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Retirement Benefits for Employees of the City of Los Angeles **(2009)**

The League of Women Voters of Los Angeles (the League) believes that retirement benefits, including pensions and health care subsidies, are a very important factor in recruiting and retaining good city employees. The League also believes that reducing the cost of the city's retirement benefits is important. Based on these precepts, the League supports the following:

1. Continuation of a Defined Benefit Pension Plan for firefighters and police officers.
2. Consideration of the employees' total compensation. In granting salary increases and pension benefits for new civilian employees, the City of Los Angeles should include both salaries and benefits in comparing compensation to employees doing similar work in the private and public sector. Total compensation should be commensurate overall with that offered in the private sector, although not necessarily in every job category.
3. The following methods for reducing the cost of providing retirement benefits for new employees:
 - a. An increase in the age at which full pension benefits can be received, while offering actuarially reduced benefits for those retiring earlier.
 - b. An increase in the age at which the post-retirement health care subsidy becomes available, provided retirees below that age are guaranteed the right to purchase health insurance at group rates.
 - c. A reduction in the rate of accumulation of pension benefits
 - d. A requirement that an employee purchasing service credit for time not worked for the City pay the full actuarial cost of that benefit.
 - e. An increase in the cost of the benefits that is paid by the employees. For example, the LACERS or FPP employee contribution rate could be increased if the funded status of a retirement plan falls below a specified level and/or a retiree could be required to pay for a larger share of his/her health care premium.
 - f. Steps to reduce the possibility of salary "spiking" immediately prior to retirement by, for example, basing pension benefits on the final three years' salary rather than only the final year's salary.
 - g. Explore providing the COLA for less than the full pension benefit.
4. Exploration by the City of the possibility of offering new civilian employees only a Defined Contribution Plan.

Adopted 3/13/2009