

Resolution #2018-7

COMPENSATION FOR RETIREMENT

BACKGROUND

The public employee retirement system has suffered in the past from not being actuarially sound. Some public employee bargaining groups want to include factors such as overtime, insurance premium payments and other special benefits as part of the “total compensation” used in determining retirement benefits upon retirement. Adding these other types of economic benefits as compensation for retirement purposes increases the cost to the public employer for paying the employer portion of the retirement withholding.

Additionally, adding new peripheral benefit amounts to total compensation puts a strain on the public retirement system since the more recent retirees will not have contributed toward the higher benefit for most of their careers.

ACTION

The League will oppose legislation adding employee benefits and overtime as part of the compensation for purposes of determining retirement benefits.