

[City retirement benefits and health care benefits]

## CHARTER AMENDMENT

### PROPOSITION \_\_\_\_

A proposal to submit to the qualified voters of the City and County of San Francisco (the "City") for an election to be held on November 8, 2011, a measure amending provisions in the City's Charter to: (1) adjust contribution rates for current and future employees to the San Francisco Employees' Retirement System ("SFERS") based on the rate employers are required to pay each year; (2) limit SFERS' supplemental cost of living adjustments to retiree benefits for all employees and retirees; (3) create new retirement plans for employees commencing employment on and after January 7, 2012; (4) require elected officials to pay their contributions to SFERS and the Retiree Health Care Trust Fund ("RHCTF"); (5) allow certain individuals who are members of the California Public Employees' Retirement System ("CalPERS") to become members of SFERS; (6) change the composition of the Health Service Board ("HSB"); (7) change the vote requirement for the HSB to approve member health care plans; (8) require current employees to contribute to the Retiree Health Care Trust Fund beginning in fiscal year 2016-17; (9) restrict certain retiree health care benefits for employees who left City employment, but have not yet retired, to those benefits in place at the time they left employment; (10) reduce employers' contributions into the Health Service System Trust Fund under certain circumstances; and (11) make certain other changes to retirement and health care benefits, and provisions governing the RHCTF and the Health Service System.

The Board of Supervisors hereby submits to the qualified voters of the City and County of San Francisco for an election to be held on November 8, 2011 amendments to provisions in Appendix A of the City's Charter relating to retirement and retiree health benefits, to read as follows:

NOTE: Additions are *single-underline italics Times New Roman*;  
deletions are ~~*strike-through italics Times New Roman*~~.

## Section 1. FINDINGS AND PURPOSE.

(a) Introduction. This measure makes comprehensive structural changes to retirement benefits and the retiree health benefits system, in a fair manner, to improve efficiency and reduce costs and preserve the fiscal soundness of these systems. In so doing, this measure assists the City, in partnership with its employees, in financing a package of reasonable retirement and health care benefits for employees and retirees. At the same time, these changes improve the City's ability to make long range budget and financing plans and to address some of the fiscal challenges it faces.

(b) Background. The San Francisco Employees' Retirement System is funded by a combination of *employee* contributions, *employer* contributions and investment *earnings* from the retirement fund. From the retirement fund, the Retirement System pays retired employees a defined benefit allowance. That allowance is based on age at retirement, the number of years worked and salary.

The San Francisco Health Service System is funded by employer contributions, with employees and retirees paying premiums toward health plans. Subject to Board of Supervisors' approval, the Health Service Board determines the plans offered and the premiums to be paid by employees and retirees.

Between June 2007 and January 2009, the Dow Jones Industrial Average declined 40%. This historic decline and the subsequent great recession have harmed the City's budget in two ways. First, it caused the City's tax and fee revenues to be significantly lower than expected, worsening the City's deficit. Second, it caused the retirement fund to drop from being fully funded (based on the actuarial value of the assets)-or more than fully funded-to being only partially funded. As a result, to make up the shortfall in the retirement fund, the City has had to increase substantially its employer contributions, further exacerbating the City's deficit.

(c) Retirement and Health Benefits Cost. For a number of years, the City's employer contribution rate to the Retirement System was 0% because the retirement fund was at least fully funded. Because of the stock market downturn, and the resulting decline in the value of the retirement fund among other factors, the City's employer contribution rate rose to 18% of payroll in fiscal year 2011-2012 and is projected to approach or exceed 26% of payroll in fiscal year 2014-2015. Meanwhile, the employee contribution rate has remained constant, 7.5% or 9%, depending upon classification.

The City's contribution for health care costs for employees has risen to 13% of payroll in fiscal year 2010-2011, and is projected to reach 17% of payroll in fiscal year 2020-2021.

The City's contribution for retiree health care costs has risen to 6% of payroll in fiscal year 2010-2011, and is expected to reach up to 13% of payroll in fiscal year 2020-2021. Altogether, these projected increases amount to between \$300 million and \$600 million annually in current dollars.

In accordance with Government Accounting Standards Board guidelines, the City projects the funding needed to pay retiree health care costs for future retirees. In the most recent projection, the City's unfunded actuarial liability for these retiree health costs was approximately \$4.4 billion.

City's Budget Deficits. If current programs and trends continue unchanged, the City's Five-Year Financial Plan for fiscal years 2011-2012 through 2015-2016 identifies shortfalls of revenues versus expenditures of \$458 million in fiscal year 2012-2013, rising to \$829 million in fiscal year 2015-2016.

The City's Five-Year Financial Plan identifies controlling benefit costs as a critical component to balancing the City's budget. This Charter Amendment is consistent with strategies identified in the Plan.

### The Amendments.

Although San Francisco employees have voluntarily agreed to wage reductions and other economic concessions on multiple occasions over the past decade, continuing budget deficits require further action. In the face of these continuing projected budget deficits, the Mayor, the Board of Supervisors, City employees and a broad cross-section of civic, business, and other leaders have developed a consensus around amendments to the City's benefit plans in order to further reduce the burden on the City's general fund.

For new employees and (elected or appointed) officials commencing employment or assuming office on and after January 7, 2012, the amendments provide a package of new and less costly retirement benefit. For existing employees and officials, the amendments address the rising costs of the City's retirement obligations by ensuring a higher stream of payments by both employers and employees and officials to support the retirement fund. These payments rise and fall with the financial health of the retirement system, requiring employees to pay more or less than their current contributions as needed. Lower paid employees will pay lesser percentages; safety employees will pay higher percentages based on their higher retirement benefits. Similarly, the amendments ensure that retiree supplemental cost of living adjustments will reflect the financial health of the retirement fund, so that the Retirement System pays them only when the retirement fund is fully funded.

The proposed amendments also address the City's rising costs for the retiree health benefit coverage. For new hires and officials, they tighten eligibility requirements for retiree health care. They also substitute one member of the Health Service Board with an appointment made by the City's Controller, provide an increased stream of payments into the Retiree Health Care Trust Fund by both employers, employees and officials, and allow more flexibility in the plans the Health Service Board offers to employees and retirees.

Section 2. The San Francisco Charter is hereby amended, by amending Sections A8.432, A8.500, A8.510, and A8.526-3 and by adding Section A8.526-4, to read as follows:

**SEC. A8.432 RETIREE HEALTH CARE TRUST FUND**

There is hereby created a Retiree Health Care Trust Fund (RHCTF) for the purpose described in Section 12.204. The Retiree Health Care Trust Fund Board (Board) described in Section 12.204 shall have exclusive authority and control over the administration of the RHCTF, investments of trust assets, and disbursements from, the trust in accordance with the provisions of this Charter.

**(a) Employees Who Commenced Employment on or After January 10, 2009**

Active officers and employees of the City and County and Participating Employers, who commenced employment with the City and County, or the Participating Employers, on or after January 10, 2009, shall contribute their respective Employer's "Normal Cost" to the RHCTF. The annual active employee contribution rate shall be the Employers' "Normal Cost" as determined by the Employers' respective General Accounting Standards Board (GASB) Actuaries computed as a percentage of compensation not to exceed 2% of pre-tax compensation to the RHCTF. The Employers' GASB actuaries shall determine the Employers' respective "Normal Cost" on a ~~bi-~~ annual basis.

The City and County and Participating Employers shall each contribute 1% of compensation for officers and employees ~~hired~~ who commenced employment on or after January 10, 2009. Once an Employer has no Unfunded Actuarial Accrued Liability and the Retiree Health Trust Fund is Fully Funded, then the Employer and its active officers and employees ~~hired~~ who commenced employment on or after January 10, 2009, shall instead each contribute 50% of the "Normal Cost" as determined by the Employers' respective GASB actuaries, with the employee's contribution not to exceed 2% of pre-tax compensation, and the 1% Employer contribution shall no longer be required.

**(b) Employees Who Commenced Employment on or Before January 9, 2009**

Notwithstanding any other provision of Charter Sections A8.409 through A8.409-9 and A8.590-1 through A8.590-9, starting July 1, 2016, all active officers and employees of the City and County and Participating Employers, who commenced employment with the City and County or Participating Employers, on or before January 9, 2009, shall contribute 0.25% of pre-tax compensation into the RHCTF. Starting on July 1 of each subsequent year, all active officers and employees of the City and County and Participating Employers, who commenced employment with the City and County or Participating Employers, on or before January 9, 2009, shall contribute an additional 0.25% of pre-tax compensation up to a maximum of 1%. Notwithstanding the foregoing, the contributions for employees who commenced employment on or before January 9, 2009, shall not exceed each Employer's respective "Normal Cost" as determined by the Employers' respective General Accounting Standards Board (GASB) Actuaries on a bi-annual basis.

Starting July 1, 2016, the Employers shall contribute 0.25% of compensation into the RHCTF for each employee who commenced employment on or before January 9, 2009. Starting on July 1 of each subsequent year, the Employers shall contribute an additional 0.25% of compensation, up to a maximum of 1%, for each employee who commenced employment on or before January 9, 2009.

Once an Employer has no Unfunded Actuarial Accrued Liability and the Retiree Health Trust Fund is Fully Funded, then the Employer and its active officers and employees who commenced employment on or before January 9, 2009, shall instead each contribute 50% of the "Normal Cost" as determined by the Employers' respective GASB actuaries, with the employee's contribution not to exceed 1% of pre-tax compensation, and the 1% Employer contribution shall no longer be required.

**(c) Segregation And Use of Retiree Health Care Trust Fund Contributions**

Contributions to the RHCTF from the City and County, and its officers and employees, and each Participating Employer, and their officers and employees, shall be segregated from each other and only used as a funding source to defray each Employers' obligations to pay for retiree health care under Section A8.428 and each Employers' share of administrative expenses. The funds may be pooled for investment purposes only.

No disbursements, other than to defray reasonable expenses of administering the RHCTF, may be made from the trust prior to January 1, 2020~~15~~. Commencing January 7, 2020~~15~~ trust assets may be used to defray the cost of the City's, and other Participating Employers', obligations to pay for health coverage for the retired persons and their survivors entitled to health care coverage under Section A8.428. The amount and frequency of such disbursements shall be determined by the Board in consultation with the Employers' respective GASB Actuaries.

**(~~a~~)(d) Additional Contributions to the Retiree Health Care Trust Fund**

As set forth in A8.409-7 and A8.590-8, nothing in this section shall prevent the City and County of San Francisco and a recognized employee organization from agreeing to, or an arbitration panel formed pursuant to A8.409-4 or A8.590-5 from awarding, an adjustment in employee contributions into the Retiree Health Care Trust Fund that results in contributions greater than the contributions required under A8.432 for any and all City employees. In no event shall the City and County of San Francisco and a recognized employee organization agree to, or an arbitration panel formed pursuant to A8.409-4 or A8.590-5 award any, reduction in contributions below the minimum level of contributions required under A8.432.

**(e) Definitions.**

"**Actuarial Accrued Liability**" as used in this section, means "Actuarial Accrued Liability" as that term is defined under GASB No. 45.

"Commenced employment on" as used in this section, shall refer to the time an employee starts employment with the City and County, or a Participating Employer, for the first

time, or the time an employee starts employment with the City and County, or a Participating Employer, on a subsequent occasion after a prior separation from employment with the City and County or any Participating Employer, whichever date is later.

**"Employers"** as used in this section means the City and County and the Participating Employers.

**"Fully Funded"** as used in this section means that an Employer's GASB Actuary has determined that the market value of assets in the Retiree Health Care Trust Fund equals or exceeds the Actuarial Accrued Liability.

**"GASB Actuary"** and **"GASB Actuaries"** as used in this section means the actuarial firms hired by the Employers to provide estimates of each Employers' respective total liability and annual required contribution for post retirement health benefits under GASB No. 45.

**"GASB No. 45"** as used in this section means Statement No. 45 of the Governmental Accounting Standards Board, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

**"Health coverage"** as used in this section, means the health benefits or health insurance provided by the health service system for retirees, survivors and dependents under Section A8.428.

**"Normal Cost"** as used in this section, means the Employers' normal cost under GASB No. 45 as determined by the Employers' respective GASB Actuaries.

**"Retiree"** as used in this section, means a former employee who is retired and is entitled to health coverage under Section A8.428, and the qualified survivors or dependents of such retirees who are entitled to health coverage under Section A8.428.

**"Participating Employers"** as used in this section and Sections A8.432-1, A8.510 and 12.204, shall include the Superior Court of California, County of San Francisco, San Francisco Unified School District and the San Francisco Community College District, following a



resolution by these employers' respective governing boards to participate in the Retiree Health Care Trust Fund.

**(f) Severability**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Charter Sections 12.204 or A8.432, or with any part thereof, shall be superseded by the contents of Charter Sections 12.204 or A8.432. Charter Sections 12.204 or A8.432 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Charter Sections 12.204 or A8.432 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Charter Sections 12.204 or A8.432. If any words, phrases, clauses, sentences, subsections, or provisions of Charter Sections 12.204 or A8.432 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Charter Sections 12.204 or A8.432 which can be given effect. Charter Sections 12.204 or A8.432 shall be broadly construed to achieve their stated purpose.

Notwithstanding Charter Section A8.432~~3~~, the Board of Supervisors shall adopt, by a majority vote before January 1, 2009, such ordinances as are necessary to create and administer the Retiree Health Care Trust Fund, and all such other matters as may be necessary to establish and maintain the purpose described in this section and Section 12.204.

**SEC. A8.500 RETIREMENT SYSTEM FOR OFFICERS AND EMPLOYEES**

In order to continue in force provisions already existing for retirement and death benefits for officers and employees of the City and County, the San Francisco City and County Employees' Retirement System, hereinafter referred to as the Retirement System or the system, is hereby continued. The enactment of Sections 12.100 ~~3-670~~ to 12.103 ~~3-672~~ and Sections A8.500 to A8.581, inclusive, of this Charter is not intended to, and shall not in any way, alter or

modify the rights, benefits, or obligations of any member or beneficiary of the Retirement System or of the City and County with respect to that system as they exist at the time this Charter becomes effective.

Ordinance provisions already existing with respect to the Retirement System shall continue in force until amended or revoked by the Board of Supervisors as provided in this ~~S~~ection. The Board of Supervisors is hereby empowered to enact, by a vote of three-fourths of its members, any and all ordinances necessary to carry into effect the provisions of Sections ~~12.1003-670 to 12.1033-672~~ and *the Retirement System provisions of the Charter, as set forth in Appendix Sections A8.500 et. seq. through A8.588-15, of this Charter*; provided that the Board of Supervisors shall secure, through the ~~R~~etirement ~~B~~oard, an actuarial report of the cost and effect of any proposed change in the benefits under the Retirement System, before enacting an ordinance or before voting to submit any proposed Charter amendment providing for such change.

Subject to the vested rights rule, the Board of Supervisors is further empowered to enact, by a vote of three-fourths of its members, ordinances to conform the provisions of the Retirement System to any changes in the tax laws of the United States to the extent necessary to maintain the qualified tax status of the Retirement System provided that the Board of Supervisors shall first secure, from the ~~R~~etirement ~~B~~oard, an actuarial report of the cost and effect of any such change and the recommendation from the ~~R~~etirement ~~B~~oard that such an ordinance is necessary.

The Board of Supervisors is further empowered to enact, by a vote of three-fourths of its members, ordinances to allow Internal Revenue Code section 414(h)(2) tax treatment of members' contributions to the Retirement System provided that the Board of Supervisors shall first secure from the ~~R~~etirement ~~B~~oard an actuarial report which certifies that such ordinances will not increase costs, other than administrative costs, for the City and County.

## **SEC. A8.510 ACTUARIAL TABLES, RATES AND VALUATIONS**

The mortality, service and other tables, and the rates of contributions for members as recommended by the actuary and the valuations determined by him and approved by the ~~R~~retirement ~~B~~board, shall be conclusive and final, and the Retirement System shall be based thereon. The total amount, as determined by the actuary and approved by the board, of the contributions required during any fiscal year of the City and County under the Retirement System, shall be paid into the Retirement System by the City and County during such year. Liabilities accruing under the Retirement System because of service rendered to the City and County by persons prior to the date their respective classes become eligible for membership in the system, and administrative costs under the system, shall be met by contributions to the Retirement System by the City and County, in addition to any amounts contributed to meet liabilities accruing because of service rendered by such persons after becoming members of the system, provided that such prior service liabilities may be met by annual appropriations instead of by one appropriation for the total amount of the liabilities; and provided further, that such appropriation for any one year shall not be less than the amount disbursed during that year on account of prior service. All expenses in connection with the investment of such fund or funds as may be established, including but not limited to travel and transportation costs, investment seminar expenses, postage, insurance, telephone, and subscriptions to investment publications, shall be paid from the accumulated contributions of the City and County.

Notwithstanding the provisions of Section A8.509(h)(5), said actuarial valuation and said investigation into the experience under the system shall be made as determined by the ~~R~~retirement ~~B~~board; provided, however, that said actuarial valuation shall be made not less than once every two years. All expenses in connection with said actuarial valuation and said investigation into the experience under the system; all expenses incurred by financial audits and accounting systems and procedures; and, all expenses of administration of plan benefits,

including legal expenses thereof, shall be paid from the accumulated contributions of the City and County.

Contributions to the Retirement System required of the City and County shall be charged by the controller against the general fund or the school, utility, bond or other special fund under which the service was rendered, on account of which the contribution is required; provided that contributions required on account of service rendered by any person prior to becoming a member of the system, under a temporary fund, such as bond or County roads funds, or a fund then no longer existing, may be charged against the general fund, and provided further, that any contributions required on account of persons receiving benefits under subdivision (c) of Section A8.507, shall be charged against the general fund.

Beginning on July 1, 201~~7~~2, in each year when the contribution to the Retirement System required under Section A8.510 is less than the Retirement System employer normal cost rate; (1) the City and County shall deposit ~~the difference~~ into the Retiree Health Care Trust Fund the difference between the contributions that would have been based on the employer normal cost rate for that fiscal year and the contributions to be paid by the City and County into the Retirement Trust Fund for that fiscal year, including employee contributions paid by the City and County on behalf of members; and (2) the Participating Employers, as defined in Section A8.432, shall deposit the difference into the Retiree Health Care Trust Fund only upon resolution by their respective governing boards.

### **SEC. A8.526-3 SUPPLEMENTAL COST OF LIVING BENEFIT ON AND AFTER JANUARY 10, 2009**

(a) Notwithstanding the provisions of Sections A8.526-1, or any other provision of the Charter to the contrary, effective January 10, 2009, all supplemental cost of living benefits adjustments payable, including retirement allowances subject to change when the salary rate of a member is changed, shall be determined under the provisions of Section A8.526-3 and not Section A8.526-1.

(b)(1) On July 1, 2009 and July 1 of each succeeding year, the Retirement Board shall determine whether, in the previous fiscal year, there ~~are~~ were earnings in excess of the expected earnings on the actuarial value of the assets. In those years when the previous year's earnings exceededed the expected earnings on the actuarial value of the assets, then on July 1, each retirement allowance or death allowance payable on account of a member who died, including retirement allowances subject to change when the salary rate of a member is changed, shall be increased by an amount equal to three and one-half percent (3.5%) of the allowance as of June 30, less the amount of any cost of living adjustment provided under Section A8.526-2 and less the amount of any cost of living adjustment, payable in that fiscal year, which is the result of a change in the salary of the member.

(b)(2) If, on July 1, 2009 and July 1 of each succeeding year, the previous fiscal year's earnings exceededed the expected earnings on the actuarial value of the assets, but they ~~are~~were insufficient to increase said allowances by three and one-half percent (3.5%) as provided in Subsection (b)(1), then to the extent of excess earning, said allowances shall be increased in increments of one-half percent (.5%) up to the maximum three and one-half percent (3.5%) of the allowance as of June 30, less the amount of any cost of living adjustment provided pursuant to Section A8.526-2 and less the amount of any cost of living adjustment, payable in that fiscal year, which is the result of a change in the salary of the member.

(c) When the previous fiscal year's earning exceededed the expected earnings on the actuarial value of the assets but ~~are~~ were not sufficient to fund any supplemental cost of living benefit adjustment under either Subsection (b)(1) or (b)(2), the ~~R~~retirement ~~B~~board shall reserve the excess earnings for that year. Said reserved earnings shall accumulate only until such time that said reserved earnings, plus the next year's earnings in excess of the expected earnings on the actuarial value of the assets, are sufficient to fund one fiscal year's increase in the supplemental cost of living benefit adjustment, at which time the earnings in reserve shall be

withdrawn and used to fund a supplemental cost of living benefit adjustment as provided in either Subsection (b)(1) or (b)(2).

(d) ~~Any supplemental cost of living benefit adjustment, once paid to a member, shall not be reduced thereafter.~~ To clarify the intent of the voters when originally enacting this Section in 2008, beginning on July 1, 2012 and July 1 of each succeeding year, no supplemental cost of living benefit adjustment shall be payable unless the Retirement System was also fully funded based on the market value of the assets for the previous year.

(e) ~~Any supplemental cost of living benefit adjustment, once paid to a member, shall not be reduced thereafter.~~

(f) ~~Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.526-3 or with any part thereof, shall be superseded by the contents of Section A8.526-3. Section A8.526-3 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.526-3 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.526-3. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.526-3 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.526-3 which can be given effect. Section A8.526-3 shall be broadly construed to achieve its stated purposes.~~

**SEC. A8.526-4 SUPPLEMENTAL COST OF LIVING BENEFIT FOR PERSONS HIRED ON AND AFTER JANUARY 7, 2012**

(a) ~~Notwithstanding any other provisions of this Charter, for persons who are hired on and after January 7, 2012, all supplemental cost of living benefits adjustments payable, shall be determined under the provisions of Section A8.526-4 and not Sections A8.526-1 or A8.526-3.~~

(b)(1) ~~On July 1, 2012 and July 1 of each succeeding year, the Retirement Board shall determine whether, in the previous fiscal year, there were earnings in excess of the expected~~

earnings on the actuarial value of the assets. In those years when the previous year's earnings exceeded the expected earnings on the actuarial value of the assets, and the Retirement System was fully funded based on the market value of the assets, then on July 1, each retirement allowance payable or death allowance payable on account of a member who died, shall be increased by an amount equal to three and one-half percent (3.5%) of the allowance as of June 30, less the amount of any cost of living adjustment provided pursuant to Section A8.526-2, provided there were sufficient excess earnings to provide the benefits in this Section A8.526-4.

(b)(2) If on July 1, 2012 and July 1 of each succeeding year, the previous fiscal year's earnings exceeded the expected earnings on the actuarial value of the assets, but they were insufficient to increase said allowances by three and one-half percent (3.5%) as provided in Subsection (b)(1), then to the extent of excess earnings, said allowances shall be increased in increments of one-half percent (.5%) up to the maximum three and one-half percent (3.5%) of the allowance as of June 30, less the amount of any cost of living adjustment provided pursuant to Section A8.526-2.

(c) The supplemental cost of living benefit adjustment described above will not be paid in any fiscal year when there were insufficient earnings in excess of the expected earnings on the actuarial value of the assets. In that event, retirement allowances will revert to the level they would have been if supplemental cost of living benefit adjustments had never been made.

Section 3. The San Francisco Charter is hereby amended, by amending Sections A8.409-1, A8.409-7, A8.590-8, and adding Sections A8.409-9 and A8.590-9, to read as follows:

#### **SEC. A8.409-1 EMPLOYEES COVERED**

These Sections A8.409 through A8.409-6 inclusive, shall apply to all miscellaneous officers and employees except as set forth in Section A8.590-1 et seq. and including employees of San Francisco Unified School District and San Francisco Community College District to the extent authorized by state law. The provisions of Charter sections A8.400(h), A8.401-1, and A8.407 are hereby repealed and shall be of no further force and effect. Employee organizations

representing employees in classifications covered by section A8.403 and A8.404 of this Charter may elect to include those classifications within the coverage of this part as a separate bargaining unit, provided however, that the election shall not become effective without the written approval of the Mayor and Board of Supervisors. The election shall be irrevocable and such employees shall not thereafter be subject to the provisions of section A8.403 and A8.404.

Employees in classifications not represented by a recognized employee organization shall be entitled to represent themselves with the City and County over wages, hours and other terms and conditions of employment to the extent required by state law and shall not be subject to the arbitration provisions of Section A8.409-4 of this Charter. The Mayor annually shall propose all forms of compensation for unrepresented employees including salaries, hours, benefits, and other terms and conditions of employment subject to approval or disapproval of the Board of Supervisors. Consistent with other provisions of this Charter, the civil service commission may adopt rules and procedures relating to said unrepresented employees.

Except as otherwise provided by this Charter the Civil Service Commission shall set the wages and benefits of all elected officials of the City and County of San Francisco as follows: The Commission shall conduct a salary survey of the offices of chief executive officer, county counsel, district attorney, public defender, assessor-recorder, treasurer, and sheriff, in the counties of Alameda, Contra Costa, Marin, San Mateo, and Santa Clara. The Commission shall then average the salaries for each of those offices to determine respectively the base five-year salaries for the Mayor, City Attorney, District Attorney, Public Defender, Assessor-Recorder, Treasurer, and Sheriff.

If any of the aforementioned counties do not have an office of public defender, that county shall be omitted from the salary survey for purposes of determining the base five-year salary of the Public Defender. Among the aforementioned counties, any freestanding county assessor's office or any county office in which the assessor's function is combined with other county functions, shall be deemed comparable to the office of Assessor-Recorder for purposes of



determining the base five-year salary of the Assessor-Recorder. If any of the aforementioned counties do not have a comparable county office of treasurer, the county office whose functions most closely resemble the Treasurer's functions in San Francisco shall be deemed comparable to the office of Treasurer for purposes of determining the base five-year salary of the Treasurer.

