

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**REDUCES PENSION BENEFITS FOR PUBLIC EMPLOYEES. INITIATIVE**

**CONSTITUTIONAL AND STATUTORY AMENDMENT.** Requires all current and future public employees pay annually at least half projected costs of their pension plan's defined benefit. Requires hybrid pension plans for new employees, composed of defined benefits, defined contribution, and Social Security. Requires hybrid plans be designed to pay 75% of final salary after full career, capped at federal Social Security base. Increases minimum retirement age for future law enforcement and firefighters to 52, for others 57. Requires 15 years service for new state employees to receive any retirement health benefits, and reduces employer contribution. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Over the next few decades, reduced state and local government personnel costs, offset by some potential additional expenses. The net effect would vary from one public employer to another based on how this measure is interpreted and administered, among other factors. In the long run (a few decades from now), depending on how this measure is administered, potential annual savings in state and local government personnel costs of a few billion dollars per year (in current dollars), offset to some extent by increases in other employee compensation costs. (12-0008.)**