

## **Resolution No. 12**

### **COMMITTEE ASSIGNMENT: Constitution & By-Laws**

#### **Re: IAFF Pension Transparency and Reform**

1           WHEREAS, an annuity plan for International  
2 Association of Fire Fighters' Principal Officers  
3 was originally established by convention action in  
4 1928 to provide a retirement benefit for Principal  
5 Officers upon retirement and reaching the age of  
6 65; and

7           WHEREAS, the International Association of  
8 Fire Fighters (IAFF) "Principal Officers  
9 Retirement Plan" was originally established by  
10 convention action in 1954 to provide retirement  
11 benefits at the conclusion of a Principal Officer's  
12 tenure in service to the IAFF; and

13           WHEREAS, the plan established in 1954 was  
14 based loosely on the plans employed for Principal  
15 Officers of the AFL-CIO to make the retirement  
16 plan more closely resemble the fire department  
17 pensions of the day; and

18           WHEREAS, the original normal retirement  
19 benefit was created to mirror the best-in-practice  
20 retirement benefit formulas at that time afforded to  
21 IAFF members in fire departments which provided  
22 defined benefit plan structures; and

23           WHEREAS, at the time of its creation, the  
24 IAFF Principal Officers Retirement Plan was  
25 based on the 20 years of service at 50 percent of  
26 final salary model, which at the time of its design  
27 set the standard for fire department defined benefit  
28 retirement plans; and

29           WHEREAS, throughout the years, plan design

30 and benefit levels of defined benefit retirement  
31 plans for IAFF members have continued to  
32 improve to the extent that in 2008, a predominant  
33 number of plans exceeded the 20 years of service  
34 50 percent of salary formula model; and

35 WHEREAS, the Principal Officers' Retirement  
36 Plan was further amended by convention action in  
37 1958, 1960, 1964, 1970, 1980, 1984 and 2008 in  
38 order for the plan to keep pace with the increased  
39 pension benefits of fire department pension plans;  
40 and

41 WHEREAS, unions fight for and enhance  
42 working conditions for fire fighters across the United  
43 States and Canada; and

44 WHEREAS, pensions are a major employment  
45 benefit and have become a major flash point and  
46 envy of the public at large; and

47 WHEREAS, pensions have become costly for all  
48 employers across both countries and have been  
49 modified and in some cases reduced over recent  
50 years due to various factors; and

51 WHEREAS, as a UNION, we do not like to  
52 reduce or diminish benefits; and

53 WHEREAS, as a UNION, we do not break  
54 promises to employees and members; and

55 WHEREAS, as a UNION, we need to spend the  
56 members monies on benefits of IAFF employees and  
57 officers while balancing public and membership  
58 perception; and

59 WHEREAS, in most cases, members who pay  
60 dues to this Association have pensions and COLAs  
61 less generous, if at all; and

62 WHEREAS, actuarial calculations and pension

63 returns have increased pension payouts significantly  
64 since the last change to Principal Officers'  
65 Retirement Benefits via Resolution #4 in 2008 at the  
66 IAFF Convention, which has now caused the need  
67 for changes, to make the plan sustainable; therefore  
68 be it

69 RESOLVED, That, in an effort for full  
70 transparency, all pensions and associated provisions  
71 shall be outlined in a report that is made available to  
72 all affiliate presidents on an annual basis; and be it  
73 further

74 RESOLVED, That a committee be formed of a  
75 cross section of the IAFF membership to look at  
76 current pension plans, COLAs and policies and  
77 procedures that govern those plans; and be it further

78 RESOLVED, That the committee will  
79 recommend changes to delegates-at-large at the next  
80 convention that will provide for fair and comparable  
81 pensions to employees and officers that are provided  
82 to the members they serve; and be it further

83 RESOLVED, That **ARTICLE VII –**  
84 **OFFICERS' RETIREMENT BENEFITS, shall be**  
85 **modified to read as follows:**

86 Section 1. Principal Officers' Benefits  
87 A. Any IAFF Principal Officer shall be  
88 eligible to receive retirement compensation  
89 after reaching his/her 55th birthday and having  
90 completed at least one full term of service as a  
91 Principal Officer. The amount of annual  
92 retirement benefit to which a Principal Officer  
93 may be entitled shall be based upon the annual  
94 compensation being paid to the position such  
95 officer last held preceding his retirement. The

96 retirement compensation shall be increased  
97 annually by  $\frac{1}{2}$  the increase in the Consumer  
98 Price Index. The annual retirement benefit for  
99 Principal Officers shall be computed as  
100 follows: 4 percent of final 12-months  
101 compensation for each year of service for  
102 years 1 – 4, a total of 16% of final 12-months  
103 compensation credited for years 1 – 4; 4  
104 percent of final 12-months compensation for  
105 each year of service for years 5 – 8, a total of  
106 16% of final 12-months compensation credited  
107 for years 5 – 8; three percent of final 12-  
108 months compensation for each year of service  
109 for years 9– 12, a total of 12% of final 12-  
110 months compensation credited for years 9 –12;  
111 three percent, 2% of final 12-months  
112 compensation for each year of service for  
113 years 13 – 16, a total of 8% of final 12-months  
114 compensation credited for years 13 – 16; 1.5%  
115 of final 12-months compensation for each year  
116 of service for years 17 – 20, a total of 6% of  
117 final 12-months compensation for years 17 –  
118 20; and 0.5% of final 12 months compensation  
119 for each year of service for years 21 – 24, a  
120 total of 2% of final compensation for years 21  
121 – 24, with any partial year of service prorated  
122 according to the number of full months served  
123 in that year. The annual retirement credit shall  
124 not increase beyond 24 years of service and/or  
125 60% of total annual compensation.

126  
127 B. The amount of annual retirement benefit to  
128 which a Principal Officer may be entitled shall

129 be based upon the annual compensation being  
130 paid to the position such officer last held  
131 preceding his retirement. Annual COLA  
132 increases are suspended once they have  
133 reached full compensation of final Annual  
134 salary (100%).

135  
136 C. Only time as a principal officer may be  
137 used in calculating retirement and/or surviving  
138 spouse benefits.

139  
140 D. Eligibility requirement of age fifty-five (55)  
141 and one full term of service may be waived  
142 only in case of disability necessitating  
143 separation from service as principal officer.

144  
145 E. No retirement compensation or surviving  
146 spouse benefits shall be paid by the  
147 Association to any principal officer or his/her  
148 surviving spouse if such principal officer is  
149 removed from office or suspended or expelled  
150 as provided in this Constitution and By-Laws  
151 prior to completion of one full term of service  
152 as a principal officer.

153  
154 F. Any principal officer that previously  
155 qualified for a retirement plan under the IAFF  
156 Staff Representatives Pension Plan or  
157 Employees' Pension Plan shall not be eligible  
158 to collect under that plan until reaching age 63  
159 or separation from service with the IAFF if  
160 under age 63.

Submitted by: New York State Professional Fire Fighters  
Association, A-31

Cost Estimate:

**COMMITTEE RECOMMENDATION:**

**CONVENTION ACTION:**