

Pension changes | General Employees Group I (Hired before July 1, 2011)

Blue Service + Orange Service

COLA (Cost of Living Adjustment) changes:

The current structure of the COLA has been completely preserved for all active employees in Group I who:

- Retire by Jan. 1, 2021
- Retire early w/penalty by Jan. 1, 2021
- Enter DROP by Jan. 1, 2021.

These employees will receive either 1) an ad-hoc COLA, or 2) a simple 2% COLA for their years of Blue and Orange Service, depending on their previous individual choice.

COLAs have been eliminated for Group I's future service, beginning July 20, 2019.

This means that employees with Blue Service will not receive a COLA for their future service after this cut-off.

Employees in Group I who do not retire or enter DROP by Jan. 1, 2021, will see their COLA for the service earned before July 20, 2019, become a variable COLA, which can change based on the health of the fund. Current projections indicate that this variable COLA will not be awarded in the foreseeable future.

All COLA changes are in place, regardless of the outcome of the employee vote.

Major Medical Leave changes:

The current major medical leave benefit allows employees to receive service credit when they leave the city. As of July 20, 2019, any unused major medical leave that is earned after that date will not convert to service credit upon retirement.

All unused leave earned prior to July 20, 2019, will continue to convert to service credit.

All major medical changes are in place, regardless of the outcome of the employee vote.

What am I voting on in February?

Contribution changes:

All General Employees (both Groups I and II) will contribute an additional 1.1% toward the pension solution. Because of their larger benefit, employees in Group I will also contribute another 0.7% annually for their number of years of Blue Service earned.

For example, an employee with five years of Blue Service will contribute 1.8% for five consecutive years, then contribute 1.1% each year going forward.

Overtime & DROP:

General Employees don't currently make contributions to the pension for overtime. A vote

to accept the proposed pension plan requires General Employees to begin making contributions for their overtime earned. Plus, the DROP period will increase from five to six years, effective July 20, 2019.

Risk Sharing Mechanism:

If the health of the pension is not restored by changes to the benefit and contribution increases, a risk sharing mechanism will kick in during 2022. **If that happens, General Employees in both Groups I and II will contribute up to an additional 0.8% in 2022, and another 0.8% in 2023, for a total increase of 1.6%.** Any further changes would require city council adoption.

Why is this vote important?

- **Sustainability.** Right now, the city's pension has a \$1.6 billion unfunded liability, and it's getting bigger. This solution will put the fund on a path to sustainability, preserving everyone's benefits in the future.
- **Your vote counts.** In order for the plan to succeed, a majority of all employees - 50 percent plus one of all employees, not just those who vote - must agree to

the contribution changes, the risk sharing mechanism, and the changes to overtime.

- **Local problem, local solution.** If the employee vote fails, the state Legislature will make the final decision on further contribution increases and benefit reductions. It will be their vote, not ours, that decides the outcome.



Learn more at fortworthtexas.gov/benefits/pension.

Employee vote: Feb. 4-22
Vote online, by mail, or by phone.

Pension changes | General Employees Group II (Hired on or after July 1, 2011)

Orange Service ONLY

COLA (Cost of Living Adjustment) changes:

Group II General Employees with only Orange Service will not see any changes to their COLA, because these employees do not have a COLA.

All COLA changes are in place, regardless of the outcome of the employee vote.

Major Medical Leave changes:

The current major medical leave benefit allows employees to receive service credit when they leave the city. Any unused major medical leave that is earned after July 20, 2019, will not convert to service credit upon retirement.

All unused leave earned prior to July 20, 2019, will continue to convert to service credit.

All major medical changes are in place, regardless of the outcome of the employee vote.

Have a specific question? Contact the Pension Hotline at 817-392-7737 or by email at pension@fortworthtexas.gov.

What am I voting on in February?

Contribution changes:

All General Employees (both Groups I and II) will contribute an additional 1.1% toward the pension solution.

Longer-term employees who have Blue Service will be paying an additional 0.7% due to the higher value of their older benefit, in fairness to newer employees who only have Orange Service.

Overtime & DROP:

General Employees don't currently make contributions to the pension for overtime. A vote to accept the proposed pension plan requires General Employees

to begin making contributions for their overtime earned. Plus, the DROP period will increase from five to six years, effective July 20, 2019.

Risk Sharing Mechanism:

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