The initial base five-year salary determination for the respective salaries of the Mayor, City Attorney, District Attorney, Public Defender, Assessor-Recorder, Treasurer, and Sheriff shall apply to the period from July 1, 2007 through June 30, 2012. Subsequent base five-year salary determinations for those offices shall apply to subsequent five-year periods, for example, July 1, 2012 through June 30, 2017.

For the second, third, fourth, and fifth years of the period for which any base five-year salary has been set, the Commission shall annually adjust the respective salaries of the Mayor, City Attorney, District Attorney, Public Defender, Assessor-Recorder, Treasurer, and Sheriff, to account for upward annual movement in the Consumer Price Index during the prior calendar year; provided, that whenever the upward movement in the Consumer Price Index during the prior calendar year exceeds 5%, the cost-of-living adjustment shall not be the actual increase in the Consumer Price Index for the prior calendar year but instead shall be 5%. The annual cost-of-living adjustment shall take effect July 1 of the second, third, fourth, and fifth years of the period for which the base five-year salary has been set.

Except as noted below, in setting the initial and subsequent base five-year salary determinations for the offices of Mayor, City Attorney, District Attorney, Public Defender, Assessor-Recorder, Treasurer, and Sheriff, the Commission may not reduce the respective salaries of any of those offices. If implementation of the process for setting the base five-year salary would otherwise result in a salary reduction for any of those offices, the base five-year salary for the affected office or offices shall be the existing salary for the office.

If the City and County of San Francisco and employee organizations agree to amend the compensation provisions of existing memoranda of understanding to reduce costs, the

Commission shall review and amend the respective salaries of the Mayor, City Attorney, District Attorney, Public Defender, Assessor-Recorder, Treasurer, and Sheriff as necessary to achieve comparable cost savings in the affected fiscal year or years.

The Commission shall annually set the benefits of elected officials, to take effect July 1 of each year. Benefits of elected officials may equal but may not exceed those benefits provided to any classification of miscellaneous officers and employees as of July 1 of each year, except, after January 7, 2012, the City and County shall not pay the required employee contributions of said officials into the San Francisco Employees' Retirement System trust fund or into the Retiree Health Care Trust Fund.

In addition, subject to the approval or disapproval of the Board of Supervisors, the Mayor may create, for employees designated as management, a management compensation package that recognizes and provides incentives for outstanding managerial performance contributing to increased productivity and efficiency in the work force. In formulating such a package, the Mayor shall take into account data developed in conjunction with the civil service commission regarding the terms of executive compensation in other public and private jurisdictions.

#### **SEC. A8.409-7 RETIREE HEALTH CARE TRUST FUND**

Notwithstanding any other provision of Charter Sections A8.409 through A8.409-8, the provisions and operation of the Retiree Health Care Trust Fund, including employee contributions to the fund, shall be determined pursuant to Charter Sections 12.204;~~and~~ A8.432, ~~and A8.433~~, and shall not be subject to the dispute resolution procedures contained in Charter Section A8.409-4. Nothing in this section shall prevent the City and County of San Francisco and a recognized employee organization from agreeing to, or an arbitration panel formed pursuant to A8.409-4 from awarding, an adjustment in employee contributions into the Retiree Health Care Trust Fund that results in contributions greater than the contributions required under A8.432 for any and all City employees. In no event shall the City and County of San Francisco and a recognized employee organization agree to, or an arbitration panel formed

pursuant to A8.409-4 award any, reduction in contributions below the minimum level of contributions required under A8.432.

#### **SEC. A8.590-8 RETIREE HEALTH CARE TRUST FUND**

Notwithstanding any other provision of Charter Sections A8.590-1 through A8.590-7, the provisions and operation of the Retiree Health Care Trust Fund, including employee contributions to the fund, shall be determined pursuant to Charter Sections 12.204; and A8.432- ~~and A8.433~~, and shall not be subject to the dispute resolution procedure's contained in Charter Section A8.590-5. Nothing in this section shall prevent the City and County of San Francisco and a recognized employee organization from agreeing to, or an arbitration panel formed pursuant to A8.590-5 from awarding, an adjustment in employee contributions into the Retiree Health Care Trust Fund that results in contributions greater than the contributions required under A8.432 for any and all City employees. In no event shall the City and County of San Francisco and a recognized employee organization agree to, or an arbitration panel formed pursuant to A8.590-5 award any, reduction in contributions below the minimum level of contributions required under A8.432.

#### **SEC. A8.409-9 MISCELLANEOUS EMPLOYEES NOT IN THE RETIREMENT SYSTEM**

It is the intent of the voters that officers and employees of the City and County of San Francisco who are not members of the San Francisco Employees' Retirement System negotiate cost-sharing provisions that produce comparable savings and costs to the City and County as are produced through the Charter's employee contribution rate adjustment formulae. Notwithstanding any other provision of Charter Sections A8.409 through A8.409-8, for any officer or employee who is not a member of the Retirement System, the parties in any proceeding under Section A8.409-4 may make proposals, to the extent allowable by law, to effect this principle of equitable participation. If no agreement on this issue is reached, in deciding whichever last offer of settlement should be selected, in addition to the other factors specified by A8.409-4, the Board shall consider (i) the additional amounts such officers and employees would

pay to the Retirement System, or the reduction in the rate of their employee contribution which would apply, if they were members of the Retirement System for the term of the agreement; and (ii) the cost of the City and County's contracts with the Public Employees' Retirement System of the State of California compared to the cost of providing retirement benefits for similarly situated officers and employees through the San Francisco Employees' Retirement System.

Charter Section A8.409-9 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses sentences, or provisions of Charter Section A8.409-9 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, or provisions of Charter Sections A8.409-9. If any words, phrases, clauses, sentences, or provisions of Charter Section A8.409-9 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Charter Section A8.409-9 which can be given effect. Charter Section A8.409-9 shall be broadly construed to achieve its stated purpose.

#### **SEC. A8.590-9 EMPLOYEES NOT IN THE RETIREMENT SYSTEM**

It is the intent of the voters that officers and employees of the City and County of San Francisco who are not members of the San Francisco Employees' Retirement System negotiate cost-sharing provisions that produce comparable savings and costs to the City and County as are produced through the Charter's employee contribution rate adjustment formulae. Notwithstanding any other provision of Charter Sections A8.590-1 through A8.590-8, for any officer or employee who is not a member of the Retirement System, the parties in any proceeding under Section A8.590-5 may make proposals, to the extent allowable by law, to effect this principle of equitable participation. If no agreement on this issue is reached, in deciding whichever last offer of settlement should be selected, in addition to the other factors specified by Section A8.590-5, the Arbitration Board shall consider (i) the additional amounts such officers and employees would pay to the Retirement System, or the reduction in the rate of their employee

contribution which would apply, if they were members of the Retirement System for the term of the agreement; and (ii) the cost of the City and County's contracts with the Public Employees' Retirement System of the State of California compared to the cost of providing retirement benefits for similarly situated officers and employees through the San Francisco Employees' Retirement System.

Charter Section A8.590-9 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, or provisions of Charter Section A8.590-9 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, or provisions of Charter Sections A8.590-9. If any words, phrases, clauses, sentences, or provisions of Charter Section A8.590-9 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Charter Section A8.590-9 which can be given effect. Charter Section A8.590-9 shall be broadly construed to achieve its stated purpose.

Section 4. The San Francisco Charter is hereby amended, by amending Sections A8.506 and A8.506-2 to read as follows:

#### **SEC. A8.506 SHERIFF'S DEPARTMENT**

Notwithstanding any other provisions of this Charter, the Board of Supervisors shall have the power to contract with the Board of Administration of the Public Employees' Retirement System of the State of California to provide that the sheriff, undersheriff and all deputized personnel of the sheriff's department shall be members of the Public Employees' Retirement System, and the Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the terms and purposes of such contract. The maximum employee contribution for sheriff, undersheriff and deputized personnel of the sheriff's department shall be seven and one-half percent (7½%). Required contributions exceeding seven and one-half percent (7½%) shall be made by the City and County.

However, the employee contribution for persons who become employed as sheriff, undersheriff and deputized personnel of the sheriff's department on and after July 1, 2010, shall be nine percent (9%). The nine percent (9%) employee contribution rate shall take effect immediately upon expiration of the agreement that is operative on June 30, 2010, between the City and County and the recognized bargaining organization representing said employees. All contracts and contract amendments with the Board of Administration of the Public Employees' Retirement System of the State of California for persons hired on and after July 1, 2010, and before January 7, 2012, shall provide, to the maximum extent permitted, that final compensation for service under the Public Employees' Retirement System plan will be calculated based on a two-year formula.

Except as provided in this Section A8.506, on and after July 1, 2010, contracts and contract amendments with the Board of Administration of the Public Employees' Retirement System of the State of California shall be cost-neutral and employee bargaining units shall be permitted to trade salary or other employee paid benefits to achieve cost-neutrality.

The Board of Supervisors shall have the power to amend such contracts or contract amendments to terminate the participation of the sheriff, undersheriff and all deputized personnel of the sheriff's department for prospective service and to provide comparable benefits in the San Francisco Employees' Retirement System and to exempt such contracts or contract amendments from the cost-neutrality requirements of this Section A8.506, provided the sheriff, undersheriff, and the recognized employee organizations representing the impacted employees agree. The Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the amendment of such contracts or contract amendments.

For sheriffs assuming office and undersheriffs and all deputized personnel of the sheriff's department hired, on and after January 7, 2012, the Board of Supervisors shall have the power to amend its contract with the Public Employees' Retirement System and to provide retirement benefits for said persons in the San Francisco Employees' Retirement System in a plan

applicable to sheriffs, undersheriffs and deputized personnel of the sheriff's department. The Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the amendment of such contract.

Any person who shall become a member of the Public Employees' Retirement System pursuant to such contract shall have the right to be a member of the health service system and the Health Service Board shall make provisions for participation in the benefits of the health service system by such persons.

#### **SEC. A8.506-2 MISCELLANEOUS SAFETY EMPLOYEES**

Notwithstanding any other provisions of this Charter, the Board of Supervisors or the Community College Board shall have the power to contract with the Board of Administration of the Public Employees' Retirement System of the State of California to provide that the probation officers, airport police officers, district attorney and public defender investigators, medical examiner investigators, juvenile court counselors, institutional police, fire safety inspectors and fire protection engineers who are not members of the Section A8.588 plans, shall be members of the Public Employees' Retirement System, and the Board of Supervisors, the Community College Board and the Retirement Board shall have the power to perform all acts necessary to carry out the terms and purposes of such contract.

The Board of Supervisors shall have the power to amend such a contract to terminate the participation of certain airport police officers in the Public Employees' Retirement System and to transfer to the San Francisco Employees' Retirement System the accumulated assets and liabilities relating to the airport police officers that make such an election, and to exempt such a contract amendment from the cost-neutrality requirements of this Section A8.506-2, provided that the present value of any additional costs associated with said transfer and the related benefits under the San Francisco Employees' Retirement System does not exceed \$670,000 in the aggregate. All additional costs in the form of actuarial liability associated with said transfer and said benefits that exceed \$670,000 in the aggregate shall be paid by the airport police officers

that elect to terminate their participation in the Public Employees' Retirement System and transfer the accumulated assets and liabilities relating to their service to the San Francisco Employees' Retirement System. The Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the amendment of such contract.

The Board of Supervisors shall have the power to amend such contracts or contract amendments to terminate the participation of probation officers, district attorney investigators, and juvenile court counselors, in the Public Employees' Retirement System for prospective service and to provide comparable benefits in the San Francisco Employees' Retirement System and to exempt such contracts or contract amendments from the cost-neutrality provisions of this Section A8.506-2, provided the recognized employee organizations representing the impacted employees agree. The Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the amendment of such contracts or contract amendments.

For probation officers, district attorney investigators and juvenile court counselors, hired on and after January 7, 2012, the Board of Supervisors shall have the power to amend its contract or contracts with the Public Employees' Retirement System to terminate the participation of said persons in the Public Employees' Retirement System and to provide their retirement benefits in the San Francisco Employees' Retirement System. The Board of Supervisors and the Retirement Board shall have the power to perform all acts necessary to carry out the amendment of such contract or contracts.

Except as provided in this Section A8.506-2, contracts and contract amendments shall be cost-neutral and employee bargaining units shall be permitted to trade salary or other employee paid benefits to achieve cost-neutrality. However, the employee contribution for persons who become employed by the City and County on and after July 1, 2010, and who become eligible for membership pursuant to this Section A8.506-2, shall be nine percent (9%). The nine percent (9%) employee contribution rate shall take effect immediately upon expiration of the agreement



that is operative on June 30, 2010, between the City and County and the recognized bargaining organization representing said employees.

All contracts and contract amendments with the Board of Administration of the Public Employees' Retirement System of the State of California for persons hired on and after July 1, 2010, shall provide, to the maximum extent permitted, that final compensation will be calculated based on a two-year formula.

The Board of Supervisors or the Community College Board is empowered to determine compliance under this Section. As provided in Section A8.409-5 of the City Charter, disputes under this paragraph shall not be subject to the dispute resolution procedures contained in Charter Section A8.409-4.

Any person who shall become a member of the Public Employees' Retirement System pursuant to such contract shall have the right to be a member of the health service system and the Health Service Board shall make provision for the participation in the benefits of the health service system by such persons.

Section 5. The San Francisco Charter is hereby amended, by amending Sections A8.509, A8.585-11, A8.587-8, A8.587-12, A8.595-11, A8.596-11, A8.597-11, A8.597-14, A8.598-11, A8.598-14, A8.600-8, A8.600-12, A8.601-11, A8.601-14, A8.602-11, A8.602-14 and adding Sections A8.585-16, A8.595-15 and A8.596-15, to read as follows:

**SEC. A8.509 RETIREMENT—MISCELLANEOUS OFFICERS AND EMPLOYEES ON AND AFTER JULY 1, 1947**

Miscellaneous officers and employees, as defined in this section, who are members of the Retirement System under this section of the Charter on February 1, 1969, and persons who become miscellaneous officers and employees after February 1, 1969, shall be members of the Retirement System, subject to the following provisions of this section, in addition to the provisions contained in Sections 12.100, 12.103, A8.500, A8.510 and A8.520 of this Charter notwithstanding the provisions of any other section of the Charter, provided that the Retirement System shall be applied to persons employed on a part-time, temporary or substitute basis only as

the Board of Supervisors shall determine by ordinance enacted by three-fourths vote of all members of the board. Miscellaneous officers and employees of the said departments who are members of the Retirement System under Section A8.507 of the Charter on February 1, 1969 shall continue to be members of the system under Section A8.507 and shall not be subject to any of the provisions of this section, except as specifically provided in this section.

(a) The following words and phrases as used in this section, unless a different meaning is plainly required by the context, shall have the following meaning:

"Retirement allowance," or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, and continuing for life unless a different term of payments is definitely provided by the context.

"Compensation," as distinguished from benefits under the workers' compensation laws of the State of California, shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this section.

"Compensation earnable" shall mean the compensation as determined by the retirement board, which would have been earned by the member had he or she worked, throughout the period under consideration, the average number of days ordinarily worked by persons in the same grade or class of positions as the positions held by him or her during such period and at the rate of pay attached to such positions, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to entering City-service he was in the position first held by him in City-service.

"Benefit" shall include "allowance," "retirement allowance," and "death benefit."

"Average final compensation" shall mean the average monthly compensation earned by a member during any five consecutive years of credited service in the Retirement System in which his or her average final compensation is the highest, unless the Board of Supervisors shall otherwise provide by ordinance enacted by three-fourths vote of all members of the board.

For the purposes of the Retirement System and of this section, the terms "miscellaneous officer or employee," or "member," as used in this section shall mean any officer or employee who is not a member of the fire or police department as defined in the Charter for the purpose of the Retirement System, under Section 48.507 of the Charter.

"Retirement system" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Section 48.500 of the Charter.

"Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.  
Words used in the masculine gender shall include the feminine and neuter genders, and singular numbers shall include the plural; and the plural the singular.

"Interest" shall mean interest at the rate adopted by the retirement board.

(b) Any member who completes at least 20 years of service in the aggregate credited in the Retirement System, and attains the age of 50 years, or at least 10 years of service in the aggregate credited in the Retirement System, and attains the age of 60 years, said service to be computed under Subsection (g) hereof, may retire from service at his option. Members may retire under this section on the first day of the month next following the attainment by them of the age of 65 years. A member retired after reaching the age of 62 years shall receive a service retirement allowance at the rate of two and three-tenths percent of said average final compensation for each year of service. The service retirement allowance of any member eligible to retire under this Section shall be an allowance equal to the percentage of said average final compensation set forth opposite his age at retirement, taken to the preceding completed quarter year, for each year of service, computed under Subsection (g):

| <b>Age at Retirement</b> | <b>Percent for Each Year of Credited Service</b> |
|--------------------------|--|
| <b>50</b>                | <b>1.0000</b>                                    |

|            |               |
|------------|---------------|
| <b>50¼</b> | <b>1.0250</b> |
| <b>50½</b> | <b>1.0500</b> |
| <b>50¾</b> | <b>1.0750</b> |
| <b>51</b>  | <b>1.1000</b> |
| <b>51¼</b> | <b>1.1250</b> |
| <b>51½</b> | <b>1.1500</b> |
| <b>51¾</b> | <b>1.1750</b> |
| <b>52</b>  | <b>1.2000</b> |
| <b>52¼</b> | <b>1.2250</b> |
| <b>52½</b> | <b>1.2500</b> |
| <b>52¾</b> | <b>1.2750</b> |
| <b>53</b>  | <b>1.3000</b> |
| <b>53¼</b> | <b>1.3250</b> |
| <b>53½</b> | <b>1.3500</b> |
| <b>53¾</b> | <b>1.3750</b> |
| <b>54</b>  | <b>1.4000</b> |
| <b>54¼</b> | <b>1.4250</b> |
| <b>54½</b> | <b>1.4500</b> |
| <b>54¾</b> | <b>1.4750</b> |
| <b>55</b>  | <b>1.5000</b> |
| <b>55¼</b> | <b>1.5250</b> |
| <b>55½</b> | <b>1.5500</b> |

|            |               |
|------------|---------------|
| <b>55¾</b> | <b>1.5750</b> |
| <b>56</b>  | <b>1.6000</b> |
| <b>56¼</b> | <b>1.6250</b> |
| <b>56½</b> | <b>1.6500</b> |
| <b>56¾</b> | <b>1.6750</b> |
| <b>57</b>  | <b>1.7000</b> |
| <b>57¼</b> | <b>1.7250</b> |
| <b>57½</b> | <b>1.7500</b> |
| <b>57¾</b> | <b>1.7750</b> |
| <b>58</b>  | <b>1.8000</b> |
| <b>58¼</b> | <b>1.8250</b> |
| <b>58½</b> | <b>1.8500</b> |
| <b>58¾</b> | <b>1.8750</b> |
| <b>59</b>  | <b>1.9000</b> |
| <b>59¼</b> | <b>1.9250</b> |
| <b>59½</b> | <b>1.9500</b> |
| <b>59¾</b> | <b>1.9750</b> |
| <b>60</b>  | <b>2.100</b>  |
| <b>60¼</b> | <b>2.1250</b> |
| <b>60½</b> | <b>2.1500</b> |
| <b>60¾</b> | <b>2.1750</b> |
| <b>61</b>  | <b>2.2000</b> |

|            |               |
|------------|---------------|
| <b>61¼</b> | <b>2.2250</b> |
| <b>61½</b> | <b>2.2500</b> |
| <b>61¾</b> | <b>2.2750</b> |
| <b>62</b>  | <b>2.3000</b> |

In no event shall a member's retirement allowance exceed 75 percent of his or her average final compensation.

Before the first payment of a retirement allowance is made, a member retired under this ~~§~~subsection or Subsection (c) of this ~~§~~section, may elect to receive the actuarial equivalent of his or her allowance, partly in an allowance to be received by him or her throughout his life, and partly in other benefits payable after his or her death to another person or persons, provided that such election shall be subject to all the conditions prescribed by the Board of Supervisors to govern similar elections by other members of the Retirement System, including the character and amount, of such other benefits. In the calculations under this ~~§~~subsection of the retirement allowance of a member having credit for service in a position in the evening schools and service in any other position, separate retirement allowances shall be calculated in the manner prescribed for each class of service, the average final compensation in each case being that for the respective class of service; provided that the aggregate retirement allowance shall be taken into account in applying the provisions of this ~~§~~subsection providing for a minimum retirement allowance. Part-time service and compensation shall be reduced to full-time service and compensation in the manner prescribed by the Board of Supervisors, and when so reduced, shall be applied on full-time service and compensation in the calculations of retirement allowances.

(c) Any member who becomes incapacitated for performance of duty because of disability determined by the ~~R~~etirement ~~B~~oard to be of extended and uncertain duration, and who shall have completed at least 10 years of service credited in the Retirement System in the aggregate, computed as provided in Subsection (g) hereof, shall be retired upon an allowance of

one and eight-tenths percent of the average final compensation of said member, as defined in Subsection (a) hereof for each year of credited service, if such retirement allowance exceeds 40 percent of his or her average final compensation; otherwise one and eight-tenths percent of his or her average final compensation multiplied by the number of years of City-service which would be credited to him or her were such City-service to continue until attainment by him or her of age 60, but such retirement allowance shall not exceed 40 percent of such average final compensation. In the calculation under this ~~S~~ubsection of the retirement allowance of a member having credit for service in a position in the evening schools and service in any other position, separate retirement allowances shall be calculated, in the manner prescribed, for each class of service, the average final compensation in each case being that for the respective class of service; provided that the average final compensation upon which the minimum total retirement allowance is calculated in such case shall be based on the compensation earnable by the member in the classes of service rendered by him or her during the one year immediately preceding his or her retirement. Part-time service and compensation shall be reduced to full-time service and compensation in the manner prescribed by the Board of Supervisors, and when so reduced, shall be applied as full-time service and compensation in the calculation of retirement allowances. An application for a ~~disciplinary~~disability retirement may be brought before the ~~R~~etirement ~~B~~oard on said ~~B~~oard's own motion, by the Executive Director of the Retirement System, by recommendation of any department head, commission or board, or by said member or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease, and he or she shall be restored to service in the position or classification he or she occupied at the time of his or her retirement.

(d) No modification of benefits provided in this section shall be made because of any amounts payable to or on account of any member under workers' compensation laws of the State of California.

(e) If a member shall die, before retirement, (1) If no benefit is payable under subdivision (2) of this subsection (e):

(A) Regardless of cause, a death benefit shall be paid to the member's estate or designated beneficiary consisting of the compensation earnable by the member during the six months immediately preceding death, plus the member's contributions and interest credited thereon.

(B) If a member sustains a traumatic bodily injury through external and violent means in the course and scope of employment and death results within 180 days of such injury, an additional insurance benefit of 12 months of compensation earnable shall be paid to the member's estate or designated beneficiary.

(2) If, at the date of his or her death, he or she was qualified for service retirement by reason of service and age under the provisions of Subsection (b) of this Section, and he or she has designated as beneficiary his or her surviving spouse, who was married to him or her for at least one full year immediately prior to the date of his or her death, one-half of the retirement allowance to which the member would have been entitled if he or she had retired from service on the date of his or her death, shall be paid to such surviving spouse who was his or her designated-beneficiary at the date of his or her death, until such spouse's death or remarriage, or if there be no surviving spouse, to the unmarried child or children of such member under the age of 18 years, collectively, until every such child dies, marries or attains the age of 18 years, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. If, at the death of such surviving spouse, who was receiving an allowance under this Subdivision (2), there be one or more unmarried children of such member under the age of 18 years, such allowance shall continue to such child or children, collectively, until every such child dies, marries or attains the age of 18 years, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. If the total of the payments of allowance made pursuant to this Subdivision (2) is less than the benefit which was otherwise payable under Subdivision (1) of



this Subsection, the amount of said benefit payable under Subdivision (1) less an amount equal to the total of the payments of allowance made pursuant to this Subdivision (2) shall be paid in lump sum as follows:

(A) If the person last entitled to said allowance is the remarried surviving spouse of such member, to such spouse.

(B) Otherwise, to the surviving children of the member, share and share alike, or if there are no such children, to the estate of the person last entitled to said allowance.

The surviving spouse may elect, on a form provided by the Retirement System and filed in the office of the Retirement System before the first payment of the allowance provided herein, to receive the benefit provided in Subdivision (1) of this Subsection in lieu of the allowance which otherwise would be payable under the provisions of this Subdivision. If a surviving spouse, who was entitled to make the election herein provided, shall die before or after making such election, but before receiving any payment pursuant to such election, then the legally appointed guardian of the unmarried children of the member under the age of 18 years, may make the election herein provided before benefit has been paid under this Subsection (e), for and on behalf of such children if, in his or her judgment it appears to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

If any person other than such surviving spouse shall have and be paid a community property interest in any portion of any benefit provided under this Subsection (e), any allowance payable under this Subdivision (2) shall be reduced by the actuarial equivalent, at the date of the member's death, of the amount of benefits paid to such other person.

Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her estate or designated beneficiary in the manner and subject to the conditions prescribed by the Board of Supervisors for the payment of a similar death benefit upon the death of other retired members.

(f) Should any miscellaneous member cease to be employed as such a member, through any cause other than death or retirement, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to cover similar terminations of employment and reemployment with and without redeposit of withdrawn accumulated contributions of other members of the Retirement System, provided that if such member is entitled to be credited with at least 10 years of service or if his or her accumulated contributions exceed \$1,000, he or she shall have the right to elect, without right of revocation and within 90 days after said termination of service, or if the termination was by lay-off, 90 days after the ~~R~~retirement ~~B~~board determines the termination to be permanent, whether to allow his or her accumulated contributions to remain in the retirement fund and to receive benefits only as provided in this paragraph. Failure to make such election shall be deemed an irrevocable election to withdraw his or her accumulated contributions. A person who elects to allow his or her accumulated contributions to remain in the retirement fund shall be subject to the same age requirements as apply to other members under this Section for service retirement, but he or she shall not be subject to a minimum service requirement. Upon the qualification of such member for retirement by reason of age, he or she shall be entitled to receive a retirement allowance which shall be the actuarial equivalent of his or his accumulated contributions and an equal amount of the contributions of the City and County, plus 1 2/3 percent of his average final compensation for each year of service credited to him or her as rendered prior to his first membership in the Retirement System. Upon the death of such member prior to retirement, his or her contributions with interest credited thereon shall be paid to his or her estate or designated beneficiary.

