



CPR UPDATE /
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**Retirement Reform:
Making Changes that
Make Sense to Everyone**

Over the last five years city employees across the board have expressed a growing desire for a pension improvement. In late summer, at a meeting of the Public Employee's Committee of the San Francisco Labor Council (SFLC), affiliated unions began discussing pensions and the word spread quickly throughout union halls and at City Hall.

Meanwhile, it has become apparent that the City plans to introduce a charter amendment that modifies retiree health benefits for new employees in order to reduce costs. They assert this is necessary because of new accounting rules (GASB 45), which require any unfunded liability for retiree healthcare be reported - potentially impacting bond ratings. Supervisor Elsbernd - the City's point person on this issue - has made it clear that he views the City's five year retiree healthcare vesting rights as one area ripe for reform and is seeking to identify others.

This convergence of events presents a unique opportunity for labor to take the lead on a charter amendment that reduces retiree health care costs by making pension modifications that encourage longer service. Good public policy is also good for workers.

In September the Coalition for Pension Reform (CPR) was formed to look at both retiree health care and pension reform as a single, interrelated challenge and opportunity. The Coalition - which includes most of the public employee unions in San Francisco affiliated with the SFLC and other employee associations - immediately identified its number one priority as ensuring that changes on the pension side are part of any GASB-related charter amendment put on the June ballot.

In anticipation of this campaign, all the unions have agreed, on a per capita basis, to contribute towards a "war chest" of approximately \$400,000. Actuaries specializing in both healthcare and pensions have been hired to work with CPR. The challenges are significant and time is short. Any ballot initiative for next June has to be before the Board of Supervisors by mid-December with finalized language by late January to early February. CPR meetings are now being held on a weekly basis and other discussions are taking place on several different levels to make that happen.

What is absolutely clear is that all of San Francisco's public employee unions are unified and committed to working together towards a resolution that is good for public employees, good public policy, and something that voters will support in 2008. Look for CPR Updates as this initiative progresses!



The Coalition for Pension Reform (CPR) includes:

SEIU 1021, TWU Local 250-A, IFPTE Local 21, MEA, TWU Local 200, IAFF Local 798, IBEW Local 6, Machinists Local 1414, Plumbers Local 38, SFBTC, and POA.