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Chairman Phil Mendelson


Councilmember Janeese Lewis George


Councilmember Charles Allen

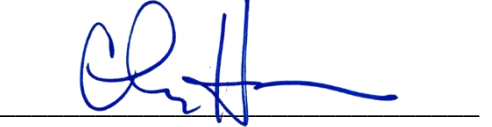

Councilmember Robert C. White, Jr.


Councilmember Matthew Frumin

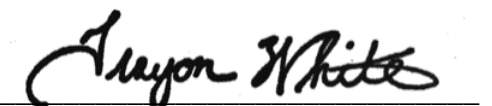

Councilmember Brianne K. Nadeau


Councilmember Vincent C. Gray



Councilmember Brooke Pinto


Councilmember Christina Henderson


Councilmember Zachary Parker


Councilmember Trayon White, Sr.


Councilmember Anita Bonds


Councilmember Kenyan R. McDuffie

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

43 To establish a deferred retirement option program to allow retirement-eligible FEMS and MPD
44 members to continue working for up to 3 years while collecting supplemental payments in
45 a separate retirement account.

46
47 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
48 act may be cited as the “Deferred Retirement Option Program Amendment Act of 2024”.

49 Sec. 2. The Policemen and Firemen’s Retirement and Disability Act, approved September
50 1, 1916 (39 Stat. 718; D.C. Official Code § 5-701 *et seq.*) is amended as follows:

51 (a) Section 12(a) (D.C. Official Code § 5-701) is amended by adding new paragraphs (21)
52 and (22) to read as follows:

53 “(21) “Deferred retirement option program” means the retirement program established in
54 section 12(h-1).

55 “(22) “Eligible member” means, for the purposes of the deferred retirement option program
56 established in section 12(h-1), an individual who:

57 “(A) Meets the qualifications for retirement in section 12(h); and

58 “(B) Is:

59 “(i) A sworn employee of the Metropolitan Police Department who, at the
60 time of entering the deferred retirement option program, was a member of the Fraternal Order of
61 Police Metropolitan Police Department bargaining unit; or

62 “(ii) A sworn employee of the Fire and Emergency Medical Services
63 Department who, at the time of entering the deferred retirement option program, was covered by
64 the collective bargaining agreement between the District of Columbia Fire and Emergency
65 Medical Services Department and the International Association of Firefighters Local 36.”.

66 (b) A new section 12(h-1) is added to read as follows:

67 “Sec. 12(h-1). Deferred retirement option program.

68 “(a) There is established a deferred retirement option program (“DROP”) available to
69 eligible members, to be administered by the District of Columbia Retirement Board. The District
70 of Columbia Retirement Board shall create separate interest-bearing DROP accounts for
71 participating eligible members. The Board shall promulgate rules and regulations necessary to
72 implement the DROP.

73 “(b) An eligible member shall be authorized to continue working and collecting his or her
74 salary while receiving monthly retirement benefits in his or her DROP account.

75 “(c)(1) Beginning 90 days after the effective date of this act, an eligible member may elect
76 to participate in the DROP by giving at least 60 days’ written advance notice to his or her
77 department head of his or her intention to participate and the date on which he or she intends to
78 begin participating.

79 “(3) An eligible member may participate in the DROP for up to 3 years. Upon
80 cessation of the eligible member’s participation, the eligible member shall permanently cease
81 employment with his or her employing department, except as provided in Section 2 of the Retired
82 Police Officer Redeployment Amendment Act of 1992, effective September 29, 1992 (D.C. Law
83 9-163; D.C. Official Code § 5-761), Section 2a of the Retired Police Officer Redeployment
84 Amendment Act of 1992, effective March 1, 2024 (D.C. Law 25-131; D.C. Official Code § 5-
85 761.01), and Section 2 of the Retired Police Officer Public Schools Security Personnel
86 Deployment Amendment Act of 1994 (D.C. Law 10-136; D.C. Official Code § 5-762).

87 “(d)(1) Payments made under this section shall be paid out of the District of Columbia
88 Police and Firefighters’ Retirement Fund established by the District of Columbia Retirement
89 Regulations Adoption Act of 1982 (D.C. Law 4-123).

90 “(2) On a monthly basis, an amount shall be deposited in a participating eligible
91 member’s DROP account equal to the amount that would have been payable to that participating

92 eligible member under section 12(h) of this subchapter had the participating eligible member
93 elected to retire pursuant to that section on the date he or she began participating in the DROP.

94 “(3) Any unused sick leave credited to a participating eligible member shall not be
95 used in computing the amount paid under paragraph (2) of this subsection and shall be carried
96 forward until the participating eligible member ceases participation.

