

Response to Questions on the FY 2005 Advertised Budget Plan

Request By: Chairman Connolly

Question: How does the Fairfax County Employees' Retirement System (FCERS) treat the merits increments which were eliminated in FY 1992 and FY 1993.

Response: Retirement benefits provided to Fairfax County and FCPS employees in the County retirement system are governed by the Fairfax County Employees' Retirement System (FCERS) Section 3-2-1(d) of the Code of the County of Fairfax. (note: a number of FCPS employees are in FCERS, including full time maintenance and custodian employees and part time employees.) Article 2 of the Code contains the provisions governing the Employees' Retirement System. This article was amended effective in 1991 so it applies to any deferral of merit increment after this point in time. In FY 1992 and FY 1993 merits for employees in Fairfax County Public Schools and Fairfax County Government were eliminated.

Fairfax County Code, Article 2 includes provisions to adjust the final average compensation to account for the loss of merit increments in FY 1992 and FY 1993 under the following assumptions:

- (1) If the employee was scheduled to receive a merit increment in Fiscal years 1992 and 1993, it is assumed that it was delayed
- (2) The employee received no promotions, demotions, reclassifications or regrades from the date of the delayed merit increment(s).
- (3) The employee moved through the steps as quickly as possible according to his or her respective pay plan.
- (4) The delayed merit increments and all future merit increments occurred on the day and the month which is the same day and month when the employee retires.
- (5) The employee is assumed to be in full employment each year if in full employment at the time of the delayed merit increment and also at the time of retirement.
- (6) A factor shall be derived utilizing assumptions (1) through (5) and said factor shall be used to calculate the increase if any in a member's final average compensation. If at the time of retirement, the employee has service credit for three years or more at the longevity step, then there shall be no adjustment to the member's average final compensation.

This amendment applies to all applications for allowances and benefits filed with the respective Boards of Trustees on or after July 13, 1991.