

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

City of San José, California

RESOLUTION NO. 9121

**RESOLUTION OF THE BOARD OF ADMINISTRATION FOR THE
FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM ESTABLISHING
THE 2025 COST OF LIVING ADJUSTMENT PURSUANT TO CHAPTERS
3.28.995 AND 3.44 OF THE SAN JOSÉ MUNICIPAL CODE FOR
BENEFICIARIES WHOSE IRC 415(b) BENEFIT LIMIT IS CALCULATED AS A
QUALIFIED PARTICIPANT.**

WHEREAS, in 2025, the Internal Revenue Code (IRC) Section 415(b) limit caps the retirement allowance amount the Retirement System may pay at \$280,000 for straight-life benefit payments that start at age 62; and

WHEREAS, the IRC 415(b) benefit limit is adjusted downward for Retirement benefits paid to members prior to reaching age 62 and further reduced for members with less than 10 years of service in the system; and

WHEREAS, a member who joined the system prior to January 1, 1990, is considered a "qualified participant" under IRC 415(b); and

WHEREAS, the 415(b) limit for a qualified participant should not be less than the accrued allowance of the member under the applicable system, determined without regard to any amendment of the plan made after October 14, 1987; and

WHEREAS, on October 14, 1987, Section 3.44.030 of Chapter 3.44 provided that the annual Cost of Living Adjustment to the beneficiary's allowance shall be the percentage increase or decrease in the CPI, subject to a maximum of three percent (3%); and

WHEREAS, on October 14, 1987, Section 3.44.040 of Chapter 3.44 provided that if the percentage increase or decrease in the CPI is in excess of three percent (3%), such excess shall be accumulated from year to year and shall be included in the determination of future cost of living adjustments; and

WHEREAS, the Consumer Price Index for all Urban Consumers, San Francisco-Oakland-San Jose, increased by two point four percent (2.4%) from December 2023 to December 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
ADMINISTRATION FOR THE FEDERATED CITY EMPLOYEES' RETIREMENT
SYSTEM:**

SECTION 1. The Board of Administration hereby finds and determines that pursuant to Chapter 3.44 of the San Jose Municipal Code, the retirement allowances and survivorship allowances payable under the Federated City Employees' Retirement System shall be increased

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by two point four percent (2.4%) and from zero (0) to zero point six percent (0.6 %) from prior years' excess accumulations for the period from April 1, 2025 to March 31, 2026, subject to the limitations set forth in said Chapter 3.44.

SECTION 2. The cost of living increase to be accumulated towards the allowance in future years pursuant to Section 3.44.040 of Chapter 3.44 shall be zero.

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ADOPTED this 20 day of February 2025, by the following vote:

AYES: Board Members -

NOES: Board Members -

ABSENT: Board Members -

**SPENCER HOROWITZ, CHAIR PERSON
BOARD OF ADMINISTRATION**

ATTEST:

**JOHN FLYNN, CEO
Office of Retirement Services**