

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**MODIFIES PUBLIC EMPLOYEE PENSION BENEFITS. ELIMINATES AUTHORITY TO SET PUBLIC EMPLOYEE RETIREMENT BENEFITS BY CONTRACT OR COLLECTIVE BARGAINING. INITIATIVE CONSTITUTIONAL AMENDMENT.** Sets retirement age at 62 for persons who are or will be public employees. Limits pensions to 60 percent of employee's highest average base wage for three consecutive years. Requires employees match public agency pension contribution. Mandates public employees work full-time for five consecutive years to receive pension. Provides public agency full discretion to modify pensions, and prevents pension changes through contract or collective bargaining. Retains current pension benefits for legislators and public employees retiring before initiative is effective. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Major reductions in state and local defined benefit pension contributions -- potentially totaling billions of dollars per year (as measured in today's dollars) -- over the long run. These reductions would be offset to an unknown extent by increases in other compensation costs for some public employees, depending on labor market conditions and future decisions made by governmental entities. (11-0007.)**