City and County of San Francisco
Department of Human Resources

Proposition C – Pension & Health Benefits Reform

November 2011

Proposition C…
What happens now?

- Pension Changes:
  - New Hires (i.e., those hired on or after January 7, 2012)
  - All employees

- Health Benefit Changes:
  - All employees
  - Retiree Health Care Trust Fund contribution for employees hired on or before January 10, 2009

New SFERS Pension Tier for employees hired **on or after** January 7, 2012

- Final Pensionable Salary:
  - Average Final Compensation: **36 months**
  - Cap Pensionable Salary at percentage of IRS cap*:*
    - *Miscellaneous: 85%*
    - *Safety: 75%*
  - No ***new*** premiums will be included in pensionable salary

- Pension Formula:
  - *Miscellaneous*:
    - minimum: **1%@53**
    - maximum: **2.3%@65**
  - *Safety (Police & Fire)*:
    - minimum: **2.2%@50**
    - maximum: **3%@58**

New SFERS Pension Tier for employees hired on or after January 7, 2012

- **Miscellaneous Employees -- "Vesting" Retirement**: Cuts in half the employer's matching contribution toward vesting retirement

- **Supplemental COLA**:
  - Will only be paid when Retirement Fund is fully funded on actuarial basis
  - Roll back 2008 improvements -- ends once excess earnings end and any ongoing Supplemental COLA expires

New Hires --“CalPERS”

Employees in classes that are currently covered by CalPERS, who are hired on or after January 7, 2012, will become members of SFERS in plans comparable to CalPERS plans covering current active employees.

- Final Pensionable Salary:
  - Average Final Compensation: **36 months**
  - Cap Pensionable Salary at 75% of IRS cap*:*
  - No ***new*** premiums will be included in pensionable salary

New Hires – "CalPERS"

- Pension Formula:
  - *Deputy Sheriffs*:
    - minimum: **2.2%@50**
    - maximum: **3%@58**
  - *"Miscellaneous Safety"* (Probation Officers, Juvenile Counselors, District Attorney Investigators):
    - minimum: **1.8%@50**
    - maximum: **2.7%@58**

CalPERS-covered employees hired before January 7, 2012

- Existing CalPERS-covered employees to remain in CalPERS, and may be moved to SFERS for prospective service by mutual agreement.

- City & unions representing CalPERS-covered classifications will negotiate cost-sharing method

Pension -- **All** Employees

Effective July 1, 2012:

- Cost-Sharing Float: Change in Employee Contribution based on Employer Contribution.
- Supplemental COLA: Will only be paid when Retirement Fund is fully funded on actuarial basis
- Elected Officials: Start to pay their own retirement contribution and participate in cost-sharing float

Cost-Sharing -- **All** Employees

Employer Contribution	Misc. <$50k	Misc. $50k - $100k	Misc. >$100k	Safety
0%	0%	(4.0%)	(5.0%)	(6.0%)
0.01% - 1.0%	0%	(4.0%)	(4.5%)	(5.0%)
1.01% - 2.5%	0%	(3.75%)	(4.25%)	(4.75%)
2.51% - 4.0%	0%	(3.5%)	(4.0%)	(4.5%)
4.01% - 5.5%	0%	(2.5%)	(3.0%)	(3.5%)
5.51% - 7.0%	0%	(2.0%)	(2.5%)	(3.0%)
7.01% - 8.5%	0%	(1.5%)	(2.0%)	(2.0%)
8.51% - 10.0%	0%	(1.0%)	(1.5%)	(1.5%)
10.01% - 11.0%	0%	(0.5%)	(0.5%)	(0.5%)
11.01% - 12.0%	0%	0%	0%	0%
12.01% - 13.0%	0%	0.5%	0.5%	0.5%
13.01% - 15.0%	0%	1.0%	1.5%	1.5%
15.01% - 17.5%	0%	1.5%	2.0%	2.0%
17.51% - 20.0%	0%	2.0%	2.5%	3.0%
20.01% - 22.5%	0%	2.5%	3.0%	3.5%
22.51% - 25.0%	0%	3.5%	4.0%	4.5%
25.01% - 27.5%	0%	3.5%	4.0%	4.5%
27.51% - 30.0%	0%	3.75%	4.25%	4.75%
30.01% - 32.5%	0%	3.75%	4.25%	4.75%
32.51% - 35.0%	0%	4.0%	4.5%	5.0%
35.01% +	0%	4.0%	5.0%	6.0%

Health -- **All** Employees

Health Service System

- Replace next expiring "member" seat with one chosen by Controller

- Clarify guarantee for "choice of doctor *from available coverage options*."

- *Retiree Health Care Trust Fund -- (employees hired **before** January 10, 2009):*
  - Beginning in FY2016-17, require employee contribution of 0.25% to RHCTF, increasing annually by 0.25% to a maximum of 1.0%, or normal cost, whichever is lower. Require matching employer contribution to RHCTF.

- *Retiree Health Benefit Changes:*
  - For employees who left City service but have not yet retired, retiree health benefits are those that are in place at the time the employee left. (No elimination of benefits already paid for those who have retired as of 1/1/12.)