

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
18	12/13/17	Retirement	Action	12/4/17

Subject: Corrective Pension Payment (ATU). (Weekly).

ISSUE

Whether to Instruct Staff to Process Corrective Pension Payment (ATU). (Weekly)

RECOMMENDED ACTION

Motion: Direct Staff to Process Corrective Pension Payment.

FISCAL IMPACT

Budgeted: No
Budget Source: Pension Funds
Funding Source:

Cost Cntr/GL Acct(s) or
Capital Project #: 210035

The fiscal impact cannot be calculated until the Retirement Boards determine the actions to be taken.

DISCUSSION

The Retirement Boards adopted the "Policy for Correcting Retirement Plan Overpayments and Underpayments" on March 25, 2015 (the "Overpayment/Underpayment Policy"). Staff has identified one corrective payment that is owed to a retiree/beneficiaries at this time under the applicable terms of the Overpayment/Underpayment Policy and ATU Retirement Plan. This corrective payment is owed due to various administrative errors, including use of incorrect survivor allowance formulas to calculate benefits and failure to make necessary adjustments to benefit payments following the Board's approval of a number of corrective payments in 2013.

Staff engaged Cheiron (the Plans' actuary) to perform the required calculations relative to this corrective payment, and Cheiron applied the underpayment interest rate that the Boards adopted in December 2012 as required under IRS rules and the Overpayment/Underpayment Policy.

Staff requests the Board's approval to process the corrective payment, including interest, to the affected party/ies. Additional details will be provided at the meeting.

Approved:

Presented:

FINAL

Treasury Controller

Pension and Retiree Services Administrator
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