

# SEIU 721's Secure Retirement Committee Invites You to a Special Meeting on Pension Reform

Tuesday, October 9, 2012

5:30 PM Dinner • 6:00 PM Meeting

SEIU Local 721  
6177 River Crest Drive  
Riverside, CA 92507

Call your worksite organizer or the Member Connection  
at (877) 721-4YOU to RSVP.



## Comprehensive Pension Reform will take effect on January 1, 2013

We will cover the impact on active, future and retired members, how all our jurisdictions will be affected, and the impact the new law will have on bargaining and threatened ballot initiatives. Finally we will put the new law in the context of the challenges we face in November: Passing Prop 30, Defeating Prop 32 and reelecting the President.

### KEY FACTS

#### **Who will be exempt?**

- Charter cities (e.g. the City of Los Angeles)
- The UC system

#### **Which pension systems are affected?**

- CalPERS (PERS-covered counties, municipalities and agencies)
- '37 Act Counties (LACERA, VCERA, SBCERS)

#### **Will current retirees be affected?**

- Retirees may not "double dip" by returning to their previous employer within 180 days of retirement, and can only work 960 hours a year
- Retiree health benefits are NOT affected
- COLAs are NOT affected

#### **How will current employees be affected?**

- "Air time" (buying additional service credits) will be eliminated as of January 1
- There must be a 50 – 50 split of "normal pension costs" (i.e., excluding unfunded liabilities) between employees and the employer
  - As of the year 2018, employers can no longer pick up employee contributions. **Changes can be negotiated over the next 5 years, but they cannot be imposed until 2018. At that time the employee must pay 50% of normal costs or 8% of salary, whichever is lower.**
- Only regularly recurring compensation and bonuses will be pensionable

All other provisions of the law (new formulas, pension caps, returning to 3-year final compensation average, etc.) will affect new members only (hired as of January 1, 2013).