

1 [Charter Amendment - Fire Department Service Retirement Pension]

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3 **Describing and setting forth a proposal to the voters at an election to be held on November**
4 **5, 2024, to amend the Charter of the City and County of San Francisco to change the age**
5 **factor percentage for benefit calculations such that persons who have or will become**
6 **members of the Fire Department on and after January 7, 2012 reach a higher age factor**
7 **percentage at earlier ages and lower from 58 to 55 the retirement age at which persons who**
8 **have or will become members of the Fire Department on and after January 7, 2012 reach**
9 **the highest age factor percentage.**

10
11 Section 1. Findings.

12 (a) In November 2011, San Francisco voters approved Proposition C to reform the
13 City and County of San Francisco's (City) retirement and health benefits systems. This reform
14 was a response to the disastrous fiscal impacts of the 2008 Great Recession that significantly
15 reduced the City's revenues and caused the retirement fund to drop from being fully funded to
16 being only partially funded. This drop in funding status required the City to substantially
17 increase its employer contributions, further exacerbating the City's budget deficit.

18 (b) Proposition C amended the Charter to increase pension contribution rates for
19 employees hired on and after January 7, 2012. In addition, it raised the retirement ages for which
20 members of the Fire Department hired on and after January 7, 2012 receive the highest
21 percentage for each year of credited service for retirement benefit calculations and raised the age
22 at which employees reach the highest percentage from age 55 to 58.

23 (c) In the more than 12 years since this pension reform, the financial outlook of the
24 San Francisco Employees' Retirement System has improved significantly.

25 (d) Members of the Fire Department uniquely face both short- and long-term health

1 complications as a result of their occupation. The City relies on our firefighters to be the first
2 responders to a plethora of dangerous circumstances, most notably active fires but also many
3 other instances of trauma or tragedy. Beyond these immediate high-risk threats, the conditions
4 that City firefighters endure have demonstrably increased their risk of adverse long-term health
5 impacts. According to the San Francisco Firefighters Cancer Prevention Foundation, San
6 Francisco’s female firefighters have a rate of breast cancer that is six times higher than the
7 national average, and over the past 20 years, the Fire Department has lost more than 300
8 firefighters to cancer. Furthermore, national research shows that firefighters experience higher
9 rates of behavioral health issues than the general public. According to the International
10 Association of Fire Fighters, 20% of firefighters and paramedics meet the criteria for post-
11 traumatic stress at some point during their careers, while the National Fallen Firefighters
12 Foundation reports that the suicide rate for firefighters is higher than the rate for the general
13 public.

14 (e) Additionally, the Fire Department has few positions that are not directly in the
15 field, meaning that members of the Fire Department are asked to enter active fires and other
16 dangerous circumstances regardless of their age. In 2024, only approximately 180 out of 1800
17 positions in the San Francisco Fire Department are not “in the field” or on frontline service
18 delivery, and these jobs are dependent on promotions, not seniority of employee tenure. As a
19 result, the risk of severe injury and health complications is further heightened for members of the
20 Fire Department over age 55, as demonstrated by data from the Department of Human Resources
21 that show a positive correlation between increased age, number of injuries, and workers’
22 compensation claim costs.

23 (f) This Charter amendment aims to recognize the distinctive and brave work of the
24 members of the Fire Department and to lessen the adverse health impacts firefighters experience.
25 By allowing members of the Fire Department to retire with up to 90% of their final

1 compensation at age 55 while maintaining the increased contribution rates for employees
2 imposed by Proposition C in 2011, the City simultaneously accomplishes these important goals.
3 In doing so, the City ensures that our firefighters can enter retirement with financial security
4 without facing an additional three years of potential health risks.

5 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City
6 and County, at an election to be held on November 5, 2024, a proposal to amend the Charter of
7 the City and County by revising Sections A8.604, A8.604-1, and A8.604-2, and adding Section
8 A8.604-17, to read as follows:

9 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
10 **Additions** are *single-underline italics Times New Roman font*.
11 **Deletions** are ~~*strike-through italics Times New Roman font*~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Charter
13 subsections.

