

RETIREMENT INVESTMENT STAFF RETIREMENT BENEFIT RECOMMENDATION

Matt Loesch, Chair

Federated City Employees' Retirement System & Health Care Trust

Vincent Sunzeri, Chair

Police and Fire Department Retirement Plan & Health Care Trust

Chair – Joint Personnel Committee

Measure G – Board Governance Reform

- Approved November 2014
 - Areas that affect Board operations:
 - Budget approval process
 - Legal counsel appointment
 - CEO & CIO reporting structure
 - Areas that affect our competitiveness
 - Monthly Trustee stipend
 - CEO, CIO and Investment staff compensation
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Staff Compensation Review Process

- CIO
 - Comp Study - Aug '17
 - Comp adjusted by Council - Sep '17
- CEO
 - Comp Study - March '18
 - Comp adjusted by Council - Jun '18
- Investment Staff
 - Comp Review and Incentive Plan Discussions - Tentative Fall '19
 - City Council Request for approval - Tentative Winter '19-'20

Investment Staff Retirement Benefit

- Measure G Direction:

Compensation set for ... the CEO, CIO, & investment professional staff ... shall be set in accordance with Charter Section 902 and the board or boards shall consider compensation of equivalent positions in comparable United States Public Pension Plans in recommending the total compensation for ... the CEO, CIO, & investment professional staff ... (*Charter §810.1*)

- Joint Personnel Committee Goals:

Investment Staff Retirement Benefit

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- Joint Personnel Committee Goals:

- Improve compensation against comparator agencies
- Resonate with City's Pay Plan & benefits
- Provide benefit package option to attract and retain top candidates

Investment Staff Retirement Benefit Retirement Boards' Recommendation

Retirement Plan	Employee Contribution Rate	Employer Contribution Rate
Tier 3 Plan*	3.75%	3.75%
CalPERS Classic*	7.00%	8.892%
CalPERS PEPR*	6.25%	6.842%
City's Fed Tier 2**	8.28%	8.28%

Retirement Plan	General Benefit Description
Tier 3 Plan*	Defined contribution retirement savings plan
CalPERS Classic***	2% @ 55 years of age
CalPERS PEPR	2% @ 62 years of age
City's Fed Tier 2****	2% @ 62 years of age

* Rates/Benefit sourced from City Council Memo dated March 1, 2019

** Rate sourced from Federated Contribution Rate Resolution 8687 for Tier 2

*** Benefit sourced from CalPERS – San Jose Contract

**** Benefit sourced from ORS Benefit Fact Sheet for Tier 2

Investment Staff Retirement Benefit Retirement Boards' Recommendation

Salary:

Forthcoming from Comp Plan and Incentive Comp Discussions

Benefits:

Prospective Mandatory participation in CalPERS for CEO, CIO & investment staff hired after Measure G effective date (December 2014).

Joint Personnel Committee Goals:

- Improve compensation against comparator agencies
 - **Comparable to Investment Professional benefits offered in Public Plans**
 - Resonate with City's Pay Plan & benefits
 - **Comparable to City Tier 2 benefits offered to other City Employees**
 - Provide benefit package option to attract and retain top candidates
 - **Attractive for Investment Professionals with Public Plan Experience**
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Q/A