Pension fiddling

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California's county pension systems need stronger medicine than the mild reforms proposed by AB 340. The bill offers some good ideas, but falls short of curbing abuses in county pension plans. Legislators should craft more stringent safeguards to curtail excesses and protect taxpayers.

AB 340, by Assemblyman Warren Furutani, D-Long Beach, would limit what compensation could count toward county pension calculations. And the legislation would ban counties from rehiring retired workers until six months after they leave employment. The bill specifically addresses the 20 counties, including **San Bernardino** County, that have their own pension plans instead of belonging to the state retirement system.

The bill aims to crack down on "pension spiking" and "double dipping," two of the worst abuses in county pension systems. Pension spiking is the practice of artificially boosting the final year's pay to inflate retirement benefits. Double dipping describes public employees who retire, then return to work -- often at the same agency -- thus collecting a pension on top of their regular paycheck.

The Contra Costa Times, for example, reported in 2009 about small-town fire chiefs in that county's pension system who retired with hefty six-figure pensions well above their working pay. One returned to work for his fire department as a consultant, collecting another six-figure salary in addition to his pension.

Such excesses needlessly add to the escalating -- and unsustainable -- cost of public retirements. Nor do those schemes win sympathy from taxpayers who see pension expenses soaring while basic public services struggle for funding.

AB 340 takes primary aim at the final pay level counties use to set pensions. The bill would ban pension calculations from including unused vacation or sick time, housing and car allowances and bonuses -- items often used to boost retirement payouts.

Fine. But the legislation lets counties continue to base pension benefits on the final year of pay, a key tool for pension spiking. The Legislature should require county pension systems to average three years of salary, at least, when figuring retirement benefits.

Nor does AB 340 address a 1997 state Supreme Court ruling that said county pension calculations had to include uniform allowances, education benefits and other supplemental pay. The court was interpreting state law -- which the Legislature wrote, and should now fix.

And a six-month waiting period before counties can rehire retirees is meaningless. No public employee should be able to collect a pension while still working. That practice merely drives up public costs in the service of an egregious perk.

AB 340 has some worthwhile ideas, but no one should mistake this bill for real reform. A Legislature serious about reining in county pension excesses would impose tough curbs, not just tinker with half-hearted adjustments.