14 **A8.604 MEMBERS OF THE FIRE DEPARTMENT ON AND AFTER JANUARY**
15 **7, 2012**

16 Persons who become members of the fire department, as defined in Section A8.604-1,
17 on and after January 7, 2012, shall be members of the Retirement System subject to the
18 provisions of Sections A8.604 through A8.604-17~~6~~ in addition to such other applicable
19 provisions of this Charter, including but not limited to Sections 12.100 and A8.500.

20 **A8.604-1 DEFINITIONS**

21 The following words and phrases as used in this Section, Section A8.604~~2~~, and Sections
22 A8.604-2 through A8.604-17~~6~~, unless a different meaning is plainly required by the context,
23 shall have the following meanings:

24 "Retirement allowance," "death allowance~~2~~," or "allowance," shall mean equal monthly
25 payments, beginning to accrue upon the date of retirement, or upon the day following the date of
death, as the case may be, and continuing for life unless a different term of payment is definitely
provided by the context.

1 "Compensation," as distinguished from benefits under the Workers' Compensation laws
2 of the State of California shall mean all remuneration whether in cash or by other allowances
3 made by the City and County, for service qualifying for credit under this Section, but excluding
4 remuneration for overtime and such other forms of compensation excluded by the Board of
5 Supervisors pursuant to Section A8.500 of the Charter. Remuneration shall not mean new
6 premiums or allowances first paid by the City and County after January 7, 2012, that exceed the
7 rate of pay fixed for each classification for service qualifying for credit under this Section. For
8 members with concurrent service in more than one position, "compensation" shall be limited to
9 the first hours paid during any fiscal year equal to one full-time equivalent position.

10 "Compensation" for any fiscal year shall not include remuneration that exceeds 75% of the limits
11 set forth in Internal Revenue Code Section 401(a)(17) and as amended from time to time.

12 Subject to the requirements that it be payable in cash, and that overtime and new
13 premiums or allowances first paid by the City and County after January 7, 2012 are excluded,
14 "compensation" for pension purposes may be defined in a collective bargaining agreement.

15 "Compensation earnable" shall mean the compensation which would have been earned
16 had the member received compensation without interruption throughout the period under
17 consideration and at the rates of remuneration attached at that time to the ranks or positions held
18 by ~~him or her~~ the member during such period, it being assumed that during any absence, ~~he or~~
19 ~~she~~ the member was in the rank or position held by ~~him or her~~ the member at the beginning of
20 the absence, and that prior to becoming a member of the fire department, ~~he or she~~ the member
21 was in the rank or position first held by ~~him or her~~ the member in such department.

22 "Benefit" shall include "allowance," "retirement allowance," "death allowance" and
23 "death benefit."

24 "Final compensation" shall mean the average monthly compensation earned by a
25 member during the higher of any three consecutive fiscal years of earnings or the thirty six

1 consecutive months of earnings immediately prior to retirement.

2 For the purpose of Sections A8.604 through A8.604-176, the terms "member of the fire
3 department," "member of the department," or "member" shall mean any member of the fire
4 department employed on and after January 7, 2012, who was or shall be subject to the Charter
5 provisions governing entrance requirements of members of the uniformed force of said
6 department and said terms shall further mean persons employed on and after January 7, 2012, at
7 an age not greater than the maximum age then prescribed for entrance into employment in said
8 uniformed force, to perform duties now performed under the titles of pilot of fireboats, or marine
9 engineer of fireboats; provided, however, that said terms shall not include any person who has
10 not satisfactorily completed such course of training as may be required by the fire department
11 prior to assignment to active duty with said department.

12 "Qualified for service retirement," "qualification for service retirement," or "qualified as
13 to age and service for retirement," as used in this Section and other Sections to which persons
14 who are members under Section A8.604 are subject, shall mean completion of 25 years of
15 service and attainment of age 50, said service to be computed under Section A8.604-10.

