

1 [Retirement Benefits]

2 **Ordinance amending the Administrative Code Section 16.37-1 to provide for the setting**
3 **of interest and mortality rates for retirement allowances.**

4 Note: Additions are *single-underline italics Times New Roman*;
5 deletions are ~~*strikethrough italics Times New Roman*~~.
6 Board amendment additions are double underlined.
7 Board amendment deletions are ~~strikethrough normal~~.

8 Be it ordained by the People of the City and County of San Francisco:

9 Section 1. The San Francisco Administrative Code is hereby amended by amending
10 Section 16.37-1, to read as follows:

11 Sec. 16.37-1. ~~Table and Rates; Interest Rates;~~Interest and Mortality; Rates and Tables.

12 Upon the basis of an investigation or valuation, the Retirement Board shall adopt appropriate
13 mortality tables and interest rates. The interest rate applied to member accounts shall be at least four
14 percent per annum and shall not exceed the actuarial assumption for return on assets. ~~credit~~
15 ~~contributions of members, or beneficiaries; and of the City and County with interest at the rate of four~~
16 ~~percent per annum, compounded on June 30th of each year, subject to the provisions of Section 16.37-2~~
17 ~~of this Code. The Board, however, at the end of each fiscal year, may credit to all contributions held in~~
18 ~~the Retirement Fund at the end of such fiscal year such additional interest as it may deem proper in the~~
19 ~~light of the earnings on the Retirement Fund during such fiscal year; provided that the total interest~~
20 ~~credited to contributions during any fiscal year shall not exceed the earnings on the Retirement Fund~~
21 ~~during that year; and provided further, that interest at the rate of four percent per annum, compounded~~
22 ~~annually, shall be used in the calculation of benefits under any mortality table adopted by the Board,~~
23 ~~subject to the provisions of Section 16.37-2 of this Code, regardless of any additional interest allowed~~
24 ~~on contributions under this paragraph.~~

1 The Retirement Board, by means of a dividend payment method, may distribute annually to those
2 persons receiving allowances from the Retirement System - which are not subject to change when the
3 salary rates of active members change and which at the close of the next preceding fiscal year had been
4 in effect for at least one year - a part or all of the net interest earnings in excess of the assumed
5 earnings during the preceding fiscal year on the Retirement Fund except earnings upon the
6 accumulated contributions of active members; provided, however, that no such distribution shall be
7 made of that part of said excess interest earnings as is required to maintain the contingency reserve
8 against adverse mortality at an amount equal to two percent of the total assets of the Retirement
9 System at the close of the next preceding fiscal year. (Amended by Ord. 74-67, App. 3/8/67.)
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12 APPROVED AS TO FORM:
13 LOUISE H. RENNE
14 City Attorney

15 By: _____
16 DAN MAGUIRE
17 Deputy City Attorney
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