(g) The following time and service shall be included in the computation of the service to be credited to a member for the purpose of determining whether such member qualifies for retirement and calculating benefits:

(1) Time during which said member is a member of the Retirement System and during and for which said member is entitled to receive compensation because of services as a miscellaneous officer or employee.

(2) Service in the fire and police departments which is not credited as service of a member under this Section shall count under this Section upon transfer of a member of either of such departments to employment entitling him or her to membership in the Retirement System under this Section, provided that the accumulated contribution standing to the credit of such member shall be adjusted by refund to the member or by payment of the member, to bring the account at the time of such transfer to the amount which would have been credited to it had the member been a miscellaneous employee throughout the period of his or her service in either such departments at the compensation he or she received in such departments.

(3) Time during which said member is absent from a status included in paragraphs (1) or (2) next preceding which is not deemed absence from service under the provisions of Section A8.520 of the Charter and for which such member is entitled to receive credit as service for the City and County by virtue of contributions made in accordance with the provisions of such Section.

(4) Prior service determined and credited as prescribed by the Board of Supervisors for persons who are members under Section A8.507.

(5) The Board of Supervisors, by ordinance enacted by a three-fourths vote of its members, may provide for the crediting as service under the Retirement System of service, other than military service, rendered as an employee of the federal government and service rendered as an employee of the State of California or any public entity or public agency in the State of California. Said ordinance shall provide that all contributions required as the result of the crediting of such service shall be made by the member and that no contributions there for shall be required of the City and County.

(6) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(h) All payments provided under this Section shall be made from funds derived from the following sources, plus interest earned on said funds:

(1) There shall be deducted from each payment of compensation paid to a member under Section A8.509 a sum equal to 7½ percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member under Section A8.509, or shall be paid to said member or his estate or beneficiary as provided in Sections A8.509(e) and A8.509(f). The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(2) Contributions based on time included in paragraphs (1) and (3) of Subsection (g), and deducted prior to July 1, 1947, from compensation of persons who become members under this Section, and standing with interest thereon, to the credit of such members on the records of the Retirement System on said date, shall continue to be credited to the individual accounts of said members, and shall be combined with and administered in the same manner as the contributions deducted after said date.

(3) The total contributions, with interest thereon, made by or charged against the City and County and standing to its credit, on July 1, 1948, in the accounts of the Retirement System, on account of persons who become members under this Section, shall be applied to provide the benefits under this Section.

(4) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in the preceding paragraphs of this Subsection (h), to provide the benefits payable under this Section. Such contributions of the City and County to provide the portion of the benefits hereunder, which shall be based on service rendered by each member prior to the date upon which his or her rate of contribution is determined in paragraph (1) Subsection (h), shall not be less during any fiscal year than the amount of such benefits paid during said year. Such contributions of the City and County to provide the portion of the benefits hereunder, which shall be based on service rendered by respective members on and after the date stated in the next preceding sentence, shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total salaries paid during said year, to persons who are members under this Section, said percentage to be the ratio of the value of the effective date hereof, or at the later date of a periodical actuarial valuation and investigation into the experience under the system, of the benefits thereafter to be paid under this Section, from contributions of the City and County, less the amount of such contributions, and plus accumulated interest thereon, then held by said system to provide said benefits on account of service rendered by respective member after the date stated in the sentence next preceding, to the value at said respective dates of salaries thereafter payable to said members. Said values shall be determined by the actuary, who shall take into account the interest which shall be earned on said contributions, the compensation experience of members, and the probabilities of separation by all causes, of members from service before retirement, and of death after retirement. Said percentage shall be changed only on the basis of said periodical actuarial valuation and investigation into the experience under the system. Said actuarial valuation shall be made every even-numbered year, and said investigation into the experience under the system shall be made every odd-numbered year.

Notwithstanding the provisions of this Subdivision (4), any additional liabilities created by the amendments of this Section A8.509 contained in the proposition there for submitted to the electorate on November 6, 1973, shall be amortized over a period of 30 years.

(5) Notwithstanding any other provision of this Section A8.509 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (h)(1) for each member with a base rate of pay at or above \$24.00 per hour, but less than \$48.00 per hour, shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (h)(4). The foregoing base rates of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). The increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51% -4.0%</b></u>  | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5 %</b></u>           |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |

|                     |              |
|---------------------|--------------|
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.0%</u>  |
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.509, or shall be paid to said member or his or her beneficiary or estate as provided in Section A8.509(e).*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven and one half percent of the member's*

compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (h)(4) for that fiscal year.

(6) Notwithstanding any other provision of this Section A8.509 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (h)(1) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (h)(4). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |



|                     |              |
|---------------------|--------------|
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.509, or shall be paid to said member or his or her beneficiary or estate as provided in Section A8.509(e).*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member*

and the City and County combined, a sum equal to seven and one half percent of the member's compensation as provided in Subsection (h)(1). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (h)(4) for that fiscal year.

(5Z) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County, held by the system to provide the benefits under this Section, shall be a part of the fund in which all other assets of said system are included. Nothing in the Section shall affect the obligations of the City and County to pay to the Retirement System any amounts which may or shall become due under the provisions of the Charter prior to the effective date hereof, and which are represented on July 1, 1947, in the accounts of said system by debits against the City and County.

(8) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the procedures under Section A8.409.

(i) Upon the completion of the years of service set forth in Subsection (b) of this Section as requisite to retirement, a member shall be entitled to retire at any time thereafter in accordance with the provisions of said Subsection (b), and nothing shall deprive said member of said right.

(j) Except as otherwise provided in Section A8.511 of this Charter, no person retired under this Section, for service or disability and entitled to receive a retirement allowance under the Retirement System, shall serve in any elective or appointive position in the City and County service, including membership on boards and commissions, nor shall such persons receive any payment for service rendered to the City and County after retirement, provided that service as an election officer or juror shall not be affected by this Section.

(k) Any Section or part of any Section in this Charter, insofar as it should conflict with this Section, or with any part thereof, shall be superseded by the contents of this Section. In the event that any word, phrase, clause or subsection of this Section shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.

(l) Notwithstanding the provisions of ~~Subsections~~divisions (b), (c), (f), and (i) of this Section, any member convicted of a crime involving moral turpitude, committed in connection with his or her duties as an officer or employee of the City and County of San Francisco, shall, upon his or her removal from office or employment pursuant to the provisions of this Charter, forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of ~~Subsection~~division (b) of this Section, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment, whether to withdraw all of his or her accumulated contributions or to receive as his or her sole benefit under the Retirement System, an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

(m) The amendments of this Section contained in the proposition submitted to the electorate on November 6, 1984 are hereby declared to be prospective and shall not give any person a claim against the City and County relating to a death prior to ratification of this amendment by the State Legislature.

(n) The amendments to Section A8.509 contained in the proposition submitted to the electorate on June 3, 2008 shall apply only to miscellaneous officers and employees under this Section A8.509 who were not retired on January 70, 2009, and whose accumulated contributions were in the retirement fund on January 70, 2009, and who were not retired on that date.

(o) Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.509 or with any part thereof, shall be superseded by the

contents of Section A8.509. Section A8.509 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.509 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.509. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.509 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of this Section A8.509 which can be given effect. Section A8.509 shall be broadly construed to achieve its stated purposes.

## **SEC. A8.585-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.585 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) The normal rate of contribution for each member under Section A8.585 shall be based on his or her age taken to the next lower complete quarter year, (1) at the date he or she became a member under Section A8.568, in the case of persons who are members under that section, or (2) on his or her age at the date he or she becomes a member under Section A8.585 in the case of persons who become members on or after July 1, 1975, without credit for service counted under Section A8.585-10. The age of entrance into the fire department shall be determined by deducting the member's service credited under Section A8.585-10 as rendered prior to the date upon which his or her age is based for determination of his or her rate of contribution according to the sentence next preceding, from said age. The normal rate of contribution of each such member, to be effective from the effective date of membership under Section A8.585, shall be such as, on the average for such member, will provide, assuming service without interruption, under Section A8.585-2, one-third of that portion of the service retirement allowance to which he or she would be entitled, without continuance to dependents, upon first qualifying as to age and service for retirement under that section, which is based on service

rendered after the date upon which his or her age is based for determination of his or her rate of contribution according to the first sentence in this paragraph, and assuming the contribution to be made from that date. The normal rate of contribution, however, shall not exceed seven percent.

(b) The dependent contributions for each member under this section which shall be required of each member throughout his or her membership in addition to the normal contributions, and in the same manner as normal contributions, shall be such as, on the average for such member, will provide, assuming service without interruption under Section A8.585-2, and upon his first qualifying as to age and service for retirement under that section, one-third of the portion of his or her allowance, which is to be continued under Section A8.585-5 after his or her death and throughout the life of a surviving ~~wife~~spouse whose age at said death is three years less than the age of said member. If, at the date of retirement for service or retirement for disability resulting from injury received in performance of duty, said member has no ~~wife~~spouse who would qualify for the continuance of the allowance to ~~her~~them after the death of said member, or upon retirement for disability resulting from other causes, regardless of his or her marital conditions, the dependent contributions with accumulated interest thereon, shall be paid to him or her forthwith. The dependent rate of contribution, however, shall not exceed the difference between seven percent and the member's normal rate of contribution, and said dependent rate may be taken as a flat percentage of the member's normal rate, regardless of the age of qualification for service retirement.

(c) There shall be deducted from each payment of compensation made to a member under this Section, a sum determined by applying the member's rates of contribution to such compensation payment. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement

allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her estate or beneficiary as provided in Sections A8.585-85, A8.585-96 and A8.585-10 §. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(d) Contributions based on time included in Subsections (a), (b) and (c) of Section A8.585-10, and deducted prior to July 1, 1975, from compensation of persons who become members under Section A8.585, and standing with interest thereon, to the credit of such members on the records of the Retirement System on said date, together with contributions made by such members pursuant to the provisions of Section A8.526 and standing with interest thereon to the credit of such members on the records of the Retirement System on said date, shall continue to be credited to the individual accounts of said members and shall be combined with and administered in the same manner as the contributions deducted after said date.

(e) The total contributions, with interest thereon, made by or charged against the City and County and standing to its credit, in the accounts of the Retirement System, on account of persons who become members under Section A8.585, shall be applied to provide the benefits under said Section A8.585.

(f) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in the preceding paragraphs of this Section A8.585-11, to provide the benefits payable to members under Section A8.585. Such contributions of the City and County to provide the portion of the benefits hereunder which shall be based on service rendered by each member prior to the date upon which his or her age is based for determination of his or her rate of contribution in Subsection (a) of this Section A8.585-11, shall not be less during any fiscal year than the amount of such benefits paid during said year. Such contributions of the City and County to provide the portion of the benefits hereunder which shall be based on service rendered by respective members on and after the date stated in the preceding sentence, shall be made in annual installments, and the installment to be

paid in any year shall be determined by the application of a percentage to the total compensation paid during said year, to persons who are members under Section A8.585, said percentage to be the ratio of the value on July 1, 1975, or at the later date of a periodical actuarial valuation and investigation into the experience under the system, of the benefits thereafter to be paid under this ~~Section~~, from contributions of the City and County, less the amount of such contributions, and plus accumulated interest thereon, then held by said systems to provide said benefits on account of service rendered by respective members after the date stated in the sentence next preceding, to the value of said respective dates of salaries thereafter payable to said members. Said values shall be determined by the actuary, who shall take into account the interest which shall be earned on said contributions, the compensation experience of members and the probabilities of separation by all causes, of members from service before retirement and of death after retirement. Said percentage shall be changed only on the basis of said periodical actuarial valuation and investigation into the experience under the system. Said actuarial valuation shall be made every even-numbered year and said investigation into the experience under the system shall be every odd-numbered year.

(g) ~~To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies the contributions of both members of the City and County held by the system to provide the benefits under this Section, shall be a part of the fund in which all other assets of said system are included. Nothing in this Section shall affect the obligations of the City and County to pay to the Retirement System any amounts which may or shall become due under the provisions of the Charter prior to July 1, 1975, and which are represented on said effective date, in the accounts of said system by debits against the City and County.~~ Notwithstanding any other provision of this Section A8.585-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member, shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement

System's actuary as prescribed in Subsection (f). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>5.0%</b></u>             |
| <u><b>Over 35.0%</b></u>   | <u><b>6.0%</b></u>             |



The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.585, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.585-4, A8.585-5, and A8.585-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (f) for that fiscal year.

(h) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies the contributions of both members of the City and County held by the system to provide the benefits under this Section, shall be a part of the fund in which all other assets of said system are included. Nothing in this Section shall affect the obligations of the City and County to pay to the Retirement System any amounts which may or shall become due under the provisions of the

Charter prior to July 1, 1975, and which are represented on said effective date, in the accounts of said system by debits against the City and County.

(i) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the procedures under Section A8.590 et seq.

#### **SEC. A8.585-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.585 or with any part thereof, shall be superseded by the contents of Section A8.585. Section A8.585 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.585 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.585. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.585 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.585 which can be given effect. Section A8.585 shall be broadly construed to achieve its stated purposes.

#### **SEC. A8.587-8 SOURCES OF FUNDS**

All payments provided for members under Section A8.587 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.587 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement

System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member under Section A8.587, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.587-5 and A8.587-6. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.587-8, to provide the benefits payable to members under Section A8.587. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.587, said percentage to be the ratio of the value as of the latest periodical actuarial valuation of the benefits thereafter to be paid to or on account of members under Section A8.587 from contributions of the City and County, less the amount of such contributions, plus accumulated interest thereon, then held by said system to provide said benefits on account of service rendered by respective members after said date, to the value at said respective dates of salaries thereafter payable to said members. Said values shall be determined by the actuary, who shall take into account the interest which shall be earned on said contributions, the compensation experience of members, and the probabilities of separation by all causes, of members from service before retirement and of death after retirement. Said percentage shall be changed only on the basis of said periodical actuarial valuation and investigation into the experience under the system. Said actuarial valuations and investigations shall be made at least every two years.

(c) ~~To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.587, shall be a part of the fund in which all other assets~~

~~of said system are included.~~ Notwithstanding any other provision of this Section A8.587-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$24.00 per hour, but less than \$48.00 per hour, shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The foregoing base rates of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.587, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.587-5 and A8.587-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.587-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01% -2.5%</b></u>  | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.587, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.587-5 and A8.587-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.587 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.409.

#### **SEC. A8.587-12 ~~CONFLICTING CHARTER PROVISIONS~~ SEVERABILITY**

~~Any Ssection or part of any Ssection in this Charter, insofar as it should conflict with the provisions of Sections A8.587 through A8.587-13 4or with any part thereof, shall be superseded by the contents of said sections. In the event that any word, phrase, clause or section of Sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.~~

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.587 or with any part thereof, shall be superseded by the contents of Section A8.587. Section A8.587 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.587 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.587. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.587 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.587 which can be given effect. Section A8.587 shall be broadly construed to achieve its stated purposes.



## **SEC. A8.595-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.595 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.595 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or estate as provided in Section A8.595-~~84~~, A8.595-~~95~~ and A8.595-~~108~~.

(b) The dependent contributions of each member under this ~~Section~~ which shall be required of each member throughout his or her membership in addition to the normal contributions, and in the same manner as normal contributions, shall be such as, on the average for such member, will provide, assuming service without interruption under Section A8.595-2, and upon he or she first qualifying as to age and service for retirement under that section, one-third of the portion of his or her allowance, which is to be continued under Section A8.595-5 after his or her death and throughout the life of a surviving spouse whose age at said death is three years less than the age of said member. If, at the date of retirement for service or retirement for disability resulting from injury received in the performance of duty, said member has no spouse who would qualify for the continuance of the allowance to him or her after the death of said member, or upon retirement for disability resulting from other causes, regardless of his or her marital conditions, the dependent contributions with accumulated interest thereon, shall be paid to him or her forthwith. The dependent rate of contribution, however, shall not exceed the difference between seven percent and the member's normal rate of contribution, and

said dependent rate may be taken as a flat percentage of the member's normal rate, regardless of the age of qualification for service retirement.

(c) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.595-11, to provide the benefits payable to members under Section A8.595. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.595 in accordance with the provisions of Section A8.510.

(d) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.595 shall be a part of the fund in which all other assets of said system are included.

(e) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

~~The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.~~

(f) Notwithstanding any other provision of this Section A8.595-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (c). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>3.0%</u>  |
| <u>20.01%-22.5%</u> | <u>3.5%</u>  |
| <u>22.51%-25.0%</u> | <u>4.5%</u>  |
| <u>25.01%-27.5%</u> | <u>4.5%</u>  |
| <u>27.51%-30.0%</u> | <u>4.75%</u> |
| <u>30.01%-32.5%</u> | <u>4.75%</u> |
| <u>32.51%-35.0%</u> | <u>5.0%</u>  |
| <u>Over 35.0%</u>   | <u>6.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.595, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.595-4, A8.595-5 and A8.595-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System on account of said member otherwise required for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation*

as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (c) for that fiscal year.

(g) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the impasse procedures under Sections A8.590 et seq.

#### **SEC. A8.595-15 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.595 or with any part thereof, shall be superseded by the contents of Section A8.595. Section A8.595 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.595 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.595. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.595 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.595 which can be given effect. Section A8.509 shall be broadly construed to achieve its stated purposes.

#### **SEC. A8.596-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.596 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.596 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said

contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or estate as provided in Section A8.596-~~84~~, A8.596-95 and A8.596-~~108~~.

(b) The dependent contributions of each member under this Section which shall be required of each member throughout his or her membership in addition to the normal contributions, and in the same manner as normal contributions, shall be such as, on the average for such member, will provide, assuming service without interruption under Section A8.596-2, and upon he or she first qualifying as to age and service for retirement under that section, one-third of the portion of his or her allowance, which is to be continued under Section A8.596-5 after his or her death and throughout the life of a surviving spouse whose age at said death is three years less than the age of said member. If, at the date of retirement for service or retirement for disability resulting from injury received in the performance of duty, said member has no spouse who would qualify for the continuance of the allowance to him or her after the death of said member, or upon retirement for disability resulting from other causes, regardless of his or her marital conditions, the dependent contributions with accumulated interest thereon, shall be paid to him or her forthwith. The dependent rate of contribution, however, shall not exceed the difference between seven percent and the member's normal rate of contribution, and said dependent rate may be taken as a flat percentage of the member's normal rate, regardless of the age of qualification for service retirement.

(c) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.596-11, to provide the benefits payable to members under Section A8.596. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the

application of a percentage to the total compensation paid during said year to persons who are members under Section A8.596 in accordance with the provisions of Section A8.510.

(d) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.604, shall be a part of the fund in which all other assets of said system are included.

(e) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

~~*The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.*~~

*(f) Notwithstanding any other provision of this Section A8.596-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal*

year calculated by the Retirement System's actuary as prescribed in Subsection (c). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>5.0%</b></u>             |



**Over 35.0%**

**6.0%**

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.596, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.596-4, A8.596-5 and A8.596-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System on account of said member otherwise required for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (c) for that fiscal year.*

*(g) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the impasse procedures under Section A8.590 et seq*

#### **SEC. A8.596-15 SEVERABILITY**

*Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.596 or with any part thereof, shall be superseded by the contents of*

Section A8.596. Section A8.596 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.596 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.596. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.596 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.596 which can be given effect. Section A8.596 shall be broadly construed to achieve its stated purposes.

## **SEC. A8.597-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.597 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.597 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.597-~~85~~, A8.597-~~96~~ and A8.597-~~108~~.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.597-11, to provide the benefits payable to members under Section A8.597. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the

application of a percentage to the total compensation paid during said year to persons who are members under Section A8.597 in accordance with the provisions of Section A8.510.

(c) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.597, shall be a part of the fund in which all other assets of said system are included.

(d) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

~~*The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.*~~

*(e) Notwithstanding any other provision of this Section A8.597-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal*

year calculated by the Retirement System's actuary as prescribed in Subsection (b). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>5.0%</b></u>             |

**Over 35.0%**

**6.0%**

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.597, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.597-4, A8.597-4 and A8.597-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System on account of said member otherwise required for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*Said contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.*

*(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the impasse procedures under Sections A8.590 et seq.*

#### **SEC. A8.597-14 CONFLICTING CHARTER PROVISIONS SEVERABILITY**

*Any Ssection or part of any Ssection in this Charter, insofar as it should conflict with the provisions of Section A8.597 through A8.597-157 or with any part thereof, shall be superseded*

*by the contents of said Sections. In the event that any word, phrase, clause or section of said Sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.*

*Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.597 or with any part thereof, shall be superseded by the contents of Section A8.597. Section A8.597 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.597 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, or provisions of Section A8.597. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.597 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.597 which can be given effect. Section A8.597 shall be broadly construed to achieve its stated purposes.*

## **SEC. A8.598-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.598 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.598 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.598-~~84~~, A8.598~~9-95~~ and A8.598-~~108~~.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.598-11, to provide the benefits payable to members under Section A8.598. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.598 in accordance with the provisions of Section A8.510.

(c) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.598, shall be a part of the fund in which all other assets of said system are included.

(d) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.

*(e) Notwithstanding any other provision of this Section A8.598-11 or this Charter, for fiscal years beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:*

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>3.0%</b></u>             |



|                     |              |
|---------------------|--------------|
| <u>20.01%-22.5%</u> | <u>3.5%</u>  |
| <u>22.51%-25.0%</u> | <u>4.5%</u>  |
| <u>25.01%-27.5%</u> | <u>4.5%</u>  |
| <u>27.51%-30.0%</u> | <u>4.75%</u> |
| <u>30.01%-32.5%</u> | <u>4.75%</u> |
| <u>32.51%-35.0%</u> | <u>5.0%</u>  |
| <u>Over 35.0%</u>   | <u>6.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.598, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.598-4, A8.598-5 and A8.598-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System on account of said member otherwise required for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.*

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including the impasse procedures under Sections A8.590 et seq.

#### **SEC. A8.598-14 ~~CONFLICTING CHARTER PROVISIONS~~ SEVERABILITY**

~~Any Ssection or part of any Ssection in this Charter, insofar as it should conflict with the provisions of Section A8.598 through A8.598-157 or with any part thereof, shall be superseded by the contents of said Sections. In the event that any word, phrase, clause or section of said Sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.~~

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.598 or with any part thereof, shall be superseded by the contents of Section A8.598. Section A8.598 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.598 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.598. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.598 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.598 which can be given effect. Section A8.598 shall be broadly construed to achieve its stated purposes.

#### **SEC. A8.600-8 SOURCES OF FUNDS**

All payments provided for members under Section A8.600 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.600 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited

to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member under Section A8.600, or shall be paid to said member or his or her estate or beneficiary as provided in Sections A8.600-5 and A8.600-6. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.600-8, to provide the benefits payable to members under Section A8.600. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.600, said percentage to be the ratio of the value as of the latest periodical actuarial valuation of the benefits thereafter to be paid to or on account of members under Section A8.600 from contributions of the City and County, less the amount of such contributions, plus accumulated interest thereon, then held by said system to provide said benefits on account of service rendered by respective members after said date, to the value at said respective dates of salaries thereafter payable to said members. Said values shall be determined by the actuary, who shall take into account the interest which shall be earned on said contributions, the compensation experience of members, and the probabilities of separation by all causes, of members from service before retirement and of death after retirement. The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said

percentage shall be changed only on the basis of said periodical actuarial valuation and investigation into the experience under the system. Said actuarial valuations and investigations shall be made at least every two years.

(c) ~~To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.587, shall be a part of the fund in which all other assets of said system are included. Notwithstanding any other provision of this Section A8.600-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$24.00 per hour, but less than \$48.00 per hour, shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The foregoing base rates of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:~~

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |

|                     |              |
|---------------------|--------------|
| <u>7.01%-8.5%</u>   | <u>-1.5%</u> |
| <u>8.51%-10.0%</u>  | <u>-1.0%</u> |
| <u>10.01%-11.0%</u> | <u>-0.5%</u> |
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.0%</u>  |
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.600, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.600-5 and A8.600-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.600-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01% -2.5%</b></u>  | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |

|                     |              |
|---------------------|--------------|
| <u>7.01%-8.5%</u>   | <u>-2.0%</u> |
| <u>8.51%-10.0%</u>  | <u>-1.5%</u> |
| <u>10.01%-11.0%</u> | <u>-0.5%</u> |
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.600, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.600-5 and A8.600-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.600 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.409.

#### **SEC. A8.600-12 ~~CONFLICTING CHARTER PROVISIONS~~ SEVERABILITY**

~~Any section or part of any section in this Charter, insofar as it should conflict with the provisions of Sections A8.600 through A8.600-14 or with any part thereof, shall be superseded by the contents of said sections. In the event that any word, phrase, clause or section of sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.~~

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.600 or with any part thereof, shall be superseded by the contents of Section A8.600. Section A8.600 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.600 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses,



sentences, subsections, provisions or portions of Section A8.600. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.600 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.600 which can be given effect. Section A8.600 shall be broadly construed to achieve its stated purposes.

## **SEC. A8.601-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.601 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.601 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. The eight and one-half percent member contribution rate shall take effect immediately upon expiration of the agreement that is operative on June 30, 2010, between the City and County and the recognized bargaining organization representing said members. Prior to that time, there shall be deducted from each payment of compensation made to a member under Section a sum equal to seven percent of such payment of compensation. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.601-8, A8.601-9 and A8.601-10.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.601-11, to provide the benefits payable to members under Section A8.601. Such contributions of the City and County to provide the portion of the benefits hereunder shall be

made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.601 in accordance with the provisions of Section A8.510.

(c) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.601, shall be a part of the fund in which all other assets of said system are included.

