

# PRESS ADVISORY

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## Supervisor Rutherford Supports Governor's Pension Reform Proposals

**SAN BERNARDINO – Oct. 27, 2011** – San Bernardino County Second District Supervisor Janice Rutherford applauded the proposal Gov. Jerry Brown released Thursday to overhaul state and local pensions to create a fair and sustainable retirement system for public employees.

“It’s fair to say that Gov. Brown and I don’t see eye-to-eye on every issue,” said Rutherford – a conservative Republican. “But I support his proposal to retool our state and local pension systems before they become an even bigger burden on taxpayers and siphon more resources away from our core needs like public safety and infrastructure investments.”

Gov. Brown’s proposal calls for increasing the retirement age for new, non-safety state and local employees from 55 to 67 and placing them into a hybrid pension system that combines a defined-benefit pension with 401(k)-style plan. The proposal also calls for banning “pension spiking” where employees use accumulated vacation time and other compensation to boost their pension payments, which are currently based on employees’ compensation in their final year.

The Governor’s proposal also calls for all public employees to contribute at least 50 percent of the annual cost of their pension benefits. Under the current system, San Bernardino County picks up about 90 percent of retirement costs for most general employees.

“The public pension system has relied on market and investment earnings to stay afloat, and when those earnings don’t materialize, taxpayers are left holding the bag,” Rutherford said. “We have to create a system that equitably distributes the market risk between taxpayers and those who receive the benefits.”

Pension costs will consume about \$105 million or about 15 percent of San Bernardino County’s discretionary fund spending this fiscal year, and the costs are expected to rise to \$163.9 million or about 22 percent of discretionary spending by 2015-16.