

1 **BY AUTHORITY**

2 ORDINANCE NO.  
3 SERIES OF 2021

COUNCIL BILL NO.  
COMMITTEE OF REFERENCE:

4  
5 **A BILL**

6 **For an ordinance amending the 1963 Retirement Plan with regard to**  
7 **contributions and payroll deductions.**  
8

9 **WHEREAS**, under Section 18-405(g) of the Code, the Retirement Board is  
10 responsible for making recommendations to the City for amendments to the Denver  
11 Employees Retirement Plan (the "Plan") when in the judgment of the Board such changes  
12 are necessary; provided that such recommendations are accompanied by a report of the  
13 Plan's actuary setting forth the effect of such amendments; and,

14 **WHEREAS**, Section 18-409(h)(1) of the Code was changed in 2020 to decrease  
15 the actuarial assumption of investment return ("ARR") from 7.50% to 7.25%.; and,

16 **WHEREAS**, the lower ARR is to be phased in over a three-year period; and,

17 **WHEREAS**, the Plan's actuary has further determined that as a result of the lower  
18 ARR, an increased contribution is actuarially necessary to improve the funded status of  
19 the Pension and Retiree Medical Plans, and to strengthen their actuarial soundness; and,

20 **WHEREAS**, the Retirement Board determined that an increase in the contribution  
21 rate is both desirable and necessary; and,

22 **WHEREAS**, Section 18-407(a) of the Revised Municipal Code of the City and  
23 County of Denver states that the employer intends to continue the plan and to contribute  
24 regularly to the trust each payroll period such amounts as are necessary to maintain or  
25 assist in maintaining the Plan on a sound actuarial basis as prescribed by applicable law  
26 and, particularly, the Internal Revenue Code for defined benefit pension plans qualified  
27 under Section 401(a) thereof, and that employees shall contribute regularly to the trust  
28 each payroll period in such amounts as are necessary, in the judgment of the City, to  
29 assist in maintaining the Plan on a sound actuarial basis; and,

1           **WHEREAS**, it is further in the judgment of the City that, in order to maintain the  
2 Plan on a sound actuarial basis, the participating employers shall each have their regular  
3 contributions to the Plan increased by one (1) percentage point, and their respective  
4 employees shall each have their regular contributions to the Plan decreased by four-  
5 tenths (0.4) of a percentage point for an overall increase in contributions to the Plan of  
6 six-tenths (0.6) of a percentage point.

7  
8 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY**  
9 **OF DENVER:**

10  
11 **Section 1.** That Sections 18-407(e)(1) and 18-407(f)(1) (sometimes known and cited  
12 as Section 407, Subsections (e)(1) and (f)(1), Chapter 18) of the Revised Municipal Code,  
13 relating to contributions and payroll deductions, be amended by deleting the language  
14 struck through and adding the language underlined as follows:

15  
16 **Sec. 18-407. Contributions; payroll deductions.**

17  
18 (e) *Employer contributions.* From and after the date a person first becomes an active  
19 member, and until the actual retirement date or prior termination of employment, the  
20 manager of finance and each contractual entity shall transfer into the trust fund each  
21 payroll period from such sources as shall, in the case of the city, be designated by  
22 ordinance, the amounts listed in this section which have been determined, on an actuarial  
23 basis, to be sufficient to provide for the benefits of eligible members.

- 24  
25 (1) ~~Effective January 1, 2021, for each active member, including each elected~~  
26 ~~official, the employer shall contribute fifteen and three-quarters (15.75%)~~  
27 ~~percent of the member's gross salary.~~ Effective January 1, 2022, for each  
28 active member, including each elected official, the employer shall contribute  
29 sixteen and three-quarters (16.75%) percent of the member's gross salary.

30  
31 \* \* \* \* \*

32  
33 (f) *Employee contributions.* Each active member shall contribute to the trust fund, by  
34 means of payroll deductions which shall be withheld by the manager of finance or  
35 contractual entity and transferred each payroll period directly to the trust, the following  
36 amounts:

1 (1) ~~Effective until December 31, 2019, for each active member, including each~~  
2 ~~elected official, the employee shall contribute eight and one-half (8.5) percent of~~  
3 ~~his or her gross salary to the trust fund. Effective January 1, 2020, for each active~~  
4 ~~member, including each elected official, the employee shall contribute nine and~~  
5 ~~one-quarter (9.25) percent of his or her gross salary to the trust fund. Effective~~  
6 ~~January 1, 2022, for each active member, including each elected official, the~~  
7 ~~employee shall contribute eight and eighty-five one-hundredths (8.85%) percent~~  
8 ~~of his or her gross salary to the trust fund.~~  
9  
10

11 **Section 2. Effective Date.** This bill takes effect January 1, 2022.  
12  
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14

15 COMMITTEE APPROVAL DATE:

16 MAYOR-COUNCIL DATE:

17 PASSED BY THE COUNCIL  
18

19 \_\_\_\_\_ 2021

20 \_\_\_\_\_ -PRESIDENT

21 APPROVED: \_\_\_\_\_ -MAYOR \_\_\_\_\_ 2021

22 ATTEST: \_\_\_\_\_ -CLERK AND RECORDER,  
23 EX-OFFICIO CLERK OF THE  
24 CITY AND COUNTY OF  
25 DENVER  
26

27 NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2021 \_\_\_\_\_ 2021  
28

29 PREPARED BY: James E. Thompson III, General Counsel,  
30 Denver Employees Retirement Plan  
31 and  
32 Robert McDermott, Assistant City Attorney  
33

34 DATE: November 22, 2021  
35

36 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the  
37 office of the City Attorney. We find no irregularity as to form, and have no legal objection

1 to the proposed ordinance. The proposed ordinance is not submitted to the City Council  
2 for approval pursuant to §3.2.6 of the Charter.

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4 Kristin M. Bronson, City Attorney

5 BY: \_\_\_\_\_, Assistant City Attorney DATE: \_\_\_\_\_