(d) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq, shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

~~*The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.*~~

*(e) Notwithstanding any other provision of this Section A8.601-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each*

member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.601, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.601-4, A8.601-5 and A8.601-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.*

(f) Notwithstanding any other provision of this Section A8.601-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.601, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.601-4, A8.601-5 and A8.601-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.

(g) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.601 shall be a part of the fund in which all other assets of said system are included.

(h) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.601-14 ~~CONFLICTING CHARTER PROVISIONS~~ SEVERABILITY**

~~Any Ssection or part of any Ssection in this Charter, insofar as it should conflict with the provisions of Section A8.601 through A8.601-15 or with any part thereof, shall be superseded by the contents of said Sections. In the event that any word, phrase, clause or section of said Sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.~~

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.601 or with any part thereof, shall be superseded by the contents of Section A8.601. Section A8.601 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.601 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, or provisions of Section A8.601. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.601 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any

application of Section A8.601 which can be given effect. Section A8.601 shall be broadly construed to achieve its stated purposes.

## **SEC. A8.602-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.602 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.602 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. The eight and one-half percent member contribution rate shall take effect immediately upon expiration of the agreement that is operative on June 30, 2010, between the City and County and the recognized bargaining organization representing said members. Prior to that time, there shall be deducted from each payment of compensation made to a member under Section A8.602 a sum equal to seven percent of such payment of compensation. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.602-8, A8.602-9 and A8.602-10.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.602-11, to provide the benefits payable to members under Section A8.602. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.602 in accordance with the provisions of Section A8.510.



(c) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.602, shall be a part of the fund in which all other assets of said system are included.

(d) Any year in which, based upon the Retirement System's annual actuarial valuation, the employer contribution rate exceeds 0%, the employee organizations representing safety members shall jointly meet and confer with City representatives to implement a cost sharing arrangement between the City and employee organizations. Such arrangement will effect a material reduction of the cost impact of employer contributions on the City's general fund.

The dollar value of the cost sharing arrangement shall not exceed the total annual cost to the Retirement System of improving the police and fire safety retirement plans to the 3% @ 55 benefit level or the total employer contribution required by the Retirement System, whichever is lesser. Such cost sharing arrangement shall not require an employee contribution in excess of the limits set elsewhere in this Charter.

The meet and confer process, including all impasse procedures under Section A8.590-1 et seq., shall be concluded not later than April 1st except by mutual agreement of the parties. The cost sharing arrangement must be finalized to permit implementation effective July 1.

~~*The Retirement Board's authority under Charter Section 12.100 and in Section A8.510 concerning the annual setting of the rates of contribution are not subject to the meet and confer process, including all impasse procedures under Section A8.590-1 et seq.*~~

*(e) Notwithstanding any other provision of this Section A8.602-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be*

adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>3.75%</b></u>            |

30.01%-32.5%                      3.75%

32.51%-35.0%                      4.0%

Over 35.0%                          4.0%

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.602, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.602-4, A8.602-5 and A8.602-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.*

*(f) Notwithstanding any other provision of this Section A8.602-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the*

Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.0%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.602, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.602-4, A8.602-5 and A8.602-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County under Subsection (b) for that fiscal year.*

*(g) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.*

## **SEC. A8.602-14 ~~CONFLICTING CHARTER PROVISIONS~~ SEVERABILITY**

~~Any section or part of any section in this Charter, insofar as it should conflict with the provisions of Sections A8.602 through A8.602-16 or with any part thereof, shall be superseded by the contents of said sections. In the event that any word, phrase, clause or section of said sections shall be adjudged unconstitutional, the remainder thereof shall remain in full force and effect.~~

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.602 or with any part thereof, shall be superseded by the contents of Section A8.602. Section A8.602 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.602 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.602. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.602 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.602 which can be given effect. Section A8.602 shall be broadly construed to achieve its stated purposes.

Section 6. The San Francisco Charter is hereby amended, by adding Sections A8.603 through A8.603-14 to read as follows:

### **SEC. A8.603 MISCELLANEOUS OFFICERS AND EMPLOYEES ON AND AFTER JANUARY 7, 2012**

Miscellaneous officers and employees who become employed on and after January 7, 2012, shall be eligible to become members of the Retirement System subject to the provisions of Sections A8.603 through A8.603-14, in addition to such other applicable provisions including, but not limited to, A8.500 of this Charter; provided that persons who become members under the Public Employees' Retirement System of the State of California or members of the State Teachers' Retirement System of the State of California shall not be members of the San

Francisco City and County Employees' Retirement System and provided, further, that the Retirement System shall be applied to persons employed on a part-time or temporary basis only as the Board of Supervisors shall determine by ordinance enacted by three-fourths vote of all members of the Board.

#### **SEC. A8.603-1 DEFINITIONS**

The following words and phrases as used in this Section, unless a different meaning is plainly required by the context, shall have the following meaning:

"Retirement allowance," or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other premiums or allowances made by the City and County, for service qualifying for credit under this Section, but excluding remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new premiums or allowances first paid by the City and County after January 7, 2012, that exceed the rate of pay fixed for each classification for service qualifying for credit under this Section. For members with concurrent service in more than one position, "compensation" shall be limited to remuneration for the first hours paid during any fiscal year equal to one full time equivalent position. "Compensation" for any fiscal year shall not include remuneration that exceeds eighty five percent of the limits set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

"Compensation earnable" shall mean the compensation as determined by the Retirement Board, which would have been earned by the member had he or she worked, throughout the period under consideration, the average number of days ordinarily worked by persons in the same grade or class of positions as the positions held by him or her during such period and at

the rate of pay attached to such positions, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to entering City service, he or she was in the position first held by him or her in City service.

"Benefit" shall include "allowance," "retirement allowance," and "death benefit."

"Average final compensation" shall mean the average monthly compensation earned by a member during the higher of any three consecutive fiscal years of earnings or the thirty six consecutive months of earnings immediately prior to retirement.

For the purposes of the Retirement System and of this Section, Section A8.603 and Sections A8.603-2 through A8.603-14, the terms "miscellaneous officer or employee," or "member," shall mean any officer or employee employed on and after January 7, 2012, who is not a member of the police, fire or sheriff's departments or in a miscellaneous safety classification as defined in the Charter for the purposes of the Retirement System. Said terms shall not include those persons who become members under the Public Employees' Retirement System or members of the State Teachers' Retirement System.

"Retirement System" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Sections 12.100 and A8.500 of the Charter.

"Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter genders, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

## **SEC. A8.603-2 SERVICE RETIREMENT**

Any member who completes at least 20 years of service in the aggregate credited in the Retirement System and attains the age of 53 years, or at least 10 years of service in the aggregate credited in the Retirement System, and attains the age of 60 years, said service to be



computed under Section A8.603-7 may retire for service at his or her option. Members may retire under this Section, on the first day of the month next following the attainment by them of the age of 65 years. A member retired after reaching the age of 65 years shall receive a service retirement allowance at the rate of 2.3 percent of said average final compensation for each year of service. The service retirement allowance of any member retiring a) prior to attaining the age of 60 years, and after rendering 20 years or more of such service, computed under Section A8.603-7, and having attained the age of 53 years, or b) attaining the age of 60 years, and after rendering 10 years or more of such service, computed under Section A8.603-7, shall be an allowance equal to the percentage of said average final compensation set forth opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, computed under Section A8.603-7:

| <u><b>Age at Retirement</b></u> | <u><b>Percent for Each Year of Credited Service</b></u> |
|---------------------------------|---|
| <u><b>53</b></u>                | <u><b>1.000</b></u>                                     |
| <u><b>53 1/4</b></u>            | <u><b>1.027</b></u>                                     |
| <u><b>53 1/2</b></u>            | <u><b>1.054</b></u>                                     |
| <u><b>53 3/4</b></u>            | <u><b>1.081</b></u>                                     |
| <u><b>54</b></u>                | <u><b>1.108</b></u>                                     |
| <u><b>54 1/4</b></u>            | <u><b>1.135</b></u>                                     |
| <u><b>54 1/2</b></u>            | <u><b>1.162</b></u>                                     |
| <u><b>54 3/4</b></u>            | <u><b>1.189</b></u>                                     |
| <u><b>55</b></u>                | <u><b>1.216</b></u>                                     |
| <u><b>55 1/4</b></u>            | <u><b>1.243</b></u>                                     |
| <u><b>55 1/2</b></u>            | <u><b>1.270</b></u>                                     |
| <u><b>55 3/4</b></u>            | <u><b>1.297</b></u>                                     |

|            |              |
|------------|--------------|
| <u>56</u>  | <u>1.324</u> |
| <u>56¼</u> | <u>1.351</u> |
| <u>56½</u> | <u>1.378</u> |
| <u>56¾</u> | <u>1.405</u> |
| <u>57</u>  | <u>1.432</u> |
| <u>57¼</u> | <u>1.459</u> |
| <u>57½</u> | <u>1.486</u> |
| <u>57¾</u> | <u>1.513</u> |
| <u>58</u>  | <u>1.540</u> |
| <u>58¼</u> | <u>1.567</u> |
| <u>58½</u> | <u>1.594</u> |
| <u>58¾</u> | <u>1.621</u> |
| <u>59</u>  | <u>1.648</u> |
| <u>59¼</u> | <u>1.675</u> |
| <u>59½</u> | <u>1.702</u> |
| <u>59¾</u> | <u>1.729</u> |
| <u>60</u>  | <u>1.756</u> |
| <u>60¼</u> | <u>1.789</u> |
| <u>60½</u> | <u>1.810</u> |
| <u>60¾</u> | <u>1.837</u> |
| <u>61</u>  | <u>1.864</u> |
| <u>61¼</u> | <u>1.891</u> |

|            |              |
|------------|--------------|
| <u>61½</u> | <u>1.918</u> |
| <u>61¾</u> | <u>1.945</u> |
| <u>62</u>  | <u>1.972</u> |
| <u>62¼</u> | <u>1.999</u> |
| <u>62½</u> | <u>2.026</u> |
| <u>62¾</u> | <u>2.053</u> |
| <u>63</u>  | <u>2.080</u> |
| <u>63¼</u> | <u>2.107</u> |
| <u>63½</u> | <u>2.134</u> |
| <u>63¾</u> | <u>2.161</u> |
| <u>64</u>  | <u>2.188</u> |
| <u>64¼</u> | <u>2.215</u> |
| <u>64½</u> | <u>2.242</u> |
| <u>64¾</u> | <u>2.269</u> |
| <u>65</u>  | <u>2.3</u>   |

In no event shall a member's retirement allowance exceed seventy-five percent of his or her average final compensation.

Before the first payment of a retirement allowance is made, a member retired under this Section or Section A8.603-3 may elect to receive the actuarial equivalent of his or her allowance, partly in an allowance to be received by him or her throughout his or her life, and partly in other benefits payable after his or her death to another person or persons, provided that such election shall be subject to all the conditions prescribed by the Board of Supervisors to

govern similar elections by other members of the Retirement System, including the character and amount, of such other benefits.

In the calculations under this Section of the retirement allowance of a member having credit for service in a position in the evening schools and service in any other position, separate retirement allowances shall be calculated, in the manner prescribed for each class of service, the average final compensation in each case being that for the respective class of service, provided that the aggregate retirement allowance shall be taken into account in applying the provisions of this Section providing for a minimum retirement allowance. Part-time service and compensation shall be converted to full-time service and compensation in the manner prescribed by the Board of Supervisors, and when so converted shall be applied on full-time service and compensation in the calculation of retirement allowances.

#### **SEC. A8.603-3 RETIREMENT FOR INCAPACITY**

Any member who becomes incapacitated for performance of duty because of disability determined by a qualified hearing officer to be of extended and uncertain duration, and who shall have completed at least 10 years of service credited in the Retirement System in the aggregate, computed as provided in Section A8.603-7, shall be retired upon an allowance of 1.8% (one and eight-tenths percent) of the average final compensation of said member, as defined in Section A8.603-1 for each year of credited service, if such retirement allowance exceeds 40 percent of his or her average final compensation; otherwise 1.8% (one and eight-tenths percent) of his or her average final compensation multiplied by the number of years of City service which would be credited to him or her were such City service to continue until attainment by him or her of age 60, but such retirement allowance shall not exceed 40 percent of such average final compensation.

In the calculation under this Section of the retirement allowance of a member having credit for service in more than one position eligible for membership in the Retirement System, separate retirement allowances shall be calculated, in the manner prescribed for each class of

service, the average final compensation in each case being that for the respective class of service; provided that the average final compensation upon which the retirement allowance is calculated in such case shall be based on the compensation earned by the member in the classes of service rendered by him or her during the three years immediately preceding his or her retirement, and provided further that the member's combined initial retirement allowance shall be based on no more than one full-time equivalent position.

The question of retiring members under this Section may be brought before the Retirement Board on said Board's own motion, by the Retirement Board's Executive Director on its behalf, by said member, by his or her department head, or by his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease, and he or she shall be restored to service in the position or classification he or she occupied at the time of his or her retirement.

#### **SEC. A8.603-4 NO ADJUSTMENT FOR COMPENSATION PAYMENTS**

No modification of benefits provided in this Section shall be made because of any amounts payable to or on account of any member under Workers' Compensation laws of the State of California.

#### **SEC. A8.603-5 DEATH BENEFIT**

If a member shall die, before retirement:

(a) If no benefit is payable under subsection (b) of this Section:

(1) Regardless of cause, a death benefit shall be paid to the member's designated beneficiary or estate consisting of the compensation earnable by the member during the six months immediately preceding death, plus the member's contributions and interest credited thereon.

(2) If a member sustains a traumatic bodily injury through external and violent means in the course and scope of employment and death results within 180 days of such injury,

an additional insurance benefit of 12 months of compensation earnable shall be paid to the member's designated beneficiary or estate.

(b) If, at the date of his or her death, he or she was qualified for service retirement by reason of service and age under the provisions of Section A8.603-2, and he or she has designated as beneficiary his or her surviving spouse, who was married to him or her for at least one full year immediately prior to the date of his or her death, one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service on the date of his or her death shall be paid to such surviving spouse who was his or her designated beneficiary at the date of his or her death, until such spouse's death or remarriage, or if there be no surviving spouse, to the unmarried child or children of such member under the age of 18 years, collectively, until every such child dies, marries or attains the age of 18 years, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. If, at the death of such surviving spouse, who was receiving an allowance under this Subsection (b), there be one or more unmarried children of such member under the age of 18 years, such allowance shall continue to such child or children, collectively, until every such child dies, marries or attains the age of 18 years, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. If the total of the payments of allowance made pursuant to this Subsection (b) is less than the benefit which was otherwise payable under Subsection (a) of this Section, the amount of said benefit payable under Subsection (a) less an amount equal to the total of the payments of allowance made pursuant to this Subsection (b) shall be paid in a lump sum as follows:

(1) If the person last entitled to said allowance is the remarried surviving spouse of such member, to such spouse.

(2) Otherwise, to the surviving children of the member, share and share alike, or if there are no such children, to the estate of the person last entitled to said allowance.

The surviving spouse may elect, on a form provided by the Retirement System and filed in the office of the Retirement System before the first payment of the allowance provided herein, to receive the benefit provided in Subsection (a) of this Section in lieu of the allowance which otherwise would be payable under the provisions of this subdivision. If a surviving spouse, who was entitled to make the election herein provided, shall die before or after making such election but before receiving any payment pursuant to such election, then the legally appointed guardian of the unmarried children of the member under the age of 18 years may make the election herein provided before any benefit has been paid under this Section, for and on behalf of such children if in his or her judgment it appears to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

If any person other than such surviving spouse shall have and be paid a community property interest in any portion of any benefit provided under this Section, any allowance payable under this Subsection (b) shall be reduced by the actuarial equivalent, at the date of the member's death, of the amount of benefits payable to such other person.

Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate in the manner and subject to the conditions prescribed by the Board of Supervisors for the payment of a similar death benefit upon the death of other retired members.

Upon the death of a member after retirement, an allowance, in addition to the death benefit provided in the immediately preceding paragraph, shall be paid to his or her surviving spouse, until such surviving spouse's death or remarriage, equal to one-half of his or her retirement allowance as it was prior to optional modification, including the part of such allowance which was provided by additional contributions. No allowance, however, shall be paid under this paragraph to a surviving spouse unless such surviving spouse was married to said member at least one year immediately prior to his or her retirement. If such retired person leaves no such surviving spouse, or if such surviving spouse should die or remarry before every

child of such deceased retired person attains the age of 18 years, the allowance which such surviving spouse would have received had he or she lived and not remarried shall be paid to retired person's child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years.

#### **SEC. A8.603-6 BENEFITS UPON TERMINATION OF MEMBERSHIP**

Should any miscellaneous member cease to be employed as such a member, through any cause other than death or retirement, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to cover similar terminations of employment and re-employment with and without redeposit of withdrawn accumulated contributions of other members of the Retirement System, provided that, if such member is entitled to be credited with at least five years of service, he or she shall have the right to elect, without right of revocation and within 90 days after said termination of service, or if the termination was by lay-off, 90 days after the Retirement Board determines the termination to be permanent, whether to allow his or her accumulated contributions to remain in the retirement fund and to receive benefits only as provided in this paragraph. Failure to make such election shall be deemed an irrevocable election to withdraw his or her accumulated contributions. At or after 53 years of age, he or she shall be entitled to receive a retirement allowance which shall be the actuarial equivalent of his or her accumulated contributions and an amount equal to 50% (fifty percent) of said accumulated contributions paid by the City and County, plus 1.667% (one and two-thirds percent) of his or her average final compensation for each year of service credited to him or her as rendered prior to his or her first membership in the Retirement System. Upon the death of such member prior to retirement, his or her contributions with interest credited thereon shall be paid to his or her estate or designated beneficiary.



## **SEC. A8.603-7 COMPUTATION OF SERVICE**

*The following time and service shall be included in the computation of the service to be credited to a member for the purpose of determining whether such member qualifies for retirement and calculating benefits:*

*(a) Time during which said member is a member of the Retirement System under Section A8.603 and for which said member is entitled to receive compensation because of service as a miscellaneous officer or employee.*

*(b) Service in the fire and police departments which is not credited as service as a member under Section A8.603 shall count under this Section upon transfer of a member of either of such departments to employment entitling him or her to membership in the Retirement System under Section A8.603, provided that the accumulated contributions standing to the credit of such member shall be adjusted by refund to the member or by payment by the member to bring the account at the time of such transfer to the amount which would have been credited to it had the member been a miscellaneous member throughout the period of his or her service in either of such departments at the compensation he or she received in such departments.*

*(c) Prior service, during which said member was entitled to receive compensation while a miscellaneous member under any other Section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement Board.*

*(d) Prior service determined and credited as prescribed by the Board of Supervisors.*

*(e) The Board of Supervisors, by ordinance enacted by a three-fourths vote of its members, may provide for the crediting as service under the Retirement System service rendered as an employee of the federal government and service rendered as an employee of the State of California or any public entity or public agency in the State of California. Said ordinance shall*

provide that all contributions required as the result of the crediting of such service shall be made by the member and that no contributions there for shall be required of the City and County.

(f) Time during which said member is absent from a status included in Subsections (a) or (b) and for which such member is entitled to receive credit as service for the City and County by virtue of contributions made in accordance with the provisions of Sections A8.519, A8.520 or A8.521 of the Charter.

(g) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

#### **SEC. A8.603-8 SOURCES OF FUNDS**

All payments provided for members under Section A8.603 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.603 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.603, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.603-5 and A8.603-6. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.603-8, to provide the benefits payable to members under Section A8.603. Such contributions

of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.603 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.603-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$24.00 per hour, but less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The foregoing base rates of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |

|                     |              |
|---------------------|--------------|
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.0%</u>  |
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.603, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.603-5 and A8.603-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation*

as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.603-8 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |

|                     |              |
|---------------------|--------------|
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.603, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.603-5 and A8.603-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to seven percent of the member's compensation*

as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.607 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.409 et seq.

#### **SEC. A8.603-9 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.603-2 as requisite to retirement, a member shall be entitled to retire at any time thereafter in accordance with the provisions of Section A8.603-2, and, except as provided in Section A8.603-10, nothing shall deprive said member of said right, provided that age at retirement shall mean the age when the member terminated City and County employment.

#### **SEC. A8.603-10 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County, the school district, the college district, or the Superior Court of California, City and County of San Francisco, shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions: provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.603, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or

employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated, contributions at the time of such removal from office or employment.

Any member, after retirement for service or disability, or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County, the school district, the college district, or the Superior Court of California, City and County of San Francisco, shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.603-11 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and Subsection (b) of this Section, no person retired as a member under Section A8.603 for service or disability, or who has elected vesting, and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall not be affected by the provisions of Subsection (a) of this Section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said service does not exceed 120 working days or 960 hours per fiscal year.



(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.603, he or she shall re-enter membership under Section A8.603 and his or her retirement allowance shall be cancelled immediately upon such re-entry. The provisions of Subsection (a) of this Section shall not prevent such person from receiving the compensation for such position or office. The rate of contribution of such member shall be the same as that for other members under Section A8.603. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(4) The provisions of Subsection (a) shall not prevent such retired persons from employment which requires coverage under the Public Employees' Retirement System or the State Teachers' Retirement System.

#### **SEC. A8.603-12 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.603 shall be adjusted for cost of living allowances as provided in this Charter.

#### **SEC. A8.603-13 APPLICATION OF PLAN**

For members of the Retirement System under Sections A8.509, A8.584, or A8.587 who retired before January 7, 2012, and are later elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.603, all service on and after January 7, 2012, shall be subject to the provisions of Sections A8.603, et seq.

#### **SEC. A8.603-14 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.603 or with any part thereof, shall be superseded by the contents of Section A8.603. Section A8.603 shall be interpreted to be consistent with all federal and state

laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.603 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.603. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.603 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of this Section A8.603 which can be given effect. Section A8.603 shall be broadly construed to achieve its stated purposes.

Section 7. The San Francisco Charter is hereby amended, by adding Sections A8.604 through A8.604-16 to read as follows:

**SEC. A8.604 MEMBERS OF THE FIRE DEPARTMENT ON AND AFTER JANUARY 7, 2012**

Persons who become members of the fire department, as defined in Section A8.604-1, on and after January 7, 2012, shall be members of the Retirement System subject to the provisions of Sections A8.604 through A8.604-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

**SEC. A8.604-1 DEFINITIONS**

The following words and phrases as used in this Section, Section A8.604 and Sections A8.604-2 through A8.604-16, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding

remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new premiums or allowances first paid by the City and County after January 7, 2012, that exceed the rate of pay fixed for each classification for service qualifying for credit under this Section. For members with concurrent service in more than one position, "compensation" shall be limited to the first hours paid during any fiscal year equal to one full-time equivalent position.

"Compensation" for any fiscal year shall not include remuneration that exceeds 75% of the limits set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

Subject to the requirements that it be payable in cash, and that overtime and new premiums or allowances first paid by the City and County after January 7, 2012 are excluded, "compensation" for pension purposes may be defined in a collective bargaining agreement.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the ranks or positions held by him or her during such period, it being assumed that during any absence, he or she was in the rank or position held by him or her at the beginning of the absence, and that prior to becoming a member of the fire department, he or she was in the rank or position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earned by a member during the higher of any three consecutive fiscal years of earnings or the thirty six consecutive months of earnings immediately prior to retirement.

For the purpose of Sections A8.604 through A8.604-16, the terms "member of the fire department," "member of the department," or "member" shall mean any member of the fire department employed on and after January 7, 2012, who was or shall be subject to the Charter

provisions governing entrance requirements of members of the uniformed force of said department and said terms shall further mean persons employed on and after January 7, 2012, at an age not greater than the maximum age then prescribed for entrance into employment in said uniformed force, to perform duties now performed under the titles of pilot of fireboats, or marine engineer of fireboats; provided, however, that said terms shall not include any person who has not satisfactorily completed such course of training as may be required by the fire department prior to assignment to active duty with said department.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.604 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.604-10.

"Retirement System" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Sections 12.100 and A8.500 of the Charter.

"Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

## **SEC. A8.604-2 SERVICE RETIREMENT**

Any member of the fire department, who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.604-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.604-1) set forth below

opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.604-10:

| <u><b>Retirement</b></u> | <u><b>Percent for Each Year of</b></u> |
|--------------------------|--|
| <u><b>Age</b></u>        | <u><b>Credited Service</b></u>         |
| <u><b>50</b></u>         | <u><b>2.200</b></u>                    |
| <u><b>50 ¼</b></u>       | <u><b>2.225</b></u>                    |
| <u><b>50 ½</b></u>       | <u><b>2.250</b></u>                    |
| <u><b>50 ¾</b></u>       | <u><b>2.275</b></u>                    |
| <u><b>51</b></u>         | <u><b>2.300</b></u>                    |
| <u><b>51 ¼</b></u>       | <u><b>2.325</b></u>                    |
| <u><b>51 ½</b></u>       | <u><b>2.350</b></u>                    |
| <u><b>51 ¾</b></u>       | <u><b>2.375</b></u>                    |
| <u><b>52</b></u>         | <u><b>2.400</b></u>                    |
| <u><b>52 ¼</b></u>       | <u><b>2.425</b></u>                    |
| <u><b>52 ½</b></u>       | <u><b>2.450</b></u>                    |
| <u><b>52 ¾</b></u>       | <u><b>2.475</b></u>                    |
| <u><b>53</b></u>         | <u><b>2.500</b></u>                    |
| <u><b>53 ¼</b></u>       | <u><b>2.525</b></u>                    |
| <u><b>53 ½</b></u>       | <u><b>2.550</b></u>                    |
| <u><b>53 ¾</b></u>       | <u><b>2.575</b></u>                    |
| <u><b>54</b></u>         | <u><b>2.600</b></u>                    |
| <u><b>54 ¼</b></u>       | <u><b>2.625</b></u>                    |

|               |              |
|---------------|--------------|
| <u>54 1/2</u> | <u>2.650</u> |
| <u>54 3/4</u> | <u>2.675</u> |
| <u>55</u>     | <u>2.700</u> |
| <u>55 1/4</u> | <u>2.725</u> |
| <u>55 1/2</u> | <u>2.750</u> |
| <u>55 3/4</u> | <u>2.775</u> |
| <u>56</u>     | <u>2.800</u> |
| <u>56 1/4</u> | <u>2.825</u> |
| <u>56 1/2</u> | <u>2.850</u> |
| <u>56 3/4</u> | <u>2.875</u> |
| <u>57</u>     | <u>2.900</u> |
| <u>57 1/4</u> | <u>2.925</u> |
| <u>57 1/2</u> | <u>2.950</u> |
| <u>57 3/4</u> | <u>2.975</u> |
| <u>58</u>     | <u>3.0</u>   |

In no event shall a member's initial retirement allowance exceed ninety percent of his or her average final compensation.

