

File No. 100157

Committee Item No. _____
Board Item No. 19

COMMITTEE/BOARD OF SUPERVISORS
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Committee: _____

Date

Board of Supervisors Meeting

Date 2/23/10

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OTHER

(Use back side if additional space is needed)

- Charter Amendment
- _____
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Completed by: Linda Wong
Completed by: _____

Date February 18, 2010
Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

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[Payment for employee retirement contributions.]

CHARTER AMENDMENT

PROPOSITION _____

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Section(s) A8.409-5, to: (1) restrict the City and County from agreeing to pay required employee contributions to the San Francisco Employees' Retirement System (SFERS) or the California Public Employees' Retirement System (CalPERS) after June 8, 2010, for certain employees; (2) authorize the City and County to offer a one-time seven percent (7%) wage increase to certain employees as acknowledgement that the City and County will no longer pay the required seven and one-half percent (7.5%) employee contribution to SFERS or the required employee contribution to CalPERS afforded in their most recent collectively bargained agreement, provided that no such increase shall become effective before July 1, 2011; and (3) require voter approval before the City and County can pay, for up to a two-year period, required employee contributions to SFERS or CalPERS after June 8, 2010.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on June 8, 2010, a proposal to amend the Charter of the City and County by amending Section(s) A8.409-5, to read as follows:

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

SEC. 1. The San Francisco Charter is hereby amended by amending Section A8.409-5 to read as follows:

SEC. A8.409-5 RETIREMENT BENEFITS

Notwithstanding any other provision of this part, Sections A8.409 through A8.409-8, retirement and death allowances shall continue to be set and adjusted pursuant to Chapter Five of

this Article. Employee contributions to the Retirement System required under the Charter shall not be subject to the dispute resolution procedures contained in Section A8.409-4.

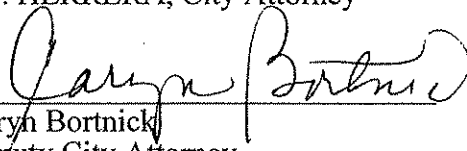
After June 8, 2010, the City and County shall not enter into any agreement to pay, and shall not be required to pay, any employee's contributions to the Retirement System or the California Public Employees' Retirement System, provided that, upon proposal by a recognized employee organization during negotiations over a successor agreement to require payment of such contributions, the City and County and the recognized employee organization shall bargain in good faith over development of a proposal for submission to the voters authorizing payment of such contributions for up to a two-year period. Any authorization by the voters for payment of such contributions shall not create a vested right to payment of such contributions.

If, as of June 8, 2010, any operative agreement between the City and County and a recognized employee organization continues to require payment of such contributions, then following expiration, or an amendment to delete such payment obligation, the City and County will offer, through the recognized employee organization, to agree to a one-time seven percent wage increase to such employees in the successor or amended agreement in recognition of the implementation of the deletion of the City's former obligation to pay those employees' required contributions to SFERS or CalPERS, provided that no such wage increase will become effective before July 1, 2011, and provided further that the City and County and such recognized employee organization may reach an alternative agreement. The one-time increase, or alternative agreement, authorized by this section will not be subject to the dispute resolution procedures contained Section A8.409-4. However, the economic impact of implementing the increase or the alternative agreement, may be considered by the mediation/arbitration board in resolving any dispute over the amount of base wages to which the one-time increase, or alternative agreement, will be applied, pursuant to Section A8.409-4(d).

However, death benefits and survivor allowances, retirement allowances, adjustments to retirement allowances and adjustments to continuant allowances payable by the

Retirement System and based on fiscal year 1991-1992 wages and salaries covered by Charter section 48.407, shall be calculated for all employees covered by Charter sections 48.401 and 48.407 based on the rates certified by the civil service commission to the Board of Supervisors as though the 1991-1992 salary standardization ordinance vetoed by the Mayor had become law. No such payment shall exceed the maximum amount permitted by Section 415 of the Internal Revenue Code of 1986, as amended from time to time, or the maximum amount which would still permit the Retirement System to preserve its tax-qualified status under Section 401 of the Internal Revenue Code of 1986, as amended from time to time.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
Caryn Bortnick
Deputy City Attorney

LEGISLATIVE DIGEST
(First Draft)

[Payment for employee retirement contributions.]

A proposal to amend the Charter of the City and County of San Francisco on June 8, 2010 by amending Section A8.409-5 to: (1) restrict the City and County from agreeing to pay required employee contributions to the San Francisco Employees' Retirement System (SFERS) or the California Public Employees' Retirement System (CalPERS) after June 8, 2010, for certain employees; (2) authorize the City and County to offer a one-time seven percent (7%) wage increase to those affected employees as acknowledgement that the City and County will no longer pay the required seven and one-half percent (7.5%) employee contribution to SFERS or the required employee contribution to CalPERS afforded in their most recent collectively bargained agreement, provided that no such increase shall become effective before July 1, 2011; and (3) require voter approval before the City and County can pay, for up to a two-year period, required employee contributions to SFERS or CalPERS after June 8, 2010.

Existing Law

The Charter requires employees to pay a percentage of compensation to the Retirement System or to the California Public Employees' Retirement System to contribute to the cost of benefits provided to them under those retirement systems. In the past, the City and County has agreed to "pick up" employees' contributions.

Amendments to Current Law

Under the proposal, the City and County will be restricted from agreeing to "pick up" required employee contributions to SFERS or to CalPERS after June 8, 2010, for some employees. The City and County will offer to those affected employees a one-time 7% wage increase in recognition of the fact that the City and County will no longer pay the required 7.5% employee contribution to SFERS or the required employee contribution to CalPERS, provided that no such wage increase will become effective before July 1, 2011. In the future, the voters may authorize the City and County to pay required employee contributions to SFERS or to CalPERS for a two-year period, but it shall not create any vested right to payment of those contributions.

Background Information

This File was split from File No. 1000156.