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Governor Signs OC Pension Bill

(Santa Ana, CA) — Governor Arnold Schwarzenegger has signed into law Senate Bill 752 allowing Orange County to fully implement a new optional tier of pension benefits for many non-safety employees.

The bill, authored by State Senator Lou Correa, allows new and current employees represented by certain unions to select between the County's current pension plan and a new "1.62 @ 65" formula that includes a Defined Contribution benefit. "This legislation, which was drafted in cooperation with the Orange County Employees Association, represents an important step forward for the County in our efforts to rein in pension expenses while providing new and existing employees another option in planning for retirement," said Supervisor Patricia C. Bates, Chair of the Orange County Board of Supervisors. "Orange County is committed to reducing our unfunded pension liability to ensure that we do not pass on debt to future generations. Other local governments are already looking to our approach as an example as they deal with similar pension issues."

According to Senator Correa, the bill benefits all of the stakeholders in this important issue. "As the author of SB 752, I am pleased that all parties collaborated to achieve this success. This solution preserves precious Orange County funds while protecting the pensions of hard-working Orange County employees, a win-win for all, especially Orange County taxpayers."

Union representatives also noted the timely and collaborative nature of the pension bill. "We are proud to have played a key role in the achievement of this legislation," said OCEA General Manager Nick Berardino. "It has been designed to protect the employees we represent as well as the citizens of the County. This demonstrates that it is possible for OCEA and the County to work successfully toward solutions that can help working families during these difficult times."