#### **SEC. A8.604-3 RETIREMENT FOR INCAPACITY**

Any member of the fire department who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.604-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the

Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.604-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the rank held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.604-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.604-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.604-2, but not less than 50 percent of said final compensation. Any member of the fire department who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.604-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.604-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said board's own motion, by the Retirement Board's Executive Director on its behalf, by recommendation of the fire commission or by said member, or his or her guardian. If his or her disability shall cease, his or her retirement

allowance shall cease and he or she shall be restored to the service in the rank he or she occupied at the time of his or her retirement.

#### **SEC. A8.604-4 DEATH ALLOWANCE**

If a member of the fire department shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the rank held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation. If he or she had retired prior to death, for service or for disability resulting from injury received in, or illness caused by the performance of duty, the allowance payable shall be equal to the retirement allowance of the member, except that if he or she was a member under Section A8.604 and retirement was for such disability, and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted



upon the date at which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died.

If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this Section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death.

#### **SEC. A8.604-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a member of the fire department resulting from any cause other than an injury received in, or illness caused by performance of duty.

(a) if the death occurred after qualification for service retirement under Section A8.604-2, or after retirement service or because of disability which results from any cause other than an injury received in, or illness caused by performance of duty, one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may

be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.604-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, three-fourths of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.604-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.604-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under age of 18 years, but leave a

child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

As used in this Section and Section A8.604-4 "surviving spouse" shall mean and include a surviving spouse, and shall also mean and include a spouse who has remarried since the death of the member, but whose remarriage has been terminated by death, divorce or annulment within five years after the date of such remarriage and who has not thereafter again remarried.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.604-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.604-6 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.604 shall be adjusted for cost of living allowances as provided in this Charter.

#### **SEC. A8.604-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

That portion of any allowance payable because of the death or retirement of any member of the fire department which is provided by contributions of the City and County, shall be reduced by the amount of any benefits, other than medical benefits, payable by the City and County to or on account of such person, under any Workers' Compensation law or any other

general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.

#### **SEC. A8.604-8 DEATH BENEFIT**

If a member of the fire department shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.604-4 or A8.604-5 preceding, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.

#### **SEC. A8.604-9 REFUNDS AND REDEPOSITS**

Should any member of the fire department cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System. If he or she shall again become a member of the department, he or she shall redeposit in the retirement fund the amount refunded to him or her.

## **SEC. A8.604-10 COMPUTATION OF SERVICE**

*The following time shall be included in the computation of the service to be credited to a member of the fire department for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:*

*(a) Time during and for which said member is entitled to receive compensation because of services as a member of the police or fire department.*

*(b) Time prior to January 7, 2012, during which said member was entitled to receive compensation while a member of the police or fire department under any other section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement Board; and solely for the purpose of determining qualification for retirement under Section A8.604-3 for disability not resulting from injury received in or illness caused by performance of duty, time during which said member serves and receives compensation because of services rendered in other offices and departments.*

*(c) Time during which said member earned compensation as a paramedic with the fire department or department of public health, provided that the accumulated contributions on account of such service are transferred to his or her Section A8.604 account or, if previously refunded, are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement Board. The Retirement Board shall require said member to execute a waiver at any time prior to retirement so that any paramedic service covered by Section A8.604 is not also covered by other pension provisions in this Charter.*

*(d) Time during which said member is absent from a status included in Subsection (a) by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which*

the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

(e) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

#### **SEC. A8.604-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.604 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.604 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.604-5, A8.604-6 and A8.604-8. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.604-11, to provide the benefits payable to members under Section A8.604. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by

the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.604 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.604-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>           |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>         |

|                     |              |
|---------------------|--------------|
| <u>13.01%-15.0%</u> | <u>1.0%</u>  |
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.604, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.604-4, A8.604-5 and A8.604-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's*



compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.604-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |

|                     |              |
|---------------------|--------------|
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.604, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.604-4, A8.604-5 and A8.604-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member*

and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.604 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.604-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.604-2 as requisite to retirement, a member of the fire department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.604-2, and except as provided in Section A8.604-13, nothing shall deprive said member of said right.

#### **SEC. A8.604-13 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section 8.604-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment, to receive as his or her sole benefit under the Retirement System an annuity which shall be the

actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member, after retirement for service or disability or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System, an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.604-14 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this Section, no person retired as a member under Section A8.604 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall not be affected by the provisions of Subsection (a) of this section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.604, he or she shall re-enter membership under Section A8.604 and his or her retirement allowance shall be cancelled

immediately upon his or her re-entry. The provisions of Subsection (a) of this Section shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.604. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.604-15 DEFERRED RETIREMENT**

Should any member of the fire department who is a member of the Retirement System under Charter Section A8.604 cease to be employed as such a member, through any cause other than death or retirement, all of his or her contributions with interest credited thereon, shall be refunded to him or her, provided that if such member is entitled to be credited with at least five years of service, then he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.604-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination.

payable beginning no earlier than age 50. No deferred retirement allowance under this Section shall exceed ninety percent (90%) of the member's final compensation.

#### **SEC. A8.604-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.604 or with any part thereof, shall be superseded by the contents of Section A8.604. Section A8.604 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.604 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.604. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.604 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.604 which can be given effect. Section A8.604 shall be broadly construed to achieve its stated purposes.

Section 8. The San Francisco Charter is hereby amended, by adding Sections A8.605 through A8.605-16 to read as follows:

#### **SEC. A8.605 MEMBERS OF THE POLICE DEPARTMENT ON AND AFTER JANUARY 7, 2012**

Persons who become members of the police department, as defined in Section A8.605-1, on and after January 7, 2012, shall be members of the Retirement System subject to the provisions of Sections A8.605 through A8.605-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

#### **SEC. A8.605-1 DEFINITIONS**

The following words and phrases as used in this Section, Section A8.605 and Sections A8.605-2 through A8.605-16, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new premiums or allowances first paid by the City and County after January 7, 2012, that exceed the rate of pay fixed for each classification for service qualifying for credit under this Section. For members with concurrent service in more than one position, "compensation" shall be limited to the first hours paid during any fiscal year equal to one full-time equivalent position.

"Compensation" for any fiscal year shall not include remuneration that exceeds 75% of the limits set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

Subject to the requirements that it be payable in cash, and that overtime and new premiums or allowances first paid by the City and County after January 7, 2012 are excluded, "compensation" for pension purposes may be defined in a collective bargaining agreement.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the ranks or positions held by him or her during such period, it being assumed that during any absence, he or she was in the rank or position held by him or her at the beginning of the absence, and that prior to becoming a member of the police department, he or she was in the rank or position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earned by a member during the higher of any three consecutive fiscal years of earnings or the thirty six consecutive months of earnings immediately prior to retirement.

For the purpose of Sections A8.605 through A8.605-16, the terms "member of the police department," "member of the department," or "member" shall mean any officer or employee of the police department employed on and after January 7, 2012 who was or shall be subject to the Charter provisions governing entrance requirements of members of the uniformed force of said department and said terms shall further mean persons employed on and after January 7, 2012, at an age not greater than the maximum age then prescribed for entrance into employment in said uniformed force, to perform duties now performed under the titles of criminologist, photographer, police woman or jail matron; provided, however, that said terms shall not include any person who has not satisfactorily completed such course of training as may be required by the police department prior to assignment to active duty with said department.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.605 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.605-10.

"Retirement System" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Sections 12.100 and A8.500 of the Charter.

"Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.



Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

**SEC. A8.605-2 SERVICE RETIREMENT**

Any member of the police department, who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.605-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.605-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.605-10:

| <b><u>Retirement</u></b> | <b><u>Percent for Each Year of</u></b> |
|--------------------------|--|
| <b><u>Age</u></b>        | <b><u>Credited Service</u></b>         |
| <b><u>50</u></b>         | <b><u>2.200</u></b>                    |
| <b><u>50 ¼</u></b>       | <b><u>2.225</u></b>                    |
| <b><u>50 ½</u></b>       | <b><u>2.250</u></b>                    |
| <b><u>50 ¾</u></b>       | <b><u>2.275</u></b>                    |
| <b><u>51</u></b>         | <b><u>2.300</u></b>                    |
| <b><u>51 ¼</u></b>       | <b><u>2.325</u></b>                    |
| <b><u>51 ½</u></b>       | <b><u>2.350</u></b>                    |
| <b><u>51 ¾</u></b>       | <b><u>2.375</u></b>                    |
| <b><u>52</u></b>         | <b><u>2.400</u></b>                    |
| <b><u>52 ¼</u></b>       | <b><u>2.425</u></b>                    |

|               |              |
|---------------|--------------|
| <u>52 1/2</u> | <u>2.450</u> |
| <u>52 3/4</u> | <u>2.475</u> |
| <u>53</u>     | <u>2.500</u> |
| <u>53 1/4</u> | <u>2.525</u> |
| <u>53 1/2</u> | <u>2.550</u> |
| <u>53 3/4</u> | <u>2.575</u> |
| <u>54</u>     | <u>2.600</u> |
| <u>54 1/4</u> | <u>2.625</u> |
| <u>54 1/2</u> | <u>2.650</u> |
| <u>54 3/4</u> | <u>2.675</u> |
| <u>55</u>     | <u>2.700</u> |
| <u>55 1/4</u> | <u>2.725</u> |
| <u>55 1/2</u> | <u>2.750</u> |
| <u>55 3/4</u> | <u>2.775</u> |
| <u>56</u>     | <u>2.800</u> |
| <u>56 1/4</u> | <u>2.825</u> |
| <u>56 1/2</u> | <u>2.850</u> |
| <u>56 3/4</u> | <u>2.875</u> |
| <u>57</u>     | <u>2.900</u> |
| <u>57 1/4</u> | <u>2.925</u> |
| <u>57 1/2</u> | <u>2.950</u> |
| <u>57 3/4</u> | <u>2.975</u> |
| <u>58</u>     | <u>3.0</u>   |

In no event shall a member's initial retirement allowance exceed ninety percent of his or her average final compensation.

### **SEC. A8.605-3 RETIREMENT FOR INCAPACITY**

Any member of the police department who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.605-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.605-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the rank held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.605-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.605-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.605-2, but not less than 50 percent of said final compensation. Any member of the police department who

becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.605-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.605-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this section may be brought before the Retirement Board on said board's own motion, by the Retirement Board's Executive Director on its behalf, by recommendation of the police commission or by said member, or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease and he or she shall be restored to the service in the rank he or she occupied at the time of his or her retirement.

#### **SEC. A8.605-4 DEATH ALLOWANCE**

If a member of the police department shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the rank

held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation. If he or she had retired prior to death, for service or for disability resulting from injury received in, or illness caused by the performance of duty, the allowance payable shall be equal to the retirement allowance of the member, except that if he or she was a member under Section A8.605 and retirement was for such disability, and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died.

If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this Section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death.

#### **SEC. A8.605-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a member of the police department resulting from any cause other than an injury received in, or illness caused by performance of duty,

(a) if the death occurred after qualification for service retirement under Section A8.605-2, or after retirement service or because of disability which results from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.605-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, three-fourths of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.605-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.605-3

if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

As used in this Section and Section A8.605-4 "surviving spouse" shall mean and include a surviving spouse, and shall also mean and include a spouse who has remarried since the death of the member, but whose remarriage has been terminated by death, divorce or annulment within five years after the date of such remarriage and who has not thereafter again remarried.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.605-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.605-6 ADJUSTMENT OF ALLOWANCES**

*Every retirement or death allowance payable to or on account of any member under Section A8.605 shall be adjusted for cost of living allowances as provided in this Charter.*

#### **SEC. A8.605-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

*That portion of any allowance payable because of the death or retirement of any member of the police department which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any Workers' Compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.*

#### **SEC. A8.605-8 DEATH BENEFIT**

*If a member of the police department shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.605-4 or A8.605-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which, and the conditions for the payment of which, shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.*



#### **SEC. A8.605-9 REFUNDS AND REDEPOSITS**

*Should any member of the police department cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System. If he or she shall again become a member of the department, he or she shall redeposit in the retirement fund the amount refunded to him or her.*

#### **SEC. A8.605-10 COMPUTATION OF SERVICE**

*The following time shall be included in the computation of the service to be credited to a member of the police department for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:*

*(a) Time during and for which said member is entitled to receive compensation because of services as a member of the police or fire department on or after January 7, 2012.*

*(b) Time prior to January 7, 2012, during which said member was entitled to receive compensation while a member of the police department under any other section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement board; and solely for the purpose of determining qualification for retirement under Section A8.605-3 for disability not resulting from injury received in or illness caused by performance of duty, time during which said member serves and receives compensation because of services rendered in other offices and departments.*

(c) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(d) Time during which said member is absent from a status included in Subsection (a) by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

#### **SEC. A8.605-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.605 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.605 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.605-4, A8.605-5 and A8.605-8.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.605-11, to provide the benefits payable to members under Section A8.605. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by

the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.605 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.605-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>           |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>         |

|                     |              |
|---------------------|--------------|
| <u>13.01%-15.0%</u> | <u>1.0%</u>  |
| <u>15.01%-17.5%</u> | <u>1.5%</u>  |
| <u>17.51%-20.0%</u> | <u>2.0%</u>  |
| <u>20.01%-22.5%</u> | <u>2.5%</u>  |
| <u>22.51%-25.0%</u> | <u>3.5%</u>  |
| <u>25.01%-27.5%</u> | <u>3.5%</u>  |
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.605, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.605-4, A8.605-5 and A8.605-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's*

compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.605-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |

|                     |              |
|---------------------|--------------|
| <u>11.01%-12.0%</u> | <u>0%</u>    |
| <u>12.01%-13.0%</u> | <u>0.5%</u>  |
| <u>13.01%-15.0%</u> | <u>1.5%</u>  |
| <u>15.01%-17.5%</u> | <u>2.0%</u>  |
| <u>17.51%-20.0%</u> | <u>2.5%</u>  |
| <u>20.01%-22.5%</u> | <u>3.0%</u>  |
| <u>22.51%-25.0%</u> | <u>4.0%</u>  |
| <u>25.01%-27.5%</u> | <u>4.0%</u>  |
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.605, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.605-4, A8.605-5 and A8.605-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member*

and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.605 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.605-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.605-2 as requisite to retirement, a member of the police department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.605-2, and except as provided in Section A8.605-13, nothing shall deprive said member of said right.

#### **SEC. A8.605-13 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.605-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the

actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability, or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.605-14 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.605 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall not be affected by the provisions of Subsection (a) of this Section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.605, he or she shall re-enter membership under Section A8.605 and his or her retirement allowance shall be cancelled



immediately upon his or her re-entry. The provisions of Subsection (a) of this Section shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.605. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.605-15 DEFERRED RETIREMENT**

Should any member of the fire department who is a member of the Retirement System under Charter Section A8.605 cease to be employed as such a member, through any cause other than death or retirement, all of his or her contributions with interest credited thereon, shall be refunded to him or her, provided that if such member is entitled to be credited with at least five years of service, then he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.605-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination.

payable beginning no earlier than age 50. No deferred retirement allowance under this Section shall exceed ninety percent (90%) of the member's final compensation.

**SEC. A8.605-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.605 or with any part thereof, shall be superseded by the contents of Section A8.605. Section A8.605 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.605 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.605. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.605 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.605 which can be given effect. Section A8.605 shall be broadly construed to achieve its stated purposes.

Section 9. The San Francisco Charter is hereby amended, by adding Sections A8.606 through A8.606-16 to read as follows:

**SEC. A8.606 UNDERSHERIFFS AND DEPUTIZED PERSONNEL OF THE SHERIFF'S DEPARTMENT BEFORE JULY 1, 2010**

Upon the thirty first day following the effective date of an ordinance enacted by the Board of Supervisors under Section A8.500 based on agreement between the City and the Undersheriffs and the recognized employee organizations representing the impacted employees, but not before July 1, 2012, the undersheriffs and all deputized personnel of the sheriff's department hired before July 1, 2010, shall be members of the Retirement System for prospective service subject to the provisions of this Section A8.606 through A8.606-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

## **SEC. A8.606-1 DEFINITIONS**

*The following words and phrases as used in this Section, Section A8.606-1 and Sections A8.606-2 through A8.606-16, unless a different meaning is plainly required by the context, shall have the following meanings:*

*"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.*

*"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter.*

*Subject to the requirement that it be payable in cash and that overtime be excluded, "compensation" for pension purposes may be defined in a collective bargaining agreement.*

*"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the positions held by him or her during such period, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to becoming a member of the sheriff's department, he or she was in the position first held by him or her in such department.*

*"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."*

"Final compensation" shall mean the average monthly compensation earnable by a member during the higher of any one fiscal year of earnings or the twelve consecutive months of earnings immediately prior to retirement.

For the purpose of Section A8.606 through A8.606-16, the terms "member of the sheriff's department," "member of the department," or "member" shall mean any member of the sheriff's department before July 1, 2010, who was an active member of the Public Employees' Retirement System.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.606 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.606-10.

"Retirement system" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Section A8.500 of the Charter.

"Retirement Board" shall mean "retirement board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

## **SEC. A8.606-2 SERVICE RETIREMENT**

Any member of the sheriff's department who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.606-10, may retire for service at his or her option. A member retired after meeting the

service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.606-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.606-10:

| <u><b>Retirement</b></u> | <u><b>Percent for Each Year of</b></u> |
|--------------------------|--|
| <u><b>Age</b></u>        | <u><b>Credited Service</b></u>         |
| <u><b>50</b></u>         | <u><b>2.400</b></u>                    |
| <u><b>50 ¼</b></u>       | <u><b>2.430</b></u>                    |
| <u><b>50 ½</b></u>       | <u><b>2.460</b></u>                    |
| <u><b>50 ¾</b></u>       | <u><b>2.490</b></u>                    |
| <u><b>51</b></u>         | <u><b>2.520</b></u>                    |
| <u><b>51 ¼</b></u>       | <u><b>2.550</b></u>                    |
| <u><b>51 ½</b></u>       | <u><b>2.580</b></u>                    |
| <u><b>51 ¾</b></u>       | <u><b>2.610</b></u>                    |
| <u><b>52</b></u>         | <u><b>2.640</b></u>                    |
| <u><b>52 ¼</b></u>       | <u><b>2.670</b></u>                    |
| <u><b>52 ½</b></u>       | <u><b>2.700</b></u>                    |
| <u><b>52 ¾</b></u>       | <u><b>2.730</b></u>                    |
| <u><b>53</b></u>         | <u><b>2.760</b></u>                    |

|             |              |
|-------------|--------------|
| <u>53 ¼</u> | <u>2.790</u> |
| <u>53 ½</u> | <u>2.820</u> |
| <u>53 ¾</u> | <u>2.850</u> |
| <u>54</u>   | <u>2.880</u> |
| <u>54 ¼</u> | <u>2.910</u> |
| <u>54 ½</u> | <u>2.940</u> |
| <u>54 ¾</u> | <u>2.970</u> |
| <u>55+</u>  | <u>3.000</u> |

In no event, however, shall such a retirement allowance exceed ninety (90) percent of a member's final compensation.

#### **SEC. A8.606-3 RETIREMENT FOR INCAPACITY**

Any member of the sheriff's department who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.606-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50

percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.606-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the position held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.606-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.606-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.606-2, but not less than 50 percent of said final compensation. Any member of the sheriff's department who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.606-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.606-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said board's own motion, by recommendation of the sheriff's department, or by said member or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease and he or she shall be restored to the service in the rank he or she occupied at the time of his or her retirement.

#### **SEC. A8.606-4 DEATH ALLOWANCE**

*If a member of the sheriff's department shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the rank held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation. If he or she had retired prior to death, for service or for disability resulting from injury received in, or illness caused by the performance of duty, the allowance payable shall be equal to the retirement allowance of the member, except that if he or she was a member under Section A8.606 and retirement was for such disability, and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of*



service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died.

If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this Section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death.

#### **SEC. A8.606-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a member of the sheriff's department resulting from any cause other than an injury received in, or illness caused by performance of duty,

(a) if the death occurred after qualification for service retirement under Section A8.606-2, or after retirement for service or because of disability which result from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death,

as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.606-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, three-fourths of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.606-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.606-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining

the age of 18 years. Should said member leave no surviving spouse and no children, under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.606-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.606-6 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.606 shall be adjusted in accordance with the provisions of this Charter.

#### **SEC. A8.606-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

That portion of any allowance payable because of the death or retirement of any member of the sheriff's department which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any workers' compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such

portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.

#### **SEC. A8.606-8 DEATH BENEFIT**

If a member of the sheriff's department shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.606-4 or A8.606-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her estate or designated beneficiary the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.

#### **SEC. A8.606-9 REFUNDS AND REDEPOSITS**

Should any member of the sheriff's department cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System. If he or she shall again become a member of the department, he or she shall redeposit in the Retirement Fund the amount refunded to him or her.

## **SEC. A8.606-10 COMPUTATION OF SERVICE**

The following time shall be included in the computation of the service to be credited to a member of the sheriff's department for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:

(a) Time during and for which said member is entitled to receive compensation because of services as a member of the sheriff's department.

(b) Time prior to January 7, 2012, during which said member was entitled to receive compensation while a member of the sheriff's department under any other section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement board; and solely for the purpose of determining qualification for retirement under Section A8.606-3 for disability not resulting from injury received in or illness caused by performance of duty, time during which said member serves and receives compensation because of services rendered in other offices and departments.

(c) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(d) Time during which said member is absent from a status included in Subsection (a) next preceding, by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

## **SEC. A8.606-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.606 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.606 a sum equal to seven percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her estate or beneficiary as provided in Sections A8.606-8, A8.606-9 and A8.606-10. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.606-11, to provide the benefits payable to members under Section A8.606. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.606 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.606-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). Said

increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-6.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-5.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>4.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>5.0%</b></u>             |
| <u><b>Over 35.0%</b></u>   | <u><b>6.0%</b></u>             |

The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.606, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.606-4, A8.606-5 and A8.606-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.606 shall be a part of the fund in which all other assets of said system are included.



(e) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.606-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.606-2 as requisite to retirement, a member of the sheriff's department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.606-2, and except as provided in Section A8.606-16, nothing shall deprive said member of said right.

#### **SEC. A8.606-13 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.606 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall be affected by the provisions of Subsection (a) of this section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.606, he or she shall re-enter membership under Section A8.606 and his or her retirement allowance shall be cancelled immediately upon his or her re-entry. The provisions of Subsection (a) of this section

shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.606. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.606-14 DEFERRED RETIREMENT**

Notwithstanding any provisions of this Charter to the contrary, should any member of the sheriff's department who is a member of the Retirement System under Charter Section A8.606 with five years of credited service, cease to be so employed, through any cause other than death or retirement, he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.606-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination.

payable beginning no earlier than age 50. No deferred retirement allowance under this Section shall exceed ninety (90%) percent of the member's final compensation.

#### **SEC. A8.606-15 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.606-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.606-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.606 or with any part thereof, shall be superseded by the contents of Section A8.606. Section A8.606 shall be interpreted to be consistent with all federal and state

laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.606 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.606. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.606 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of this Section A8.606 which can be given effect. Section A8.606 shall be broadly construed to achieve its stated purposes.

Section 10. The San Francisco Charter is hereby amended, by adding Sections A8.607 through A8.607-16 to read as follows:

**SEC. A8.607 UNDERSHERIFFS AND DEPUTIZED PERSONNEL OF THE SHERIFF'S DEPARTMENT HIRED AFTER JULY 1, 2010 AND BEFORE JANUARY 7, 2012**

Upon the thirty first day following the effective date of an ordinance enacted by the Board of Supervisors under Section A8.500 based on agreement between the City, the undersheriffs and the recognized employee organizations representing the impacted employees, but not before July 1, 2012, undersheriffs and all deputized personnel of the sheriff's department hired after July 1, 2010 and before January 7, 2012, shall be members of the Retirement System for prospective service subject to the provisions of this Section A8.607 through A8.607-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

**SEC. A8.607-1 DEFINITIONS**

The following words and phrases as used in this Section, Section A8.607 and Sections A8.607-2 through A8.607-16, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of

death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter.

Subject to the requirement that it be payable in cash and that overtime be excluded, "compensation" for pension purposes may be defined in a collective bargaining agreement.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the positions held by him or her during such period, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to becoming a member of the sheriff's department, he or she was in the position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earnable by a member during the higher of any two fiscal years of earnings or the twenty four consecutive months of earnings immediately prior to retirement.

For the purpose of Section A8.607 through A8.607-16, the terms "member of the sheriff's department," "member of the department," or "member" shall mean any member of the sheriff's department after July 1, 2010 and before January 7, 2012, who was an active member of the Public Employees' Retirement System.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.606 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.607-10.

"Retirement system" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Section A8.500 of the Charter.

