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STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF STATUTORY
ARBITRATION BETWEEN:

CITY OF SAGINAW

MERC No. G81 G 811

-and-

SAGINAW FIRE FIGHTERS ASSOCIATION
LOCAL 102, IAFF, AFL-CIO

OPINION AND AWARD OF ARBITRATION PANEL

Arbitration Panel

Donald L. Reisig, Impartial Chairman
James R. Korom, City Delegate
Earl DeGuise, Association Delegate

Appearances

Steven B. Rynecki, for the City of Saginaw
Ronald R. Helveston, for the Saginaw Fire Fighters Association

September 26, 1983

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OPINION AND AWARD OF ARBITRATION PANEL

The Saginaw Fire Fighters Association, Local 102, IAFF, AFL-CIO (Union), represents employees in the Fire Department of the City of Saginaw (City).

The City and the Union have engaged in collective bargaining to replace the contract between the parties which covered the period July 1, 1979 through June 30, 1982. The City and the Union reached impasse on several subjects of the bargaining. Thereupon, an application was filed under the statute for arbitration of labor disputes in municipal police and fire departments [MCLA 423.201, et seq; MSA 17.455(31), et seq; 1969 PA 312, as amended, commonly known as "Act 312"]. Pursuant to said Act, the matter was referred to compulsory arbitration by the Michigan Employment Relations Commission in conformance with the provisions of the Act. The Impartial Chairman was notified of his appointment as such by that Commission by letter dated January 18, 1983.

The City of Saginaw thereafter appointed James R. Korom as its designee on the panel, and the Association appointed Earl DeGuise as its designee on the panel.

A prehearing conference was held on May 3, 1983 at the office of the Chairman, 520 Seymour Street, Lansing, Michigan. Thereafter, hearings were held in the City of Saginaw on August 31 and September 1, 1983. A court reporter was present at each of the hearings to prepare a record thereof.

The panel received evidence and the testimony of witnesses presented by the parties. Full opportunity was afforded each side to examine the evidence and to cross-examine the witnesses. The City submitted a total of 97 exhibits relating to the issues at impasse, the appropriate comparable cities, and an inability to pay argument. The Union in its turn submitted 88 exhibits on the issues at impasse, comparability, and the health risks involved in performing firefighter duties. This evidence was received by the panel, subject to objections by both sides as to relevancy, competence and accuracy.

Of the original 56 issues at impasse between the parties, a number remain. The first set of issues relates to wages for the 1982-1983, 1983-1984 and 1984-1985 contract years. A second set of issues at impasse relates to the existence of a cost of living adjustment (COLA) clause in the contract, and the

obligation of the City to implement COLA increases after expiration of the collective bargaining agreement. The final issue between the parties relates to the pension contribution required of employees for the City of Saginaw Policemen and Firemen Retirement System.


All other issues were either amicably resolved by the parties or withdrawn.* On the remaining issues, the arbitration panel makes the following findings and decision.

BACKGROUND

The City of Saginaw covers approximately 18.3 square miles, has a population of about 77,500 and is the Saginaw County seat. Located on the Saginaw River, the city was once a busy lumbering community. It has a multitude of industry, is a major automotive manufacturing center, and even has some agriculture.

The Saginaw Fire Department has experienced dramatic changes over the years. In 1966-1967, there were approximately 145 employees on the department; there are currently 118. At one time, there were six fire stations; now there are five. Many of the firefighting personnel are also trained as paramedics and emergency medical technicians, but receive no additional compensation.

In addition to protecting the citizens of Saginaw, these firefighters respond to emergencies in surrounding communities with which the Saginaw Fire Department has mutual aid agreements. The duties of protecting and saving lives has been demonstrated to be shouldered well by these employees.

 * Furthermore, the parties have stipulated pursuant to Section 9 of Act 312 to Retirement Benefits language (Article XIV) which is attached hereto, and incorporated in this award.

The economic issues presented to the panel by the Union were: (1) wages; and (2) employee pension contributions. The City's economic issue involved the discontinuation of a cost of living adjustment (COLA) provision found in the 1979-1982 collective bargaining agreement. As indicated heretofore, all other issues were either satisfactorily adjusted, settled, compromised or waived by the parties.

