

Public Employee Pension Legislation, , Reform Proposals & Proposed Ballot Measures as of September 19, 2011

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Pension Legislation				
Measure	Author	Topic	Brief Summary	Location as of 7-23-11
AB 17	Davis D	Retirement: pension fund management.	Would require the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to submit a report annually to the Legislature on the ethnicity and gender of the investment managers who participate in managing their portfolios of external fund management contracts, as specified. The bill would also require these boards to report on the ethnicity and gender of the brokerage firms that provide brokerage services to their fund's internally and externally managed investment management firms, as specified. The bill would also require these boards to develop and include in the report plans and strategies to increase the participation of emerging investment managers, as defined, and emerging brokerage firms, as defined. The bill would also make related findings and declarations. This bill contains other current laws.	2-year bill
AB 89	Hill D	Retirement: public employees.	<p>September 2nd amendments gutted the bill. AB 89 now allows the County of San Mateo to implement lower retirement tiers for safety employees represented by the Deputy Sheriffs Association.</p> <p>The previous version of AB 89 would have required all public retirement systems in California to adhere to the federal compensation limit under Internal Revenue Code (IRC) Section 401(a)(17) when calculating retirement benefits for members who first join the retirement system on or after January 1, 2012, and prohibits a public employer from making contributions to any qualified public retirement plan based on any portion of compensation that exceeds that amount. This bill was triggered when 26 high-level UC executives sent a letter to the Board of Regents demanding the UC calculate their</p>	Governor’s desk

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			retirement benefits on their entire salaries. Currently, the University of California Retirement System recognizes only the first \$245,000 of the income of UCRS members subject to the IRC Section 401(a)(17) limits.	
AB 329	Dickinson D	County employee's retirement	Allows the Sacramento County Board of Supervisors to adopt a resolution, by majority vote, to implement a memorandum of understanding mutually agreed upon with a bargaining unit representing public safety officers that would do the following; 1)require new safety employees—first hired after approval of the resolutions—to be subject to a retirement formula based on 3% at age 55 (current employees are subject to the 3% at age 50 formula); 2) use the 3-year highest years compensation average to calculate retirements and provide retiree cost-of-living adjustments of up to a 2% annually. The bill clarifies that the employees covered by this statute include both newly hired represented and newly hired nonrepresented employees and provides that the resolution could provide a different formula or retirement calculation for new safety members in one bargaining unit than what is provided to safety members in other bargaining units. This is an URGENCY BILL. Sponsored by the Sacramento County Board of Supervisors.	Chapter 26, Statutes of 2011
AB 340	Furutani D	County employees' retirement: postretirement service.	<p>September 7, 2011 amendments gutted the bill. AB 340 now would declare the intent of the Legislature to convene a conference committee to craft responsible, comprehensive legislation to reform state and local pension systems in a manner that reflects both the legitimate needs of public employees and the fiscal circumstances of state and local governments.</p> <p>The previous version of AB 340 would have prohibited certain cash payments from being counted as compensation earnable for retirement purposes in counties operating retirement systems pursuant to the County Employees' Retirement Law of 1937 ('37 Act) and prohibits a person who retires on or after January 1, 2012, from returning to work as a retired annuitant or as a contract employee for a period of 180 days after retirement. These provisions were also contained in AB 1987 (Ma) of 2010 and SB 1425 (Simitian) of 2010, which were vetoed by Governor Schwarzenegger. Governor Schwarzenegger did not</p>	Conference committee - Two-year bill