16 "Retirement System" or "system" shall mean San Francisco City and County
17 Employees' Retirement System as created in Sections 12.100 and A8.500 of the Charter.

18 "Retirement Board" shall mean "Retirement Board" as created in Section 12.100 of the
19 Charter.

20 "Charter" shall mean the Charter of the City and County of San Francisco.

21 * * * *

22 "Interest" shall mean interest at the rate adopted by the Retirement Board.

23 **A8.604-2 SERVICE RETIREMENT**

24 Any member of the fire department, who completes at least five years of service in the
25 aggregate and attains the age of ~~five~~ (50) years, said service to be computed under Section

1 A8.604-10, may retire for service at ~~his or her~~ the member's option. A member retired after
 2 meeting the service and age requirements in the preceding sentence, shall receive a retirement
 3 allowance equal to the percent of final compensation (as defined in Section A8.604-1) set forth
 4 below opposite ~~his or her~~ the member's age at retirement, taken to the preceding completed
 5 quarter year, for each year of service, as computed under Section A8.604-10:

6	<i>Age at Retirement</i>	<i>Percent for Each Year of Credited Service</i>
7	50	2.200
8	50 ¹ / ₄	2.225
9	50 ¹ / ₂	2.250
10	50 ³ / ₄	2.275
11	51	2.300
12	51 ¹ / ₄	2.325
13	51 ¹ / ₂	2.350
14	51 ³ / ₄	2.375
15	52	2.400
16	52 ¹ / ₄	2.425
17	52 ¹ / ₂	2.450
18	52 ³ / ₄	2.475
19	53	2.500
20	53 ¹ / ₄	2.525
21	53 ¹ / ₂	2.550
22	53 ³ / ₄	2.575
23	54	2.600
24	54 ¹ / ₄	2.625
25	54 ¹ / ₂	2.650

1	54 ³ / ₄	2.675
2	55	2.700
3	55 ¹ / ₄	2.725
4	55 ¹ / ₂	2.750
5	55 ³ / ₄	2.775
6	56	2.800
7	56 ¹ / ₄	2.825
8	56 ¹ / ₂	2.850
9	56 ³ / ₄	2.875
10	57	2.900
11	57 ¹ / ₄	2.925
12	57 ¹ / ₂	2.950
13	57 ³ / ₄	2.975
14	58	3.0

	<u>Age at Retirement</u>	<u>Percent for Each Year of Credited Service</u>
17	<u>50</u>	<u>2.400</u>
18	<u>50.25</u>	<u>2.430</u>
19	<u>50.5</u>	<u>2.460</u>
20	<u>50.75</u>	<u>2.490</u>
21	<u>51</u>	<u>2.520</u>
22	<u>51.25</u>	<u>2.550</u>
23	<u>51.5</u>	<u>2.580</u>
24	<u>51.75</u>	<u>2.610</u>

1	<u>52</u>	<u>2.640</u>
2	<u>52.25</u>	<u>2.670</u>
3	<u>52.5</u>	<u>2.700</u>
4	<u>52.75</u>	<u>2.730</u>
5	<u>53</u>	<u>2.760</u>
6	<u>53.25</u>	<u>2.790</u>
7	<u>53.5</u>	<u>2.820</u>
8	<u>53.75</u>	<u>2.850</u>
9	<u>54</u>	<u>2.880</u>
10	<u>54.25</u>	<u>2.910</u>
11	<u>54.5</u>	<u>2.940</u>
12	<u>54.75</u>	<u>2.970</u>
13	<u>54.75</u>	<u>2.970</u>
14	<u>55+</u>	<u>3.000</u>

15 In no event shall a member's initial retirement allowance exceed ~~90%~~*ninety percent* of
16 ~~his or her~~ *the member's* average final compensation.

17 **A8.604-17 APPLICABILITY**

18 The amendment to Sections A8.604-1 and A8-604-2, effective January 1, 2025, shall not
19 apply to any member of the Retirement System who separated from service, retired, or died
20 before that date, or to that member's continuant.

21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: /s/
24 CECILIA MANGOBA
25 Deputy City Attorney

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