Last offers were submitted to the Chairman by the parties and memorialized on the record at the conclusion of the hearing on September 1, 1983 as follows:

I. WAGES - 1982-1983

Union's Last Offer: On July 1, 1982, the Employer shall provide to all ranks within the bargaining unit a three percent (3%) across-the-board increase.

City's Last Offer: The pay plan in effect at the time of expiration of the previous contract shall continue for the period July 1, 1982 to June 30, 1983.

II. WAGES - 1983-1984

Union's Last Offer: On July 1, 1983, the Employer shall provide to all ranks within the bargaining unit a three percent (3%) across-the-board increase.

City's Last Offer: The pay plan in effect at the time of expiration of the previous contract shall continue for the period July 1, 1983 to June 30, 1984.

III. WAGES - 1984-1985

Union's Last Offer: On July 1, 1984, the Employer shall provide to all ranks within the bargaining unit a four percent (4%) across-the-board increase.

City's Last Offer: The pay plan in effect at the time of expiration of the previous contract shall continue for the period July 1, 1984 to June 30, 1985.

IV. COST OF LIVING ALLOWANCE

Union's Last Offer: The terms and conditions of Article X Section 2 of the 1979-1982 collective bargaining agreement shall remain in full force and effect (unless modified in future negotiations or by Act 312 Arbitration) and shall be set forth in full in the new written agreement between the parties, except the Employer shall hold in abeyance any payment of COLA under the provisions of Article X, Section 2, from July 1, 1982 through December 31, 1984. During this time, no CPI points will accrue, nor will any monetary payments be due or accrue, and no retroactive liability whatsoever shall exist or be created. Thereafter, however, the Employer shall continue the cost of living program based upon a one cent (\$.01) per hour increase for each .4 increase in the US Department of Labor's Bureau of Labor Statistics, Revised Urban Wage Earners and Clerical Workers Consumer Price Index (all cities, all items, 1967 = 100). The new base for computation shall be the January, 1985 Index (as released in February 1985). Cost of living adjustments, upward or downward for the final quarter are to be made to each employee's rate of pay effective the first full pay period in June, 1985, based upon the change in the Revised Urban Wage Earners and Clerical Workers Consumer Price Index from January, 1985 to April, 1985.

City's Last Offer: A moratorium on COLA payments (under Article X, Section 2) for the term of the collective bargaining agreement.

V. CONTINUATION OF COLA PAYMENTS AFTER EXPIRATION
OF THE COLLECTIVE BARGAINING AGREEMENT

Union's Final Offer: The Union proposes the City be required to continue making COLA adjustments after expiration of the collective bargaining agreement.

City's Final Offer: The City proposes that after expiration of the collective bargaining agreement, further COLA adjustments must only be paid if the parties so agree or COLA payments are required by an arbitrator under Act 312.

VI. EMPLOYEE PENSION CONTRIBUTION

Union's Last Offer: The employees' contributions to the City of Saginaw Policemen and Firemen Retirement System be reduced from eight percent (8%) to six percent (6%) for the period from January 1, 1984 through December 31, 1984 only. The employee contribution would revert to eight percent (8%) beginning on January 1, 1985.

City's Last Offer: No change in employee pension contributions.

FINDINGS

The City, in support of its last offers, relies primarily on its asserted inability to pay, and offers evidence of wage freeze settlements with other bargaining units within the city. In addition, the City offers evidence with regard to wages and cost of living allowances in comparison cities.

The Union stresses evidence which shows the continuing rise in cost of living, and provides comparison exhibits indicating cost of living provisions and employee pension contributions in other comparable communities. In turn, the Union stresses the degree of professionalism and training evidenced by its members in what is most assuredly a hazardous occupation, and demonstrates both the proficiency and efficiency of the members of the department. (Indeed, at least one-third of the employees have paramedical training, and the members are responding to increased numbers of "runs" with a decreased work force).

The evidence produced by the City of Saginaw convinced the impartial arbitrator of the City's serious inability to fund wage increases. A charter amendment passed by the citizens of the City of Saginaw restricts the ability of the City to increase its revenues. The City's evidence tends to show there have been significant changes in demographics over the past decade affecting the City's ability to generate revenue. The generally poor state of the economy in Michigan, and particularly in the City of

Saginaw, has limited the City's revenues while the citizens' need for fire service has remained constant. Finally, in light of projected budget deficits, needed capital improvements and the lack of any clear indication of economic improvement leads to the conclusion that Saginaw's ability to fund wage increases will not drastically improve in the near future.