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			mention the 180 day provisions in his veto messages on the bills.	
AB 344	Furutani D	Public employees' retirement	This bill prohibits the California Public Employees' Retirement System (CalPERS) from granting exceptions for members not in a group or class of similar employees, from the prohibition that limits increases in compensation that can be earned for the purposes of calculating retirement. This bill also eliminates the ability of a CalPERS employer to request that a retired annuitant be extended beyond the 960 hour limit in any fiscal year.	Senator floor – Inactive File - Two-year bill
AB 738	Hagman R	Public employees' retirement: elected officials.	The bill would prohibit a person who is publicly elected to an office of any kind, on and after January 1, 2012, from becoming a member of a retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. The bill is similar to Walter's SB 723.	Two-year bill
AB 769	Hueso D	Public employment benefits	Prohibits a person who is appointed to any state board or commission, on and after January 1, 2012, from becoming a member of the California Public Employees' Retirement System (CalPERS) or the California State Teachers' Retirement System (CalSTRS) and caps the salary for anyone appointed to a state board or commission at the amount received by a member of the Legislature who is not in a leadership position.	Two-year bill
AB 870	Grove R	Public employee's retirement: hybrid plan	Would require the Board of Administration of the Public Employees' Retirement System to create a hybrid retirement plan for public employees who become members on or after January 1, 2012, that offers a defined contribution plan and defined benefit plan for retirement for service and a defined benefit plan for retirement for disability or for death. The bill would prohibit those plans from creating a vested property right for the member with respect to any employer contributions before retirement, as specified. The bill would prohibit those members from being eligible to enroll in the defined benefit plan for retirement for service that existed before January 1, 2012.	Two-year bill

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Measure	Author	Topic	Brief Summary	Location as of 7-23-11
AB 875	Donnelly R	Public employee's retirement	The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System, which provides a defined benefit to its members based on age at retirement, service credit, and final compensation. PERL defines "final compensation" for purposes of calculating a member's retirement allowance. The State Teachers' Retirement Law, the Judges' Retirement System II Law, and the County Employees Retirement Law of 1937 also provide for a defined benefit based on age at retirement, service credit, and final compensation. This bill, for persons first hired on and after January 1, 2012, for the purpose of determining any pension or benefit with respect to a public entity defined benefit retirement system, would prohibit the inclusion of credit for accrued leave of any form or credit for overtime work in the calculation of final compensation, as specified.	Two-year bill
AB 933	Allen D	Public employment benefits: state safety members	This bill extends industrial death and disability benefits to state miscellaneous members of the California Public Employees' Retirement System (CalPERS) employed by a state hospital, as specified.	Held in Assembly Appropriations - Two-year bill
AB 961	Mansoor R	Retirement: reform.	Would exclude matters relating to pension benefits from the scope of representation of public employees by recognized employee organizations, and would thereby prohibit these employee organizations from negotiating pension benefits with public employers.	Two-year bill
AB 962	Mansoor R	Retirement systems: solvency.	Existing law declares the intent of the Legislature to safeguard the solvency of all public retirement systems and funds. Existing law declares that it is the purpose of specified provisions to enable the Controller to gather information to compare and evaluate the financial condition of the retirement systems and to make the comparisons and evaluations. This bill would make technical, nonsubstantive changes to that provision. This remains a spot bill.	Two-year bill

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Measure	Author	Topic	Brief Summary	Location as of 7-23-11
AB 1184	Gatto D	Public employees' retirement benefit	Requires a local public agency that contracts with the California Public Employees' Retirement System (CalPERS) to pay for any increase in liability that accrues to a previous employer as a result of excessive compensation paid to a non-represented employee by the current public agency. This bill would define "excess compensation" as the final compensation of an employee of a contracting agency who previously worked for another contracting agency to the extent the final compensation received from the current contracting agency is 15% or more in excess of the salary paid by the prior contracting agency, as adjusted for actuarial increases in that salary.	Assembly Floor for concurrence – held on Inactive File - Two-year bill
AB 1212	Mansoor R	County employees' retirement.	Allows the South Coast Air Quality Management District to provide different retirement benefit formulas for new employees by ordinance, contract, or contract amendment adopted by the district governing board and specifies that the retirement ordinance, contract, or contract amendment cannot be imposed by the South Coast Air Quality Management District absent an agreed to collective bargaining agreement. Sponsored by the South Coast Air Quality Management District. SCAQMD contracts for pension benefits with SBCERA.	Ordered to Inactive file on Assembly floor by Assembly Member Mansoor - Two-year bill
AB 1248	Hueso D	Local public employee's retirement	Prohibits a local public employer that provides a defined benefit plan to its employees from eliminating that plan unless its employees are covered by Social Security.	Senate Floor Inactive File - Two-year bill
AB 1320	Allen D	Public employees' retirement: employer contribution rates	Requires the establishment of Taxpayer Adverse Risk Prevention (TARP) Accounts in both the California Public Employees' Retirement System (CalPERS) and in retirement systems established under the County Employees Retirement Act of 1937 ('37 Act) for the purpose of stabilizing public employer contributions to the retirement systems. According to a recent study by Fitch Ratings, "The main driver of the current level of pension funding pressure is market losses in late 2008 and early 2009, which represent a major setback toward prefunding of retirement obligations." Consequently, the sponsor believes there is a need to further help minimize the impact of the market losses on the funding status of the CalPERS and '37 Act county retirement plans, specifically to help mitigate the volatility in the employer contributions, as well as the average future employer contribution going forward. Sponsored	Assembly Floor for concurrence – held on Inactive File - Two-year bill

