

Hi Damian,

I checked with OER and there is indeed **a lot of inaccurate and misleading information** in what you forwarded.

It may be better for me to explain this over the phone, but here is the quick explanation of what's really happening:

1. **Once police recruits graduate from the academy, they get a pay increase (I believe 5%).** They also begin accruing benefits in our pension plan, and thus, begin making contributions into the system. Because the cost of these retirement benefits have grown so high, this will likely lead to a net decrease in take-home pay. **However, it's somewhat disingenuous for the POA to focus on the impact on take-home pay without recognizing that officers will begin accruing a generous retirement benefit.** It's also worth noting that the City's costs go way up too once officers graduate from the academy.
2. More importantly, **this is not a new phenomenon. The previous class of recruits, who are part of the Tier I plan, experienced the same thing.** So, nothing the Board did last week created this phenomenon of new officers seeing their take home pay go down once they begin earning retirement benefits. And from what I understand, it's common for officers in other agencies to only begin accruing/paying into their pension plan once they graduate from their academy.
3. **It is completely inaccurate for the POA to say that new officers' costs will be paying Tier I rates for Tier II benefits.** The Retirement Boards are using the Tier I rates as a TEMPORARY measure because **they need more time to calculate the Tier II rates.** They expect to complete this **by September 5** and will "true-up" any difference in contributions at that time. Ironically, the current batch of recruits are not expected to graduate until the end of September – meaning the current recruits will not likely ever end up contributing the Tier I rate! So, it really makes me wonder why the POA chose to write to the recruits in the first place.  
**Of course, the whole reason this is even an issue is b/c the cost of these retirement benefits have grown so much, particularly for retiree healthcare which now cost police officers about 9% of pay. We were able to eliminate this cost for new civilian workers (by excluding them from retiree healthcare benefits), but have had little success negotiating a similar arrangement for new police officers.**

You might also want to chat with **Pete Constant, who as a former cop** and retirement board liaison, may be in a good position **to comment on how this works and what really happened at the Retirement Board meeting.** Despite what the POA said, I'm honestly not sure there's **anything of note happening here.**

-Dave

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