"Retirement Board" shall mean "retirement board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

## **SEC. A8.607-2 SERVICE RETIREMENT**

Any member of the sheriff's department who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.607-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.607-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.607-10:

| <u><i>Retirement</i></u> | <u><i>Percent for Each Year of</i></u> |
|--------------------------|--|
| <u><i>Age</i></u>        | <u><i>Credited Service</i></u>         |
| <u>50</u>                | <u>2.400</u>                           |
| <u>50 ¼</u>              | <u>2.430</u>                           |
| <u>50 ½</u>              | <u>2.460</u>                           |
| <u>50 ¾</u>              | <u>2.490</u>                           |
| <u>51</u>                | <u>2.520</u>                           |
| <u>51 ¼</u>              | <u>2.550</u>                           |
| <u>51 ½</u>              | <u>2.580</u>                           |
| <u>51 ¾</u>              | <u>2.610</u>                           |
| <u>52</u>                | <u>2.640</u>                           |
| <u>52 ¼</u>              | <u>2.670</u>                           |
| <u>52 ½</u>              | <u>2.700</u>                           |
| <u>52 ¾</u>              | <u>2.730</u>                           |
| <u>53</u>                | <u>2.760</u>                           |
| <u>53 ¼</u>              | <u>2.790</u>                           |
| <u>53 ½</u>              | <u>2.820</u>                           |

|                                     |              |
|-------------------------------------|--------------|
| <u>53 <sup>3</sup>/<sub>4</sub></u> | <u>2.850</u> |
| <u>54</u>                           | <u>2.880</u> |
| <u>54 <sup>1</sup>/<sub>4</sub></u> | <u>2.910</u> |
| <u>54 <sup>1</sup>/<sub>2</sub></u> | <u>2.940</u> |
| <u>54 <sup>3</sup>/<sub>4</sub></u> | <u>2.970</u> |
| <u>55+</u>                          | <u>3.000</u> |

In no event, however, shall such a retirement allowance exceed ninety (90) percent of a member's final compensation.

#### **SEC. A8.607-3 RETIREMENT FOR INCAPACITY**

Any member of the sheriff's department who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.607-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.607-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and



attained the age of fifty (50) years had he or she lived and rendered service without interruption in the position held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.607-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.607-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.607-2, but not less than 50 percent of said final compensation. Any member of the sheriff's department who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.607-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.607-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said board's own motion, by recommendation of the sheriff's department, or by said member or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease and he or she shall be restored to the service in the rank he or she occupied at the time of his or her retirement.

#### **SEC. A8.607-4 DEATH ALLOWANCE**

If a member of the sheriff's department shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty,

shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the rank held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation. If he or she had retired prior to death, for service or for disability resulting from injury received in, or illness caused by the performance of duty, the allowance payable shall be equal to the retirement allowance of the member, except that if he or she was a member under Section A8.607 and retirement was for such disability, and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died.

If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every

such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this Section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death.

#### **SEC. A8.607-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a member of the sheriff's department resulting from any cause other than an injury received in, or illness caused by performance of duty,

(a) if the death occurred after qualification for service retirement under Section A8.607-2, or after retirement for service or because of disability which result from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.607-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, three-fourths of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.6076-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.607-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children, under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or

unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.607-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.607-6 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.607 shall be adjusted in accordance with the provisions of this Charter.

#### **SEC. A8.607-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

That portion of any allowance payable because of the death or retirement of any member of the sheriff's department which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any workers' compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.

#### **SEC. A8.607-8 DEATH BENEFIT**

If a member of the sheriff's department shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if

no allowance shall be payable under Section A8.607-4 or A8.607-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her estate or designated beneficiary the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.

#### **SEC. A8.607-9 REFUNDS AND REDEPOSITS**

Should any member of the sheriff's department cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System. If he or she shall again become a member of the department, he or she shall redeposit in the Retirement Fund the amount refunded to him or her.

#### **SEC. A8.607-10 COMPUTATION OF SERVICE**

The following time shall be included in the computation of the service to be credited to a member of the sheriff's department for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:

(a) Time during and for which said member is entitled to receive compensation because of services as a member of the sheriff's department.

(b) Time prior to January 7, 2012, during which said member was entitled to receive compensation while a member of the sheriff's department under any other section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement board; and solely for the purpose of determining qualification for retirement under Section A8.607-3 for disability not resulting from injury received in or illness caused by performance of duty, time during which said member serves and receives compensation because of services rendered in other offices and departments.

(c) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(d) Time during which said member is absent from a status included in Subsection (a) next preceding, by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

#### **SEC. A8.607-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.607 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.607 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same

manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her estate or beneficiary as provided in Sections A8.607-8, A8.607-9 and A8.607-10. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.607-11, to provide the benefits payable to members under Section A8.6076. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.607 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.607-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:



| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>3.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>3.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>Over 35.0%</b></u>   | <u><b>4.0%</b></u>             |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution*

shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.607, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.607-4, A8.607-5 and A8.607-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.607-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent

(3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>4.25%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>4.25%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>4.5%</b></u>             |
| <u><b>Over 35.0%</b></u>   | <u><b>5.0%</b></u>             |

The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.607, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.607-4, A8.607-5 and A8.607-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.607 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.607-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.607-2 as requisite to retirement, a member of the sheriff's department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.607-2, and except as provided in Section A8.607-16, nothing shall deprive said member of said right.

#### **SEC. A8.607-13 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.607 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall be affected by the provisions of Subsection (a) of this section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.607, he or she shall re-enter membership under Section A8.607-6 and his or her retirement allowance shall be cancelled immediately upon his or her re-entry. The provisions of Subsection (a) of this section

shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.607. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.607-14 DEFERRED RETIREMENT**

Notwithstanding any provisions of this Charter to the contrary, should any member of the sheriff's department who is a member of the Retirement System under Charter Section A8.607 with five years of credited service, cease to be so employed, through any cause other than death or retirement, he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.607-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination.

payable beginning no earlier than age 50. No deferred retirement allowance under this Section shall exceed ninety (90%) percent of the member's final compensation.

#### **SEC. A8.607-15 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.607-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.607-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.607 or with any part thereof, shall be superseded by the contents of Section A8.606. Section A8.607 shall be interpreted to be consistent with all federal and state

laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.607 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.607. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.607 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of this Section A8.607 which can be given effect. Section A8.607 shall be broadly construed to achieve its stated purposes.

Section 11. The San Francisco Charter is hereby amended, by adding Sections A8.608 through A8.608-16 to read as follows:

**SEC. A8.608 SHERIFF, UNDERSHERIFF AND DEPUTIZED PERSONNEL OF THE SHERIFF'S DEPARTMENT ASSUMING OFFICE ON AND AFTER JANUARY 7, 2012**

Sheriffs assuming office on, and undersheriffs and all deputized personnel of the sheriff's department hired on and after January 7, 2012, shall be members of the Retirement System subject to the provisions of Sections A8.608 through A8.608-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

**SEC. A8.608-1 DEFINITIONS**

The following words and phrases as used in this Section, Section A8.608 and Sections A8.608-2 through A8.608-16, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding



remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new premiums or allowances first paid by the City and County after January 7, 2012, that exceed the rate of pay fixed for each classification for service qualifying for credit under this Section. For members with concurrent service in more than one position, "compensation" shall be limited to the first hours paid during any fiscal year equal to one full-time equivalent position.

"Compensation" for any fiscal year shall not include remuneration that exceeds 75% of the limits set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

Subject to the requirements that it be payable in cash, and that overtime and new premiums or allowances first paid by the City and County after January 7, 2012 are excluded, "compensation" for pension purposes may be defined in a collective bargaining agreement.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the positions held by him or her during such period, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to becoming a member of the sheriff's department, he or she was in the position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earned by a member during the higher of any three consecutive fiscal years of earnings or the thirty six consecutive months of earnings immediately prior to retirement.

For the purpose of Sections A8.608 through A8.608-16, the terms "member of the sheriff's department," "member of the department," or "member" shall mean any sheriff

assuming office on and after January 7, 2012, and undersheriffs and deputized personnel of the sheriff's department hired on and after January 7, 2012.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.608 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.608-10.

"Retirement System" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Sections 12.100 and A8.500 of the Charter.

"Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

## **SEC. A8.608-2 SERVICE RETIREMENT**

Any member of the sheriff's department, who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.608-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.608-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.608-10.

| <u><b>Retirement</b></u> | <u><b>Percent for Each Year of</b></u> |
|--------------------------|--|
| <u><b>Age</b></u>        | <u><b>Credited Service</b></u>         |
| <u><b>50</b></u>         | <u><b>2.200</b></u>                    |
| <u><b>50 ¼</b></u>       | <u><b>2.225</b></u>                    |
| <u><b>50 ½</b></u>       | <u><b>2.250</b></u>                    |
| <u><b>50 ¾</b></u>       | <u><b>2.275</b></u>                    |
| <u><b>51</b></u>         | <u><b>2.300</b></u>                    |
| <u><b>51 ¼</b></u>       | <u><b>2.325</b></u>                    |
| <u><b>51 ½</b></u>       | <u><b>2.350</b></u>                    |
| <u><b>51 ¾</b></u>       | <u><b>2.375</b></u>                    |
| <u><b>52</b></u>         | <u><b>2.400</b></u>                    |
| <u><b>52 ¼</b></u>       | <u><b>2.425</b></u>                    |
| <u><b>52 ½</b></u>       | <u><b>2.450</b></u>                    |
| <u><b>52 ¾</b></u>       | <u><b>2.475</b></u>                    |
| <u><b>53</b></u>         | <u><b>2.500</b></u>                    |
| <u><b>53 ¼</b></u>       | <u><b>2.525</b></u>                    |
| <u><b>53 ½</b></u>       | <u><b>2.550</b></u>                    |
| <u><b>53 ¾</b></u>       | <u><b>2.575</b></u>                    |
| <u><b>54</b></u>         | <u><b>2.600</b></u>                    |
| <u><b>54 ¼</b></u>       | <u><b>2.625</b></u>                    |
| <u><b>54 ½</b></u>       | <u><b>2.650</b></u>                    |

|                                     |              |
|-------------------------------------|--------------|
| <u>54 <sup>3</sup>/<sub>4</sub></u> | <u>2.675</u> |
| <u>55</u>                           | <u>2.700</u> |
| <u>55 <sup>1</sup>/<sub>4</sub></u> | <u>2.725</u> |
| <u>55 <sup>1</sup>/<sub>2</sub></u> | <u>2.750</u> |
| <u>55 <sup>3</sup>/<sub>4</sub></u> | <u>2.775</u> |
| <u>56</u>                           | <u>2.800</u> |
| <u>56 <sup>1</sup>/<sub>4</sub></u> | <u>2.825</u> |
| <u>56 <sup>1</sup>/<sub>2</sub></u> | <u>2.850</u> |
| <u>56 <sup>3</sup>/<sub>4</sub></u> | <u>2.875</u> |
| <u>57</u>                           | <u>2.900</u> |
| <u>57 <sup>1</sup>/<sub>4</sub></u> | <u>2.925</u> |
| <u>57 <sup>1</sup>/<sub>2</sub></u> | <u>2.950</u> |
| <u>57 <sup>3</sup>/<sub>4</sub></u> | <u>2.975</u> |
| <u>58</u>                           | <u>3.0</u>   |

In no event shall a member's initial retirement allowance exceed ninety percent of his or her average final compensation.

#### **SEC. A8.608-3 RETIREMENT FOR INCAPACITY**

Any member of the sheriff's department who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.608-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board;

and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.608-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the position held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.608-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.608-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.608-2, but not less than 50 percent of said final compensation. Any member of the sheriff's department who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.608-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.608-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said Board's own motion, by the Retirement Board's Executive Director on its behalf, by recommendation of the sheriff's department, or by said member, or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease and he or she shall be restored to the service in the position he or she occupied at the time of his or her retirement.

#### **SEC. A8.608-4 DEATH ALLOWANCE**

*If a member of the sheriff's department shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the position held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation. If he or she had retired prior to death, for service or for disability resulting from injury received in, or illness caused by the performance of duty, the allowance payable shall be equal to the retirement allowance of the member, except that if he or she was a member under Section A8.608 and retirement was for such disability, and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of*

service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died.

If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this Section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death.

#### **SEC. A8.608-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a member of the sheriff's department resulting from any cause other than an injury received in, or illness caused by performance of duty,

(a) if the death occurred after qualification for service retirement under Section A8.608-2, or after retirement for service or because of disability which results from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.608-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, three-fourths of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.608-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.608-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her



for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.608-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.608-6 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.608 shall be adjusted for cost of living allowances as provided in this Charter.

#### **SEC. A8.608-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

That portion of any allowance payable because of the death or retirement of any member of the sheriff's department which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any Workers' Compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.

#### **SEC. A8.608-8 DEATH BENEFIT**

*If a member of the sheriff's department shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.608-4 or A8.608-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which, and the conditions for the payment of which, shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.*

#### **SEC. A8.608-9 REFUNDS AND REDEPOSITS**

*Should any member of the sheriff's department cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System. If he or she shall again become a member of the department, he or she shall redeposit in the retirement fund the amount refunded to him or her.*

#### **SEC. A8.608-10 COMPUTATION OF SERVICE**

*The following time shall be included in the computation of the service to be credited to a member of the sheriff's department for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:*

(a) Time during and for which said member is entitled to receive compensation because of services as a member of the sheriff's department hired on or after January 7, 2012.

(b) Time prior to January 7, 2012, during which said member was entitled to receive compensation while a member of the sheriff's department under any other section of the Charter, provided that accumulated contributions on account of such service previously refunded are redeposited with interest from the date of refund to the date of redeposit, at times and in the manner fixed by the Retirement board; and solely for the purpose of determining qualification for retirement under Section A8.608-3 for disability not resulting from injury received in or illness caused by performance of duty, time during which said member serves and receives compensation because of services rendered in other offices and departments.

(c) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(d) Time during which said member is absent from a status included in Subsection (a) by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

#### **SEC. A8.608-11 SOURCES OF FUNDS**

All payments provided for members under Section A8.608 shall be made from funds derived from the following sources, plus interest earned on said funds:

(a) There shall be deducted from each payment of compensation made to a member under Section A8.608 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was

deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.608-4, A8.607-5 and A8.608-8.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.608-11, to provide the benefits payable to members under Section A8.608. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.608 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.608-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below

| <u><b>Employer</b></u>     | <u><b>Change In</b></u>    |
|----------------------------|----------------------------|
| <u><b>Contribution</b></u> | <u><b>Member</b></u>       |
| <u><b>Rate</b></u>         | <u><b>Contribution</b></u> |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>        |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>        |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>       |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>        |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>        |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>        |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>        |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>        |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>        |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>           |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>         |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>         |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>         |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>         |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>         |
| <u><b>22.51%-25.0%</b></u> | <u><b>3.5%</b></u>         |
| <u><b>25.01%-27.5%</b></u> | <u><b>3.5%</b></u>         |
| <u><b>27.51%-30.0%</b></u> | <u><b>3.75%</b></u>        |
| <u><b>30.01%-32.5%</b></u> | <u><b>3.75%</b></u>        |
| <u><b>32.51%-35.0%</b></u> | <u><b>4.0%</b></u>         |
| <u><b>Over 35.0%</b></u>   | <u><b>4.0%</b></u>         |

The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.608, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.608-4, A8.608-5 and A8.608-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.608-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose

*issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:*

| <b><u>Employer</u></b>     | <b><u>Change In</u></b>    |
|----------------------------|----------------------------|
| <b><u>Contribution</u></b> | <b><u>Member</u></b>       |
| <b><u>Rate</u></b>         | <b><u>Contribution</u></b> |
| <b><u>0%</u></b>           | <b><u>-5.0%</u></b>        |
| <b><u>.01%-1.0%</u></b>    | <b><u>-4.5%</u></b>        |
| <b><u>1.01%-2.5%</u></b>   | <b><u>-4.25%</u></b>       |
| <b><u>2.51%-4.0%</u></b>   | <b><u>-4.0%</u></b>        |
| <b><u>4.01%-5.5%</u></b>   | <b><u>-3.0%</u></b>        |
| <b><u>5.51%-7.0%</u></b>   | <b><u>-2.5%</u></b>        |
| <b><u>7.01%-8.5%</u></b>   | <b><u>-2.0%</u></b>        |
| <b><u>8.51%-10.0%</u></b>  | <b><u>-1.5%</u></b>        |
| <b><u>10.01%-11.0%</u></b> | <b><u>-0.5%</u></b>        |
| <b><u>11.01%-12.0%</u></b> | <b><u>0%</u></b>           |
| <b><u>12.01%-13.0%</u></b> | <b><u>0.5%</u></b>         |
| <b><u>13.01%-15.0%</u></b> | <b><u>1.5%</u></b>         |
| <b><u>15.01%-17.5%</u></b> | <b><u>2.0%</u></b>         |
| <b><u>17.51%-20.0%</u></b> | <b><u>2.5%</u></b>         |
| <b><u>20.01%-22.5%</u></b> | <b><u>3.0%</u></b>         |
| <b><u>22.51%-25.0%</u></b> | <b><u>4.0%</u></b>         |
| <b><u>25.01%-27.5%</u></b> | <b><u>4.0%</u></b>         |
| <b><u>27.51%-30.0%</u></b> | <b><u>4.25%</u></b>        |
| <b><u>30.01%-32.5%</u></b> | <b><u>4.25%</u></b>        |
| <b><u>32.51%-35.0%</u></b> | <b><u>4.5%</u></b>         |

Over 35.0%

5.0%

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.608, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.607-4, A8.608-5 and A8.608-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.*

*(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.608 shall be a part of the fund in which all other assets of said system are included.*



(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.608-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.608-2 as requisite to retirement, a member of the sheriff's department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.608-2, and except as provided in Section A8.608-13, nothing shall deprive said member of said right.

#### **SEC. A8.608-13 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.608-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability, or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her

sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

**SEC. A8.608-14 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.608 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall not be affected by the provisions of Subsection (a) of this Section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.608, he or she shall re-enter membership under Section A8.608 and his or her retirement allowance shall be cancelled immediately upon his or her re-entry. The provisions of Subsection (a) of this Section shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.608. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.608-15 DEFERRED RETIREMENT**

Should any member of the sheriff's department who is a member of the Retirement System under Charter Section A8.608 cease to be employed as such a member, through any cause other than death or retirement, all of his or her contributions with interest credited thereon, shall be refunded to him or her, provided that if such member is entitled to be credited with at least five years of service, then he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.608-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination, payable beginning no earlier than age 50. No deferred retirement allowance under this Section shall exceed ninety percent (90%) of the member's final compensation.

#### **SEC. A8.608-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.608 or with any part thereof, shall be superseded by the contents of Section A8.608. Section A8.608 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.608 are held to be invalid or unconstitutional by a final judgment of a

court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.608. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.608 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.608 which can be given effect. Section A8.608 shall be broadly construed to achieve its stated purposes.

Section 12. The San Francisco Charter is hereby amended, by adding Sections A8.609 through A8.609-16 to read as follows:

**SEC. A8.609 MISCELLANEOUS SAFETY PERSONNEL HIRED BEFORE JANUARY 7, 2012**

Upon the thirty first day following the effective date of an ordinance enacted by the Board of Supervisors under Section A8.500 based on agreement between the City and the recognized employee organizations representing the impacted employees, but not before July 1, 2012, miscellaneous safety employees, as defined in Section A8.609-2, hired before January 7, 2012, shall be members of the Retirement System for prospective service subject to the provisions of this Section A8.609 through A8.609-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

**SEC. A8.609-1 DEFINITIONS**

The following words and phrases as used in this Section, Section A8.609-1 and Sections A8.609-2 through A8.609-16, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the positions held by him or her during such period, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to becoming a miscellaneous safety member, he or she was in the position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earnable by a member during the higher of any one fiscal year of earnings or the twelve consecutive months of earnings immediately prior to retirement.

For the purpose of Sections A8.609 through A8.609-16, the terms "miscellaneous safety member" or "member" shall mean any probation officers, district attorney investigators and juvenile court counselors hired before January 7, 2012 who was an active member of the Public Employees' Retirement System.

"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.609 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.609-10.

"Retirement system" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Section A8.500 of the Charter.

"Retirement Board" shall mean "retirement board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

#### **SEC. A8.609-2 SERVICE RETIREMENT**

Any miscellaneous safety member who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.609-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.609-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.609-10:

| <b><u>Retirement Age</u></b> | <b><u>Percent for Each Year of<br/>Credited Service</u></b> |
|------------------------------|---|
| <b><u>50</u></b>             | <b><u>2.000</u></b>   |
| <b><u>50 ¼</u></b>           | <b><u>2.035</u></b>   |
| <b><u>50 ½</u></b>           | <b><u>2.070</u></b>   |
| <b><u>50 ¾</u></b>           | <b><u>2.105</u></b>   |

|             |              |
|-------------|--------------|
| <u>51</u>   | <u>2.140</u> |
| <u>51 ¼</u> | <u>2.175</u> |
| <u>51 ½</u> | <u>2.210</u> |
| <u>51 ¾</u> | <u>2.245</u> |
| <u>52</u>   | <u>2.280</u> |
| <u>52 ¼</u> | <u>2.315</u> |
| <u>52 ½</u> | <u>2.350</u> |
| <u>52 ¾</u> | <u>2.385</u> |
| <u>53</u>   | <u>2.420</u> |
| <u>53 ¼</u> | <u>2.455</u> |
| <u>53 ½</u> | <u>2.490</u> |
| <u>53 ¾</u> | <u>2.525</u> |
| <u>54</u>   | <u>2.560</u> |
| <u>54 ¼</u> | <u>2.595</u> |
| <u>54 ½</u> | <u>2.630</u> |
| <u>54 ¾</u> | <u>2.665</u> |
| <u>55+</u>  | <u>2.700</u> |

*In no event, however, shall such a retirement allowance exceed ninety (90) percent of a member's final compensation.*

#### **SEC. A8.609-3 RETIREMENT FOR INCAPACITY**

*Any miscellaneous safety member who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of*

his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.6098-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.609-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the position held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.609-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.609-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.609-2, but not less than 50 percent of said final compensation. Any miscellaneous safety member who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.609-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.609-1 for each year of service, provided that said allowance shall not be less than 33⅓



percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said board's own motion, by recommendation of the miscellaneous safety member's department, or by said member or his or her guardian. If his or her disability shall cease, his or her retirement allowance shall cease and he or she shall be restored to the service in the rank he or she occupied at the time of his or her retirement.

#### **SEC. A8.609-4 DEATH ALLOWANCE**

If a miscellaneous safety member shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the position held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If he or she had retired prior to death, the allowance payable shall be equal to one-half of his or her retirement allowance of the member as it was prior to optional modification and prior to reduction as provided in Subsection (a) of Section A8.514 of this Charter, but exclusive of the part of such allowance which was provided by additional contributions, except that if he or she was a member under Section A8.609 and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died. If such retired person leaves no such surviving spouse, or if such surviving spouse should die or remarry before every child of such deceased retired person attains the age of 18 years, the allowance which such surviving spouse would have received had he or she lived and not remarried shall be paid to retired person's child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years.

Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her estate or designated beneficiary in the manner and subject to the conditions prescribed by the Board of Supervisors for the payment of a similar death benefit upon the death of other retired members.

No allowance, however, shall be paid under this section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death, or unless such surviving spouse was married to said member at least one year prior to his or her retirement. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall

receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency.

#### **SEC. A8.609-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a miscellaneous safety member resulting from any cause other than an injury received in, or illness caused by performance of duty,

(a) if the death occurred after qualification for service retirement under Section A8.609-2, or after retirement for service or because of disability which result from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.609-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, one-half of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement

allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.609-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.609-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired.

The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.609-8, in lieu of the allowance which otherwise would be

continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.

#### **SEC. A8.609-6 ADJUSTMENT OF ALLOWANCES**

Every retirement or death allowance payable to or on account of any member under Section A8.609 shall be adjusted in accordance with the provisions of Subsection (c) of Section A8.526-2 of this Charter.

#### **SEC. A8.609-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

That portion of any allowance payable because of the death or retirement of any miscellaneous safety member which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any workers' compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.

#### **SEC. A8.609-8 DEATH BENEFIT**

If a miscellaneous safety member shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.609-4 or A8.609-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which and the conditions for the payment of

which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.

#### **SEC. A8.609-9 REFUNDS AND REDEPOSITS**

Should any miscellaneous safety member cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System.

#### **SEC. A8.609-10 COMPUTATION OF SERVICE**

The following time shall be included in the computation of the service to be credited to a miscellaneous safety member for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:

(a) Time during and for which said member is entitled to receive compensation because of services as a miscellaneous safety member.

(b) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.

(c) Time during which said member is absent from a status included in Subsection (a) next preceding, by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.

## **SEC. A8.609-11 SOURCES OF FUNDS**

*All payments provided for members under Section A8.609 shall be made from funds derived from the following sources, plus interest earned on said funds:*

*(a) There shall be deducted from each payment of compensation made to a member under Section A8.609 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her estate or beneficiary as provided in Sections A8.609-8, A8.609-9 and A8.609-10. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.*

*(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.609-11, to provide the benefits payable to members under Section A8.609. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.608 in accordance with the provisions of Section A8.510.*

*(c) Notwithstanding any other provision of this Section A8.609-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the*

Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>3.5%</b></u>             |



|                     |              |
|---------------------|--------------|
| <u>27.51%-30.0%</u> | <u>3.75%</u> |
| <u>30.01%-32.5%</u> | <u>3.75%</u> |
| <u>32.51%-35.0%</u> | <u>4.0%</u>  |
| <u>Over 35.0%</u>   | <u>4.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.609, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.609-5 and A8.609-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.*

*(d) Notwithstanding any other provision of this Section A8.609-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the*

Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-5.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.5%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-4.25%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-4.0%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-3.0%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.5%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>3.0%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>4.0%</b></u>             |

|                     |              |
|---------------------|--------------|
| <u>27.51%-30.0%</u> | <u>4.25%</u> |
| <u>30.01%-32.5%</u> | <u>4.25%</u> |
| <u>32.51%-35.0%</u> | <u>4.5%</u>  |
| <u>Over 35.0%</u>   | <u>5.0%</u>  |

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.609, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.609-5 and A8.609-6.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required by the City and County of San Francisco under Subsection (b) for that fiscal year.*

*(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits*

for members under Section A8.609 shall be a part of the fund in which all other assets of said system are included.