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Measure	Author	Topic	Brief Summary	Location as of 7-23-11
			by the California Professional Firefighters.	
SB 27	Simitian D	Public retirement: final compensation: computation: retirees.	Provides that any change in salary, compensation, or remuneration principally for the purpose of enhancing a member's benefits would not be included in the calculation of a member's final compensation for purposes of determining that member's defined benefit. The bill would require local retirement boards to review compensation packages approved by a county to determine whether or not various components of income should be calculated in retirement benefits. SB 27 would also preclude government retirees from working in a government position with similar retirement benefits until 6 months after retirement. Additionally, SB 27 would revise the definition of "creditable compensation" and would limit the calculation of a member's final compensation to an amount not to exceed the average increase in compensation received within the final compensation period and the 2 preceding years by employees in the same or a related group as that member. As introduced, SB 27 is similar to last year's "anti-spiking" bill (AB 1987, Ma).	Held in Assembly Appropriations Committee on the suspense file - Two-year bill
SB 115	Strickland R	Public employees: pensions: forfeiture.	Would additionally include tampering with a witness, money laundering, and the preparation of false documents among the specified felonies that would result in that forfeiture for any elected public officer who takes public office, or is reelected to public office, on or after January 1, 2012. This bill would also make clarifying changes to that provision. This bill contains other related provisions.	Two-year bill

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Measure	Author	Topic	Brief Summary	Location as of 7-23-11
SB 203	Correa D	County employee retirement: boards.	Makes various changes to the process for filling vacancies on boards of retirement and boards of investment in counties operating retirement systems under the County Employees' retirement Law of 1937 ('37 Act). This bill would delete the authority of the board to prohibit, by a resolution or regulation of the board, a member from having the same rights, privileges, responsibilities, and access to closed sessions as the 2nd, 3rd, 7th, or 8th member, or from holding positions on committees of the board, and participating in board or committee deliberations, as described above. The bill would authorize the alternate 7th member to reciprocate in the deliberations of the board on any of its committees to which the alternate 7th member has been appointed regardless of whether the 2nd, 3rd, 7th, or 8th member is present. The bill would require the board to cause an election to be held at the earliest possible date to fill a vacancy for the duration of the current term, except as specified, if there is a vacancy in the 2nd, 3rd, 7th, 8th, or alternate 7th member position. It would limit candidacy to the 7th member and alternate member positions, as specified. The bill would require the board of supervisors to forgo an election in specified circumstances when there is only one candidate. The bill would also make various changes in terminology and delete obsolete references.	Chapter 124, Statutes of 2011
SB 322	Negrete McLeod D	Retirement.	Would prohibit a member who receives benefits based on credited service with multiple employers from exceeding the limitations set forth in those provisions with regard to his or her annual retirement benefits. This bill contains other current laws.	Chapter 47, Statutes of 2011
SB 350	Negrete McLeod D	Public Employees' Retirement System: preretirement death benefits.	Would require assets and liabilities of contracting agencies subject to those provisions to be pooled, as specified, after June 30, 2012. The bill would also provide that on and after July 1, 2012, certain members employed by a contracting agency entitled to receive benefits under the 1959 survivor allowance provisions instead receive increased benefits, as specified. This bill contains other related provisions and other current laws.	Vetoed by Governor Brown.

