

12-9-2015

PUBLIC EMPLOYEES. PENSION AND  
RETIREE HEALTHCARE BENEFITS.  
INITIATIVE CONSTITUTIONAL  
AMENDMENT.

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The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**PUBLIC EMPLOYEES. PENSION AND RETIREE HEALTHCARE BENEFITS.**

**INITIATIVE CONSTITUTIONAL AMENDMENT.** Amends California Constitution to impose restrictions on pension and retiree healthcare benefits for new public employees, including those working in K-12 schools, higher education, hospitals, and police protection.

Bars government employers from enrolling public employees hired after January 1, 2019 in defined benefit pension plans, from enhancing certain retirement benefits for such employees, and from paying more than one-half cost of such employees' pension and retiree healthcare benefits, unless first approved by voters. Limits retirement boards' ability to place financial conditions upon government employers that close defined benefit plans to new employees.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Significant effects—savings and costs—on state and local**

**governments relating to compensation for governmental employees. The magnitude and timing of these effects would depend heavily on future decisions made by voters, governmental employers, the Legislature, Governor, and the courts. (15-0076.)**

# PENSION REFORM 2016

Date: 10-16-2015

Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

**RECEIVED**

OCT 20 2015

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

Re: Amendments: Proposed Initiative 15-0076

Dear Initiative Coordinator:

In accordance with subdivision (b) of Section 9002 of the Elections Code and in connection with the proposed statewide ballot measure ("Voter Empowerment Act of 2016") filed with your office on October 5, 2015, the undersigned proponents submit the enclosed amended text.

Please proceed to prepare the Circulating Title and Summary, in light of these amendments.

Thank you for your time and attention to this important matter.

Signed,



Chuck Reed

Stephanie Gomes

Carl DeMaio

Pat Morris

Bill Kampe

Tom Tait

Enclosures

# PENSION REFORM 2016

Date: 10/14/15

Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

Re: Amendments: Proposed Initiative 15-0076

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Enclosures

# PENSION REFORM 2016

Date: 10-13-15

Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

Re: Amendments: Proposed Initiative 15-0076

Dear Initiative Coordinator:

In accordance with subdivision (b) of Section 9002 of the Elections Code and in connection with the proposed statewide ballot measure ("Voter Empowerment Act of 2016") filed with your office on October 5, 2015, the undersigned proponents submit the enclosed amended text.

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Signed,

Chuck Reed

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*Bill Kampe*

Pat Morris

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Tom Tait

Enclosures

# PENSION REFORM 2016

Date: October 12, 2015

Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

Re: Amendments: Proposed Initiative 15-0076

Dear Initiative Coordinator:

In accordance with subdivision (b) of Section 9002 of the Elections Code and in connection with the proposed statewide ballot measure ("Voter Empowerment Act of 2016") filed with your office on October 5, 2015, the undersigned proponents submit the enclosed amended text.

Please proceed to prepare the Circulating Title and Summary, in light of these amendments.

Thank you for your time and attention to this important matter.

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Tom Tait

Enclosures

## Voter Empowerment Act of 2016

### SECTION 1. TITLE.

This measure shall be known and may be cited as "The Voter Empowerment Act of 2016."

### SECTION 2. STATEMENT OF FINDINGS AND PURPOSE.

(a) Government has an obligation to provide essential services that protect the safety, health, welfare, and quality of life enjoyed by all Californians. State and local governments face elimination or reduction of essential services because of costly, unsustainable retirement benefits granted to new government employees.

(b) Almost all of these benefits were granted without the consent of voters. Consequently, the need to empower voters to approve retirement benefits for government employees is a matter of statewide concern.

(c) Therefore, the people hereby amend the Constitution to reform retirement benefits granted to new government employees and to require voters to approve or reject increases in defined benefits proposed for any government employees.

SECTION 3. Section 23 of Article XVI of the California State Constitution is added to read:

Sec. 23 (a) Government employers shall not provide a benefit enhancement to any new government employee in a defined benefit pension plan unless the voters of that jurisdiction approve that enhancement.

