Proposition D

Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco, Sections A8.428 and A8.432, to provide retiree health care benefits to employees of the former Redevelopment Agency of the City and County of San Francisco or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco who started working for the City and County of San Francisco before March 1, 2015, and after January 31, 2012, without a break in employment, and to persons who are registered as domestic partners to retired employees under the law of the state, city, or county in which they reside or who live in a jurisdiction that does not recognize domestic partnership but who have submitted the Health Service System Declaration of Domestic Partnership Form, at an election to be held on November 4, 2014.

Section 1. The Planning Department has determined that the actions contemplated in this proposed Charter Amendment comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 140507 and is incorporated herein by reference.

Section 2. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 4, 2014, a proposal to amend the Charter of the City and County by revising Sections A8.428 and A8.432, to read as follows:

NOTE: Unchanged Charter text and uncodified text are in plain font.
Additions are single-underline italics Times New Roman font.
Deletions are strike-through italics Times New Roman font.
Asterisks (* * *) indicate the omission of unchanged Charter subsections.

SEC. A8.428. HEALTH SERVICE SYSTEM TRUST FUND.
There is hereby created a health service system trust fund. The costs of the health service system shall be borne by the members of the system and Retired Persons, the City and County of San Francisco.
because of its members and Retired Persons, the Parking Authority of the City and County of San Francisco because of its members and Retired Persons, the San Francisco Unified School District because of its members and Retired Persons and the San Francisco Community College District because of its members and Retired Persons.

(a) Definitions.
“Credited Service” means years of employment with the Employers or the former Redevelopment Agency of the City and County of San Francisco (the “Redevelopment Agency”) or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”), provided that for any employee of the Redevelopment Agency or Successor Agency, the employee became an employee of the Redevelopment Agency before September 1, 2010, and became an employee of the City and County without a break in service after January 31, 2012 and before March 1, 2015.

“Employers” as used in this section means the City and County of San Francisco (“City and County”), the San Francisco Unified School District (“School District”) and/or the San Francisco Community College District (“Community College District”). Employers shall also include the Superior Court of California, County of San Francisco (“Superior Court”), to the extent the Superior Court participates in the City’s Health Service System, under Section A8.428(e).

“Hired on or Before January 9, 2009” as used in this section means employees hired on or before January 9, 2009, by the City and County, the School District, and/or the Community College District, or the Redevelopment Agency who were hired on or before January 9, 2009, excluding the following categories of employees: (1) as-needed employees who have never earned 1,040 or more hours of compensation during any 12-month period ending on or before January 9, 2009; and (2) employees who have separated from employment with the Employers or the Redevelopment Agency on or before January 9, 2009, and have less than 5 years of Credited Service with the Employers or the Redevelopment Agency; (3) former employees of the Redevelopment Agency who became employees of the City and County after February 28, 2015; (4) former employees of the Redevelopment Agency who left employment with the Redevelopment Agency and became employees of the City and County before February 1, 2012; and (5) former employees of the Redevelopment Agency who have received retiree health care coverage under the Public Employees Medical and Hospital Care Act (PEMCHA) on or before February 28, 2015.

“PERS” as used in this section shall mean the Public Employees’ Retirement System of the State of California.

“Plan Year” as used in section A8.423 shall mean the twelve month period beginning on each July 1 and ending on June 30, or such other 12 month period as may be determined by the Health Service Board.

“Registered as Domestic Partners” as used in this section means persons who have established a domestic partnership according to the provisions of Chapter 62 of the San Francisco Administrative Code, or California state law, as amended from time to time, or the law of the city or county in which they reside or of the state of California in which they reside. Persons who live in a state, city, or county that does not recognize domestic partnership who submit a completed and notarized City and County Health Service System Declaration of Domestic Partnership Form to the Health Service System shall also be considered domestic partners under this section. Domestic partners who have formed their domestic partnership only by notarization of a declaration of Domestic Partnership as provided in Chapter 62 of the San Francisco Administrative Code shall not be recognized or treated as a domestic partnership under this Section unless and until the domestic partnership is registered or certified.

“Retirement System” as used in this section shall mean the San Francisco City and County Employees’ Retirement System.

“Retired under the San Francisco City and County Employees’ Retirement System” as used in this section includes persons who retire for service; retire for disability; or who receive a retirement or vesting allowance from the Retirement System.

A “Retired Person” as used in this section means:

(1) A former member of the health service system, hired by the Employers Hired on or before Before January 9, 2009, retired under the San Francisco City and County Employees’ Retirement System and/or PERS (hereinafter, “Retired Employee who was Hired on or Before January 9, 2009”);

(2) The surviving spouse or surviving domestic partner of an active employee of the Employers hired Hired on or Before on or before January 9, 2009, provided that the surviving spouse or surviving domestic partner and the active employee have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the active employee;

(3) The surviving spouse or surviving domestic partner of a Retired Employee who was Hired on or Before January 9, 2009, provided that the surviving spouse or surviving domestic partner and the Retired Employee who was Hired on or Before January 9, 2009 have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the Retired Employee who was Hired on or Before January 9, 2009;

(4) A former member of the health service system, hired by the Employers on or after January 10, 2009, and retired under the Retirement System and/or PERS for disability, or retired under the Retirement System or PERS: (i) within 180 days of separation from employment from the Employers; and (ii) with 10 or more years of Credited Service with the Employers (hereinafter, “Retired Employee who was Hired on or After January 10, 2009”);

(5) The surviving spouse or surviving domestic partner of an active employee of the Employers hired by the Employers on or after January 10, 2009, with 10 or more years of Credited Service with the Employers, or who died in the line of duty where the surviving spouse or surviving domestic partner is entitled to a death allowance from the Retirement System as a result of the death in the line of duty, provided that the surviving spouse or surviving domestic partner and the active employee have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the active employee;

(6) The surviving spouse or surviving domestic partner of a Retired Employee who was Hired on or After January 10, 2009, provided that the surviving spouse or surviving domestic partner and the Retired Employee who was Hired on or After January 10, 2009, have been married or Registered as Domestic Partners for a period of at least one year prior to the death of the Retired Employee who was Hired on or After January 10, 2009.

