

Retirement Benefits for City Employees Who Retired Before November 6, 1996; Retirement Board Contract with Executive Director *

Digest by the Ballot Simplification Committee

Status: Final Digest

On: Monday, July 25, 2022

Members: Packard, Anderson, Merrill

Deadline to Request Reconsideration: 4:30pm Tuesday July 26, 2022

The Way It Is Now: The City provides its employees with pension benefits through the San Francisco Employees' Retirement System (SFERS). In the November 6, 1996, election, the voters approved a supplemental cost of living adjustment (COLA) for retirees. City employees who retired before November 6, 1996, are eligible for this supplemental COLA if the SFERS investments meet their expected rate of return and can pay for all the accrued pension benefits owed to City retirees and employees (fully funded).

The City's Retirement Board (Board) oversees the SFERS and appoints and removes its executive director. When hiring an executive director, the Board may not enter into an individual employment contract. Instead, the Board must follow City civil service hiring rules, which limit the salary and benefits the Board can offer.

The Proposal: Proposition __ would make City employees who retired before November 6, 1996, eligible for a supplemental COLA, even if SFERS is not fully funded. In years when SFERS is not fully funded, the supplemental COLA would be limited to \$200 per month for retirees who have an annual City pension of more than \$50,000.

Proposition __ would also allow the Board to enter into an individual employment contract with any executive director hired on or after January 1, 2023, without regard to City civil service salary, benefits and other limits.

A "YES" Vote Means: If you vote "yes," you want to allow City employees who retired before November 6, 1996, to receive a supplemental cost of living adjustment to their pensions even if the retirement system is not fully funded and allow the Retirement Board to have an individual employment contract with its executive director.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.