

**Amendment to EBMUD Retirement
System Ordinance (No. 40) - Section 21
First Reading**

Board of Directors

May 9, 2017

Updates to Ordinance No. 40



- Section 21 provides for an optional modification of a member's retirement allowance to provide an actuarially equivalent allowance for a surviving beneficiary.
- Actuarial rate of return and mortality tables are used to calculate:
 - optional beneficiary allowance in Section 21,
 - cash-outs of retirement contributions, and
 - posting of interest to employee accounts

Updates to Ordinance No. 40



- Plan Actuary recommended a change to actuarial rate of return from 7.5% to 7.25% as part of their 2016 Annual Actuarial Valuation.
- Plan Actuary also recommended changes to the mortality tables.
- The Retirement Board adopted the proposed rate change and updated mortality tables.
 - Adopted January 19, 2017
 - To be effective July 1, 2017

Updates to Ordinance No. 40



- The Ordinance requires that the actuarial assumptions used to determine optional forms of benefits be specified.
- The proposed update to the Retirement Ordinance (Section 21) ensures language is consistent with the changes adopted by the Retirement Board.

Updates to Ordinance No. 40



- Steps to finalize adoption of Ordinance amendment
 - First Reading, 5/9/17
 - Second reading and vote to adopt, 5/23/17
 - The Ordinance amendment must be placed in newspaper for 2 successive weeks
 - Adoption of Ordinance amendment will take effect 30 days after the vote to adopt, 6/22/17
 - Staff will publish and distribute copies of the revised Ordinance by 7/14/17