97 “(4) Participating eligible members shall be eligible for the cost-of-living
98 adjustments determined by the District of Columbia Retirement Board in subsection 12(h)(i) of
99 this subchapter.

100 “(5) The District of Columbia Retirement Board shall set the applicable interest rate
101 as provided in subsection 12(h)(i) of this subchapter.

102 “(6) Participating eligible members entitled to medical leave pursuant to Section
103 623 of the Fire and Police Medical Leave and Limited Duty Amendment Act of 2004, effective
104 September 30, 2004 (D.C. Law 15-194; D.C. Official Code § 5-633) or Section 624 of the Fire
105 and Police Medical Leave and Limited Duty Amendment Act of 2004, effective September 30,
106 2004 (D.C. Law 15-194; D.C. Official Code § 5-634) shall cease participation in the DROP after
107 a period of 120 days on medical leave.

108 “(e)(1) A participating eligible member may cease participation at any time by providing
109 his or her department head with 60 days’ advance written notice. After ceasing participation, the
110 eligible member shall receive the distribution of the member’s DROP account balance, which may
111 be made in one of the following ways:

112 “(A) A lump sum distribution;

113 “(B) Rolled over to another qualified retirement plan or an IRA;

114 “(C) The purchase of an annuity; or

115 “(D) Any other method of distribution provided by the District of Columbia
116 Retirement Board.

117 “(2) The annuity payable to a participating eligible member upon his or her
118 cessation of participation shall be computed to include any increase based on the participating
119 eligible member’s unused sick leave as of the date the participating member ceases participation.

120 “(f)(1) If a participating eligible member becomes eligible for benefits under section 12(f)
121 of this subchapter, the participating eligible member shall cease DROP participation and
122 commence distribution of his or her DROP account balance. The monthly pension benefit under
123 section 12(f) of this subchapter shall be equal to the benefits as of the day he or she commenced
124 participation in DROP, as increased by the cost-of-living adjustments that would have accrued if
125 the member had actually retired on that date, and subject to increases for accumulated sick leave.

126 “(2) If a participating eligible member becomes eligible for benefits under section
127 12(g) of this subchapter, he or she may choose to cease participation in the DROP and become
128 eligible for benefits as of the day he or she commenced participation in the DROP, as increased by
129 the cost-of-living adjustments that would have accrued if the member had actually retired on that
130 date, and subject to increases for accumulated sick leave.

131 “(3) If a participating eligible member is involuntarily terminated, he or she shall
132 receive the remainder of the participating eligible member’s DROP account balance and the
133 annuity that he or she would have received had the participating eligible member retired on the
134 date he or she began participating in the DROP, as increased by the cost-of-living adjustments that
135 would have accrued if the participating eligible member had actually retired on that date, and
136 subject to increases for accumulated sick leave.”.

137 “(4) If a participating eligible member dies and his or her survivor is eligible for
138 benefits under section 12(k) of this subchapter, his or her survivor shall receive those benefits in

139 addition to the distribution of the participating eligible member’s DROP account balance. The
140 monthly pension shall be equal to the benefits as of the day he or she commenced participation in
141 DROP, as increased by the cost-of-living adjustments that would have accrued if the member had
142 actually retired on that date, and subject to increases for accumulated sick leave.

143 “(5) If a participating eligible member dies while participating in the DROP and his
144 or her survivor is not eligible for benefits under section 12(k) of this subchapter, the participating
145 eligible member’s survivor shall receive the remainder of the participating eligible member’s
146 DROP account balance and the annuity that the survivor would have received had the participating
147 eligible member retired on the date he or she began participating in the DROP, as increased by the
148 cost-of-living adjustments that would have accrued if the participating eligible member had
149 actually retired on that date, and subject to increases for accumulated sick leave.

150 “(g) No later than 2 years after the effective date of this act, and every 5 years thereafter,
151 the Office of the Chief Financial Officer shall submit a report to the Mayor and Council that
152 analyzes:

- 153 “(1) The fiscal impact of the DROP;
- 154 “(2) Eligible members’ participation; and
- 155 “(3) The effect of the DROP on the retention of eligible members.”.

156 Sec. 3. Fiscal impact statement.

157 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
158 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
159 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

160 Sec. 4. Effective date.

161 This act shall take effect following approval by the Mayor (or in the event of veto by the
162 Mayor, action by the Council to override the veto), a 30-day period of congressional review as

163 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
164 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1)), and publication in the District of
165 Columbia Register.