Date: January 14, 2010
Initiative 09-0075

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.

INITIATIVE CONSTITUTIONAL AMENDMENT. For peace officers, firefighters, public safety, and other public employees hired after July 1, 2011, this measure: reduces pension and retirement health-care benefits; increases minimum retirement age; restricts early retirement; increases minimum age and years of employment needed for retirement health-care benefits; and limits post-retirement pension increases. For current and new public employees this measure: prohibits retroactive increases in retirement benefits and requires public employers to make annual payments for future benefit costs. Allows public employers to adjust retirement contribution rates for new employees 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 public sector pension costs—potentially in the range of 50 percent or more—over the long run. Possible increases in other public employee compensation costs, depending on future decisions made by governmental entities and voters. Major near-term increase in annual governmental payments to prefund retiree health benefits, more than offset in the long run by annual reductions in these costs.** (09-0075.)