



MEA Newsletter May-June 2011

MEA Special General Membership Meeting Monday, June 20, 2011 at 6pm

Agenda Includes

Report on the Consensus Benefit Reform Charter Amendment Vote to Approve MEA Non-Profit Status and Revised By-Laws

The meeting will be held at San Francisco Main Library Latino/Hispanic Rooms A&B, 100 Larkin Street at Grove. **The Library is closed on Monday nights, so please plan to arrive before 6:00 p.m.** If you arrive after 6:00 p.m., you can enter at the far right door of the Grove Street entrance by calling the security office at 415-557-4357. Please remember to RSVP by emailing staff@sfmea.com or calling 415-989-7244. Refreshments are available starting at 5:30pm.

Consensus Benefit Reform Charter Amendment

After months of meet and confer sessions between the City and the labor organizations representing City employees, a consensus was reached around the elements of a benefit reform Charter Amendment for the November ballot. MEA will review the details and discuss an endorsement at the above-noticed meeting. The four areas covered by the Charter Amendment are:

Current Employee Cost Sharing:

- In addition to the 7.5% employee contribution already in effect, the amendment will create additional mandatory cost-sharing for all current and future City employees based on increases to the City's required retirement contributions.
- Employees earning less than \$50,000 per year (based on an hourly rate) are exempted. Employees in other categories must make an additional contribution of up to 6% depending on the employees' earnings and the level of the City's cost increases.
- Employees will benefit from a reduced contribution when the City's contribution level drops.
- Deputy Sheriffs and other "miscellaneous safety" employees will also take on a cost-sharing obligation even though their retirements are currently provided via contract with CalPERS

New Employee Tier for Employees hired on or after January 7, 2012:

- New Miscellaneous employees will have a minimum retirement age of 53 (previously 50) and a maximum retirement multiplier of 2.3% at 65 (previously 62)
- New Safety employees will have a minimum retirement formula of 2.2% at 50 (previously 2.4%) and a maximum retirement multiplier of 3% at 58 (formerly 55)
- All new employees will have a cap on pensionable salary at 75 – 85% of IRS rate.
- All new employees will have a pension calculated on a 3-year final compensation period
- The "vesting retirement" annuity formula for new miscellaneous employees will be replaced with a deferred service retirement model after five (5) years of service
- New Miscellaneous Safety employees will receive their retirement benefit through SFERS rather than PERS

Supplemental COLA:

- The Supplemental COLA will be paid when the investment returns are sufficient and the plan itself is fully funded. This will apply to both current retirees and current employees. For new employees, the Supplemental COLA will not be a permanent adjustment to retirement payments and will be subject to the two criteria noted above.

Other Elements

- All elected officials will be required to participate in cost-sharing and pay their own 7.5% retirement contributions.
- The Health Services System Board will be made up of three member participants, three management appointees and a seventh member nominated by the Controller and confirmed by a majority of the six.
- Existing employees will begin contributing to the Retiree Health Care Trust fund in .25% increments starting in 2016-17 up to 1% with the City matching those contributions at 100%.
- Employees who have left City employment but who have not yet retired will only receive those retiree health care benefits that were in effect as of the date of their separation.

Floating Contribution Matrix to go into effect on July 1, 2012 – Contribution increases and decreases are in addition to or a reduction from the existing 7.5% base contribution.

Employer % (pre-float)	Misc \$50K - \$100K	Misc \$100K+	Safety (Old Tier)
0%	-4.00%	-5.00%	-6.00%
0.01 - 1.00%	-4.00%	-4.50%	-5.00%
1.01 % - 2.50%	-3.75%	-4.25%	-4.75%
2.51% - 4.00%	-3.50%	-4.00%	-4.50%
4.01% - 5.50%	-2.50%	-3.00%	-3.50%
5.51% - 7.00%	-2.00%	-2.50%	-3.00%
7.01% - 8.50%	-1.50%	-2.00%	-2.00%
8.51% - 10.00%	-1.00%	-1.50%	-1.50%
10.01% - 11.00%	-0.50%	-0.50%	-0.50%
11.01% - 12.00% (baseline)	0.00%	0.00%	0.00%
12.01% - 13.00%	0.50%	0.50%	0.50%
13.01% - 15.00%	1.00%	1.50%	1.50%
15.01% - 17.50%	1.50%	2.00%	2.00%
17.51% - 20.00%	2.00%	2.50%	3.00%
20.01% - 22.50%	2.50%	3.00%	3.50%
22.51% - 25.00%	3.50%	4.00%	4.50%
25.01% - 27.50%	3.50%	4.00%	4.50%
27.51% - 30.00%	3.75%	4.25%	4.75%
30.01% - 32.50%	3.75%	4.25%	4.75%
32.51% - 35.00%	4.00%	4.50%	5.00%
35.00%+	4.00%	5.00%	6.00%

MEA Non Profit Status and Revised By-Laws

In recognition of the changing role of the Municipal Executives' Association, the MEA Board of Directors has made a decision to restructure the organization, moving away from its current corporate structure and towards the more traditional non-profit model used by labor associations.

As part of this decision, the By Laws have been revised to reflect both the structural and cultural changes that MEA is undergoing. The Board of Directors gave preliminary approval on the draft By Laws at their meeting of April 2011 and the document is now available for member review on www.sfmea.com. In addition copies will be provided at the meeting.