

Office of the County Auditor

Auditor's Analysis

Council Bill 5-2021

Introduced: January 4, 2021

Auditor: Edward Shulder

Fiscal Impact:

According to a September 2019 actuarial study prepared by the County's consultant, implementation of a Deferred Retirement Option Program (DROP) for correctional officers will not impact County expenditures.

However, the study stated that there may be a small savings resulting from 1) a reduction in County contribution due to correctional officers working longer than they would otherwise and 2) a reduction in the County contribution as the DROP does not include a cost of living adjustment (COLA). The study estimated these savings could total \$257,000.

Purpose:

This bill creates a DROP for certain employees of the Department of Corrections. Employees with 20 or more years of creditable service may elect to participate in the DROP for a period between two and five years.

Other Comments:

According to the actuarial study, the proposed Corrections DROP program is similar to the Police and Fire's DROP II plan with the following exceptions.

- The Correction DROP allows for entry after 20 years, while the DROP II plan requires 25 years of service.
- The Correction employees will not make contributions after enrollment, while employees under DROP II make contributions to their DROP II accounts.