

**Ballot Simplification Committee –  
Approved Digest - Monday, July 29, 2013: Packard, Fasick, Fraps, Jorgensen, Unruh**

**Any Requests for Reconsideration due by 5 p.m. on Tuesday, July 30**

**Retiree Health Care Trust Fund Charter Amendment** *(working title only, subject to change)*

**The Way It Is Now:**

Retiree health care costs are currently paid from the General Fund of the City and County of San Francisco (City) as they come due each year. In January 2009, the City established the Retiree Health Care Trust Fund (Fund) to set aside money to pay for future retiree health care costs, which are expected to substantially increase. A five-member Trust Fund Board (Trust Board) administers the Fund.

The City and its employees make contributions to the Fund. The Trust Board may not use these contributions to pay for retiree health care costs until January 1, 2020.

The San Francisco Unified School District, San Francisco Superior Court, and the San Francisco Community College District can also choose to participate in the Fund. Currently, the Community College District is the only agency, besides the City, that participates in the Fund.

The City has its own account and contributions from each agency are placed into separate accounts.

**The Proposal:**

In an attempt to keep the Trust Fund from being depleted, Proposition \_\_\_ would allow the Trust Board to make payments toward City retiree health care costs from the City's account in the Fund only if:

- The City's account balance in any fiscal year is fully funded. The account is fully funded when it is large enough to pay then-projected retiree health care costs as they come due;
- The City's retiree health care costs exceed 10% of the City's total payroll costs in a fiscal year. The Controller, Mayor, Trust Board and a majority of the Board of Supervisors must agree to allow payments from the Fund for that year. These payments can cover only retiree health care costs that exceed 10% of the City's total payroll costs. The payments are limited to no more than 10% of the City's account; or
- The Controller, Mayor, Trust Board and two-thirds of the Board of Supervisors approve changes to these limits.

The proposed Charter amendment would allow other agencies to spend money in their Fund accounts only if:

- The agency's Fund account is fully funded; or
- Two-thirds of the agency's governing board and a majority of the Trust Board approve.

**A "YES" Vote Means:** If you vote "yes," you want to change the Charter to allow payments from the Retiree Health Care Trust Fund only when it is fully funded or only under specified circumstances.

**A "NO" Vote Means:** If you vote "no," you do not want to make these changes.

word count: 395 [suggested word limit: 300]