

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. CREATES A NEW  
STATE RETIREMENT SYSTEM FOR PRIVATE SECTOR EMPLOYEES.**

**INITIATIVE STATUTE.** Reduces pension benefits for current and future public employees, including teachers, nurses, and peace officers. For two years, and beyond if system pension obligations are underfunded, changes the minimum retirement age and further reduces annual pension amount received. Restricts the availability of defined contribution plans including 401(k) plans for public employees. Creates a new state retirement system for private sector employees. Requires audits of pension systems. Caps base pay for new employees and employees in underfunded systems. Fiscal Impact: **It is the opinion of the Legislative Analyst and Director of Finance that the measure could result in a substantial net change in state or local finances if adopted, given the magnitude of the changes proposed in this measure.**

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