

CITY COUNCIL OF THE CITY OF SAN JOSÉ

Retirement Proposed Ballot Measure

December 6, 2011

Federated Retirement Plan

	Tier 1	Opt In	New Employees
Max Benefit	75%	75%	60%
Accrual Rate	2.5% per year	2.0% per year (future years only)	1.5% per year
Age/Years of Service	55 w/ 5 yrs.; or 30 yrs at any age	Age 62 w/5 yrs. Increase in age phased in over 14 years.	Age 65 w/5 yrs.
Final Average Salary Calculation	Highest 1 Year	Highest 3 Years	Highest 3 Years
COLA	3% fixed	Max 1.5% based on CPI	Max 1% based on CPI
Normal Cost	City – 73% Employee – 27%	City – 73% Employee – 27%	City – 50% Employee – 50%
Unfunded Liability	City – 50% Employee – 50% (phased in – 5% per year, max 25%)	City – 100% Employee – 0%	City – 50% Employee – 50%

Notes: This is a summary and does not include survivorship and disability benefits.
See full ballot measure for complete details.

Police and Fire Retirement Plan

	Tier 1	Opt In	New Employees
Max Benefit	90%	90%	60%
Accrual Rate	2.5% - 4.0% depending on years of service	2.0% per year (future years only)	1.5% per year
Age/Years of Service	50 w/ 25 yrs; 55 w/20 yrs; or 30 yrs at any age	Age 57 w/20 yrs. Increase in age phased in over 14 years.	Age 60 w/10 yrs.
Final Average Salary Calculation	Highest 1 Year	Highest 3 Years	Highest 3 Years
COLA	3% fixed	Max 1.5% based on CPI	Max 1% based on CPI
Normal Cost	City – 73% Employee – 27%	City – 73% Employee – 27%	City – 50% Employee – 50%
Unfunded Liability	City – 50% Employee – 50% (phased in – 5% per year, max 25%)	City – 100% Employee – 0%	City – 50% Employee – 50%

Notes: This is a summary and does not include survivorship and disability benefits. See full ballot measure for complete details.

Discussion