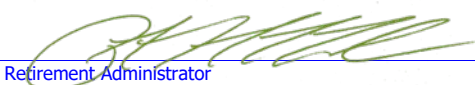




RETIREMENT BOARD POLICY AND REFERENCE MANUAL

SUBJECT: Y-RATED FINAL SALARIES AND AVERAGE SALARY	Section: 2-50 Date Adopted/Revised: 08/12/2020
SYSTEM(S): JOINT	Approved:  Retirement Administrator

PURPOSE

When the City of Fresno transfers an employee to a lower paying position but continues the rate of pay of the former position, the employee's pay is Y-Rated.

Section 2 of the City's Annual Salary Resolution reads in part:

- If an employee is receiving compensation above the highest step of the range, the employee's present rate shall be continued as an approved additional step rate for the class ("Y-rated"), until the highest step is greater than the Y rate, but no other employee may be adjusted to this rate, and it shall no longer be in effect after the incumbent vacates the classification.

POLICY

It is the policy of the Retirement Boards to recognize a Y-Rated salary as an approved salary specific to the transferred Active or Deferred Vested member, and shall consider said approved pay in the calculation of the member's Final Average Salary.

- In the Fire and Police Retirement System, a member's Y-Rated salary shall represent his/her actual pay, with the Y-Rated salary specific only to the transferred employee. A Y-Rated salary shall not be authorized for use in any other retirement system calculation, including COLA.
- In the Employee's Retirement System, a member's Y-Rated salary shall represent 'Today's Pay,' and shall remain fixed until the City approves a pay rate greater than the Y-Rated salary.

For a member transferred and Y-Rated to an E-Range position, Consumer Price and Employment Cost Indexes shall apply when the City approves a pay range greater than the Y-Rated salary. Consumer Price and Employment Cost Indexes are calculated each fiscal year, and are limited by the City's established salary schedule.

See Appendix with Employee's Retirement System calculation examples.

1. Adopted 8/12/2020

Y-Rated Salary and Final Average Salary Employee Retirement System Example Calculations

Example #1 -- No Change in Future Salary by the City

				Salary
Active	Records Manager 1 Year of Service	Bottom Top	5000 \$ 5000	5,000.00
Y-Rated to	Records Supervisor E Step 15 Years of Service	A B C D E	2500 \$ 3000 3500 4000 4500	5,000.00
Terminates				
Retires 5 Years Later	Final Average Salary	No Change in Salary Plan		
	1 Year of Records Manager	12	5000	60000
	2 Years of Records Supv	24	5000	120000
				180000
	FAS -- Highest 36 Consecutive Months	36	\$	5,000.00

Example #2 -- Change in Future Step Salary by the City

				Salary
Active	Records Manager 1 Year of Service	Bottom Top	5000 \$ 5000	5,000.00
Y-Rated to	Records Supervisor E Step 15 Years of Service	A B C D E	2700 \$ 3000 3500 4000 5100	5,100.00
Terminates				
Retires 5 Years Later	Final Average Salary	Change in Salary Step Plan		
	1 Year of Records Manager	0	5000	0
	2 Years of Records Supv	36	5100	183600
				183600
	FAS -- Highest 36 Consecutive Months	36	\$	5,100.00

Example #3 -- Change in future E-Range Salary by the City

Salary

Active	Records Manager 1 Year of Service	Bottom Top	5000 \$ 6000	5,250.00
Y-Rated to	Records Supervisor E Step 15 Years of Service	A B C D E	2500 \$ 3000 3500 4000 4500	5,000.00

Terminates

Retires 5 Years Later	Final Average Salary	Change in E-Range Salary Plan		
	1 Year of Records Manager	12	5250	63000
	2 Years of Records Supv	24	5000	120000
				<u>183000</u>
	FAS -- Highest 36 Consecutive Months	36	\$	5,083.33
		CPI	ECI	Total
		3%	2%	5%
			\$	250.00

Example #4 -- Change in future E-Range Salary by the City

Salary

Active	Records Manager 1 Year of Service	Bottom Top	3000 \$ 4000	5,000.00
Y-Rated to	Records Supervisor E Step 15 Years of Service	A B C D E	2500 \$ 3000 3500 4000 4500	5,000.00

Terminates

Retires 5 Years Later	Final Average Salary	Change in E-Range Salary Plan		
	1 Year of Records Manager		5000	0
	2 Years of Records Supv	36	5000	180000
				<u>180000</u>
	FAS -- Highest 36 Consecutive Months	36	\$	5,000.00
		CPI	ECI	Total
		3%	2%	5%
			\$	-