



FOR IMMEDIATE RELEASE

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CITY CLERK ANNOUNCES CHARTER AMENDMENT PETITION IS READY FOR CIRCULATION

LOS ANGELES (November 5, 2012) — Los Angeles City Clerk June Lagmay announced today that a Notice of Intent to Circulate Petition and Official Ballot Title and Summary for a Charter ballot initiative entitled “New Defined Contribution Plan; Amendments to Existing Retirement Plans Initiative Charter Amendment” proposed by proponent Richard J. Riordan, was published on October 31, 2012 in the Los Angeles Daily Journal and qualified after said publication for circulation and collection of signatures of registered voters in the City of L.A. An excerpt of the official summary of the proposal as prepared by the City Attorney is included below:

NEW DEFINED CONTRIBUTION PLAN; AMENDMENTS TO EXISTING RETIREMENT PLANS. INITIATIVE CHARTER AMENDMENT.

The proposed Charter Amendment would create a Defined Contribution Plan to provide retirement benefits for future City employees.

Most current City employees belong to one of the City’s three pension plans (Defined Benefit or DB Plans). Under this measure, future City employees would not become DB Plan members but instead would receive benefits from either a new Defined Contribution Plan (DC Plan) or the federal Social Security Program or a combination of both. The benefits to be provided to new hires would be determined by the City Council as specified in this measure.

The DC Plan would include both a Defined Contribution Fund (DCF) and a Death and Disability Fund (DDF). Employee members of the DC Plan and the City would contribute to both funds. The required minimum employee contributions to both funds would be established by the City Council as set forth in the measure. The City Council would also establish the amount of the matching City contributions to both funds. For the DCF, the City’s matching contribution would not exceed 10% of a non-safety employee’s compensation or 12.5% of a public safety employee’s compensation.

With regard to the three existing DB Plans, the measure would:

- 1) require current employees to contribute an amount equal to or greater than the amount contributed by the City towards both their pensions and post-retirement health and welfare benefits, except as specified in this measure;
- 2) limit the amount of employee compensation used to compute benefits by excluding increases in base salary if the amount paid by the City for the pension benefit of that employee exceeds 15% (for the two DB Plans for civilians) or 25% (for the DB Plan for public safety employees) of the employee’s base salary in any fiscal year;
- 3) compute pensions based on final average salary for a 36-month period;
- 4) increase the membership of the three boards that administer the DB Plans by adding two mayoral appointees to each Board;

- 5) require some of the board appointees to have financial, accounting, or investment management expertise;
- 6) authorize the City Council to terminate the existing DB Plans by any lawful method; and
- 7) require publication of certain information about the City's pension costs.

Proponents have until April 29, 2013 to collect 265,151 valid signatures which represents no less than 15% of all registered voters of the City according to the last report of registration by the L.A. Registrar-Recorder/County Clerk before the notice and title and summary were published.

For further information or assistance, please call the Election Division at (213) 978-0444 or toll-free at (888) 873-1000 between 8:00 a.m. and 5:00 p.m., Monday through Friday.

The Office of the City Clerk - Election Division administers elections for the City of Los Angeles, the Los Angeles Unified School District, and the Los Angeles Community College District. The City's upcoming elections will be held March 5, 2013 and May 21, 2013. More information can be found on the City Election Division's website at: <http://cityclerk.lacity.org/election/>.

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