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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING
COMMITTEE ON LABOR AND CIVIL SERVICE

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Room 696, City Hall
Philadelphia, Pennsylvania
Thursday, December 11, 2003
9:00 a.m.

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BILL 030827 - An Ordinance amending Title 22
of The Philadelphia Code, entitled "Public
Employees Retirement Code," by amending
Section 22-305 relating to maximum benefit
limitations imposed by the Internal Revenue
Code.

PRESENT:

COUNCILMAN DARRELL CLARKE, Chair
COUNCIL PRESIDENT VERA
COUNCILMAN FRANK DICICCO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN FRANK RIZZO

- - - -

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I N D E X

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BILL 030827	
GWENDOLYN BELL, Board of Pensions and	
Retirement.....	3

1 12/11/03 - LABOR & CIVIL SERVICE - BILL 030827

2 COUNCILMAN CLARKE: Good morning.

3 May the Clerk please read the title of the
4 bill.

5 THE CLERK: Bill No. 0308277, an
6 ordinance amending Title 22 of the
7 Philadelphia Code, entitled "Public Employees
8 Retirement Code," by amending section 22-305
9 related to maximum benefit limitations imposed
10 by the Internal Revenue code.

11 COUNCILMAN CLARKE: Thank you.

12 May the record note that Council
13 President Verna, Councilwoman Miller,
14 Councilman DiCicco, Councilman Rizzo are
15 present.

16 I'd like to call to the witness
17 stand Ms. Gwendolyn Bell from the Board of
18 Pensions and Mr. Evan Meyer from the Law
19 Department.

20 Please state your name for the
21 record.

22 MS. BELL: Good morning, Honorable
23 Members of the City Council. My name is
24 Gwendolyn Bell. I'm the Executive Director of
25 the Board of Pensions and Retirement.

1 12/11/03 - LABOR & CIVIL SERVICE - BILL 030827

2 COUNCILMAN CLARKE: Do you have any
3 testimony?

4 MS. BELL: Yes. With me today is
5 Evan Meyer from the City's solicitors Office.
6 I'm asking approval for Bill 030827, amending
7 Title 22, Section 22-305 of the Retirement
8 Code.

9 On March 29, 2002, the Board of
10 Pensions and Retirement requested a
11 Determination Letter from the IRS which would
12 have given us tax qualified status under the
13 IRS regulations.

14 The Determination Letter is a
15 process developed by the IRS that formally a
16 fund can request approval to seek the
17 Determination Letter which would mean that we
18 would meet all of the requirements of the IRS
19 and also meet the requirements for tax
20 qualification, meaning that some of the DROP
21 plans and the fact that the service connected
22 disabilities are tax exempt would be met.

23 On August 6, 2003, a favorable
24 determination was received from the IRS with
25 the provision that we have the Retirement Code

1 12/11/03 - LABOR & CIVIL SERVICE - BILL 030827
2 amended to include an increase in the maximum
3 actuarial benefit that a person could receive
4 from \$90,000 annually to \$160,000. So we are
5 here today to ask that the Code be amended.

6 We are at the end of the 90-day
7 period that the IRS required us to have this
8 one particular request approved, and we would
9 ask your favorable vote on this.

10 COUNCILMAN CLARKE: Thank you.

11 Are there any questions of this
12 witness by the Members?

13 COUNCIL PRESIDENT VERNA: Mr.
14 Chairman.

15 Ms. Bell, this is simply a technical
16 amendment, is it not?

17 MS. BELL: Yes, it is. It does not
18 change the nature of the plan, the way that we
19 administer it or the operations or any other
20 part of the plan.

21 COUNCIL PRESIDENT VERNA: Thank you.

22 COUNCILMAN CLARKE: Thank you.

23 Mr. Meyer.

24 MR. MEYER: I really have no
25 testimony. I'm happy to answer any questions.

1 12/11/03 - LABOR & CIVIL SERVICE - BILL 030827

2 COUNCILMAN CLARKE: Please state
3 your name for the record.

4 MR. MEYER: Evan Meyer, Senior
5 Attorney for the Law Department.

6 I have no prepared testimony. I'm
7 happy to answer any questions about the legal
8 ramifications of this bill if any
9 Councilmembers have any.

10 COUNCILMAN CLARKE: Thank you.

11 Are there any questions of either of
12 the witnesses by Members of the Committee?

13 (No response.)

14 COUNCILMAN CLARKE: There being
15 none, we will now move into the public
16 meeting.

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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE ON LABOR AND CIVIL SERVICE

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THURSDAY, December 11, 2003

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Public meeting conducted by the
Committee on Labor and Civil Service, held in
Room 696, City Hall, Philadelphia,
Pennsylvania, on the above date, to consider
action on the following:

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BILL 030827.

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PRESENT:

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COUNCILMAN DARRELL CLARKE, Chair

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COUNCIL PRESIDENT VERA

COUNCILMAN FRANK DICICCO

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COUNCILWOMAN DONNA REED MILLER

COUNCILMAN FRANK RIZZO

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1 12/11/03 - LABOR & CIVIL SERVICE - PUBLIC MEETING

2 COUNCILMAN CLARKE: Councilman
3 DiCicco. Can I call for a motion on Bill No.
4 030827.

5 COUNCILMAN DICICCO: Thank you, Mr.
6 Chairman. I move that Bill No. 030827 be
7 reported out of this Committee with favorable
8 recommendation, and a further recommendation
9 that the Rules of Council be suspended so as
10 to permit first reading this day of the bill
11 just read into the record.

12 COUNCIL PRESIDENT VERNA: Second.

13 COUNCILMAN CLARKE: All those in
14 favor?

15 (Aye.)

16 COUNCILMAN CLARKE: All opposed?

17 (No response.)

18 COUNCILMAN CLARKE: THE bill is
19 approved. Bill 030827 will be reported out of
20 Committee with favorable recommendation and
21 request for a rules suspension as to be read
22 at the next Session of Council.

23 That concludes the public meeting.

24 Thank you very much.

25 (Council adjourned.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of December 11, 2003, were
reported fully and accurately by me, and that
this is a correct transcript of the same.

RE: COMMITTEE ON LABOR AND CIVIL SERVICE

Lisa C. Bradley, RPR