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.609-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.609-2 as requisite to retirement, a miscellaneous safety member shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.609-2, and except as provided in Section A8.609-16, nothing shall deprive said member of said right.

#### **SEC. A8.609-13 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.609 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall be affected by the provisions of Subsection (a) of this section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.609, he or she shall re-enter membership under Section A8.609 and his or her retirement allowance shall be cancelled immediately upon his or her re-entry. The provisions of Subsection (a) of this section

shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.609. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 55 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.609-14 DEFERRED RETIREMENT**

Notwithstanding any provisions of this Charter to the contrary, should any miscellaneous safety member who is a member of the Retirement System under Charter Section A8.609 with at least five years of credited service cease to be employed as such a member, through any cause other than death or retirement, he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.609-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination, payable beginning no earlier than age 50. No deferred retirement

allowance under this Section shall exceed ninety (90%) percent of the member's final compensation.

#### **SEC. A8.609-15 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.609-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

#### **SEC. A8.609-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.609 or with any part thereof, shall be superseded by the contents of Section A8.609. Section A8.609 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions

*or portions of Section A8.609 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.609. If any words, phrases, clauses, sentences, subsections, provisions or portions of this Section A8.609 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of this Section A8.609 which can be given effect. Section A8.609 shall be broadly construed to achieve its stated purposes.*

Section 13. The San Francisco Charter is hereby amended, by adding Sections A8.610 through A8.610-16 to read as follows:

**SEC. A8.610 MISCELLANEOUS SAFETY PERSONNEL HIRED ON AND AFTER  
JANUARY 7, 2012**

*Miscellaneous safety employees, as defined in Section A8.610-2, hired on and after January 7, 2012, shall be members of the Retirement System subject to the provisions of Sections A8.610 through A8.610-16 in addition to such other applicable provisions of this Charter, including but not limited to Sections 12.100 and A8.500.*

**SEC. A8.610-1 DEFINITIONS**

*The following words and phrases as used in this Section, Section A8.610 and Sections A8.610-2 through A8.610-16, unless a different meaning is plainly required by the context, shall have the following meanings:*

*"Retirement allowance," "death allowance" or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life unless a different term of payment is definitely provided by the context.*

*"Compensation," as distinguished from benefits under the Workers' Compensation laws of the State of California shall mean all remuneration whether in cash or by other allowances made by the City and County, for service qualifying for credit under this Section, but excluding*

remuneration for overtime and such other forms of compensation excluded by the Board of Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new premiums or allowances first paid by the City and County after January 7, 2012, that exceed the rate of pay fixed for each classification for service qualifying for credit under this Section. For members with concurrent service in more than one position, "compensation" shall be limited to remuneration for the first hours paid during any fiscal year equal to one full time equivalent position. "Compensation" for any fiscal year shall not include remuneration that exceeds seventy five percent of the limits set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

"Compensation earnable" shall mean the compensation which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates of remuneration attached at that time to the positions held by him or her during such period, it being assumed that during any absence, he or she was in the position held by him or her at the beginning of the absence, and that prior to becoming a miscellaneous safety member, he or she was in the position first held by him or her in such department.

"Benefit" shall include "allowance," "retirement allowance," "death allowance" and "death benefit."

"Final compensation" shall mean the average monthly compensation earnable by a member during the higher of any three fiscal years of earnings or the thirty six consecutive months of earnings immediately prior to retirement.

For the purpose of Sections A8.610 through A8.610-16, the terms "miscellaneous safety member" or "member" shall mean any probation officers, district attorney investigators, and juvenile court counselors hired on and after January 7, 2012.



"Qualified for service retirement," "qualification for service retirement" or "qualified as to age and service for retirement," as used in this Section and other Sections to which persons who are members under Section A8.610 are subject, shall mean completion of 25 years of service and attainment of age 50, said service to be computed under Section A8.610-10.

"Retirement system" or "system" shall mean San Francisco City and County Employees' Retirement System as created in Section A8.500 of the Charter.

"Retirement Board" shall mean "retirement board" as created in Section 12.100 of the Charter.

"Charter" shall mean the Charter of the City and County of San Francisco.

Words used in the masculine gender shall include the feminine and neuter gender, words used in the feminine gender shall include the masculine and neuter gender, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

#### **SEC. A8.610-2 SERVICE RETIREMENT**

Any miscellaneous safety member, who completes at least five years of service in the aggregate and attains the age of fifty (50) years, said service to be computed under Section A8.610-10, may retire for service at his or her option. A member retired after meeting the service and age requirements in the preceding sentence, shall receive a retirement allowance equal to the percent of final compensation (as defined in Section A8.610-1) set forth below opposite his or her age at retirement, taken to the preceding completed quarter year, for each year of service, as computed under Section A8.610-1

| <u><i>Retirement</i></u> | <u><i>Percent for Each Year of</i></u> |
|--------------------------|--|
| <u><i>Age</i></u>        | <u><i>Credited Service</i></u>         |
| <u>50</u>                | <u>1.800</u>                           |
| <u>50 ½</u>              | <u>1.828</u>                           |
| <u>50 ½</u>              | <u>1.856</u>                           |
| <u>50 ¾</u>              | <u>1.884</u>                           |
| <u>51</u>                | <u>1.912</u>                           |
| <u>51 ¼</u>              | <u>1.940</u>                           |
| <u>51 ½</u>              | <u>1.968</u>                           |
| <u>51 ¾</u>              | <u>1.996</u>                           |
| <u>52</u>                | <u>2.020</u>                           |
| <u>52 ¼</u>              | <u>2.048</u>                           |
| <u>52 ½</u>              | <u>2.076</u>                           |
| <u>52 ¾</u>              | <u>2.104</u>                           |
| <u>53</u>                | <u>2.132</u>                           |
| <u>53 ¼</u>              | <u>2.160</u>                           |
| <u>53 ½</u>              | <u>2.188</u>                           |
| <u>53 ¾</u>              | <u>2.216</u>                           |
| <u>54</u>                | <u>2.244</u>                           |
| <u>54 ¼</u>              | <u>2.272</u>                           |
| <u>54 ½</u>              | <u>2.300</u>                           |

|                                     |              |
|-------------------------------------|--------------|
| <u>54 <sup>3</sup>/<sub>4</sub></u> | <u>2.328</u> |
| <u>55</u>                           | <u>2.356</u> |
| <u>55 <sup>1</sup>/<sub>4</sub></u> | <u>2.384</u> |
| <u>55 <sup>1</sup>/<sub>2</sub></u> | <u>2.412</u> |
| <u>55 <sup>3</sup>/<sub>4</sub></u> | <u>2.440</u> |
| <u>56</u>                           | <u>2.468</u> |
| <u>56 <sup>1</sup>/<sub>4</sub></u> | <u>2.496</u> |
| <u>56 <sup>1</sup>/<sub>2</sub></u> | <u>2.524</u> |
| <u>56 <sup>3</sup>/<sub>4</sub></u> | <u>2.552</u> |
| <u>57</u>                           | <u>2.590</u> |
| <u>57 <sup>1</sup>/<sub>4</sub></u> | <u>2.618</u> |
| <u>57 <sup>1</sup>/<sub>2</sub></u> | <u>2.646</u> |
| <u>57 <sup>3</sup>/<sub>4</sub></u> | <u>2.674</u> |
| <u>58</u>                           | <u>2.700</u> |

In no event shall a member's initial retirement allowance exceed ninety percent of his or her average final compensation.

#### **SEC. A8.610-3 RETIREMENT FOR INCAPACITY**

Any miscellaneous safety member who becomes incapacitated for the performance of his or her duty by reason of any bodily injury received in, or illness caused by the performance of his or her duty, shall be retired. If he or she is not qualified for service retirement, he or she shall receive a retirement allowance in an amount which shall be equal to the same percentage of the final compensation of said member, as defined in Section A8.610-1, as his or her percentage of disability is determined to be. The percentage of disability shall be as determined

by the Workers' Compensation Appeals Board of the State of California upon referral from the Retirement Board for that purpose; provided that the Retirement Board may, by five affirmative votes, adjust the percentage of disability as determined by said appeals board; and provided, further, that such retirement allowance shall be in an amount not less than 50 percent nor more than 90 percent of the final compensation of said member, as defined in Section A8.610-1. Said allowance shall be paid to him or her until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years had he or she lived and rendered service without interruption in the rank held by him or her at retirement, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date based on the final compensation, as defined in Section A8.610-1, he or she would have received immediately prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If, at the time of retirement because of disability, he or she is qualified as to age and service for retirement under Section A8.610-2, he or she shall receive an allowance equal to the retirement allowance which he or she would receive if retired under Section A8.610-2, but not less than 50 percent of said final compensation. Any miscellaneous safety member who becomes incapacitated for performance of his or her duty by reason of a cause not included under the provisions of the immediately preceding sentences, and who shall have completed at least 10 years of service in the aggregate, computed as provided in Section A8.610-10, shall be retired upon an allowance of 1½ percent of the final compensation of said member as defined in Section A8.610-1 for each year of service, provided that said allowance shall not be less than 33⅓ percent of said final compensation. The question of retiring a member under this Section may be brought before the Retirement Board on said Board's own motion, by the Retirement Board's Executive Director on its behalf, by recommendation of the miscellaneous safety member's department, or by said member, or his or her guardian. If his or her disability shall cease, his or

her retirement allowance shall cease and he or she shall be restored to the service in the position he or she occupied at the time of his or her retirement.

#### **SEC. A8.610-4 DEATH ALLOWANCE**

If a miscellaneous safety member shall die before or after retirement by reason of an injury received in, or illness caused by the performance of his or her duty, a death allowance, in lieu of any allowance, payable under any other section of the Charter or by ordinance, on account of death resulting from injury received in or illness caused by the performance of duty, shall be paid, beginning on the date next following the date of death, to his or her surviving spouse throughout his or her life or until his or her remarriage. If the member, at the time of death, was qualified for service retirement, but he or she had not retired, the allowance payable shall be equal to the retirement allowance which the member would have received if he or she had been retired for service on the date of death, but such allowance shall not be less than 50 percent of the final compensation earnable by said member immediately preceding death. If death occurs prior to qualification for service retirement, the allowance payable shall be equal to the compensation of said member at the date of death, until the date upon which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, had he or she lived and rendered service without interruption in the position held by him or her at death, and after said date the allowance payable shall be equal to the retirement allowance said member would have received if retired for service on said date, based on the final compensation he or she would have received prior to said date, had he or she lived and rendered service as assumed, but such allowance shall not be less than 50 percent of such final compensation.

If he or she had retired prior to death, the allowance payable shall be equal to one-half of his or her retirement allowance of the member as it was prior to optional modification and prior to reduction as provided in Subsection (a) of Section A8.514 of this Charter, but exclusive of the part of such allowance which was provided by additional contributions, except that if he

or she was a member under Section A8.610 and if death occurred prior to qualification for the service retirement allowance, the allowance continued shall be adjusted upon the date at which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died. If such retired person leaves no such surviving spouse, or if such surviving spouse should die or remarry before every child of such deceased retired person attains the age of 18 years, the allowance which such surviving spouse would have received had he or she lived and not remarried shall be paid to retired person's child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her estate or designated beneficiary in the manner and subject to the conditions prescribed by the Board of Supervisors for the payment of a similar death benefit upon the death of other retired members.

No allowance, however, shall be paid under this section to a surviving spouse following the death of a member unless he or she was married to the member prior to the date of injury or onset of the illness which results in death, or unless such surviving spouse was married to said member at least one year prior to his or her retirement. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under the age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly

allowance equal to that which a surviving spouse otherwise would have received, during such dependency.

#### **SEC. A8.610-5 PAYMENT TO SURVIVING DEPENDENTS**

Upon the death of a miscellaneous safety resulting from any cause other than an injury received in, or illness caused by performance of duty.

(a) if the death occurred after qualification for service retirement under Section A8.610-2, or after retirement for service or because of disability which results from any cause other than an injury received in, or illness caused by performance of duty one-half of the retirement allowance to which the member would have been entitled if he or she had retired for service at the date of death or one-half of the retirement allowance as it was at his or her death, as the case may be, shall be continued throughout his or her life or until remarriage to his or her surviving spouse, or

(b) if his or her death occurred after the completion of at least 25 years of service in the aggregate but prior to the attainment of the age of 50 years, one-half of the retirement allowance to which he or she would have been entitled under Section A8.610-2 if he or she had attained the age of 50 years on the date of his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, or

(c) if his or her death occurred after retirement for disability by reason of injury received in or illness caused by performance of duty, one-half of his or her retirement allowance as it was at his or her death shall be continued throughout life or until remarriage to his or her surviving spouse, except that, if death occurred prior to qualification for service retirement allowance, the allowance continued shall be adjusted upon the date on which said member would have completed at least twenty-five (25) years of service in the aggregate and attained the age of fifty (50) years, in the same manner as it would have been adjusted had the member not died, or

(d) if his or her death occurred after completion of at least 10 years of service in the aggregate, computed as provided in Section A8.610-10, an allowance in an amount equal to the retirement allowance to which the member would have been entitled pursuant to Section A8.610-3 if he or she had retired on the date of death because of incapacity for performance of duty shall be paid throughout life or until remarriage to his or her surviving spouse. If there is no surviving spouse entitled to an allowance hereunder, or if he or she dies or remarries before every child of such deceased member attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived and not remarried shall be paid to his or her child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving spouse and no children under age of 18 years, but leave a child or children, regardless of age, dependent upon him or her for support because partially or totally disabled and unable to earn a livelihood or a parent or parents dependent upon him or her for support, the child or children and the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however shall be paid under this Section to a surviving spouse unless he or she was married to the member prior to the date of the injury or onset of the illness which results in death if he or she had not retired, or unless he or she was married to the member at least one year prior to his or her retirement if he or she had retired. The surviving spouse, in the event of death of the member after qualification for, but before service retirement, may elect before the first payment of the allowance, to receive the benefit provided in Section A8.610-8, in lieu of the allowance which otherwise would be continued to him or her under this Section. If there is no surviving spouse, the guardian of the eligible child or children may make such election, and if there are no such children, the dependent parent or parents may make such election.



**SEC. A8.610-6 ADJUSTMENT OF ALLOWANCES**

*Every retirement or death allowance payable to or on account of any member under Section A8.6109 shall be adjusted for cost of living allowances as provided in this Charter.*

**SEC. A8.610-7 ADJUSTMENT FOR COMPENSATION PAYMENTS**

*That portion of any allowance payable because of the death or retirement of any miscellaneous safety member which is provided by contributions of the City and County, shall be reduced, by the amount of any benefits other than medical benefits, payable by the City and County to or on account of such person, under any Workers' Compensation law or any other general law and because of the injury or illness resulting in said death or retirement. Such portion which is paid because of death or retirement which resulted from injury received in, or illness caused by performance of duty, shall be considered as in lieu of all benefits, other than medical benefits, payable to or on account of such person under such law and shall be in satisfaction and discharge of the obligation of the City and County to pay such benefits.*

**SEC. A8.610-8 DEATH BENEFIT**

*If a miscellaneous safety member shall die, before retirement from causes other than an injury received in, or illness caused by the performance of duty, or regardless of cause if no allowance shall be payable under Section A8.610-4 or A8.610-5 preceding, a death benefit shall be paid to his or her estate or designated beneficiary, the amount of which and the conditions for the payment of which shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System. Upon the death of a member after retirement and regardless of the cause of death, a death benefit shall be paid to his or her designated beneficiary or estate, the amount of which, and the conditions for the payment of which, shall be determined in the manner prescribed by the Board of Supervisors for the death benefit of other members of the Retirement System.*

#### **SEC. A8.610-9 REFUNDS AND REDEPOSITS**

*Should any miscellaneous safety member cease to be employed as such a member, through any cause other than death or retirement or transfer to another office or department, all of his or her contributions, with interest credited thereon, shall be refunded to him or her subject to the conditions prescribed by the Board of Supervisors to govern similar terminations of employment of other members of the Retirement System.*

#### **SEC. A8.610-10 COMPUTATION OF SERVICE**

*The following time shall be included in the computation of the service to be credited to a miscellaneous safety member for the purposes of determining whether such member qualified for retirement and calculating benefits, excluding, however, any time, the contributions for which were withdrawn by said member upon termination of his or her service while he or she was a member under any other Charter section, and not redeposited upon re-entry into service:*

*(a) Time during and for which said member is entitled to receive compensation because of services as a miscellaneous safety member on or after January 7, 2012.*

*(b) Time during which said member was on Unpaid Parental Leave pursuant to Charter Section A8.523, and for which said member has purchased service credit in the Retirement System.*

*(c) Time during which said member is absent from a status included in Subsection (a) by reason of service in the armed forces of the United States of America, or by reason of any other service included in Sections A8.520 and A8.521 of the Charter, during any war in which the United States was or shall be engaged or during other national emergency, and for which said member contributed or contributes to the Retirement System or for which the City and County contributed or contributes on his or her account.*

#### **SEC. A8.610-11 SOURCES OF FUNDS**

*All payments provided for members under Section A8.610 shall be made from funds derived from the following sources, plus interest earned on said funds:*

(a) There shall be deducted from each payment of compensation made to a member under Section A8.610 a sum equal to eight and one-half percent of such payment of compensation. The sum so deducted shall be paid forthwith to the Retirement System. Said contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of said member, or shall be paid to said member or his or her beneficiary or as provided in Sections A8.610-4, A8.610-5 and A8.610-8. The individual accounts of members who purchased service credit for Unpaid Parental Leave shall also include the amount paid by the member for said purchase, plus interest.

(b) The City and County shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in Subsection (a) of this Section A8.610-11, to provide the benefits payable to members under Section A8.610. Such contributions of the City and County to provide the portion of the benefits hereunder shall be made in annual installments, and the installment to be paid in any year shall be determined by the application of a percentage to the total compensation paid during said year to persons who are members under Section A8.610 in accordance with the provisions of Section A8.510.

(c) Notwithstanding any other provision of this Section A8.610-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay less than \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent

(3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:

| <u><b>Employer</b></u>     | <u><b>Change In Member</b></u> |
|----------------------------|--------------------------------|
| <u><b>Contribution</b></u> | <u><b>Contribution</b></u>     |
| <u><b>Rate</b></u>         |                                |
| <u><b>0%</b></u>           | <u><b>-4.0%</b></u>            |
| <u><b>.01%-1.0%</b></u>    | <u><b>-4.0%</b></u>            |
| <u><b>1.01%-2.5%</b></u>   | <u><b>-3.75%</b></u>           |
| <u><b>2.51%-4.0%</b></u>   | <u><b>-3.5%</b></u>            |
| <u><b>4.01%-5.5%</b></u>   | <u><b>-2.5%</b></u>            |
| <u><b>5.51%-7.0%</b></u>   | <u><b>-2.0%</b></u>            |
| <u><b>7.01%-8.5%</b></u>   | <u><b>-1.5%</b></u>            |
| <u><b>8.51%-10.0%</b></u>  | <u><b>-1.0%</b></u>            |
| <u><b>10.01%-11.0%</b></u> | <u><b>-0.5%</b></u>            |
| <u><b>11.01%-12.0%</b></u> | <u><b>0%</b></u>               |
| <u><b>12.01%-13.0%</b></u> | <u><b>0.5%</b></u>             |
| <u><b>13.01%-15.0%</b></u> | <u><b>1.0%</b></u>             |
| <u><b>15.01%-17.5%</b></u> | <u><b>1.5%</b></u>             |
| <u><b>17.51%-20.0%</b></u> | <u><b>2.0%</b></u>             |
| <u><b>20.01%-22.5%</b></u> | <u><b>2.5%</b></u>             |
| <u><b>22.51%-25.0%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>25.01%-27.5%</b></u> | <u><b>3.5%</b></u>             |
| <u><b>27.51%-30.0%</b></u> | <u><b>3.75%</b></u>            |
| <u><b>30.01%-32.5%</b></u> | <u><b>3.75%</b></u>            |
| <u><b>32.51%-35.0%</b></u> | <u><b>4.0%</b></u>             |
| <u><b>Over 35.0%</b></u>   | <u><b>4.0%</b></u>             |

The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.610, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.610-4, A8.610-5 and A8.610-8.

The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.

The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.

The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.

(d) Notwithstanding any other provision of this Section A8.610-11 or this Charter, beginning on July 1, 2012, the employee contribution rate set forth in Subsection (a) for each member with a base rate of pay at or above \$48.00 per hour shall be increased or decreased each fiscal year based on the employer contribution rate for that fiscal year calculated by the Retirement System's actuary as prescribed in Subsection (b). The base rate of pay shall be adjusted each fiscal year by the percentage increase in the cost of living during the previous calendar year, as shown by the then current CPI-U Index, San Francisco-Oakland-San Jose

*issued by the U.S. Bureau of Labor Statistics, but not to exceed three and one-half percent (3.5%). Said increase or decrease in the employee contribution rate shall be calculated as a percentage of compensation, as set forth below:*

| <b><u>Employer</u></b>     | <b><u>Change In Member</u></b> |
|----------------------------|--------------------------------|
| <b><u>Contribution</u></b> | <b><u>Contribution</u></b>     |
| <b><u>Rate</u></b>         |                                |
| <b><u>0%</u></b>           | <b><u>-5.0%</u></b>            |
| <b><u>.01%-1.0%</u></b>    | <b><u>-4.5%</u></b>            |
| <b><u>1.01%-2.5%</u></b>   | <b><u>-4.25%</u></b>           |
| <b><u>2.51%-4.0%</u></b>   | <b><u>-4.0%</u></b>            |
| <b><u>4.01%-5.5%</u></b>   | <b><u>-3.0%</u></b>            |
| <b><u>5.51%-7.0%</u></b>   | <b><u>-2.5%</u></b>            |
| <b><u>7.01%-8.5%</u></b>   | <b><u>-2.0%</u></b>            |
| <b><u>8.51%-10.0%</u></b>  | <b><u>-1.5%</u></b>            |
| <b><u>10.01%-11.0%</u></b> | <b><u>-0.5%</u></b>            |
| <b><u>11.01%-12.0%</u></b> | <b><u>0%</u></b>               |
| <b><u>12.01%-13.0%</u></b> | <b><u>0.5%</u></b>             |
| <b><u>13.01%-15.0%</u></b> | <b><u>1.5%</u></b>             |
| <b><u>15.01%-17.5%</u></b> | <b><u>2.0%</u></b>             |
| <b><u>17.51%-20.0%</u></b> | <b><u>2.5%</u></b>             |
| <b><u>20.01%-22.5%</u></b> | <b><u>3.0%</u></b>             |
| <b><u>22.51%-25.0%</u></b> | <b><u>4.0%</u></b>             |
| <b><u>25.01%-27.5%</u></b> | <b><u>4.0%</u></b>             |
| <b><u>27.51%-30.0%</u></b> | <b><u>4.25%</u></b>            |
| <b><u>30.01%-32.5%</u></b> | <b><u>4.25%</u></b>            |
| <b><u>32.51%-35.0%</u></b> | <b><u>4.5%</u></b>             |

Over 35.0%

5.0%

*The employee contribution increases shall be deducted from each payment of compensation and shall be paid forthwith to the Retirement System. Said additional contribution shall be credited to the individual account of the member from whose salary it was deducted, and the total of said contributions, together with interest credited thereon in the same manner as is prescribed by the Board of Supervisors for crediting interest to contributions of other members of the Retirement System, shall be applied to provide part of the retirement allowance granted to, or allowance granted on account of, said member under Section A8.6010, or shall be paid to said member or his or her beneficiary or estate as provided in Sections A8.610-4, A8.610-5 and A8.610-8.*

*The percentage increase in member contributions shall reduce, by a corresponding percentage, the City and County contributions to the Retirement System otherwise required for said member for that fiscal year.*

*The employee contribution decreases shall be paid by the City and County at the time each member is paid compensation, such that the Retirement System receives from the member and the City and County combined, a sum equal to eight and one half percent of the member's compensation as provided in Subsection (a). The sums so received shall be credited to the individual accounts of the member on whose behalf the contributions are made.*

*The percentage increase in contributions by the City and County shall be in addition to the contributions required under Subsection (b) for that fiscal year.*

*(e) To promote the stability of the Retirement System through a joint participation in the result of variations in the experience under mortality, investment and other contingencies, the contributions of both members and the City and County held by the system to provide benefits for members under Section A8.610 shall be a part of the fund in which all other assets of said system are included.*

(f) The Retirement Board's authority under Charter Sections 12.100 and A8.500 and in Section A8.510 concerning the annual setting of the rates of contribution is not subject to the meet and confer process, including all impasse procedures under Section A8.590 et seq.

#### **SEC. A8.610-12 RIGHT TO RETIRE**

Upon the completion of the years of service set forth in Section A8.610-2 as requisite to retirement, a member of the sheriff's department shall be entitled to retire at any time thereafter in accordance with the provisions of said Section A8.610-2, and except as provided in Section A8.610-13, nothing shall deprive said member of said right.

#### **SEC. A8.610-13 FORFEITURE FOR CRIMES INVOLVING MORAL TURPITUDE**

Any member convicted of a crime involving moral turpitude committed in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any benefits under the Retirement System except refund of his or her accumulated contributions; provided, however, that if such member is qualified for service retirement by reason of service and age under the provisions of Section A8.610-2, he or she shall have the right to elect, without right of revocation and within 90 days after his or her removal from office or employment to receive as his or her sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of such removal from office or employment.

Any member after retirement for service or disability, or while receiving a vesting allowance, who is convicted of a crime involving moral turpitude in connection with his or her duties as an officer or employee of the City and County shall forfeit all rights to any further benefit from the Retirement System and the Retirement System shall immediately cease all future payments to such member; provided however, that if at the time of the conviction, said member has remaining accumulated contributions, then such member shall have the right to elect, without right of revocation and within 30 days after his or her conviction, to receive as his or her



sole benefit under the Retirement System an annuity which shall be the actuarial equivalent of his or her accumulated contributions remaining at the time of the conviction.