The City's evidence further tends to show that fire department employees have enjoyed wage benefit programs closely comparable to other City employees. Further, although layoffs and an "Unpaid Days Program" have been used at all levels of City employment including management, the evidence suggests the fire department has been least affected by these personnel reductions. Finally, the City offered wage freezes and COLA moratoriums have been accepted by other bargaining unit and nonbargaining unit employees in the City of Saginaw. Among the external comparables, firefighters have received wage and benefit programs which are at least competitive with other communities. The cities urged by the Union as comparable demonstrate that while wages and benefits enjoyed by the firefighters are not the highest on the list, they are not the lowest and do not significantly lag behind other cities.

While ability to pay is a consideration under Section 9 of Act 312, city employees cannot be expected to make a "gift" of their services to the citizens of that city. This was the

rationale used by noted labor arbitrator Robert Howlett in an Act 312 proceeding involving the City of Madison Heights and its firefighters (MERC No. D81 E-2737, Opinion and Award issued September 9, 1983). Similarly, in City of Southgate, 54 LA 901, 910, Arbitrator George Roumell, quoting Hyman Parker (past Director of MERC), stated:

"Whatever methods the City, in its judgment feels are appropriate to secure additional sources of revenue should, of course, be utilized, but pending the receipt of such additional revenue, it is recommended that the present funds available for municipal expenditures be reallocated so as to afford the employees fair and reasonable wage increases."

This panel urges the City of Saginaw to reevaluate its revenue sources and take whatever steps are necessary to correct the insufficiencies that exist at present.

It is unclear how this arbitration panel would decide the issues presented to it in the absence of the City's compelling ability-to-pay argument. The presence of this well-documented argument, however, leads this panel to believe the ability-to-pay factor deserves special consideration. Therefore, the panel makes the following decision and award.

AWARD

I. WAGES - 1982-1983

Union's Final Offer: Three percent (3%) wage increase.

City's Final Offer: No wage increase.

Decision: City's Final Offer.

Donald L. Reay
James R. Korom
Charles W. McDermis Dissent

II. WAGES - 1983-1984

Union's Final Offer: Three percent (3%) wage increase.

City's Final Offer: No wage increase.

Decision: City's Final Offer.

Donald L. Reay
James R. Korom
Charles W. McDermis Dissent

III. WAGES - 1984-1985

Union's Final Offer: Four percent (4%) wage increase.

City's Final Offer: No wage increase.

Decision: Union's Final Offer.

Donald L. Reay
(Dissent) James R. Korom
Charles W. McDermis

IV. COST OF LIVING ALLOWANCE

Union's Final Offer: Moratorium on COLA payments until last quarter of contract (payment in June, 1985).

City's Final Offer: Moratorium on COLA payments for term of contract.

Decision: Union's Final Offer.

Paul D. Davis
(Assent) James R. Korom
Carl D. Davis

V. CONTINUATION OF COLA PAYMENTS AFTER EXPIRATION OF THE COLLECTIVE BARGAINING AGREEMENT

Union's Final Offer: The Union proposes the City be required to continue making COLA adjustments after expiration of the collective bargaining agreement.

City's Final Offer: The City proposed that after expiration of the collective bargaining agreement, further COLA adjustments must only be paid if the parties so agree or COLA payments are required by an arbitrator under Act 312.

Decision: City's Final Offer.

Paul D. Davis
James R. Korom
Carl D. Davis *Assent*

VI. EMPLOYEE PENSION CONTRIBUTION

Union's Final Offer: Reduce employees' contributions
from eight percent (8%) to six percent (6%) for the
period January 1, 1984 through December 31, 1984.

City's Final Offer: No change.

Decision: Union's Final Offer.

Donald L. Reisig
(Dissent) James R. Korom
Earl W. DeGuise

CONCLUSION

Signatures following each award indicates concurrence
by the named arbitrator in the specific provisions of the indi-
cated award. When a delegate has not signed a specific award,
then he has not concurred in the award.

Signed this 26th day of September, 1983.

