



AB 1383

MYTH VS. FACT

Pension Modernization for California Public Safety

MYTH	FACT
<i>"This rolls back pension reform."</i>	Modernization is not a rollback. AB 1383 does not undo PEPRA. It preserves contribution requirements, anti-spiking rules, and prospective application. It makes targeted, forward-looking adjustments to address workforce realities in 2026 – not 2012.
<i>"It increases costs during fiscal uncertainty."</i>	It's a targeted investment in workforce stability. The employer share is approximately \$151.5M statewide – a small fraction of total public safety payroll and a small fraction of the \$26.5 billion in forecasted PEPRA savings over the next decade. Costs are phased in and prospective. The most significant enhancement (3% @ 55) is optional and subject to local bargaining.
<i>"Local governments can't afford this."</i>	It provides for local decision making — it's not a mandate. Enhanced formulas require an MOU. No employer is forced to adopt 3% @ 55. The bill simply restores bargaining flexibility.
<i>"This creates new long-term liabilities."</i>	It's a responsible, funded benefit. This affects normal operating costs going forward, not unfunded liability from past service. It is fully actuarially calculated and backed by employee contributions to ensure sufficient funds to cover future costs.
<i>"This just helps high earners by raising the cap."</i>	It allows California to compete with other states. It aligns the cap with the federal standard that is already used nationally. It primarily affects experienced, senior safety personnel — key retention positions.

MYTH	FACT
<i>"Public safety already has strong benefits."</i>	Recruitment data shows otherwise. Agencies report sustained vacancies, lateral losses, and difficulty filling academies. Competitive retirement security is a recruitment tool – especially in high-risk careers.
<i>"This creates inequity in the system."</i>	It creates fairness within public service. Two officers doing the same dangerous job today retire under dramatically different formulas solely due to hire date. AB 1383 reduces inequity within the workforce.
<i>"Encouraging early retirement increases costs."</i>	This is about risk mitigation and workforce health. Injury and disability rates increase with age in safety professions. Earlier retirement eligibility may reduce workers' compensation claims and disability retirements – both of which are costly to employers.
<i>"This opens the door to dismantling PEPRA entirely."</i>	AB 1383 is narrowly drafted and prospective. It retains PEPRA's core framework: shared costs, anti-spiking, actuarial oversight. It is a calibrated adjustment, not systemic reversal.
<i>"This will blow up local budgets."</i>	Local governments retain full control through bargaining. No agency is required to adopt the optional 3% @ 55 or any additional employer contribution.