
Cal Cities Action Alert

Oppose AB 1383 (McKinnor) Public employees' retirement benefits.

Action Requested: Submit a letter of opposition to AB 1383 (McKinnor), a bill that would make several significant changes to Public Employees' Pension Reform Act (PEPRA), resulting in substantial cost increases for cities and other public agencies. AB 1383 is in the Senate Labor Employee Relations & Retirement Committee.

What the Bill Does:

- Increases the pensionable compensation cap for PEPRA public employees.
- Reduces the retirement age for public safety employees from 57 to 55, applied prospectively.
- Creates a new fourth safety tier, establishing a 3% @ 55 formula that is prospective and subject to collective bargaining.
- Allows local agencies to adjust their local pension formulas prospectively, providing them with the authority to modify benefit structures going forward.

Why AB 1383 is Important to Cal Cities Members:

- PEPRA reforms have generated an estimated \$5.8 billion in savings to date and \$26.5 billion projected over 10 years.
- Changing these reforms would increase employer and employee contribution rates, create new administrative and long-term solvency challenges for cities, and would undermine a decade of progress in stabilizing pension systems and managing long-term liabilities.
- Cities are already facing rising pension obligations, stagnant revenues, and new federal and state mandates that strain local budgets.
- Higher pension costs would threaten core city services, staffing levels, and overall fiscal stability.
- Increased mandated costs would limit cities' ability to invest in workforce compensation, community programs, and essential public services.

Where to Send Letter: Please upload your letter to the Legislative portal, email the letter to cityletters@calcities.org, and to your regional public affairs manager, Charles Anderson at canderson@calcities.org.