Donald L. Reisig
Donald L. Reisig, Impartial Chairman

James R. Korom
James R. Korom, City Delegate

Earl W. DeGuise (Dissent Noted Above)
Earl DeGuise, Association Delegate

Final Language

ARTICLE XIV

RETIREMENT BENEFITS

Employees in this bargaining unit shall participate in and receive the benefits of the Saginaw Police-Fire Retirement System as prescribed in the Saginaw City Charter and City Ordinance No. D-678, which is incorporated herein by reference.

Upon application for retirement, a member may request and the Employer shall provide a list of all wages by pay period, inclusive of any other special wages that would normally be used for pension computation, for the ten years previous to the anticipated date of retirement.

Upon retirement an employee may use his final pay check, including payment for unused sick leave or vacation, if any, to purchase military service credit as provided in Section 115 of Ordinance No. D-678, as amended, and incorporated herein by reference: Provided, however, that once an employee is retired military service credit cannot be purchased.

For the purposes of this agreement, the Saginaw Police and Fire Retirement System Ordinance No D-678 shall be amended as follows:

1. Voluntary Retirement Age, Guaranteed Living Standard

(A) Section 102.1(u) shall be amended to read as follows:

"Voluntary retirement age" means age 52 years for firemen and age 52 years for policemen; Provided, that in the case of an original member, voluntary retirement age means age 52 years for firemen and age 52 years for policemen or at the age at which he acquires 25 years of credited service, whichever occurs first. The above stated "voluntary retirement age" notwithstanding, from July 1, 1985 through June 30, 1990, firemen members may elect "voluntary retirement" at age 50 years and receive a pension calculated in all respects as if they had retired at age 52 years. Provided, however, that from July 1, 1990, onward "voluntary retirement age" for firemen shall again become age 52 years as hereinbefore defined.

(B) Section 118-1.7(a) and Section 118-1.7(b) shall be amended as follows:

118-1.7 The guaranteed living standard contained in this subsection shall not apply to police patrolmen members.

(a) In the event the annual pension benefit of a retiree with a spouse and who retires on or after (January 1, 1980, for a member who is a police sergeant, police lieutenant, or police captain) or (July 1, 1980, for a fireman member) should fall below the total budget cost for a retired couple as stated by the Bureau of Labor Statistics "Annual Cost of the Urban Retired Couple's Intermediate Budget" based

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upon total budget cost for the metropolitan United States, a married retiree's pension benefit shall be increased to 100 percent of the Bureau of Labor Statistics "Annual Cost of the Urban Retired Couple's Intermediate Budget" provided the retiree retired with 25 years or more credited service and retired as provided for in Section 116, 117, 122, 123, or when a member becomes covered as provided in Section 124.2 of the Saginaw Policemen and Firemen Retirement System.

From July 1, 1985 through June 30, 1990, the aforesaid benefits will be granted to firemen members who elect to retire during this time period if they retire with 20 years or more of credited service: Provided, however, that from July 1, 1990, onward retiring firemen members will again be required to have 25 years or more of credited service to receive this benefit.

- (b) If a member is without a spouse or has a sole surviving spouse and if the retirement entitling the member to pension benefits occurred (on or after January 1, 1980, for a member who is a police sergeant, police lieutenant, or police captain) or (on or after July 1, 1980, for a fireman member) and otherwise meets the applicable requirements set forth in Subsection (a) above, then his annual pension benefit shall be adjusted so as never to fall below 60 percent of the Bureau of Labor Statistics "Annual Cost of the Urban Retired Couple's Intermediate Budget."

From July 1, 1985 through June 30, 1990, the aforesaid benefits will be granted to firemen members who elect to retire during this time period if they retire with 20 years or more of credited service: Provided, however, that from July 1, 1990, onward retiring firemen members will again be required to have 25 years or more of credited service to receive this benefit.

- (C) The above stated five-year "window periods," as described in parts 1(A) and 1(B), shall be terminated as stated on June 30, 1990, at which time the provisions will cease to be part of the pension benefits for firemen members and as of July 1, 1990, the benefits shall revert to their former status or such other conditions as written above.
- (D) The fact that the City agreed to the above-referenced five-year "window periods," as described in parts 1(A) and 1(B), shall not be deemed prejudicial in any way to any City position for, against, or in modification of the minimum voluntary retirement age, or post retirement guaranteed living standard in subsequent negotiations with the Union or any arbitration proceedings.
- (E) During this five-year "window period," as described in parts 1(A) and 1(B), the parties agree not to propose changes in retirement benefits, including pension benefits; provided, however, the City shall have the right to reopen negotiations at the termination of this agreement or successor agreements in the event of circumstances unforeseen at the time of execution of this provision. Further, provided, negotiations shall be reopened at anytime during this period should the provisions of the Social Security System be imposed upon the parties by the United States government.