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SB 520	Walters R	Public employees' retirement: hybrid plan.	Would require the Board of Administration of the Public Employees' Retirement System to create a hybrid retirement plan for public employees who become members on or after January 1, 2012, that offers a defined contribution plan and defined benefit plan for retirement for service and a defined benefit plan for retirement for disability or for death. The bill would prohibit those plans from creating a vested property right for the member with respect to any employer contributions before retirement, as specified. The bill would prohibit those members from being eligible to enroll in the defined benefit plan for retirement for service that existed before January 1, 2012.	Two-year bill
SB 521	Walters R	Public employees' retirement: postemployment health care	This bill would require the board to determine the actuarially required contributions necessary to ensure that postemployment health care benefits provided under PEMHCA are fully funded. The bill would require an employee first hired on or after January 1, 2012, and his or her employer, to each pay 50% of those actuarially required contributions, to be deposited into the Annuitants' Health Care Coverage Fund.	Two-year bill
SB 522	Walters R	Public employees' retirement: additional service credit	Existing law authorizes certain members of the Public Employees' Retirement System, the State Teachers' Retirement System, and county, city, and district retirement systems that have adopted specified provisions, to make additional contributions to the retirement system and receive up to 5 years of additional retirement service credit for time that does not qualify for public service, as specified. The bill would repeal the provisions that authorize these additional contributions and service credit, and would make related technical changes.	Two-year bill
SB 523	Walters R	Public employees' retirement: elected local officials.	The bill would prohibit a person who is publicly elected to a local office of any kind, on and after January 1, 2012, from becoming a member of a retirement system by virtue of that service or from acquiring any retirement right or benefit for serving in that elective local office.	Two-year bill

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SB 524	Walters R	Public employees' retirement: retroactive benefits	Would exclude matters relating to the retroactive effect of pension benefit increases from the scope of representation of public employees by recognized employee organizations, and would thereby prohibit these employee organizations from negotiating for a retroactive effect of pension benefit increases with public employers. This bill contains other related provisions and other current laws.	Two-year bill
SB 525	Walters R	Public employees' retirement: eligibility	Would prohibit a state employee who becomes a member of the Public Employees' Retirement System on and after January 1, 2012, and who is not a state patrol member, a state safety member, or state peace officer/firefighter member, from retiring for service prior to reaching 55 years of age.	Two-year bill
SB 526	Walters R	Public employees' retirement: final compensation.	Would prohibit the inclusion of credit for accrued leave of any form or credit for overtime work in the calculation of final compensation, as specified.	Two-year bill
SB 527	Walters R	Public employee organizations: negotiations: pension benefits.	This bill would exclude matters relating to pension benefits from the scope of representation of public employees by recognized employee organizations, and would thereby prohibit these employee organizations from negotiating pension benefits with public employers, except for the amount of employee contributions to the pension plans	Two-year bill
SB 528	Walters R	Public Employees' Retirement System: Board of Administration	The Public Employees' Retirement Law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Retirement Law. Under that law, state employees and employees of local agencies that contract with the Board of Administration for retirement benefits are within the membership of the retirement system. That law, as in effect on July 1, 1991, provides that the membership of the Board of Administration shall include 6 elected members, including 2 members elected from the membership of the retirement system by the members of the retirement system, one member elected from state membership by active state members, 2 members elected by and from active local members, and one member elected by and from the retired members of the retirement system. This bill instead would provide for the appointment of those 6 board members by the Governor based	Two-year bill