(e) To the extent the Superior Court elects to participate in the City’s Health Service System for the provision of active and retiree health care benefits, Superior Court employees shall be treated the same as City employees for the purposes of vesting, employer contribution rates, and benefit levels, in accordance with the Trial Court Employment Protection and Governance Act and applicable State law. The Superior Court shall pay all administrative and health care costs related to the Superior Court’s covered employees or retirees as a participating Employer. The Superior Court may withdraw from participation in the City’s Health Service System at any time, which shall not require an amendment to this Charter.

(f) Notwithstanding the retiree health care eligibility requirements set forth above, a former employee of the Redevelopment Agency Hired on or Before January 9, 2009 must have been employed by the City and County after January 9, 2009 to be eligible for retiree health care coverage under this section. In adopting the Charter amendment revising Sections A8.426 and A8.428 on November 4, 2014, the voters do not intend that it affect the rights of former employees of the Redevelopment Agency Hired on or Before January 9, 2009, who were already eligible for retiree health care coverage as of November 4, 2014.

(g) The amendments of this section contained in the proposition here for submitted to the electorate on June 3, 2008 shall be operative January 10, 2009. The purpose of the January 10, 2009, Charter amendment is to amend Section A8.428 to change the required
years of service and employer retiree health care contribution amounts
for employees hired on or after January 10, 2009. Nothing in that
Chart amendment shall expand or contract the groups of employees
eligible for retiree health care benefits beyond those groups eligible as
of June 3, 2008.

SEC. A8.432. RETIREE HEALTH CARE TRUST FUND.
There is hereby created a Retiree Health Care Trust Fund
(RHCTF) for the purpose described in Section 12.204. Subject to the
disbursement limitations set forth in Section A8.432(d) below, the
Retiree Health Care Trust Fund Board (Board) shall have exclusive
authority and control over the administration of the RHCTF,
investments of trust assets, and disbursements from the trust in
accordance with the provisions of this Charter.

* * * *

(f) Definitions
“Actuarial Accrued Liability” as used in this section, means
“Actuarial Accrued Liability” as that term is defined under GASB No.
45 as may be amended from time to time.
“Commenced Employment on” as used in this section, shall
refer to the time an employee starts employment with the City and
County, or with a Participating Employer, for the first time, or the time
an employee starts employment with the City and County, or with a
Participating Employer, on a subsequent occasion after a prior
separation from employment with the City and County or any
Participating Employer, whichever date is later. For purposes of this
Section A8.432, an employee of the City and County who was employed
by the former Redevelopment Agency of the City and County of San
Francisco (the “Redevelopment Agency”) or the Successor Agency to
the Redevelopment Agency of the City and County of San Francisco
(the “Successor Agency”), and started working for the City and County
before March 1, 2015 without a break in service shall be deemed to
have commenced employment with the City and County on the date the
employee commenced employment with the Redevelopment Agency or
the Successor Agency, except that any such former employee of the
Redevelopment Agency or the Successor Agency who subsequently
separates from employment with the City and County and returns as an
employee of the City and County or a Participating Employer at a later
date (the “Return Date”) shall be deemed to have commenced
employment on the Return Date.
“Employer” and “Employers” as used in this section means the
City and County and the Participating Employers.
“Fully Funded” as used in this section means that an
Employer’s GASB Actuary has determined that the market value of
assets in a sub-trust equals or exceeds the Employer’s Actuarial
Accrued Liability.
“GASB Actuary” and “GASB Actuaries” as used in this
section means the actuarial firms hired by the Employers to provide
estimates of each Employers’ respective total liability and annual
required contribution for post retirement health benefits under GASB
No. 45.
“GASB No. 45” as used in this section means Statement No. 45
of the Governmental Accounting Standards Board, Accounting and
Financial Reporting by Employers for Postemployment Benefits Other
Than Pensions as may be amended from time to time.
“Health coverage” as used in this section, means the health
benefits or health insurance provided by the health service system for
retirees, survivors and dependents under Section A8.428.
“Normal Cost” as used in this section, means each Employer’s
normal cost under GASB No. 45 as determined by each Employer’s
GASB Actuary.
“Retiree” as used in this section, means a former employee who
is retired and is entitled to health coverage under Section A8.428, and
the qualified survivors or dependents of such retirees who are entitled
to health coverage under Section A8.428.
“Participating Employers” as used in this section and Sections
A8.432-1, A8.510 and 12.204, shall include the Superior Court of
California, County of San Francisco, San Francisco Unified School
District and the San Francisco Community College District, following a
resolution by their respective governing boards to participate in the
Retiree Health Care Trust Fund.

* * * *