

BENEFITS COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 27, 2022

To: The Board of Trustees

FROM: Melinda Manning, Chair Renee Metzler Ryan Pope

Sheila Simpson Lee Thompson

August 4, 2022 – Cancelled (material not ready)

September 15, 2022 – Cancelled (lack of quorum)

October 13, 2022 – Work Plan; Noteworthy News; Travel Policy; Committee Charter; Retiree

Cyber/Security Education, Early Retirement

Summary of meetings since the July 28, 2022 Board Meeting:

DISCUSSION:

1. Committee's Work Plan

- a. The Committee continues to utilize the Work Plan to remain focused on the various projects and policy reviews. See Exhibit 1.
- b. Staff reported the Act amendments as originally submitted to the General Assembly have been resubmitted to the City to be re-considered for inclusion with the City's legislation package in early 2023. Many City Council members are new since CFRS' last request was made. Documents provided included the City Council's request form, the original red-lined version, the original Memo to the City Manager, and an updated presentation that was originally provided to City Council.

2. Noteworthy News

a. The Committee continues to monitor various legislative bills that may impact CFRS Members. Among the most notable are the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), both of which are included in the Social Security Fairness Act. The WEP affects how Social Security benefits are calculated for employees who receive a non-covered pension (i.e. fire/safety who do not contribute to Social Security) while the Government Pension Offset adjusts spousal or widow(er) benefits for people who receive non-covered pensions.

The House Ways and Means Committee recently passed the Social Security Fairness Act and now moves to the House of Representatives. As cited in recent articles, the Bill has an expected slim chance of passing in Senate in its current form since there are no provisions



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- to help fund for the additional financial burden on Social Security. It was also stated that according to the actuaries this change, if passed as is, would move the insolvent date of the Social Security to one year earlier, 2034.
- b. The IRS has issued final versions of the revised W-4P and the new W-4P for Rollover forms. Due to the lateness of the final versions, the IRS had postponed the required start date of the 2022 versions to January 1, 2023. USBank has since finalized their programming to accommodate the new forms/information. Staff will be working with CBIZ to ensure that updates necessary for the IPAS Pension Administration System can house and pass the new information to USBank properly.

3. Education Modules

a. Staff has been working on security modules for the retirees utilizing the CFRS' hired IT provider as a subject matter expert and resource. CFRS' legal counsel, Lisa Flowers, will review the material before staff moves on to the next phase of publishing.

4. Communications Policy, Other Policies, Regulations and Charters

- a. The Act, Committee Charters, Disability Regulations, Election Regulations and Policies (Funding, Investment, Surveillance, Code of Ethics, Travel with suggested edits, and drafted Communications) were submitted to Suzanne Dugan, outside legal counsel, on 7/15/2022 for her review. Suzanne will be attending the Committee's November meeting to present her comments.
- b. A suggestion was brought up to have all policies in one manual. The Committee agreed that a manual containing all policies/charters instead of individual documents would be best practice. Suzanne Dugan provided a sample governance manual for the Committee's review.
- c. The Committee reviewed their Charter for consistency clarity and any necessary updates. Lisa Flowers has reviewed the suggested changes. The suggested edits to the Charter is enclosed for the Board's reference. However, the charter will be reviewed by Suzanne as part of the policies review project before presented to the Board for adoption.

5. Early Retirement

a. Concerns surrounding injuries and the demands put on a firefighters' bodies have prompted the CFD Health and Safety's request for the CFRS to consider reviewing any options for early retirement other than what is already in the Act.





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Exhibit 1 - Work Plan

Benefits Committee 2022 Work Plan (in _l	progress)									-	-
Funding	Assigned to	1Q 2022		20	2Q 2022			3Q 2022		4Q 2022	
Monitor Legislation Progress	Counsel, Staff			11	Ň		П		П		Τ
Monitoring COLA request				1					7		Τ
Education									7		
MySuccess Learning Modules											
Annual Valuation Process	launched 2/28/2022								\top	\neg	Т
CFRS Benefits (term, divorce, death, retire)	launched 4/22/2022	П				\Box	Г		71		Τ
Retiree- Cyber Security education	Staff	П		11					11		Τ
CFRS Overview	launched 4/1/2021			11			Г		7		Т
Benefit Calculation	launched 5/1/2021			11			Г		71	\neg	Т
Disability Pension & Process	launched 10/1/2021									\perp	L
Governance									╫		H
Committee Charter Review (annual review)	amended 1/28/2021								1		Г
Disability Regs Guideline		П		7					7		Γ
Policies		П		1			Г		7		Γ
Communications (New)	Committee			1					71		Γ
Ethics Policy (Periodic Review)	Committee, Legal	П		7			Г		7		Γ
Meetings- Public Forum (New)	Committee, Staff			1			Г		7		Γ
Travel (Periodic Review)	Committee			1					71		Г
Funding	adopted 10/28/2021			1			Г		7		Γ
Professional Services							П		T		Г
Hired Legal Counsel/DBL-ERISA(Review)	Committee			$\sqcap \sqcap$					٦٢		Г
Hired Legal Counsel/Policies	Board selected 4/28/22						П		7		Г
Actuarial Service Provider (Review)	Committee			7			Г		7		Г
Medical Board Contract	adopted 11/15/2021			1			Г		$\exists \Gamma$		Г
Other											
Business Continuity (New)	Staff										L
Citizen Trustee Searches (New)	Staff								floor		L
CFRS History timeline*	Staff										
		Leg	jend:		progr						
					Completed						
Researched issues/events - for historical refere	<u> </u>				Pending further action by Board Impending						