2. Military Service Credit

- (A) Section 115.2 shall be replaced in its entirety with the following language and a new Section 115.3 shall be added as follows:

115.2 After July 1, 1983, any fireman member who was a member of the retirement system on July 1, 1983, may elect to receive credited service for not more than 4 years of active military service in the armed service of the United States; provided, the fireman was employed as a fireman subsequent to such military service. A fireman who elects to claim this service credit must already have 10 years of credited service as a fireman in force and shall pay to the retirement system an amount equal to 10.75 percent of the member's full time or equated full time annual compensation (last four full calendar quarters gross compensation) for the year in which the payment is to be made, multiplied by the number of years, and fraction of a year, of credited service the member elects to purchase, up to the maximum. Service shall not be credited if the service is or would be credited under another federal, state, or local publicly supported retirement system.

115.3 Any person who becomes a fireman member of the retirement system after July 1, 1983, who entered the armed service of the United States during a time of war or national emergency, or who was drafted into the armed service during a time of peace, may elect to receive credited service for not more than 4 years of active military service; provided, the fireman was employed as a fireman subsequent to such military service. However, only completed years and months of armed service shall be credited. Credit for military service shall be given upon request and payment to the retirement system an amount equal to 8 percent of the member's full time or equated full time annual compensation (last four full calendar quarters gross compensation) for the year in which payment is made multiplied by the number of years, and fraction of a year, of credited service the member elects to purchase up to the maximum. Service shall not be credited if the service is or would be credited under any other federal, state, or local publicly supported retirement system. Service shall not be credited under this section until the member has 10 years of credited service in force.

3. Final Average Salary

- (A) Section 102.1(n) shall be amended to read as follows:

- (n) "Final average salary" means the average of the annual compensations paid a member during any three (3) years he may select within the period of ten (10) consecutive years of his credited service immediately preceding the date of termination of his last employment with the City as a policeman or fireman; provided, however, that effective (July 1, 1979, in the case of a fireman member) (January 1, 1982, in the case of a member who is a police sergeant, police lieutenant, police captain, or police chief) or (July 1, 1982, in the case of a member who is a police patrolman) who shall have included in the computation of final average salary the value of accumulated vacation only and not the value of accumulated sick leave. If he has less than three (3) years of credited service, his final average salary shall be the average of his annual rates of compensation for his total period of credited service. If a member is forced to retire

because of an injury arising out of the performance of his duties, and if he has received less than his full salary at any time during his final three (3) years of employment due to said injury, his full annual compensation rate shall be used in computing his final average salary if this is to his advantage.

If a fireman member retires on or after July 1, 1983, and if he has received less than his full salary at any time during the three (3) years chosen for computation of his final average salary due to an on-the-job injury, his full annual compensation rate shall be used in computing his final average salary if this is to his advantage.

4. Duty Disability Pension

- (A) Section 124 shall be amended to provide new Sections 124.4(a) and 124.4(b) as follows:

Section 124.4

- (a) On or after July 1, 1983, a fireman member, who retires at or after his attainment of age 55 years on account of disability, as provided in Section 123, shall receive a disability pension computed according to Section 118. Upon his retirement he shall have the right to elect, in lieu of his straight life disability pension, to receive his disability pension under an option provided for in Section 120. His said pension shall be subject to Sections 128, 129, and he shall be eligible for the benefits of Section 118-1.7 (a) - (f) years of credited service notwithstanding.
- (b) On or after July 1, 1983, a fireman member who retires prior to his attainment of age 55 years on account of disability, as provided in Section 123, shall receive a disability pension computed according to subsections 118.1 and 118.3. For the exclusive purpose only of computing his disability pension his credited service shall be increased by the number of years, and fraction of a year, in the period from the date of his disability retirement to the date he would attain age 55 years. Upon his retirement he shall have the right to elect, in lieu of a straight life disability pension, to receive his disability pension under an option provided for in Section 120. His said disability pension shall be subject to Sections 128, 129, and he shall be eligible for the benefits of Section 118-1.7 (a) - (f), years of credited service notwithstanding.

