

**VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
February 21, 2018**

Members present: Lipp, DeBernardo, Maersch
Also present: Mayor Tomko, Bloom, Rogoff

The meeting was called to order at 2:00 p.m. by Chairman Julia Lipp.

RETIRE/REHIRE POLICY

Mayor Tomko said Dave Bloom is going to retire/rehire this year so it would be a good idea to get a written policy in place. The draft ordinance from 2014 has been updated and Mr. Markowitz has reviewed it. Mr. Maersch mentioned that he is very interested in Dave Bloom being able to retire/rehire due to the circumstances, but he would not want to create the expectation that we have a policy of retire/rehire. Mayor Tomko said it could be considered on a case by case basis by Council. Mrs. Lipp said she doesn't know if this makes it harder for the Mayor to say no or easier to say no. The issue of saving money by allowing a retire/rehire was discussed as well as the percentage of the salary reduction. Mrs. DeBernardo said she thinks it would be good to get a legal opinion because she does not know if this is a good move or a bad move. No action was taken.

The meeting adjourned at 2:21 p.m.

Julia Lipp, Chairman
lgb

EXHIBIT "A"

VILLAGE OF CHAGRIN FALLS

RETIRE/REHIRE POLICY

DISTRIBUTION: All Departments

EFFECTIVE: _____, 2018

WHEREAS, the Village of Chagrin Falls is making every effort to reduce costs for all inputs including labor;

WHEREAS, Ohio Law allows public employees to be rehired after retiring.

WHEREAS, the Ohio Public Employee Retirement System, the Ohio Police and Fire Pension Fund and taxpayers are not damaged by this practice. OPERS states that "When our members retire, whether they choose to go back to work or not, their benefits are prefunded from monies that include their lifetime contributions. An individual's established pension benefit cannot lead to a "shortfall" in the system. Thus, taxpayers are never asked to pay more to partially fund the pensions of current retirees."

WHEREAS, the Village may, at the Mayor's discretion, retain staff, at a reduced cost to the Village, who may otherwise retire and take employment elsewhere.

I. Purpose:

To establish guidelines for addressing an employee request to retire and be rehired in the same position with the Village of Chagrin Falls.

II. Policy:

The Village of Chagrin Falls would like to take advantage of reducing labor costs of staff by allowing them to take their retirement benefits earned under the Ohio Public Employees Retirement System ("OPERS") or the Ohio Police and Fire Pension Fund ("OP&F") and remain employed by the Village at a reduced salary. The Village recognizes the benefit of retaining experienced employees and their institutional knowledge.

III. Responsibility:

Each department head shall inform departmental staff of the guidelines set forth in this policy. However, it shall be the responsibility of each employee to understand the provisions of the policy, the implications on their retirement benefit and initiate any request to be rehired.

IV. Forms:

Personnel Transaction Form

V. **Guidelines:**

- A. The Mayor may rehire employees who are in good standing with the Village, and who are members of the Ohio Public Employees Retirement System (“OPERS) or the Ohio Police and Fire Pension Fund (“OP&F), who have retired from public service from the Village, provided employee members of OPERS have a minimum of thirty (30) years of service credit or the employee members of OP&F have a minimum of twenty-five (25) years of service credit and otherwise meet the retirement eligibility as set forth in the attached OPERS and OP&F schedules which are attached hereto and made a part hereof as EXHIBIT “1” . Whenever the attached schedules are amended by OPERS and/or OP&F, such amended schedules shall be deemed to automatically be substituted as the EXHIBIT “1” to this policy regardless of whether or not the physical attachment shall have been made. No retiring employee shall be rehired, in the event they have retired due to disciplinary action, or voluntary retirement with disciplinary action pending.
- B. Whether or not to rehire an employee is at the sole discretion of the Mayor.
- C. Retired full-time employees may be rehired in a full-time capacity by the Village under the following conditions:
1. Beginning with the first day following the employee’s retirement date, the employee’s pay rate shall be reduced by ten percent (10%). The employee shall remain at that pay range throughout the remainder of their employment.
 2. A rehired employee shall pay the employee share of OPERS or OP&F, as the case may be.
 3. A rehired employee shall not be eligible for longevity payments. Accrued longevity credit will be paid at the time of the initial retirement.
 4. A rehired employee shall not be required to serve a probationary period.
 5. In accordance with State law, a rehired employee shall be eligible to earn overtime and/or compensatory time as available to all other Village employees.
 6. A rehired employee will continue to earn vacation time and sick time as if the employee’s employment had not been interrupted.
 7. A rehired employee shall receive accrued vacation pay and sick leave termination pay upon termination of employment of the rehire employment period.

8. A rehired employee shall retain his/her seniority as if the employee's employment had not been interrupted.
 9. In accordance with the pension system regulations, a rehired full-time employee shall be offered the same health, dental and life insurance benefits as offered other full-time employees.
 10. Rehired full-time employees shall acknowledge in writing their acceptance of the terms of the Retire/Rehire Policy prior to being rehired.
- VI.** Retired full-time and part-time employees may be rehired on a part-time basis, at the Mayor's discretion, but otherwise shall not be subject to the provisions of this policy. These employees shall be subject to the same employment policies as all other newly hired part-time employees and will not carry over any benefits from their full-time employment.
- VII.** The rehire of an employee subject to appointment or confirmation by Village Council shall also be subject to the provisions of the Ohio Revised Code and policies of OPERS or OP&F.
- VIII.** This policy is subject to amendment at the sole discretion of the Village.

