

DATE ISSUED: September 24, 2001

REPORT NO. 01-201

ATTENTION: Rules, Finance and Intergovernmental Relations Committee
..... Agenda of September 26, 2001

SUBJECT: Charter Amendment for Five Year Vesting for Retirement Eligibility

SUMMARY

On April 18, 2001, the Retirement Administrator for the San Diego City Employees' Retirement System (SDCERS) transmitted a resolution (attached) adopted by the SDCERS Trustees proposing that the vesting period for retirement eligibility for general members and safety members be modified from ten years to five years. As indicated in the SDCERS Resolution, five year vesting has become the norm for the majority of local and state public retirements systems, in great part due to the changing demographics and increasingly mobile workforce. The California Public Retirement System (CalPERS) which includes most California cities, the State Teachers, University Regents, and the 1937 Act County Retirement Systems all enjoy a five year vesting schedule. The City of San Diego's Supplemental Pension Savings Plan also uses a five year vesting schedule.

On May 1, 2001, the Council authorized the City Manager to initiate meet and confer with all of the City's labor organizations regarding a proposed ballot measure for the March 5, 2002 ballot to amend City Charter Section 141, City Employees' Retirement System, to provide for a five year vesting schedule for general and safety members. All four labor organizations have

expressed support, with the only outstanding issue to resolve being the cost and funding method associated with this change. We expect to complete the meet and confer process within the next two weeks, and will brief the Council in closed session as appropriate.

A strike-out/underline format of the proposed changes to Charter Section 141 is also attached.

Respectfully Submitted,

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Cathy Lexin.... Approved: P. Lamont Ewell
Human Resources Director.... Assistant City Manager

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment:.....1. SDCERS Resolution No. R-00-06
.....2. Draft Amendment to Charter Section 141