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			on their demonstrated expertise in the financial and actuarial fields.	
SB 606	Vargas D	Public employees' retirement: benefits	The Public Employees' Retirement Law calculates service retirement allowances, in part, based on years of credited service. Members of the Public Employees' Retirement System may receive service credit for public service not otherwise subject to credit, upon payment of specified additional contributions. Existing law authorizes specified members of that system, including employees or officers of the state, the university, a school employer, or a contracting agency and certain legislative employees, to elect to make additional contributions and receive up to 5 years of additional retirement service credit, as defined, subject to specified limitations. This bill would make a technical, nonsubstantive change to that provision.	Two-year bill
SB 681	Runner R	County employees' retirement.	Under current law, counties and districts, as defined, may provide retirement benefits to their employees pursuant to the County Employees Retirement Law of 1937. This bill would declare the intent of the Legislature to authorize San Bernardino County to establish alternate retirement plans or benefit levels for county employees, selectively applicable by groupings of employees, as specified. The bill would make related findings and declarations.	Two-year bill
SB 689	Harman R	Public retirement systems.	The bill would, until January 1, 2016, require all state and local public retirement systems to file an annual report with the Legislature, the Department of Finance, and the Legislative Analyst's Office that would include specified information about any retired member who receives a pension of \$100,000 or more annually. This bill contains other related provisions.	Two-year bill
SB 872	Walters R	Public employees' retirement: social security	The Board of Administration of the Public Employees' Retirement System is required, upon application by a public agency, as defined, to execute an agreement with the federal government for the coverage of the public employees of the agency under the federal Social Security Act in conformity with specified regulations. This bill would make a technical, nonsubstantive change to the provision of law that defines those entities that constitute a "public agency" that is eligible to execute an agreement for coverage under the federal Social Security Act.	Two-year bill
SCA 13	GOP 4:	Public	Provides that the public employer retains the right to change unearned	Introduced

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	Berryhill, Cannella, Emmerson & Harman	employees' retirement	<p>retirement benefits for existing employees' future service.</p> <p>Permits public employers to offer employees hired on or after January 1, 2012 a defined benefit plan only if it is part of a hybrid plan. The bill would also require the costs of such a hybrid plan to be equally shared by the employer and employee.</p> <p>Provides that any benefits provided under a defined benefit plan must be based on the employee's annual base pay averaged over five years.</p> <p>Increases employee contribution rates for members of defined benefit plans by at least an additional five percent of current salary until the pension fund of the plan is 90 percent funded.</p> <p>Prohibits an employer from paying the employee contribution to a defined benefit plan for any employee.</p> <p>Eliminates the option to purchase airtime.</p> <p>Prohibits a person from being employed by, or providing personal services as a contractor for, a public employer while he or she is receiving pension payments from a public retirement system (also known as "double dipping").</p> <p>Requires that a public employee who is convicted of any felony for conduct arising out of his or her office or employment forfeits the rights and benefits to which he or she is entitled in any public retirement system in which he or she is a member.</p> <p>Requires public employees to pay an increased amount for health care benefits and require a public employee hired on and after July 1, 2012, to contribute to the cost of postretirement health care benefits.</p> <p>Prohibits employees hired on and after July 1, 2012, from being eligible for full postretirement healthcare benefits until the employee has 25 years of service.</p> <p>Requires two-thirds of the members of the retirement board of a public pension or retirement system to have expertise in the financial, legal, accounting, or health care fields and prohibit them from being members of that system or from having immediate family members who are members of that system.</p>	<p>June 28, 2011.</p> <p>Not assigned to committee yet.</p>

