

Brown blasts CalPERS for allowing enhanced pay

By Jon Ortiz, Sacramento Bee

A divided CalPERS board on Tuesday approved a regulation that will allow nearly 100 different types of supplemental pay to count toward pension calculations for state and local government employees.

The 7-5 vote drew a swift rebuke from Gov. Jerry Brown, who signed pension overhaul legislation in 2012 that, in part, attempted to crack down on pension spiking. Specifically, Brown objected to CalPERS' allowing pension calculations to include "temporary upgrade pay" for workers who briefly fill a higher-paying position to count toward retirement.

"... CalPERS got it wrong," Brown said in a statement released shortly after the board's action. "This vote undermines the pension reforms enacted just two years ago. I've asked my staff to determine what actions can be taken to protect the integrity of the Public Employees' Pension Reform Act."

That law required pension calculations based on "the normal monthly rate of pay or base pay" of employees who become retirement system members on Jan. 1, 2013 and later. It also disallowed "ad hoc" payments included in retirement benefit calculations, a key provision intended to thwart pension spiking.

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