5. Non-Duty Death: Application of Option A

- (A) Add a new Section 125.3 to read as follows:

125.3 Effective July 1, 1983, and thereafter the foregoing provisions of Section 125 shall not be applicable to firemen members or their beneficiaries. Any benefits granted to firemen members or their beneficiaries prior to July 1, 1983, shall remain in full force and effect.

6. Non-Duty Death: Survivor Pensions

(A) Add a new Section 126.2 to read as follows:

126.2 Effective July 1, 1983, and thereafter, if a fireman member dies while in the employ of the City, the applicable pensions provided for in subsection (a), (b), (c) or (d) shall be paid; provided, that the member has paid into the member's deposit fund all amounts due to the fund by him. Any pensions paid under this section shall be subject to Section 129 and 118-1.7 (a) - (f).

- (a) The widow or widower of a deceased member shall receive a pension of 80 percent of the pension that would have been due and payable to the deceased member computed as if he had retired the day before his death. Computation of the pension shall be made using the multiplier set forth in Section 118.1 times the average of his last three years' compensation, including the value of any unused vacation time paid to his widow, multiplied by the number of years, and fraction of a year, of his credited service. If the said member should die prior to his attainment of age 55 years, his credited service shall be increased, for the exclusive purpose only of computing the pension, by the number of years, and fraction of a year, not to exceed 10 years, in the period from the date of his death to the date he would have attained age 55 years. The widow's pension shall begin the first day of the calendar month next following the month in which the member died and shall terminate upon her remarriage, or death, whichever occurs first.
- (b) If the deceased member does not leave a widow or widower eligible to a pension provided in this Article, or if a pension payable to a widow or widower terminates on account of remarriage or death, and there be surviving the said deceased member's unmarried child or children under age 21 years, or his mentally or physically totally and permanently disabled child whom the board of trustees finds to be at least 50 percent dependent upon the deceased member for his financial support, each such child shall receive a pension of 25 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. Provided, that if there be more than two such children, each such child shall receive a pension of an equal share of 50 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. The pension payable to a child, except such a totally and permanently disabled child, shall terminate upon his attainment of age 21 years; the pension payable to any child shall terminate upon his adoption, marriage or death, whichever occurs first. Upon termination of a child's pension, there shall be a redistribution by the board to the deceased member's remaining eligible children; provided that the pension payable to any one child shall not exceed 25 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section.

- (c) If there be no widow, widower, nor children eligible to receive pensions provided in subsections (a) or (b) of this section surviving the said deceased member, and he leaves either or both a dependent mother or dependent father whom the board of trustees finds to be dependent upon said member for at least 50 percent of his financial support, each such parent shall receive a pension of 15 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. Upon a parent's remarriage or death, his pension shall terminate.
- (d) Notwithstanding the foregoing provisions of Section 126.2(a), a widow or widower may elect to receive benefits as provided in Section 126.1(a) and (b), if this is to their advantage. Should such an election of benefits under Section 126.1(a) and (b) terminate on account of the remarriage or death of the widow or widower, any surviving children shall receive benefits as defined in Section 126.2(b).

7. Death Occurring in Line of Duty

- (A) Add a new Section 127.2 to read as follows:

127.2 Effective July 1, 1983, and thereafter, if a fireman member dies as the result of illness contracted or injuries received arising out of and in the course of his employment with the City, and such death, illness or injuries resulting in death, be found by the board of trustees to have been the natural and proximate result of his actual performance of duty as a fireman in the employ of the City, the applicable benefits provided in subsections (a), (b), or (c) of this section shall be paid; in addition to the applicable benefits provided in Subsection (a), (b), and (c) the accumulated contributions standing to the member's credit in the member's deposit fund at the time of his death shall be paid in accordance with the provisions of Section 130; provided that the member has paid into the member's deposit fund all amounts due the fund by him. Any pension paid under this section shall be subject to Section 129 and shall qualify the person for the benefits of Section 118-1.7 (a) - (f) years of credited service notwithstanding.

