

## Pension Reform Preliminary Summary January 15, 2011

Referenced from [Pension Reform, Technical Letter HR/Benefits 2011-03](#) ↗

SBX6 22, the Pension Reform bill signed into law by the Governor, is applicable to the California State University. **Please note:** SBX6 22 does not apply to current CSU employees and the 2% @ 55 and 3% @ 50 (Unit 8 Public Safety and Public Safety MPP employees only) retirement plans remain in effect. A summary of applicable provisions follows:

- Effective on and after January 15, 2011, persons, excluding Public Safety employees, employed for the first time will be placed in the 2% @ 60 Miscellaneous Tier 1 CalPERS retirement plan.
- Effective on and after January 15, 2011, persons hired as MPP Public Safety employees for the first time will be placed in the 2.5% @ 55 Peace Officer and Firefighter CalPERS retirement plan.
- Persons hired for the first time as Unit 8 Public Safety employees will continue to be placed in the 3% @ 50 Peace Officer and Firefighter CalPERS retirement plan through June 30, 2011, the expiration date of the CSU - SUPA collective bargaining agreement. Effective July 1, 2011, new Unit 8 Public Safety employees will be placed in the 2.5% @ 55 Peace Officer and Firefighter CalPERS retirement plan.
- Persons employed for the first time and who become a member of CalPERS on or after January 15, 2011, will have their final compensation based on the highest average annual compensation earnable by the member during the consecutive 36- month period immediately preceding retirement or as designated by the member. This is for both new pension plans.
  - Former employees previously employed prior to January 15, 2011, who return to employment on or after January 15, 2011, and who were previously subject to a 12-month average are excluded from this provision.
  - Employees on an approved leave of absence employed before January 15, 2011, who return to active employment on or after January 15, 2011, and who were previously subject to a 12-month average are excluded from this provision.
- The 2% @ 60 and 2.5% @ 55 pension plans do not apply to former state employees previously employed before January 15, 2011, who return to employment on or after January 15, 2011, and who were not subject to the 2% @ 60 or 2.5% @ 55 pension plans.
- The 2% @ 60 pension plan does not apply to employees on an approved leave of absence employed prior to January 15, 2011, who return to active employment on or after January 15, 2011, who were not subject to the 2% @ 60 pension plan.
- The 2.5% @ 55 pension plan does not apply to employees on an approved leave of absence before January 15, 2011, who return to active employment on or after January 15, 2011, and who were not subject to the 2.5% @ 55 pension plan.