

DETROIT POLICE AND FIRE RETIREMENT SYSTEM UNDER

THE PLAN OF ADJUSTMENT

FREQUENTLY ASKED PENSION QUESTIONS FOR ACTIVE POLICE AND FIRE EMPLOYEES RELATING TO BANKED SICK LEAVE

Q1 -- What happens to my accrued or “banked” sick leave after June 30, 2014?

A1 -- Your unused, sick leave banks (which may have been frozen in 2012 or 2013) will not be affected by the June 30, 2014 freeze of PFRS. If you currently have the right to make an election to have 25% of the unused accrued frozen sick leave that you are eligible to receive in cash when you retire applied to increase the Average Final Compensation used to calculate your accrued benefit under PFRS, you will have a special election to have 25% of the value of the unused frozen sick leave that would be payable to you if you retired as of June 30, 2014 applied to increase the Average Final Compensation used to calculate your frozen accrued benefit. You may know this as the “rollover” amount. See Q&A 3 for more information about the special sick leave election.

Q2 -- Can I still receive a lump sum distribution of a percentage of my accrued sick leave when I retire, even if it is after June 30, 2014?

A2 -- YES. Your eligibility for a lump-sum distribution of a portion of your unused accrued sick leave at retirement is not affected by the June 30, 2014 freeze of PFRS. The lump sum payment amount you will receive will vary depending on whether you make a rollover election or you receive full payment of your frozen sick leave bank. See Q&A 3 for more information about the special sick leave election.

Q3 -- Will my accrued sick leave be counted in the Average Final Compensation calculation of my Old PFRS Pension when I retire?

A3 -- If you are eligible to rollover 25% of the unused frozen accrued sick leave payable to you in cash when you retire, you may continue to work for the City after June 30, 2014 and make a special election to have 25% of the unused frozen accrued sick leave that would be payable to you in cash if you retired as of June 30, 2014 included in your Average Final Compensation for purposes of calculating your frozen accrued benefit under the Old PFRS Pension. Election forms are available on this website, on-line at www.pfrsdetroit.org and at the Retirement System’s offices. The election form must be signed in the presence of a witness and **must be received by the Retirement System. no later than August 22, 2014.** Please note that the Retirement System’s new address is: **500 Woodward, Ste. 3000.** Your witness may be any adult over the age of 18 who knows you personally and can verify that you signed the election form. Your witness should NOT be an employee of the Retirement System.

If you make this special election, the unused accrued sick leave that is subject to the election will not be available for you to take as sick leave, nor will it be paid to you in

cash when you retire. If you are not eligible to retire when you make this special election and your employment with the City is terminated before you become eligible to retire, the election will be void and your Average Final Compensation will not take into account any of your unused sick leave.