

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

REDUCES PENSION BENEFITS FOR PUBLIC EMPLOYEES. INITIATIVE

CONSTITUTIONAL AMENDMENT. Reduces pension benefits for current and future public employees, including teachers, nurses, and peace officers, but excluding judges. Eliminates constitutional protections for current and future public employees' vested pension benefits. Creates hybrid pension plan for new employees, capping collective benefits at 75 percent of salary. Limits cost-of-living adjustments for retired and current employees. Prohibits public retirement systems from providing death or disability benefits to future employees. Requires that current employees add up to three percent of their salary to their pension contribution annually, when pension plan is underfunded. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Over the next two or three decades, either increased annual costs or annual savings in state and local government personnel costs, depending on how this measure is interpreted and administered. In the long run (several decades from now), depending on how the Legislature designs the required hybrid retirement plan, potential annual savings in state and local government personnel costs of billions of dollars per year (in current dollars), offset to some extent by increases in other employee compensation costs. (11-0064)**