

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100446	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

MTPD Retirement Plan Amendment

PURPOSE:

To request Board of Directors approval to add language to the definition of Final Average Earnings as described in the WMATA / FOP Collective Bargaining Agreement Appendix B Article 2 Section 2.15.

DESCRIPTION:

Currently, a Metro Transit Police officer who suffers a work-related injury, and is on Worker`s Compensation in his/her last 36 months of service, incurs a technical break in service for retirement purposes. This technical break in service reduces the amount of the officer`s benefit significantly. The proposed change would remedy this unintended situation and allow the officer to retire on time without a reduction in his/her retirement benefit.

Under the current contract "Final Average Earnings" is defined as: the annualized arithmetic average of the Participant`s Compensation paid to him during his highest thirty-six (36) consecutive calendar months prior to the Participant`s Normal Retirement Date or later Actual Retirement Date which will produce the highest annual average for the purposes of the benefit being calculated under the Plan.

This action will add the following language:

"In the event a Participant suffers a work related injury that qualifies for Worker`s Compensation benefits during the Participant`s final 36 months of employment, the following provision will apply:

For the period of absence due to the injury, earnings will be calculated at the Participant`s grade and step rate. These earnings will be added into the calculation of Final Average Earnings."

This amendment sunsets (terminates) 09/30/10. This temporary change will allow

the parties to review the experience level(s) of the change for fuller discussion during the next round of contract negotiations prior to any final adoption.

FUNDING IMPACT:

<p>Budget: Operating Budget, Fiscal 2010</p> <p>Office: Nondepartmental</p> <p>This Action: \$10,634.08</p> <p>Remarks: The FY2010 pension contribution is based on an estimate from the Plan`s Actuary. According to the Actuary "the effect of this change would be de minimis and therefore would have no affect on the overall cost of the Plan". The total cost of pension contributions is allocated across Metro departments.</p>

RECOMMENDATION:

Approval to add language to the definition of Final Average Earnings, as described in the WMATA/FOP Collective Bargaining Agreement Appendix B Article 2 Section 2.15, and the terms of the Letter of Understanding, dated August 14, 2009, covering the period December 1, 2006 through September 30, 2010, as per the attached resolution.

SUBJECT: AMENDMENT TO DEFINITION OF FINAL AVERAGE EARNINGS IN THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY TRANSIT POLICE RETIREMENT PLAN

2009-65

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, A majority of the Metro Police Officers of the Washington Metropolitan Area Transit Authority are represented for purposes of collective bargaining by the Fraternal Order of Police/Metro Transit Police Labor Committee, Inc.; and

WHEREAS, Board Resolution 2008-37 approved the current Washington Metropolitan Area Transit Authority/Fraternal Order of Police Labor Agreement covering the wages, hours, working conditions and pension benefits of these employees for the period January 1, 2008 through September 30, 2010; and

WHEREAS, The Washington Metropolitan Area Transit Authority and the Fraternal Order of Police/Metro Transit Police Labor Committee, Inc., which represents the sworn members of the Metro Transit Police both wish to amend Appendix B, § 2.23 by adding language to the definition of Final Average Earnings; and

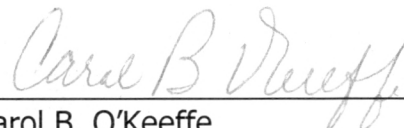
WHEREAS, The parties entered into a Letter of Understanding, attached as Attachment A; and

WHEREAS, The Washington Metropolitan Area Transit Authority Transit Police Retirement Plan § 14.01 requires that all Plan amendments be made by written Resolution of the Board of Directors; now, therefore be it

RESOLVED, That Appendix B § 2.23 of the Collective Bargaining Agreement with the Fraternal Order of Police/Metro Transit Police Labor Committee, Inc., relating to the definition of Final Average Earnings is amended, as shown on Attachment B, to apply police officers grade and step rate for the time off during disability; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel

Motioned by Mr. Graham, seconded by Mrs. Hudgins

Ayes: 6 - Mr. Graham, Mr. Benjamin, Mrs. Hudgins, Mr. Albert, Ms. Hewlett and Mr. Zimmerman



August 14, 2009

LETTER OF UNDERSTANDING

Kenneth Honick
Chairman
Fraternal Order of Police/
WMATA Labor Committee
711 4th Street, N.W.
Washington, DC 20001

Re: Letter of Understanding for Amendment of WMATA Transit Police
Retirement Plan Appendix B Article 2 §2.23

Dear Mr. Honick:

This letter confirms our mutual agreement to amend Appendix B Article 2 §2.23 entitled "Final Average Earnings" of the Washington Metropolitan Area Transit Authority Transit Police Retirement Plan. The Plan's current language defines "Final Average Earnings" as: "...the annualized arithmetic average of the Participant's Compensation paid to him during his highest thirty-six (36) consecutive calendar months prior to the Participant's Normal Retirement Date or later Actual Retirement Date which will produce the highest annual average for the purposes of the benefit being calculated under the Plan." The parties have agreed to add the following:

"In the event a Participant suffers a work related injury that qualifies for Workers' Compensation benefits during the Participant's final 36 months of employment, the following provision will apply:

"For the period of absence due to the injury, earnings will be calculated at the Participant's grade and step rate. These earnings will be added into the calculation of Final Average Earnings."

**Washington
Metropolitan Area
Transit Authority**

600 Fifth Street, NW
Washington, DC 20001
202/962-1234

By Metrorail:
Judiciary Square—Red Line
Gallery Place-Chinatown—
Red, Green and
Yellow Lines
By Metrobus:
Routes D1, D3, D6, P6,
70, 71, 80, X2

It is further agreed that the participant must pay to the Retirement Plan his or her full pension contribution of 7.27% based on their grade and step for the period of Workers Compensation absence to qualify for this action.

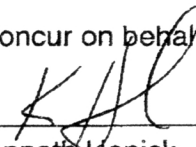
The amendment will be effective December 1, 2006 and terminate September 30, 2010. This temporary change will allow the parties to review the experience level(s) of the change for fuller discussion during the next round of contract negotiations prior to any final adoption.

It is understood that this Letter of Understanding will be presented to the WMATA Board of Directors for its concurrence and that it has been presented to the FOP/MTPLC membership for its concurrence. It is further understood that said amendment will be effective no sooner than the date of Board approval.

Sincerely,

Brian J. Donohoe
Director
Office of Employee and Labor Relations

I concur on behalf of FOP/MTPLC, Inc.



Kenneth Honick

09-15-2009
Date

Section 2.23 “Final Average Earnings” shall mean the annualized arithmetic average of the Participant’s Compensation paid to him during his highest thirty-six (36) consecutive calendar months prior to the Participant’s Normal Retirement Date or later Actual Retirement Date which will produce the highest annual average for the purposes of the benefit being calculated under the Plan. In the event a Participant suffers a work related injury that qualifies for Workers Compensation benefits during the Participant’s final thirty-six (36) of employment, the following provision will apply:

For the period of absence due to the injury, earnings will be calculated at the Participant’s grade and step rate. These earnings will be added into the calculation of Final Average Earnings.

* Added language shown as underlined.