**Hot Topics in Retirement – September 2011**

**Simitian SB 27** - You’ve been hearing me discuss this bill in various meetings. It is a bill that attempts to address two major issues related to public pensions: **pension spiking** and **double-dipping**. The bill would have redefined which forms of compensation could be credited towards a member’s defined benefit plan, prohibited compensation increases greater than 25% over a 5 year period, and would have prohibited retirees from returning to work within 180 days of retirement. The bill was held in the Assembly, anticipating that Gov. Brown will present his own comprehensive pension reform package. Our lobbyist, Patrick McCallum has been working closely with our K-12 allies to oppose SB 27 and offer alternative solutions to achieving pension changes.

Many unions across California agree that pension spiking and double dipping need to be addressed. However, the SB 27 bill did not address the two major pension issues facing the state: 1) declining public support for defined benefit pensions and 2) CalSTRS unfunded liability.

We expect the Governor to release a comprehensive pension reform proposal sometime between now and January, 2012. It will likely contain many of the same components that he included in his pension reform proposal that I shared with you earlier in the year. Those issues include:

- Eliminating airtime
- Eliminating contribution holidays
- Eliminating employer paid member contributions for new employees
- Eliminating retroactive pension increases
- Eliminating spiking
- Requiring three year average for final compensation
- Eliminating pensions for convicted felons
- Hybrid plan for new employees – target 75% salary replacement
- Capping pensions with inflation index
- Creating post-retirement employment restrictions
- Addressing CalSTRS unfunded liability

I will be working with our partners in the LA Trustee Network, other union leaders, legislators and constituency groups this fall to provide input on a comprehensive approach to pension reform that is thoughtful and does not result in negative unintended consequences to teachers/CC faculty.
CalSTRS Election Update

We are in the final month of the campaign before ballots go out Oct. 1st. Here are some frequently asked questions for you to share with your faculty.

Who is eligible to vote in the CalSTRS election?
Eligible voters in the election are persons who were members of the Defined Benefit Program and/or participants of the Cash Balance Benefit Program employed by a community college district during the 2010-11 school year, between July 1, 2010, and June 30, 2011. More information on Sharon can be found at sharon4strs.com

When will I receive my ballot?
Mailed ballots arrive at CalSTRS members' homes on October 1st

What will the mailing look like from CalSTRS?
The envelope with the official election ballot enclosed should look similar to this:

*Disclaimer: Neither the System nor the Teachers' Retirement Board endorses any particular candidate or position

How long do we have to vote and when is the last day I can send my ballot in?
You will be able to vote between October 1st and November 30th. Voted ballots must be postmarked or received by CalSTRS on or before November 30th to be counted.

Is mailing the ballot back to CalSTRS the only way to vote?
When you receive your paper ballot in the mail, you will give three options for how to vote in this election. You can mail your paper ballot in, phone in your vote, or vote on-line. Instruction on these various voting options will be enclosed in your mailing.

What do I do if I lost or didn't receive my ballot?
For questions and general information regarding this election, contact the Election Coordinator, at electioncoordinator@CalSTRS.com or 800-228-5453.