of medical and/or dental care benefits may be allowed to elect such coverage in the future. The board shall adopt policies governing the circumstances under which a retired member who declined medical or dental care benefits may be given a one-time opportunity to enroll in such coverage. Only retired members who maintained alternative non-Medicare coverage throughout the period of declination of coverage may be allowed to reenroll in medical and/or dental care benefits.”

Section 10. Section 3.28.060 of the Metropolitan Code is hereby amended by adding the following new subsection I:

“I. The board is authorized to supplement the pay of an employee that meets the definition of disability set forth in section 3.28.010, 3.28.030, or 3.28.040, when the employee is able to continue working for the metropolitan government in a position where the salary is less than the employee was receiving at the time of disability. Pay supplement shall not take into consideration any overtime pay, shift differential or other pay supplements, but shall be based solely upon the employee's base salary prior to disability. The amount of salary supplement shall

continue until the employee's current rate of pay exceeds the pre-disability rate of pay, except that the salary supplement shall not be diminished by any across-the-board pay increases given to Metro employees."

Section 11. Section 3.29.060 of the Metropolitan Code is hereby amended by adding the following new subsection I:

"I. The board is authorized to supplement the pay of an employee that meets the definition of disability set forth in section 3.29.010, 3.29.030, or 3.29.040, when the employee is able to continue working for the metropolitan government in a position where the salary is less than the employee was receiving at the time of disability. Pay supplement shall not take into consideration any overtime pay, shift differential or other pay supplements, but shall be based solely upon the employee's base salary prior to disability. The amount of salary supplement shall continue until the employee's current rate of pay exceeds the pre-disability rate of pay, except that the salary supplement shall not be diminished by any across-the-board pay increases given to Metro employees."

Section 12. That this ordinance shall take effect from and after its final passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

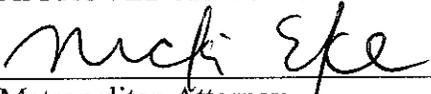
APPROVED AS TO AVAILABILITY OF FUNDS:

INTRODUCED BY:

  
Richard Riebeling, Director   
Department of Finance

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APPROVED AS TO FORM AND LEGALITY:

  
Metropolitan Attorney

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Members of Council

RECOMMENDED BY:

  
Director of Human Resources