

City and County of San Francisco  
Department of Human Resources

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# Summary of Pension and Health Benefits Reform Legislation



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# Pension (New Employees Only)

## New Employees Only (i.e., those hired on or after January 7, 2012)

- Final Pensionable Salary:

- Average Final Compensation: 24 → 36 months
- Cap Pensionable Salary at percentage of IRS cap:
  - *Miscellaneous:* 85%
  - *Safety:* 75%
- No new premiums will be included in pensionable salary

- Pension Formula:

- Miscellaneous:

- minimum: 1%@50 → 1%@53
- maximum: 2.3%@62 → 2.3%@65

- Police, Fire, Sheriff :

- minimum: 2.4%@50 → 2.2%@50
- maximum: 3%@55 → 3%@58

Misc. Safety

2%@50 → 1.8%@50  
2.7%@55 → 2.7%@58



# Pension (New Employees Only)

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- “Vesting” Retirement: Cut current 100% employer match of employee contributions to 50% match
- Supplemental COLA:
  - Will only be paid when Retirement Fund is fully funded
  - Supplemental COLA is not permanent; expires once excess earnings end



# Pension (All Employees)

## All Employees

- Cost-Sharing Float: Change in Employee Contribution based on Employer Contribution.
- Require cost-sharing for Deputy Sheriffs and other miscellaneous safety employees currently in CalPERS
- Supplemental COLA: Will only be paid when Retirement Fund is fully funded. *This is the only section that applies to current Retirees.*
- Elected Officials: Must pay their own retirement contribution and participate in cost-sharing float



# Pension (All Employees)

## Float Table for Miscellaneous Employees

Employer Contribution	Misc. <\$50k	Misc. \$50k - \$100k	Misc. >\$100k	Safety
0%	0%	(4.0%)	(5.0%)	(6.0%)
0.01% - 1.0%	0%	(4.0%)	(4.5%)	(5.0%)
1.01% - 2.5%	0%	(3.75%)	(4.25%)	(4.75%)
2.51% - 4.0%	0%	(3.5%)	(4.0%)	(4.5%)
4.01% - 5.5%	0%	(2.5%)	(3.0%)	(3.5%)
5.51% - 7.0%	0%	(2.0%)	(2.5%)	(3.0%)
7.01% - 8.5%	0%	(1.5%)	(2.0%)	(2.0%)
8.51% - 10.0%	0%	(1.0%)	(1.5%)	(1.5%)
10.01% - 11.0%	0%	(0.5%)	(0.5%)	(0.5%)
11.01% - 12.0%	0%	0%	0%	0%
12.01% - 13.0%	0%	0.5%	0.5%	0.5%
13.01% - 15.0%	0%	1.0%	1.5%	1.5%
15.01% - 17.5%	0%	1.5%	2.0%	2.0%
17.51% - 20.0%	0%	2.0%	2.5%	3.0%
20.01% - 22.5%	<b>0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.5%</b>
22.51% - 25.0%	0%	3.5%	4.0%	4.5%
25.01% - 27.5%	0%	3.5%	4.0%	4.5%
27.51% - 30.0%	0%	3.75%	4.25%	4.75%
30.01% - 32.5%	0%	3.75%	4.25%	4.75%
32.51% - 35.0%	0%	4.0%	4.5%	5.0%
35.01% +	0%	4.0%	5.0%	6.0%



# Health Benefits

## **Health Service System**

- Ensure balance on HSS Board: replace next expiring “member” seat with one chosen by Controller and confirmed by the other HSS Board members
- Clarify “choice of doctor” Charter language
- Retiree Health Care Trust Fund:
  - Beginning in FY2016-17, require active employee contribution of 0.25% to RHCTF, increasing annually by 0.25% to a maximum of 1.0%, or normal cost, whichever is lower. Require matching employer contribution to RHCTF
- Retiree Health Benefit Changes:
  - For employees who left City service but have not yet retired, retiree health benefits are those that were in place at the time the employee left. (No elimination of benefits already paid for those who have retired as of 1/1/12.)