**SEC. A8.610-14 LIMITATION ON EMPLOYMENT DURING RETIREMENT**

(a) Except as provided in Section A8.511 of this Charter and in Subsection (b) of this section, no person retired as a member under Section A8.610 for service or disability and entitled to receive a retirement allowance under the Retirement System shall be employed in any capacity by the City and County, nor shall such person receive any payment for services rendered to the City and County after retirement.

(b) (1) Service as an election officer or juror, or in the preparation for, or giving testimony as an expert witness for or on behalf of the City and County before any court or legislative body shall not be affected by the provisions of Subsection (a) of this Section.

(2) The provisions of Subsection (a) shall not prevent such retired person from serving on any board or commission of the City and County and receiving the compensation for such office, provided said compensation does not exceed \$100 per month.

(3) If such retired person is elected or appointed to a position or office which subjects him or her to membership in the Retirement System under Section A8.610, he or she shall re-enter membership under Section A8.609 and his or her retirement allowance shall be cancelled immediately upon his or her re-entry. The provisions of Subsection (a) of this Section shall not prevent such person from receiving the compensation for such position or office. The rate of contributions of such member shall be the same as that for other members under Section A8.610. Such member's individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the time of his or her re-entry, but the amount thereof shall not exceed the amount of his or her accumulated contributions at the time of his or her retirement. Such member shall also receive credit for his or her service as it was at the time of his or her retirement.

(c) Notwithstanding any provision of this Charter to the contrary, should any person retired for disability engage in a gainful occupation prior to attaining the age of 58 years, the Retirement Board shall reduce that part of his or her monthly retirement allowance which is provided by contributions of the City and County to an amount which, when added to the amount of the compensation earnable, at the time he or she engages in the gainful occupation, by such person if he or she held the position which he or she held at the time of his or her retirement, or, if that position has been abolished, the compensation earnable by the member if he or she held the position from which he or she was retired immediately prior to its abolishment.

#### **SEC. A8.610-15 DEFERRED RETIREMENT**

Notwithstanding any provision of this Charter to the contrary, should any miscellaneous safety member who is a member of the Retirement System under Charter Section A8.610 with at least five years of credited service cease to be employed as such a member, through any cause other than death or retirement, he or she shall have the right to elect, without right of revocation and within 90 days after termination of said service, to allow his or her accumulated contributions including interest to remain in the retirement fund and to receive a retirement allowance equal to the percent set forth in Section A8.610-2 opposite his or her age at retirement, for each year of service multiplied against the final compensation of said member, calculated at termination, payable beginning no earlier than age 50. No deferred retirement allowance under this section shall exceed ninety percent (90%) of the member's final compensation.

#### **SEC. A8.610-16 SEVERABILITY**

Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Section A8.610 or with any part thereof, shall be superseded by the contents of Section A8.610. Section A8.610 shall be interpreted to be consistent with all federal and state laws, rules, and regulations. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.610 are held to be invalid or unconstitutional by a final judgment of a

court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.610. If any words, phrases, clauses, sentences, subsections, provisions or portions of Section A8.610 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Section A8.6109 which can be given effect. Section A8.610 shall be broadly construed to achieve its stated purposes.

Section 14. The San Francisco Charter is hereby amended, by amending Sections 12.200, A8.422, A8.423, A8.426 and A8.428, and by adding Section A8.431-1, to read as follows:

**SEC. 12.200 HEALTH SERVICE BOARD.**

There shall be a Health Service Board which shall consist of seven members as follows: one member of the Board of Supervisors, to be appointed by the President of the Board of Supervisors; ~~two~~ two members appointed by the Mayor pursuant to Section 3.100, one of whom shall be an individual who regularly consults in the health care field, and the other a doctor of medicine; one member nominated by the Controller and ~~four~~three members elected from the active and retired members of the System from among their number. Elections shall be conducted by the Director of Elections in a manner prescribed by ordinance. Elected members need not reside within the City and County.

Not later than April 1, 2013 the Controller shall nominate a candidate for appointment to the Health Services Board for a two-year term commencing on May 15, 2013. The Controller shall transmit a written notice of nomination to the Health Services Board. The Controller's nominee shall be subject to the approval of the Health Services Board. If the Health Services Board fails to calendar the Controller's nomination for consideration at a meeting to occur not later than 60 days after receipt of the Controller's written notice of nomination, the Controller's nominee shall be deemed approved. All subsequent appointments of Controller's nominees shall

be for a five-year term and be subject to the same procedure. The Controller's nominee may not vote on his or her successor.

The terms of Health Service Board members, other than the ex officio members, shall be five years, and shall expire on May 15 of each year, with the exception that the term of the Board member that begins in May 2011 shall be three (3) years, and shall expire in May 2014, and the term of the Board member that begins in May 2013 term shall be two (2) years, and shall expire in May 2015.

The appointee nominated by the Controller shall succeed the elected member whose term expires at 12:00 noon on May 15, 2013. In the event the elected member whose term expires on May 15, 2013, leaves the Board prior to that date, the Controller shall nominated a successor to fill the unexpired term according to the procedures set forth above.

A vacancy on the Board appointed by the Mayor shall be filled by the Mayor. A vacancy on the Board of an appointee nominated by the Controller shall be filled for the unexpired term according to the procedures set forth above for Controller's nominees. A vacancy in an elective office on the Board shall be filled by a special election within 90 days after the vacancy occurs unless a regular election is to be held within six months after such vacancy shall have occurred.

The Health Service Board shall:

1. Establish and maintain detailed historical costs for medical and hospital care and conduct an annual review of such costs;
2. Apply benefits without special favor or privilege;
3. Put such plans as provided for in Section A8.422 into effect and conduct and administer the same and contract there for and use the funds of the System;
4. Make rules and regulations for the administration of business of the Health Service System, the granting of exemptions and the admission to the System of persons who are hereby made members, and such other officers and employees as may voluntarily become members with the approval of the Board; and

5. Receive, consider and, within 60 days after receipt, act upon any matter pertaining to the policies of, or appeals from, the Health Service System submitted to it in writing by any member or any person who has contracted to render medical care to the members.

Except as otherwise specifically provided, the Health Service Board shall have the powers and duties and shall be subject to the limitations of Charter Sections 4.102, 4.103 and 4.104.

Subject to the requirements of state law and the budgetary and fiscal provisions of the Charter, the Health Service Board may make provision for health or dental benefits for residents of the City and County of San Francisco as provided in Section A8.421 ~~of Appendix A of the Charter.~~

#### **SEC. A8.422 ADOPTION OF PLANS FOR MEMBERS**

The board shall have power and it shall be its duty by a ~~two-thirds~~ majority vote of the entire membership of the health service board to adopt a plan or plans for rendering medical care to members of the system, or for the indemnification of the cost of said care, or for obtaining and carrying insurance against such costs or for such care.

Such plan or plans as may be adopted, shall not become effective until approved by ordinance of the Board of Supervisors, adopted by three-fourths of its members.

The Board of Supervisors shall secure an actuarial report of the costs and effect of any proposed change in the benefits of the health service system or rates of contribution before enacting an ordinance or before voting to submit any proposed Charter amendment providing for such change.

#### **SEC. A8.423 REVISION OF SCHEDULES AND COMPENSATION**

In January of each year, or at such other time consistent with the Plan Year set by the health service board, or at such other time consistent with the Plan Year set by the Health Service Board. at a public hearing, the ~~H~~health ~~S~~service ~~B~~board shall review and determine the adequacy of medical care provided for members of the system and the adequacy of fee schedules

and the compensation paid for all services rendered and it may make such revisions therein as it deems equitable but such revisions shall not become effective until approved by ordinance of the Board of Supervisors adopted by three-fourths of its members.

Commencing in 1973, the ~~H~~health ~~S~~service ~~B~~board shall, prior to the second Monday in January in each year, or at such other time consistent with the Plan Year set by the Health Service Board, conduct a survey of the 10 counties in the State of California, other than the City and County of San Francisco, having the largest populations to determine the average contribution made by each such county toward the providing of health care plans, exclusive of dental care, for each employee of such county. The Health Service Board may promulgate rules and regulations for the survey to allow for unavoidable gaps in survey data and to insure a consistent methodology from year to year. In accordance with said survey, the ~~H~~health ~~S~~service ~~B~~board shall determine the average contribution made with respect to each employee by said 10 counties toward the health care plans provided for their employees and on or before the second Monday in January of each year, or at such other time consistent with the Plan Year set by the Health Service Board, the ~~H~~health ~~S~~service ~~B~~board shall certify to the Board of Supervisors the amount of such average contribution. For the purposes of Section A8.428, the amount of such average contribution shall be "the average contribution."

The ~~H~~health ~~S~~service ~~B~~board shall have the responsibility to obtain and disseminate information to its members with regard to plan benefits and costs thereof. All expenses in connection with obtaining and disseminating said information, ~~and~~ the investment of such fund or funds as may be established, including travel and transportation costs, member wellness programs, actuarial expenses and expenses incurred to reduce health care costs, shall be borne by the system from reserves in the health service fund but only upon adoption of a resolution by the ~~H~~health ~~S~~service ~~B~~board approving such expenses.

## **SEC. A8.426 RIGHT OF SELECTION**

No member of the health service system shall be required to accept the services or medical supplies of any physician (physician includes physicians and surgeons, optometrists, dentists, chiropodists and osteopathic and chiropractic practitioners licensed by California State Law and within the scope of their practice as defined by California State Law), person licensed to treat human diseases without the use of drugs, nurse, pharmacist or hospital selected by the health service board, but, subject to rules and regulations of that board, every member shall have the right to select, of his or her own choice, ~~any~~ duly licensed physician, as defined herein, person licensed to treat human diseases without the use of drugs, nurse, pharmacist, hospital or other agency of medical care as herein defined, ~~who or which will render the required services pursuant to said rules and regulations,~~ who or which is made available through health service system plans; and the health service board shall make provision for the exercise of such selection ~~choice~~; and is hereby expressly prohibited from entering into any exclusive contract for the rendering of said service.

~~Any~~ duly licensed physician, as defined herein, person licensed to treat human diseases without the use of drugs, nurse, pharmacist, hospital or other agency of medical care shall have the right to furnish such services or medical supplies at uniform rates of compensation to be fixed by the health service board.

## **SEC. A8.428 HEALTH SERVICE SYSTEM TRUST FUND**

There is hereby created a health service system trust fund. The costs of the health service system shall be borne by the members of the system and ~~R~~etired ~~P~~ersons, the City and County of San Francisco because of its members and ~~R~~etired ~~P~~ersons, the Parking Authority of the City and County of San Francisco because of its members and ~~R~~etired ~~P~~ersons, the San Francisco Unified School District because of its members and ~~R~~etired ~~P~~ersons and the San Francisco Community College District because of its members and ~~R~~etired ~~P~~ersons.

(a) **Definitions.**

"Credited Service" means years of employment with the Employers.

"Employers " as used in this section means the City and County of San Francisco ("City and County"), the San Francisco Unified School District ("School District") and/or the San Francisco Community College District ("Community College District"). Employers shall also include the Superior Court of California, County of San Francisco ("Superior Court"), to the extent the Superior Court participates in the City's Health Service System, under A8.428(e).

"Hired on or Before January 9, 2009" as used in this section means employees of the City and County, the School District and/or the Community College District who were hired on or before January 9, 2009, excluding the following categories of employees: (1) as-needed employees who have, never earned 1,040 or more hours of compensation during any 12-month period ending on or before January 9, 2009; and ~~or~~ (2) employees who have separated from the Employers on or before January 9, 2009, and have less than 5 years of Credited Service.

"PERS" as used in this section shall mean the Public Employees' Retirement System of the State of California.

"Plan Year" as used in section A8.423 shall mean the twelve month period beginning on each July 1 and ending on June 30, or such other 12 month period as may be determined by the Health Service Board.

"Registered as Domestic Partners " as used in this section means persons who have established a domestic partnership according to the provisions of Chapter 62 of the San Francisco Administrative Code, as amended from time to time. Domestic partners who have formed their domestic partnership only by notarization of a declaration of Domestic Partnership as provided in Chapter 62 of the San Francisco Administrative Code shall not be recognized or treated as a domestic partnership under this Section unless and until the domestic partnership is registered or certified.



"Retirement System" as used in this section shall mean the San Francisco City and County Employees' Retirement System.

"Retired under the San Francisco City and County Employees' Retirement System" as used in this section includes persons who retire for service; retire for disability; or who receive a retirement or vesting allowance from the Retirement System.

A "Retired Person" as used in this section means:

(1) A former member of the health service system, hired by the Employers on or before January 9, 2009, retired under the San Francisco City and County Employees' Retirement System or PERS (hereinafter, "Retired Employee who was Hired on or Before January 9, 2009"); and,

(2) The surviving spouse or surviving domestic partner of an active employee hired on or before January 9, 2009, provided that the surviving spouse or surviving domestic partner and the active employee have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the active employee;

(3) The surviving spouse or surviving domestic partner of a Retired Employee who was Hired on or Before January 9, 2009, provided that the surviving spouse or surviving domestic partner and the Retired Employee who was Hired on or Before January 9, 2009 have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the Retired Employee who was Hired on or Before January 9, 2009;

(4) A former member of the health service system, hired by the Employers on or after January 10, 2009, and retired under the Retirement System or PERS for disability, or retired under the Retirement System or PERS: (i) within 180 days of separation from employment from the Employers; and (ii) with 10 or more years of Credited Service with the Employers (hereinafter, "Retired Employee who was Hired on or After January 10, 2009");

(5) The surviving spouse or surviving domestic partner of an active employee hired on or after January 10, 2009, with 10 or more years of Credited Service with the Employers, or

who died in the line of duty where the surviving spouse or surviving domestic partner is entitled to a death allowance as a result of the death in the line of duty, provided that the surviving spouse or surviving domestic partner and the active, employee have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the active employee; or

(6) The surviving spouse or surviving domestic partner of a Retired Employee who was Hired on or After January 10, 2009, provided that the surviving spouse or surviving domestic partner and the Retired Employee who was Hired on or After January 10, 2009, have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the Retired Employee who was Hired on or After January 10, 2009.

**(b) Employer Contributions.**

The City and County, the School District and the Community College District shall each contribute to the health service fund amounts sufficient for the following purposes, and subject to the following limitations:

(1) All funds necessary to efficiently administer the health service system.

(2) The City and County, the School, District and the Community College District shall contribute to the health service system fund with respect to each of their members an amount equal to the lesser of "the average contribution," as certified by the health service board in accordance with the provisions of Section A8.423, or the cost of the plan selected by the member.

**(3) Retired Employees Who Were Hired on or Before January 9, 2009.**

For Retired Persons identified in A8.428 Subsections (a)(1), (a)(2) and (a)(3), the Employers shall contribute to the health service fund, amounts subject to the following limitations: Monthly contributions required from Retired Persons and the surviving spouses and surviving domestic partners of active employees and Retired Persons participating in the system shall be equal to the monthly contributions required from members in the system for health

coverage excluding health coverage or subsidies for health coverage paid for active employees as a result of collective bargaining, with the following modifications:

(i) the total contributions required from Retired Persons who are also covered under Medicare shall be reduced by an amount equal to the amount contributed monthly by such persons to Medicare;

(ii) because the monthly cost of health coverage for Retired Persons may be higher than the monthly cost of health coverage for active employees, the City and County, the School District and the Community College District shall contribute funds sufficient to defray the difference in cost to the system in providing the same health coverage to Retired Persons and the surviving spouses and surviving domestic partners of active employees and Retired Persons as is provided for active employee members excluding health coverage or subsidies for health coverage paid for active employees as a result of collective bargaining;

(iii) after application of Subsections (3), (3)(i) and (3)(ii), the City and County, the School District and the Community College District shall contribute 50% of Retired Persons' remaining monthly contributions.

**(4) Retired Employees Who Were Hired on or After January 10, 2009 -  
Categories of Employees Eligible for 100% Employer Contribution.**

For Retired Persons identified in A8.428 Subsections (a)(4), (a)(5) and (a)(6), the Employers shall contribute 100% of the employer contribution established in A8.428 Subsection (b)(3) for:

(i) A Retired Employee who was Hired on or After January 10, 2009, with 20 or more years of Credited Service with the Employers; and their surviving spouses or surviving domestic partners:

(ii) The surviving spouses or surviving domestic partners of active employees hired on or after January 10, 2009, with 20 or more years of Credited Service with the Employers;

(iii) Retired Persons who retired for disability; and their surviving spouses or surviving domestic partners; and

(iv) The surviving spouses or surviving domestic partners of active employees who died in the line of duty where the surviving spouse or surviving domestic partner is entitled to a death allowance as a result of the death in the line of duty.

**(5) Retired Employees Who Were Hired on or After January 10, 2009 -  
Categories of Employees Eligible for 50%—75% Employer Contribution.**

For Retired Persons identified in A8.428 Subsections (a)(4), (a)(5) and (a)(6), the Employers shall contribute:

(i) 50% percent of the employer contribution established in A8.428 Subsection (b)(3) for a Retired Employee who was Hired on or After January 10, 2009, with, at least 10 but less than 15 years of Credited Service with the Employers: their surviving spouses or surviving domestic partners: and the surviving spouses or surviving domestic partners of active employees hired on or after January 10, 2009, with at least 10 but less than 15 years of Credited Service with the Employers; and

(ii) 75% percent of the employer contribution established in A8.428 Subsection (b)(3) for a Retired Employee who was Hired on or After January 10, 2009, with at least 15 but less than 20 years of Credited Service with the Employers; their surviving spouses or surviving domestic partners; and the surviving spouses or surviving domestic partners of active employees hired, on or after January 10, 2009, with at least 15 but less than 20 years of Credited Service with the Employers.

**(6) Retired Employees Who Were Hired on or After January 10, 2009 -  
Categories of Employees Eligible for Access to Retiree Medical Benefits Coverage.**

An employee hired on or after January 10, 2009, and retired under the Retirement System or PERS with five (5) or more years Credited Service with the Employers, shall be eligible to receive health benefits as a member of the health service system, provided that he or she makes

monthly contributions equal to one hundred percent, (100%) of the total premiums for health coverage as established by the Health, Service Board, including the total cost for dependent coverage. At such time as he or she becomes eligible to receive benefits under A8.428 Subsection (a)(4), the Employers shall contribute the amounts established in A8.428 Subsections (b)(4), (b)(5), and (c), as applicable.

**(7) Chart Summarizing Employer Contributions Under A8.428 Subsections**

**(b)(4), (b)(5) and (b)(6) For Employees Hired on or After January 10, 2009.**

| <b>Years of Credited Service At Retirement</b>   | <b>Percentage of Employer Contribution Established in A8.428 Subsection (b)(3)</b>   |
|--|--|
| 1. Less than 5 years of Credited Service with the Employers (except for the surviving spouses or surviving domestic partners of active employees who died in the line of duty)   | No Retiree Medical Benefits Coverage   |
| 2. At least 5 but less than 10 years of Credited Service with the Employers; or greater than 10 years of Credited Service with the Employers but not eligible to receive benefits under Subsections (a)(4), (b)(4) and (b)(5)<br><b>(A8.428 Subsection (b)(6))</b> | 0% Access to Retiree Medical Benefits Coverage, Including Access to Dependant Coverage, But No Employer Contribution; Employee Pays Health Insurance Premium |
| 3. At least 10 but less than 15 years of Credited Service with the Employers<br><b>(A8.428 Subsection (b)(5))</b>  | 50%  |
| 4. At least 15 but less than 20 years of Credited Service with the Employers<br><b>(A8.428 Subsection (h)(5))</b>  | 75%  |
| 5. At least 20 years of Credited Service with the Employers; Retired Persons who retired for disability; surviving spouses or surviving domestic partners of active employees who died in the line of duty<br><b>(A8.428 Subsection (b)(4))</b>                    | 100%   |

The above chart is a simplified summary of Employer contributions under A8.428 Subsections (b)(4), (b)(5) and (b)(6) for employees hired on or after January 10, 2009. The

express language of Subsections (b)(4), (b)(5) and (b)(6), and not the summary chart or its content, shall determine Employer contributions.

**(8) Employees Who Separated From Employment on or Before June 30, 2001, and Who Retired on or After January 7, 2012.**

*Notwithstanding any other provisions of A8.428 for Retired Persons who separated from employment on or before June 30, 2001, and who retired on or after January 7, 2012, the monthly contributions required from such Retired Persons, and the surviving spouses and surviving domestic partners of active employees and such Retired Persons participating in the system, shall be equal to the monthly contributions required from members in the system for health coverage, excluding health coverage or subsidies for health coverage paid for employees as a result of collective bargaining, with the following modifications:*

*(i) the total contributions required from Retired Persons who are also covered under Medicare shall be reduced by an amount equal to the amount contributed monthly by such persons to Medicare; and*

*(ii) because the monthly cost of health coverage for Retired Persons may be higher than the monthly cost of health coverage for active employees, the City and County, the School District and the Community College District shall contribute funds sufficient to defray the difference in cost to the system in providing the same health coverage to Retired Persons and the surviving spouses and surviving domestic partners of active employees and Retired Persons as is provided for active employee members excluding health coverage or subsidies for health coverage paid for active employees as a result of collective bargaining.*

(c) The City and County, the San Francisco Unified School District and the San Francisco Community College District shall contribute to the health service system fund 50% of the monthly contributions required for the first dependent of Retired Persons in the system. Except as hereinbefore set forth, the City and County, the School District and the Community College District shall not contribute to the health service system fund any sums on account of

participation in the benefits of the system by members' dependents, except surviving spouses and surviving domestic partners, Retired Persons' dependents, except surviving spouses and surviving domestic partners, persons who retired and elected not to receive benefits from the Retirement System; resigned employees and teachers defined in Section A8.425, and any employee whose compensation is fixed in accordance with Sections A8.401, A8.403, or A8.404 of this Charter and whose compensation therein includes an additional amount for health and welfare benefits or whose health service costs are reimbursed through any fund established for said purpose by ordinance of the Board of Supervisors. Notwithstanding any other provision of Charter Section A8.428, the City and County, the San Francisco Unified School District and the San Francisco Community College District shall not contribute to the health service system fund any contributions for the first dependent of a Retired Person who separated from employment on or before June 30, 2001, and who retired on or after January 7, 2012.

(d) It shall be the duty of the Board of Supervisors, the Board of Education and the Governing Board of the Community College District annually to appropriate to the health service system fund such amounts as are necessary to cover the respective obligations of the City and County, the School District and the Community College District hereby imposed. Contributions to the health service system fund of the City and County, of the School District and of the Community College District shall be charged against the general fund or the school, utility, bond or other special fund concerned.

(e) To the extent the Superior Court elects to participate in the City's Health Service System for the provision of active and retiree health care benefits, Superior Court employees shall be treated the same as City employees for the purposes of vesting, employer contribution rates, and benefit levels, in accordance with the Trial Court Employment Protection and Governance Act and applicable State law. The Superior Court shall pay all administrative and health care costs related to the Superior Court's covered employees or retirees as a participating

Employer. The Superior Court may withdraw from participation in the City's Health Service System at any time, which shall not require an amendment to this Charter.

The amendments of this section contained in the proposition there for submitted to the electorate on June 3, 2008 shall be operative January 10, 2009. The purpose of the January 10, 2009, Charter amendment is to amend Section A8.428 to change the required years of service and employer retiree health care contribution amounts for employees hired on or after January 10, 2009. Nothing in this Charter amendment shall expand or contract the groups of employees eligible for retiree health care benefits beyond, those groups eligible as of June 3, 2008.

**SEC. A8.431-1 SEVERABILITY**

*Any Section or part of any Section in this Charter, insofar as it should conflict with the provisions of Charter Sections 12.200 through 12.203 or A8.420 through A8.431, or with any part thereof, shall be superseded by the contents of Charter Sections 12.200 through 12.203 or A8.420 through A8.431. Charter Sections 12.200 through 12.203 or A8.420 through A8.431 shall be interpreted to be consistent with all federal and state laws, rules and regulations. If any of the words, phrases, clauses, sentences, subsections, or provisions of Charter Sections 12.200 through 12.203 or A8.420 through A8.431 are held to be invalid or unconstitutional by a final judgment of a court, such decision shall not affect the validity of the remaining words, phrases, clauses, sentences, subsections, or provisions of Charter Sections 12.200 through 12.203 or A8.420 through A8.431. If any words, phrases, clauses, sentences, subsections, or provisions of Charter Sections 12.200 through 12.203 or A8.420 through A8.431 are held invalid as applied to any person, circumstance, employee or category of employee, such invalidity shall not affect any application of Charter Sections 12.200 through 12.203 or A8.420 through A8.431 which can be given effect. Charter Sections 12.200 through 12.203 or A8.420 through A8.431 shall be broadly construed to achieve their stated purpose.*



Section 15. To the extent that any provision of this Charter Amendment addressing City retirement benefits and retiree health care benefits is contrary to the terms of a Memorandum of Understanding (MOU) between an Employer and a recognized employee organization representing employees for such Employer executed and adopted on or before November 8, 2011, such contrary provision, whether a change to retirement or health benefits or contributions, shall become effective for employees covered by such MOU only upon expiration of such MOU, based on the expiration date specified in the MOU as of November 8, 2011.

Section 16.

(a) The voters find that it is critical for the City to address the challenges of rising retirement and health benefit costs in a comprehensive manner. Accordingly, the voters intend to adopt at the November 8, 2011 election only one measure that relates to City retirement benefits.

(b) This Proposition supplants in its entirety any other City proposition related to retirement benefits that the voters may approve at the November 8, 2011 election. If the voters adopt this Proposition and any other such proposition and this Proposition receives more votes, then the other proposition shall not become operative in any respect.

(c) This Proposition shall not become operative in any respect if another proposition related to retirement benefits receives more votes than this Proposition at the November 8, 2011 election.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
CARYN BORTNICK  
Deputy City Attorney