Governor Brown's Pension Reform Proposals			
Press Release - 3/31/11	Proposed Bill Language	12-Point Pension Reform Plan	<p>All 12 these pension reform measures were presented and discussed in detail with the Republican legislators.</p> <ol style="list-style-type: none"> 1) Eliminate Purchase of Airtime. Would eliminate the opportunity, for all current and future employee members of all state and local retirement systems, to purchase additional retirement service credit. (RN 14777) 2) Prohibit Pension Holidays. All California public agencies would be prohibited from suspending employer and/or employee contributions necessary to fund the normal cost of pension benefits. (RN 14777) 3) Prohibit Employers from Making Employee Pension Contributions. All California public agencies would be prohibited from making employee contributions that fund the normal cost of employee retirement benefits in whole or in part. (RN 14777) 4) Prohibit Retroactive Pension Increases. All California public agencies would be prohibited from granting any retroactive pension benefit increases, such as benefit formula improvements that credit prior service. (RN 14777) 5) Prohibit Pension Spiking: Three Year Final Compensation. Final compensation for new employees would be defined as the highest average annual compensation during a consecutive 36 month period. (RN 14777) 6) Prohibit Pension Spiking: Define Compensation as Only Regular, Non-recurring Pay. Compensation means normal rate of pay or base pay. (RN 14777) (Note Simitian, SB 27, would exclude from defined benefit changes in compensation principally for the purpose of enhancing benefits; would place stricter limits on creditable compensation) 7) Felony Convictions. Prohibits payment of pension benefits to those who commits a felony related to their employment. (RN 14777) <p>PROPOSALS UNDER DEVELOPMENT</p> <ul style="list-style-type: none"> Impose Pension Benefit Cap. Improve Retirement Board Governance Limit Post-Retirement Public Employment

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			Hybrid Option Address CalSTRS Unfunded Liability	
5/26/2011		Revised plan – 10 point proposal	<ol style="list-style-type: none"> 1. Eliminate Air Time 2. Eliminate Contribution Holidays 3. Eliminate Employer Paid Member Contributions (EPMC) for new Eliminate Retroactive Pension Increases: OK as part of deal. 4. Eliminate Spiking (No non-recurring pay as part of pensions) 5. Require three year average for final pension compensation 6. Eliminate pensions for employees/elected officials who are convicted of felonies connected to the receipt of their salary or pension prospectively (from the date of the charge 7. Optional Hybrid Plan offered to new employees. May be offered to current employees if IRS approves. Target 75% salary replacement (DB, DC, Social Security. 8. Pension Cap at maximum Social Security taxable level, indexed. Increase to 120% of this level for those not in Social Security 9. Apply post retirement employment (retired annuitant) restrictions contained in law for CalPERS members to all public pension systems. Eliminate exemptions 10. Add two members to CalPERS (and possibly other) retirement boards who have experience/skill in the area of pensions and investments. Replace SPB with Director of Finance on CalPERS. Require local government appointee on CalPERS to be from a CalPERS agency. 	

Republican pension reforms proposed in state budget negotiations				
Senator Dutton's Response	Complete List of Republican Budget Demands	Pension reforms outlined in first two pages	PENSION REFORM – STATE & LOCAL EMPLOYEES Starting Point: 1) Applies to both future and current employees (severability for existing) - (Admin: NO) 2) Equal share of pension costs between employer & employee (50/50 split) - (Admin: NO) 3) Increase retirement formulas (Little Hoover Commission) - (Admin: NO) 4) Uniform standards and definitions for disability benefits- (Admin: NO) 5)Reduce growing state payroll & salaries (LHC) - (Admin: NO) 6)Voter approval for future increases (Admin: NO)	
GOP 4 plan 6/13/11			<ol style="list-style-type: none"> 1. Hybrid Pension (Mandatory w/ Opt-Out provision): New employees are to be offered a hybrid pension plan that consists of a lower defined benefit plan and a defined contribution component. The costs of the new DB plan will be shared equally between the employer and employee. Employees may elect to participate in the defined contribution component only.(Goals: Reduce government costs; mitigate taxpayer risks of future funding obligation/unfunded liabilities; provide employees with a sensible retirement plan that is more in line with the private sector and achieves about 75% salary replacement after taking into consideration social security benefits). 2. Pension Cap: Cap the amount of pay pensionable for employees taking into consideration those employees who participate in social security and those that do not. Employees participating in social security cap at \$106k and those that do not, cap at \$119k (allow for COLA adjustments) 3. Permits changes to future unearned benefits: Permits public employers to prospectively change the retirement benefits for any member prior to retirement. (Benefits that have been promised but not yet earned). 4. Eliminates "Airtime" purchases: eliminates the purchase additional retirement service credit for service not yet performed or "airtime" 	

