



CITY OF GRAND RAPIDS
POLICE & FIRE RETIREMENT SYSTEM
233 FULTON STREET E., SUITE 216
GRAND RAPIDS, MI 49503
PHONE: 616-365-5015
FAX: 616-288-9509

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The Retirement Register

What is Final Average Salary?

Final Average Salary is the average of a member's highest annual compensation rates as provided by salary ordinance during each of the 3 consecutive calendar years of employment when such compensation rates were highest, provided no such rates of salary occur in a calendar year after the calendar year in which the employee attains the number of years of credited service which, when multiplied by the applicable benefit multiplier, equals the allowance cap. The 3-year average salary is increased by use of an adjustment factor, which is an actuarially determined percentage (i.e. gross-up factor) based upon a rolling 5-year average of calendar years of overtime, acting assignment compensatory time, clothing allowances, shop pay, shift pay, witness fees, etc. as appropriate per group.

Fire members can elect to convert up to the monetary equivalent of six days accrued vacation time when upon retirement, such cash payment in lieu of unused vacation is made. Such accrued vacation time shall be added to the salary earned during the calendar year in which such payment was made, which shall then be averaged. Effective January 9, 2019, Firefighters assigned to a forty-hour work week may convert additional vacation hours to equate to the same vacation accrual payment amount as fire members assigned to fire suppression at the same rank.

How Do I Calculate An Age & Service Pension Benefit?

The benefit is a monthly allowance payable (at the end of) each calendar month, or part thereof, for the rest of the retiree's life. It is determined as follows:

The benefit is the number of years of credited service multiplied by 2.8% (.028)* of the member's adjusted final average salary. To illustrate, suppose a Fire member was born March 2, 1969, was employed January 3, 1991 and intended to work continuously to October 3, 2024 (at age 55). The amount of credited service would be 33 years and 9 months.

Further suppose the salary rates to be:

<i>Calendar Year</i>	<i>Highest Compensation Rate During Year</i>	<i>Vacation Conversion</i>	<i>Education Allowance</i>
2024	\$80,611	\$4,221	\$750
2023	\$79,813	-	\$750
2022	\$79,023	-	\$750

The three highest years of compensation in the above example is \$245,918; dividing by 3 results in a final average salary of \$81,972.67, which is increased by the FAS adjustment factor (in this example 19.2%). Finally, the monthly single life benefit would be \$7,694.77, computed as follows:

- 2.8% of final average salary
- Credited service of 33 years and 9 months
- Adjusted Final Average Salary of \$97,711.42 (\$81,972.67 increased by 19.2% FAS adjustment factor**).
- (a) $.028 \times$ (b) $33.7500 \times$ (c) $97,711.42 = \$92,337.29 \div 12 = \$7,694.77$ per month

*For Police members hired on or after 12/20/11, the multiplier is 2.0% unless a higher multiplier is purchased. For Fire members hired on or after 1/10/12, the multiplier is 2.0% unless a higher multiplier is purchased.

New Retirees

The Trustees and staff of the Police & Fire Retirement System are pleased to congratulate the following new retirees:

Gregg Arsenault	(Police)	9/5/2023
Frederick White	(Fire)	10/4/2023
John Wittkowski	(Police)	10/7/2023
Mark Konynenbelt	(Police)	10/10/2023
Alex Hanes	(Fire)	10/24/2023
James Gonzales	(Fire)	11/5/2023

In Memory of Departed Friends

John Troeger	7/28/2023
Cheryl Taylor*	8/24/2023
James Billings	9/7/2023
Yvonne Felix*	9/20/2023
Dorothy Grzegorski*	9/25/2023
Patricia Jennings*	10/1/2023
Judy Visser*	10/12/2023
Jane Voss*	10/21/2023
James Adams	10/22/2023
Barbara DaSilva**	10/28/2023

*Denotes Beneficiary **Denotes Alternate Payee

2024 Pre-Retirement Planning Sessions for Active Employees

The Retirement Systems Office will offer evening presentations for small groups of 5-6 active employees, and their beneficiaries, to discuss retirement issues. The presentations are geared for those employees who are contemplating retiring within the next couple of years. Information on the 457-deferred compensation plan will be distributed to participants, and there will also be a representative from Insurance Services to speak about retiree healthcare provisions.

The presentations for 2024 are scheduled for May 8 and September 11. The meetings will be held from 5:30 – 7:00 p.m. in the Retirement Systems Office, 233 Fulton Street East, Suite 216. If you are interested in attending either of these sessions, please contact Lisa Balkema at (616) 365-5015 to register.

What Happens if I Leave Before Becoming Eligible to Retire?

If a member has 10 or more years of credited service and leaves System-covered employment before becoming eligible to receive a benefit, the member is eligible for a deferred allowance if the member leaves his/her accumulated contributions on deposit with the retirement system.

For payment of a deferred allowance to begin, the former member must be age 55 (age 50 for Police members) and make proper written application to the System at that time. The application must be filed not earlier than 90 days before attaining the minimum service retirement age, and not later than 3 years from and after the date of attainment of that age. Fire members may apply for a reduced benefit after attainment of age 50.

If the deferred member does not live to the minimum service retirement age, his/her designated beneficiary shall be entitled to a deferred allowance if written application is received by the Board of Trustees not earlier than 90 days before the member would have attained the minimum service retirement age, nor later than 3 years from and after the date the member would have attained the minimum service retirement age. It will be presumed that Option B-100 was elected.

The amount of a deferred allowance, payable for the member's lifetime, is computed in the same manner as an age and service allowance, based upon credited service, multiplier and adjusted final average salary at the time the member leaves System-covered employment. Deferred benefits are payable as of the first day of the month following application.