



CITY OF COSTA MESA

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FROM THE OFFICE OF THE INTERIM DIRECTOR OF COMMUNICATIONS

PRESS RELEASE

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Backgrounder: Costa Mesa pension reform to date

COSTA MESA, CALIF.—To provide journalists and community members with some background information on pension reform in Costa Mesa, here are the steps that the city—with the help of its employee associations—undertook in October 2010 to reduce pension costs.

- The City's police officers agreed to pay for the first time a portion of their pension costs. Police officers are contributing 5% of their pension-eligible salary to CalPERS through April 2015.
- The City's firefighters agreed to pay for the first time a portion of their pension costs. The firefighters are contributing 6% of their pension-eligible salary to CalPERS through November 2011.
- The City's fire management agreed to pay for the first time a portion of their pension costs. They are contributing 6% of their pension-eligible salary to CalPERS through April 2015.
- The City's general employees agreed to contribute 5% more of their pension-eligible salary to CalPERS through April 2013 and agreed to a two-tiered retirement system in which new employees will be on a "2% at 60" plan (for 30-year employees, pensions will be worth 60% of their final years' salary at age 60), instead of a "2.5% at 55" plan (for 30-year employees, pensions are worth 75% of their final years' salary at age 55).