			<p>(i.e. credits for up to 5 years for work not yet performed).</p> <p>5. Prohibits Employer/Employee pension holidays: Prohibits the suspension of employer/employee retirement pension contributions until an independent plan actuary determines it is actuarially sound to do so.</p> <p>6. Prohibits retroactive pension benefit increases: Prohibits California public employers from granting any retroactive pension benefit increases, such as benefit formula improvements that credit prior service.</p> <p>7. Pension spiking –Base Pay: Defines “final compensation” to mean the normal rate of pay or base pay of an employee and excludes special compensation, from retirement calculation</p> <p>8. Pension Spiking – Average Salary: Final compensation for new employees would be defined as the highest average annual compensation during a consecutive 60-month period.</p> <p>9. Double Dipping: Employee cannot work for public entity while collecting a pension from that same public entity.</p> <p>10. Felony convictions: Prohibits payment of pension benefits to those who are convicted of a felony related to their employment, Any contributions made will be returned w/o interest.</p> <p>11. California State Teacher’s Retirement System (CalSTRS): Requires CalSTRS to annually set an actuarially sound contribution rate for the state that is funded within the Prop. 98 guarantee.</p> <p>12. Reduces Unfunded Liabilities: Require current employees to contribute \$## more of their salaries towards reducing unfunded pension liabilities, and they will pay more for health care costs both during employment and post-retirement (could be done through Collective Bargaining). Future employees will be required to pay more for their healthcare.</p> <p>13. Retiree Health Care: Require future employees to pay a share (about 50%) of their post-employment health benefit costs.</p> <p>14. Vesting: Change from partial at 10 years and full at 20 years to partial at 15 years and full at 25 years</p>	
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			<p>15. Public Defense: Permits a taxpayer to defend this measure should the State Attorney General fail to do so. And, requires the funds to defend this measure come from the AG.</p> <p>16. Greater Board Accountability: 2/3 of a pension board must have demonstrated expertise in financial, legal accounting or health care fields and shall not have any conflicts of interest.</p> <p>17. Pension Board’s must follow Independent Plan Actuaries Recommendations: Creates independent plan actuaries that will proscribe recommendations on sound actuarial practices.</p> <p>18. 2/3 Vote: Requires implementation of this measure and future changes to salary and benefits by approved by 2/3 vote.</p> <p>19. Applicability: Applies to all California public employers -state, local, special districts University of California and the California State Teacher’s Retirement System (do we need to include STRS?).</p> <p>20. Severability: The provisions in this measure are severable.</p>	
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Initiatives/Ballot Measures				
Attorney General File #	Author	Title	Summary	Status
A.G. File No. 11-0007 LAO Analysis	Former Assembly Member Niello-R	Public Employee's Pension Reform Act	<p>The initiative would make several changes to future state and local public employees' retirement benefit including:</p> <ol style="list-style-type: none"> 1) Full retirement age less than 62 would not be permitted. 2) Defined benefit pensions could be no more than 60 percent of the highest annual base wage of the employee over a period of three consecutive years of employment by a public agency. 3) Part-time public employees would be prohibited from receiving a defined benefit pension unless they had been a full time employee of one or more public agencies for at least five consecutive years. 4) Employee's contributions to pension systems would be required to be at least equal to those of their employers. <p>RETOACTIVE PENSION INCREASE PROHIBITED This measure provides that public agencies may not provide retroactive pension benefit increases to "any public employee under any plan." RETIREMENT PROVISIONS UNAFFECTED BY THIS MEASURE</p> <ol style="list-style-type: none"> 1) Existing Retirees' Benefits 2) Death and Disability Benefits 3) Legislators Retirement Benefits 	<p>Niello has announced he won't pursue this measure - but may file another initiative that would contain different retirement ages between public safety & miscellaneous employees.</p> <p><i>Circulation Deadline:</i> 10/20/11 <i>Signatures Required:</i> 807,615</p>
A.G. File 11-0018 LAO fiscal analysis	Michael Lee Madsen, Sr.	Public Employee Retirement	Would require at least 85% of public employee retirement system funds to be invested in California-based businesses.	<p><i>Circulation Deadline:</i> 01/12/12 <i>Signatures Required:</i> 807,615</p>
A.G. File 11-0021 LAO fiscal	Alan Oliver Ebenstein	Tax Public Pensions Above \$100K a Year	Would apply an additional state income tax above the standard state income tax on all public sector pensions paid (exclusive of health benefits and health insurance) by CalPERS & CalSTRS, as follows:	<p><i>Circulation Deadline:</i> 02/03/12 <i>Signatures Required:</i> 807,615</p>

