

Date: August 13, 2007
Initiative No. 07-0024

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

REDUCES PUBLIC PENSION AND RETIREMENT HEALTH CARE BENEFITS.

CONSTITUTIONAL AMENDMENT. For peace officers, firefighters, public safety, and other public employees hired after July 1, 2009, this measure: reduces pension and retirement health care benefits; increases minimum retirement age; restricts early retirement; increases minimum age and years of employment needed to qualify for retirement health care benefits; and limits post-retirement pension increases. For all public employees this measure: prohibits retroactive increases in retirement benefits; requires public employers to make annual payments to fund future benefit costs; and allows public employers to adjust retirement contribution rates in future labor agreements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Major reductions in annual pension contribution costs for employees hired on or after July 1, 2009, offset to an unknown extent by increases in costs for other forms of public employee compensation. Major short-term increase in annual governmental payments to prefund retiree health benefits, more than offset in the long run by annual reductions in these costs. (Initiative 07-0024.)