

Pension Reform Act of 2014 Summary

The Pension Reform Act of 2014 would provide cities, counties and other government agencies with clear authority to deal with skyrocketing retirement costs by allowing changes to pension and retiree healthcare benefits on a strictly going-forward basis, while making sure employees get paid the benefits they have earned.

The Pension Reform Act of 2014 has two equally-important goals:

1. To make sure employees get paid what they have earned.
2. To make sure residents and taxpayers receive the essential public services they deserve.

This Ballot Measure...

- **PROTECTS WHAT IS EARNED**
The initiative protects all pension and retiree healthcare benefits that government employees earn as work is performed.
- **CLARIFIES THAT FUTURE BENEFITS ARE NEGOTIABLE**
The initiative allows changes to pension and retiree healthcare benefits for current employee's future years of service, either through collective bargaining or by the voters.
- **RESPECTS COLLECTIVE BARGAINING**
Changes to employee retirement benefits must comply with applicable collective bargaining laws and could not be enacted until labor contracts expire.
- **DOES NOT DICTATE BENEFIT LEVELS**
This initiative does not dictate a particular level of retirement benefits, nor does it require any government agency to modify its employee retirement benefits.
- **PROTECTS LOCAL REFORMS**
State agencies would be prohibited from interfering with local governments' authority to prospectively amend retirement benefits for future years of service. This includes prohibiting CalPERS from charging exorbitant termination fees to employers who modify their retirement plans.
- **REQUIRES REPORTING OF UNDERFUNDED PLANS**
Government agencies with plans whose funding level fall below 80% will be required to annually publish a report detailing the funding status of the plan and outlining specific actions that would allow the plan to achieve 100% funding.
- **COVERS ALL GOVERNMENT AGENCIES**
This initiative would apply to the State of California and all of its political subdivisions, including cities, counties, school districts, special districts, the University of California, and California State University.

The entire text of the Initiative text posted at www.ReformPensions2014.com