- (a) The widow or widower of a deceased member shall receive a pension of 80 percent of the pension that would have been due and payable to the deceased member computed as if he had retired the day before his death. Computation of the pension shall be made using the multiplier set forth in Section 118.1 times the average of his last three years' compensation, including the value of any unused vacation time paid to his widow, multiplied by the number of years, and fraction of a year, of his credited service. If the said member should die prior to his attainment of age 55 years, his credited service shall be increased, for the exclusive purpose only of computing the pension, by the number of years, and fraction of a year, in the period from the date of his death to the date he would have attained the age 55 years. The widow's pension shall begin the first day of the calendar month next following the month in which the member died and shall terminate upon her remarriage, or death, whichever occurs first.

- (b) If there be no widow or widower surviving the deceased member, or if the pension payable to his widow terminates on account of her remarriage or death, and there be surviving the said deceased member's unmarried child or children under age 21 years, or his mentally or physically totally and permanently disabled child whom the board of trustees finds to be at least 50 percent dependent for this financial support upon the said deceased member, each such child shall receive a pension of 25 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. Provided, that if there be more than two such children, each such child shall receive a pension of an equal share of 50 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. The pension payable to a child, except such a totally and permanently disabled child, shall terminate upon his attainment of age 21 years; the pension payable to any child shall terminate upon his adoption, marriage, or death, whichever occurs first. Upon termination of a child's pension, there shall be a redistribution by the board to the deceased member's remaining eligible children, provided that in no case shall any such child's pension exceed 25 percent of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section.
- (c) If there be neither a widow, widower nor children eligible to receive pensions provided in subsections (a) or (b) of this section surviving the said deceased member, and he leaves either or both a dependent mother or dependent father whom the board of trustees finds to be dependent upon said member for at least 50 percent of his financial support, each such parent shall receive a pension of 1/6 of the pension that would have been due and payable to the deceased member calculated as set forth in subsection (a) of this section. Upon a parent's remarriage or death, his pension shall terminate.

8. Repayment of Withdrawn Contributions

- (A) Add a new Section 131.6 to read as follows:

131.6. Effective July 1, 1983, and thereafter subsection 131.4 of Section 131 shall cease to apply to fireman members. From and after July 1, 1983, should any fireman member cease to be employed by the City as a fireman and withdraw his accumulated contributions from the member's deposit fund and later be reemployed by the City as a fireman as provided by this Article, he shall within four years from the date of his reemployment with the City, deposit in the member's deposit fund, by a single contribution only, the amount or amounts he might have withdrawn therefrom, together with regular interest from the date of withdrawal to the date of repayment. Said contribution shall be in addition to the contributions deducted from the compensation of a member as herein before provided. In no case shall any member be given credit for service rendered prior to the date he withdrew his accumulated contributions until there is repaid to the member's deposit fund all amounts due the fund by him. Failure to repay withdrawn accumulated contributions within four years of reemployment shall constitute a permanent forfeiture of credited service represented by the withdrawn accumulated contributions.

Amount of Contribution to Member's Deposit Fund

(A) Section 131.2 shall be amended to read as follows:

131.2 The contributions of a member to the retirement system to February 1, 1965, shall be 5 percent of his compensation. From and after January 31, 1965 to November 1, 1968, the contributions of a member shall be 6 percent of his compensation. From and after October 31, 1968, the contributions of a fireman member shall be 7 percent of his compensation; from and after July 1, 1980, the contributions of a fireman member shall be 7.5 percent of his compensation; from and after July 1, 1981, the contributions of a fireman member shall be 8 percent of his compensation. From and after October 31, 1968 to June 22, 1973, the contributions of a policeman member shall be 7 percent of his compensation; and from and after June 21, 1973, the contributions of a policeman member shall be 8 percent of his compensation. From and after January 1, 1980, the contribution of a policeman member who is a police sergeant, police lieutenant, or police captain shall be 9.5 percent of his compensation and 8 percent of his compensation effective January 1, 1982. From January 1, 1984 through December 31, 1984, the contribution of a fireman member shall be 6 percent of his compensation; provided, however, from and after January 1, 1985, the contribution of a fireman member shall be 8 percent of his compensation. The officer or officers responsible for making up the payroll shall cause the contribution to be deducted from the compensation of each member on each and every payroll period, so long as he remains a member of the system.