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July 23, 2014

The Honorable Mike Gatto
Chair, California State Assembly Appropriations Committee
State Capitol Building, Room 2114
Sacramento, CA 95814

RE: SB 1219 (Torres). CalPERS: Service after retirement. (As amended April 1, 2014)
Notice of Support

Dear Assembly Member Gatto:

The League of California Cities supports SB 1219 (Torres), which brings Public Employment Retirement Law (PERL) into compliance with the Public Employees' Pension Reform Act (PEPRA), and clarifies two long standing exemptions for both elected and disabled retirees.

SB 1219 clarifies the ability of retirees to still receive their pension benefits while serving in public office and receiving a salary – a long standing and uncontested exemption within the law. This exemption has enabled those in our community that have significant experience within public service to continue contributing in an elected capacity.

As with any major reform measure, the rollout of PEPRA gave rise to several problematic issues, some minor and others much more significant. SB 1219 contains many fixes to these issues by approaching them in a thoughtful and collaborative way. It recognizes the original intent of stakeholders when working on pension reform and attempts to clarify a problem before unintended consequences occur.

To not take action would greatly jeopardize the livelihood of retirees serving as elected officials and would create a tiered system within our elected bodies, between those that are and are not retired.

We firmly believe that some of our best elected officials have come from public service given their deep understanding of the realities local government face on a day-to-day basis. Making a retiree choose between suspending their pension and serving as an elected official would be a disservice to our local communities.

SB 1219 also clarifies an exemption for disabled retirees, a small group of approximately 230 people, many of whom are disabled public safety officials. These disabled retirees have been allowed to work in a different position, collect that job's salary, and receive part of their pension benefit to bring them up to the salary level they had received prior to being disabled.

This is best expressed in the example of a disabled peace officer who is then able to work in a training academy. For the duration these individuals work in their new capacity, service time credit is not accrued and additional pension benefits are not accrued.

By having this exemption in place, employees that are disabled can continue to work in a different capacity that utilizes their acquired skills and experience. Augmenting their salaries ensures that they are still able to provide for their family and not experience undue hardship as a result of their disability.

For the reasons stated above the League supports SB 1219. If you have any questions regarding the League's position on this bill, please do not hesitate to contact me at (916) 658-8254.

Sincerely,

A handwritten signature in cursive script that reads "Alicia Lewis".

Alicia Lewis
Legislative Representative

cc: The Honorable Norma Torres
Members and Consultant, Assembly Appropriations Committee