

## STATE: Brown proposes hybrid pension plan

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PM

SACRAMENTO — Gov. Jerry Brown unveiled details of his pension proposal Thursday that seeks to move new California state workers to a hybrid system where guaranteed benefits are combined with a 401(k)-style plan and would raise the retirement age from 55 to 67 for civil workers, as union leaders lined up to oppose his plans.

The Democratic governor's plan calls for trimming generous public employee pension benefits that have saddled California and local governments with billions of dollars in unfunded liabilities. He is asking the Legislature to put a measure on a statewide ballot so the changes would impact both state and local government employees.

Brown's plan deals mostly with new state hires by raising the retirement age from 55 to 67 for civil workers. Public safety officials who can now retire as young as 50 would have to work longer, but the calculation would be based on their ability to perform.

The governor also wants current and new hires to start paying a greater share of pension costs; some contribute nothing toward their benefits. By shifting to a mandatory "hybrid" system, employees with at least 30 years of service would replace about 75 percent of an employee's salary through retirement funds and Social Security, according to the draft.

"I tried to do something that's legal, that will save a ... lot of money going forward and that I think is fair," Brown said at a news conference Thursday.

Inland officials, who are pushing their own pension changes, praised the governor's plan.

"That is a big boost for our efforts here," Riverside County Board of Supervisors Chairman Bob Buster said. "It reinforces what we are trying to do."

Riverside County officials are seeking to put in place a second tier of lower benefits for new workers, looking at increasing the retirement age and asking current employees to contribute more toward their own retirements.

Riverside County and other local agencies are members of the California Public Employee Retirement System, the nation's biggest public pension fund. Administration officials said the governor's proposal also would apply to the 20 counties that have their own retirement systems, such as San Bernardino County.

San Bernardino County Supervisor Janice Rutherford, who sits on the county retirement board, also backed the governor's proposal. The county now picks up about 90 percent of retirement costs for most employees, she said in a statement.

Public employee unions already were lining up to oppose Brown's proposal, which the administration estimates would save the state alone about \$900 million annually.

Bob Blough, general manager of the 16,000-member San Bernardino Public Employees Association, said it

would be risky to make new employees' retirement earnings partly dependent on the performance of 401(k)-style investments that have become the norm in the private sector.

"They're getting ready to retire and the stock market goes down. Then what do they do?" Blough said, calling the idea a "race to the bottom."

Brown's plan would require approval from the Legislature, where union-allied Democrats are likely to balk at some of the significant rollbacks, and where Brown failed to win consensus on pensions with Republicans last spring.

Hemet state Sen. Bill Emmerson, one of several Republicans who negotiated with Brown earlier this year, gave the proposal high marks but wanted to see details. He wants the plan to go on the ballot to prevent future legislatures from making changes.

"Put it before me, and if that's all there, I'm in. I'll vote for it," Emmerson said in a statement.

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