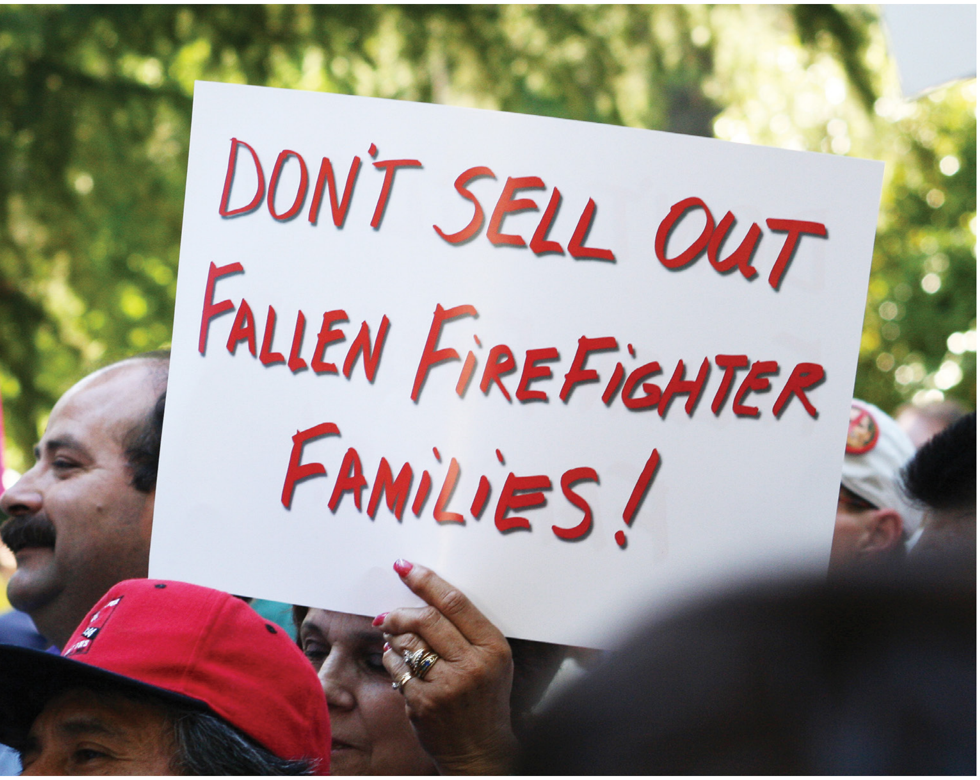
PROTECTING PENSIONS

California's first municipal pension systems for firefighters and police officers were established in Los Angeles in 1899. San Francisco established its own system in 1922 (SFERS) and by the late 1920s, police and firefighter pensions were, by some accounts, "practically universal."

In 1939, municipal governments were given the option of joining the new State Employees Retirement System (SERS, later to become CalPERS). Separately, the County Employees Retirement Law of 1937 (the '37 Act) authorized establishment of county retirement systems, the first of which was established for Los Angeles County in 1938.

State Senator Deborah Ortiz's (D-Sacramento) SB 400 authorized a long-overdue change in the CalPERS retirement formula.



Over the course of its first fifty years, Federated Fire Fighters of California helped lead a steady improvement in retirement security for its members:

- In 1953, AB 686 created the "widow's provision" allowing for benefits to continue after a retired firefighter dies;
- In 1965, AB 2081 created the 2% at 55 retirement formula;
- In 1968, AB 938 brought 2% @ 50 to county systems, and made it mandatory;
- In 1969, AB 374 provided for a 2% at 50 formula for safety employees, with compensation topping out at 75%;
- In 1975, SB 1566 allowed for the use of one-year final compensation instead of the previous three years.

Heather McCormack (at right) courageously testified against the Richman/Schwarzenegger pension grab barely a month after her husband Mark lost his life in the line of duty.

Through the 1980s and 1990s, CPF was primarily focused on protecting pensions from being raided during tough budget times, culminating with 1992's successful campaign to pass Proposition 162, the Pension Protection Act. By the time Gray Davis was elected governor in 1998, firefighters, and all public workers, had gone some two decades without any substantive change in their benefits, while CalPERS had grown to 110% funding.

In 1999, Senate Bill 400 by state Senator Deborah Ortiz (D-Sacramento) was introduced with the support of CPF and CalPERS. The measure authorized enhanced retirement formulas for state employees, including 3% at 50 for CHP and state firefighters. Though originally applicable only to state employees, CPF worked to include an amendment that allowed local police and firefighter unions to negotiate the benefit for their members. Within two years, dozens of CPF affiliates had successfully negotiated the 3% at 50 formula for their members.

Throughout the 2000s and beyond, SB 400 and other retirement enhancements came under fierce attack from opponents of public employees. In 2005, Governor Arnold Schwarzenegger sought to privatize the retirement system through a proposed ballot initiative, but firefighters erupted in protest when it was revealed that the measure could end survivor benefits for the families of fallen firefighters.

"For firefighters and their families, death and disability benefits are not frills," said Heather McCormack, who testified in the Legislature barely a month after the death of her husband Mark. "These benefits are the modest safety net that catches us when this dangerous job catches up with our loved ones."

The testimony and the ensuing outcry forced Schwarzenegger to withdraw the pension initiative. Its failure helped to galvanize labor against a quartet of anti-employee initiatives on a Schwarzenegger-engineered special election in 2005. All four initiatives were defeated. In 2008, the economic collapse of the Great Recession brought another wave of pension attacks, each of which was fended off by a united labor community that featured CPF and firefighters. As CPF enters its second 75 years, firefighters remain the strongest, most forceful public voice for retirement security in California.