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Attorney General File #	Author	Title	Summary	Status
analysis			<ul style="list-style-type: none"> • 15% for pension income paid by CalPERS & CalSTRS between \$100,000 and \$149,000 • 25% for pension income paid by CalPERS & CalSTRS above \$150,000 	
A.G. File 11-0022 LAO fiscal analysis	Alan Oliver Ebenstein	Increase Retirement Age for Public Employees	<p>Would amend the state constitution, as follows:</p> <p>“No new memorandum of understanding or other contract or agreement between any public agency and public sector employees utilizing CalPERS and CalSTRS may allow retirement of employees with full retirement benefits at an age younger than 65, with the exception of sworn public safety officers, who may receive full retirement benefits starting at age 58.”</p>	<p><i>Circulation Deadline:</i> 02/03/12</p> <p><i>Signatures Required:</i> 807,615</p>
A.G. File 11-0026 LAO fiscal analysis	Ted Costa and Robert J. Matteoli (People’s Advocate, Inc. – Paul Gann founder)	Pension Solvency Act	<p>The provisions include:</p> <ul style="list-style-type: none"> • Strips all forms of compensation except base pay from pension calculations. • Sets a \$100,000 annual base pay cap for pension calculations. • Imposes a "Diet-COLA" by cutting in half the cost-of-living-adjustments granted retirees when a pension system is less than 97 percent funded. • Requires government employers pay their full annual obligations to their pension funds. • Calls on state and federal authorities to investigate "CalPERS Board of Directors, CalPERS executives, and CalPERS top-level management & investors" for a variety of crimes including fraud, interstate transportation of stolen property, RICO Act violations and more. • Requires authorities investigate any public employee whose pay exceeds \$250,000 per year for the same crimes. • Creates a "California Separate Private Employees' Retirement System" 	<p><i>Circulation Deadline:</i> 02/10/12</p> <p><i>Signatures Required:</i> 504,760</p>

Public Employee Pension Legislation, , Reform Proposals & Proposed Ballot Measures as of September 19, 2011

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			that mirrors the CalPERS system for private sector workers.	
A.G. File 11-0032	Larry Click	"Fair and Proportional Retirement for Public Officials Act of 2012"	<p>Fair and Proportional Retirement for Public Officials Act of 2012</p> <ul style="list-style-type: none"> • The same retirement rules shall apply to politicians as the most restrictive rules which apply to union members, or non-union hourly workers or non-management employees at a lower level in the same organization in which the politician serves or served. • If retired politicians previously set their own retirement income and benefits rules, without a majority affirmative vote of the resident governed citizens, adjustments are made retroactively. • Average 3 year base salary used: Base salary is the salary advertised for the position and which is approved by a simple majority affirmative vote of the resident governed citizens. In no case may/can the "salary" be artificially increased by the inclusion of other defined benefits (for example, but not limited to: health/medical care allotments (by that or any other name), or by vehicle allotments, or by expense account allotments, or by "cashed-in" vacation time, or by any other amount or factor other than salary. For calculation purposes, the "base salary" used for retirement compensation and post-employment benefits shall be based on the average of the last three (3) years BASE salary the politician received. In no case, may any other factors be used except the average of the last three (3) years BASE salary. 	Submitted to the Attorney General August 10, 2011. Title & Summary expected to be released from the Attorney General by October 7, 2011.