

CITY OF CHARLOTTESVILLE
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TO: Sam Sanders, Charlottesville City Manager

FROM: Joseph Gilkerson, Director of Human Resources

DATE: 10/29/2026

SUBJECT: Summary of Proposed Amendments to Chapter 19

The proposed amendments to Chapter 19 are intended to clarify administrative responsibilities, strengthen reporting requirements, and establish a formal review process for retirement benefit eligibility determinations.

Key Changes

1. Retirement Commission Membership (Sec. 19-58)

The amendment clarifies that Commission members who serve by virtue of their City position, such as the Human Resources Director, Finance Director, or Treasurer, will serve only while holding that position. Their Commission membership automatically ends when they leave the position. The amendment also affirms that the City Manager may appoint and replace their designee to the Commission at their discretion.

2. Annual Reporting to City Council (Sec. 19-65)

The revised reporting requirements update the Commission's annual report to City Council by focusing on actuarial and financial information, including:

- Biennial actuarial valuation results;
- Summary financial and investment performance data, including cash receipts, investment income, and ending asset balances.

The amendment allows detailed investment and portfolio reports to be incorporated by reference, while maintaining Council's access to supporting financial records through the City Treasurer upon request.

3. Administrative Oversight of Eligibility Determinations (Sec. 19-68)

The proposed section establishes a formal process for retirement benefit eligibility determinations and administrative review. The amendment establishes defined timelines and clear definitions for business days, reasonable review periods, and supporting documentation requirements.

Key changes include:

- The Retirement Commission retains sole authority to determine eligibility for retirement benefits and will render a written initial determination within thirty (30) business days of its review.
- Applicants receiving an adverse decision may request administrative oversight by the City Manager within 10 business days;
- The City Manager's review is limited to determining whether the Commission acted in accordance with the ordinance and applicable law, with a determination within thirty (30) business days (or a reasonably agreed upon extension of time).
- The City Manager may not reweigh evidence, make factual determinations, or substitute judgment regarding eligibility.
- If procedural or legal concerns exist, the City Manager may remand the matter to the Commission for reconsideration.
- The Retirement Commission retains final authority over all eligibility determinations, including decisions following remand.

4. Proposed Amendments to Article V – Definitions (Section 19-91)

The proposed amendments to Section 19-91 update and clarify several key retirement plan definitions to improve consistency and administrative efficiency.

The revisions establish:

- Clear hierarchy for beneficiary payments when no beneficiary designation is on file;
- Update the definition of creditable compensation;
- Clarify the calculation of creditable service for part-time employees by prorating service for benefit calculations while preserving full vesting credit;

The amendments also updates the definition of “employee” to expressly include regular part-time employees working at least 20 hours per week, while continuing to exclude temporary, seasonal, and short-term employees.

5. Proposed Amendment to Participation in Defined Contribution Plans (Section 19-94)

The proposed amendment to Section 19-94 gives the City Manager discretion to determine the City's annual contribution amount to the 401(a) plan.

6. Proposed Amendment to Service Retirement (Section 19-95(f))

The proposed amendment to Section 19-95(f) clarifies that pension benefits will begin only after the eligible former employees submits written notice electing to commence benefits upon reaching normal retirement eligibility.

7. Proposed Amendments to Long-Term Disability and Survivor Benefits Provisions (Section 19-102.1)

The revision to Section 19-102.1 provides that employees receiving long-term disability benefits will continue to accrue creditable service for retirement eligibility and benefit calculation purposes, *provided they continue making any applicable member contributions (if any) based on their regular rate of pay*.

8. Proposed Amendments to Survivor Benefits Provisions (Section 19-105)

The amendment to Section 19-105 establishes a clear statutory order of beneficiary payment when a deceased employee has not designated a beneficiary.

9. Proposed Amendments to Group Health Insurance Plan Eligibility and Cost Sharing (Sections 19-136 and 19-137)

The proposed amendments to Sections 19-136 and 19-137 update and clarify eligibility and cost-sharing provisions for the City's Group Health Insurance Plan.

Overall Impact

These amendments provide better clarity regarding Commission membership and create a structured administrative review process that helps ensure procedural compliance while maintaining the Retirement Commission's independence and final authority in retirement benefit eligibility matters.