

Fact Sheet on Police Pension Recalculations

Why is my pension being recalculated?

Your pension was incorrectly calculated using the final salary formula of the last twelve (12) months of the retiree's earnings. The correct formula that should have been used is the average earnings of the last three (3) years of your earnings.

When will this change take effect?

It will take effect beginning with your March 2022 check.

Will I be responsible for the amounts that I was overpaid?

The Receiver is considering whether to take action to recoup overpayments from monthly pensions as well as from DROP payments. That decision has not yet been made.

Why is this being done?

Retirees are only allowed to receive the pensions to which they are legally entitled. A pension board has a fiduciary responsibility to ensure that only legally permitted benefit payments are made so that pension plans remain financially sound. The change to using the final salary formula of the last twelve (12) months rather than the average earnings of the last three (3) years did not comply with the law.

Is the Chester police pension fund financially sound?

No. Based on the most recent information, the City of Chester's police pension fund has the equivalent of six to seven months of assets in it excluding money for DROP payments.

Where can I find more information on these changes and on the status of the police pension plan?

Visit the Receiver's website at www.chesterreceivership.com/retireeissues.

How can I stay up to date with these issues?

Sign up for future email updates by sending an email to info@chesterreceivership.com.

Additionally, the Receiver's team will be hosting a virtual information session on February 15, 2022, from 5:30pm to 7:00pm on the Receiver's Facebook page (<https://www.facebook.com/ChesterReceivership>).