



# How will the Governor's pension plan impact members?

Governor Brown presented a 12-point proposal for reforming California's pension system in October, immediately raising questions about how public employees' retirement security will be impacted.

One thing is clear: **The Governor's plan is only a proposal.** The Legislature – not the Governor - will decide on pension reform.

## What's in the Governor's proposal:

- It would force most current public employees — both state and local - to increase their share of pension contributions.
- It would cut back retirement benefits for future employees.
- Newly hired workers would receive a mixed retirement plan including part pension, part 401(k).
- It would raise the full retirement to 67 for most newly hired state and local workers.

## What we support:

- Public employees are part of the solution.
- We have led on curbing practices such as pension "spiking" and putting an end to other abuses.
- We have agreed over the last two years to pay more toward pensions and other changes that have saved California \$600 million.
- In more than 200 California cities, counties and local districts, public employees have already agreed to increase pension contributions and lower public costs.
- Employers and workers need to be able to negotiate changes to pension plans at the bargaining table; one-size-fits-all usually fits no one.

## What's next:

The Legislative committee held its first meeting regarding reforming California's pensions in October. The committee has two options:

1. It can submit a recommendation for pension reform for an "up or down" vote of the Legislature, which would not be able to modify the proposal.
2. It can make recommendations on pension reform bills; it would be up to the Legislature to draft and move the bills through the usual voting process. The committee's work is expected to be completed early next year.

SEIU 521 members are encouraged to participate on the localwide Pension committee. Since the state Legislature will have ultimate decision-making power on where pension reforms go, it will be critical for legislators to hear directly from public service workers.

The next Pension Committee meeting is 6 p.m. Nov. 15. Please contact [Hoan.Pham@seiu521.org](mailto:Hoan.Pham@seiu521.org) to RSVP or for more information.

Visit [www.seiu521.org](http://www.seiu521.org) for up-to-date pension news and dates of future meetings.

"We support responsible retirement security. We cannot jeopardize the secure retirements of hard-working Californians whose modest pensions are often the difference between living out their final years in security or retiring into poverty."  
- **Matt Nathanson**  
*Region 2 Vice President*