(b) Government employers may only enroll new government employees in a defined benefit pension plan if the voters of that jurisdiction approve enrollment in such a plan.

(c) Government employers shall not pay more than one-half of the total cost of retirement benefits for new government employees unless the voters of that jurisdiction have approved paying that higher proportion.

(d) Retirement boards shall not impose termination fees, accelerate payments on existing debt, or impose other financial conditions against a government employer that proposes to close a defined benefit pension plan to new members, unless voters of that jurisdiction or the sponsoring government employer approve the fees, accelerated payment, or financial conditions.

(e) Challenges to the actions of a government employer or a retirement board to comply with requirements of this section may only be brought in the courts of California exercising judicial power as provided in Article VI or in the courts of the United States.

(f) Nothing in this section shall alter any provisions of a labor agreement in effect as of the effective date of this Act, but this Section shall apply to any successor labor agreement, renewal or extension entered into after the effective date of this Act. Nothing in this section shall be interpreted to amend or modify section 9 of Article I.

(g) Nothing in this section shall be interpreted to modify or limit any disability benefits provided for government employees or death benefits for families of government employees, even if those benefits are provided as part of a retirement benefits system. Nothing in this section shall be interpreted to require voter approval for death or disability benefits.

(h) For the purpose of this section, the following definitions shall be applied:

(1) "New employee" means any of the following:

(A) An individual who becomes a member of any state or local public retirement system in California for the first time on or after January 1, 2019, and who was not a member of any other state or local public retirement system in California prior to that date.

(B) An individual who becomes a member of a state or local public retirement system in California for the first time on or after January 1, 2019, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of California Government Code Section 7522.02 as it existed on September 1, 2015.

(C) An individual who was an active member in a state or local retirement system in California and who, after a break in service of more than six months, returned to active membership in that system with a new employer. For purposes of this subdivision, a change in employment between state entities or from one school employer to another shall not be considered as service with a new employer.

(2) "Government employer" means the state, or a political subdivision of the state including, but not limited to, counties, cities, charter counties, charter cities, charter city and counties, school districts, special districts, boards, commissions, the Regents of the University of California, California State University, and agencies thereof.

(3) A "defined benefit pension plan" means a plan that provides lifetime payments to retirees and survivors based upon a formula using factors such as age, length of service or final compensation.

(4) "Retirement benefits" includes defined benefit pension plans, defined contribution plans, retiree healthcare plans, or any form of deferred compensation offered by government employers.

(5) A “benefit enhancement” means any change in a defined benefit pension plan that increases the value of an employee’s benefit including, but not limited to, reducing employee's share of cost, increasing a benefit formula, increasing the rate of cost of living adjustments, expanding the categories of pay included in pension calculations, reducing a vesting period, lowering the eligible retirement age, or otherwise providing an economic advantage for government employees in a defined benefit plan, except for the disability component of any defined benefit plan.

#### SECTION 4. GENERAL PROVISIONS.

(a) This Act is intended to be comprehensive. It is the intent of the People that in the event this Act and one or more measures relating to the same subject shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

(b) If any provision of this Act, or part thereof, or the applicability of any provision or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions and parts of this Act are severable. The voters hereby declare that this Act, and each portion and part, would have been adopted irrespective of whether any one or more provisions or parts are found to be invalid or unconstitutional.

(c) This Act is an exercise of the public power of the people of the State of California for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate its purposes.

(d) Notwithstanding any other provision of law, if the State, government agency, or any of its officials fail to defend the constitutionality of this act, following its approval by the voters, any other government employer, the proponent, or in his or her absence, any citizen of this State shall have the authority to intervene in any court action challenging the constitutionality of this act for the purpose of defending its constitutionality, whether such action is in trial court, on appeal, and on discretionary review by the Supreme Court of California and/or the Supreme Court of the United States. The fees and costs of defending the action shall be a charge on funds appropriated to the Attorney General, which shall be satisfied promptly.