EXHIBIT "1"

Retiring From Public Employment - Traditional Pension Plan

As a member of OPERS, you have been actively contributing to one of the nation's premier public retirement systems. Now that you are beginning the retirement application process and making the transition from active member to benefit recipient, OPERS is committed to providing the same exemplary service while making the process simple and convenient. **The following information will guide you through the benefit application process and provide you with details of the benefits available under the Traditional Pension Plan.**

The OPERS Traditional Pension Plan

The Traditional Pension Plan is a defined benefit plan under which a retirement benefit is based on a formula. The formula is determined by years of service credit in the Traditional Pension Plan and the average of the three or five highest years

of earnable salary, known as final average salary (FAS). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

Retirement Eligibility

Under the Traditional Pension Plan, the minimum age and service eligibility requirements for each retirement group* are as follows:

UNREDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	Any	30	52	31	55	32
			Any	32		
	65	5	66	5	67	5
Law Enforcement	48	25	50	25	52	25
	62	15	64	15	64	15
Public Safety	52	25	54	25	56	25
	62	15	64	15	64	15
Law and Public Safety	52	25	54	25	56	25

REDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	55	25	55	25	57	25
	60	5	60	5	62	5
Law Enforcement	52	15	52	15	56	15
	N/A	N/A	48	25	48	25
Public Safety	52	15	52	15	56	15
	48	25	48	25	52	25
Law and Public Safety	48	25	48	25	52	25

**You can find your current retirement group on your annual statement or in your online account.*

Calculating types of service retirements

The chart below outlines the age and service credit requirements and formulas used to calculate OP&F's four types of service retirement.

Your average annual salary is used in the formula to calculate your retirement. For OP&F members with 15 years of service or more as of July 1, 2013, this is an average of the three years of highest allowable earnings. For members with less than 15 years of service credit as of July 1, 2013, this would be the average of the five years of highest allowable earnings. With 33 years of service credit, you would receive the maximum pension of 72 percent of this average annual salary calculation. Since the term "average annual salary" is subject to certain statutory and administrative limitations, not all salary, earnings, or compensation may be used in the calculation.

Type of Retirement	Age		Service Credit (years)	Formula
	Members hired on or before July 1, 2013	Member hired after July 1, 2013		
Normal	48	52	25	(2.5% x 1 through 20 years) + (2.0% x 21 through 25 years) + (1.5% x 26 through 33 years) x Average Annual Salary
Service Commuted	48*	52*	15	(1.5% x complete years) x Average Annual Salary
Age/Service Commuted	62**	62**	15	(2.5% x 1 through 20 years) + (2.0% x 21 through 25 years) x Average Annual Salary
Actuarially Reduced	<i>not applicable</i>	48 to 51	25	The formula is the same as a normal service retirement, however, retiring before age 52 will result in a reduction in benefits by using an actuarial equivalent to determine the reduced benefit amount.

* You cannot be paid before 25 years has elapsed from your initial full-time hire date with a qualifying employer and the attainment of the minimum retirement age, whichever is the last event to occur. For those whose OP&F membership began on or before July 1, 2013, normal service retirement eligibility is age 48 years with at least 25 years of service. For members hired into an OP&F-covered position after July 1, 2013, normal service retirement is age 52 with at least 25 years of service.

** You must still be a contributing OP&F member on the day you reach age 62.

**ORDINANCE NO. 2018-
INTRODUCED BY:**

**AN ORDINANCE
ADOPTING A POLICY REGARDING REHIRING EMPLOYEES
WHO ARE MEMBERS OF THE OHIO PUBLIC EMPLOYEES
RETIREMENT SYSTEM OR THE OHIO POLICE AND FIRE
PENSION FUND WHO HAVE RETIRED.**

WHEREAS, the Village has and will continue to receive requests by public employees who are members of the Ohio Public Employees Retirement System ("OPERS") or the Ohio Police and Fire Pension Fund ("OP&F") to be rehired by the Village once they retire from the Village and receive retirement benefits from OPERS or OP&F; and

WHEREAS, the Village has determined that a policy should be established regarding implementation of rehiring of such retired employees who are members of OPERS or OP&F.

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE
OF CHAGRIN FALLS, STATE OF OHIO:**

SECTION 1. That a retirement/rehire policy be established when employees who are members of OPERS or OP&F retire who have requested that the Village rehire them, which rehiring is entirely discretionary, and it being good public policy to consider such rehire for public employees who have long term experience working for the Village and/or other governmental agencies, and therefore the policy attached hereto and made a part hereof as EXHIBIT "A" regarding retirement and rehiring of such employees is hereby adopted and is to be implemented by the Mayor, the Chief Administrative Officer and each applicable department head.

SECTION 2. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

SECTION 3. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Ordinance shall be given by posting a copy thereof for not less than fifteen (15) days in the Village Hall.

SECTION 4. That this Ordinance shall take effect and be in force after the earliest period

**ORDINANCE NO. 2018-
INTRODUCED BY:**

allowed by law and Charter.

PASSED: _____

Karl Maersch, Council President

Submitted to the Mayor for
his approval on this

____ day of _____, 2018

Approved by the Mayor this

____ day of _____, 2018

Mayor William Tomko

I hereby certify that Ordinance No. 2018-_____ was duly enacted on the ____ day of _____, 2018, by the Council of the Village of Chagrin Falls and posted in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls.

Clerk of Council