

**Retirement Benefits for City Employees Who Retired Before November 6, 1996; Retirement Board Contract with Executive Director \***

Digest by the Ballot Simplification Committee

**Status:** Draft for Consideration  
**On:** Monday, July 25, 2020  
**Members:** Packard, Anderson, Merrill, Patterson

**Deadline to Request Reconsideration:** TBD

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**The Way It Is Now:** The City provides its employees with pension benefits through the San Francisco Employees' Retirement System (SFERS). At the November 6, 1996 election, the voters approved a supplemental cost of living adjustment (COLA) for retirees. But City employees who retired before November 6, 1996 are only eligible for this supplemental COLA if SFERS is fully funded. SFERS is fully funded if the total value of its assets can pay for all of the accrued pension benefits owed to City retirees and employees.

The City's Retirement Board (Board) oversees SFERS and appoints and removes SFERS' Executive Director. When the Board hires an Executive Director, the Board may not enter into an individual employment contract with the Executive Director. Instead, the Board must follow City civil service hiring and other rules, which limit the salary and benefits the Board can offer to an Executive Director.

**The Proposal:** Proposition \_\_\_ would make City employees who retired before November 6, 1996 eligible for a supplemental COLA, even if SFERS is not fully funded. But in years when SFERS is not fully funded, the supplemental COLA would be limited to \$200 per month for retirees who have an annual pension of more than \$50,000.

Proposition \_\_\_ would allow the Board to enter into an individual employment contract with any Executive Director hired on or after January 1, 2023, without regard to City civil service salary, benefits and other limits.

**A "YES" Vote Means:** If you vote "yes," you want to allow City employees who retired before November 6, 1996 to receive a supplemental COLA adjustment to their pensions even if the retirement system is not fully funded and allow the Retirement Board to have an individual employment contract with the Executive Director.

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