

City of Ventura Pension Facts

- Employees have been an active participant in dealing with pension costs and, in fact, agreed to share costs with the City. Employee cooperation played an important role in balancing our budget and making it through the recession.
- Many public employers, including the City of Ventura, do not participate in Social Security so employees are not eligible for Social Security retirement benefits.
- The City is a member of the California Public Employees Retirement System (PERS), which is a defined benefit plan.
- Retirement benefits are calculated using a “defined formula” based on an employee’s years of service with PERS, age at retirement, and final compensation (average salary for a defined period of employment).
- Both the City and employees make contributions toward pension costs. Employee contributions currently vary from 4.5% to 12.25% depending on hire date and whether the employee is in a non-safety or safety plan.
- If the City did not participate in PERS, it would be obligated to participate in Social Security, which would require an approximate 6% contribution from both employees and the City totaling just over 12%.
- While the media has been good at highlighting a few people who receive huge pensions, those individuals are certainly the exception. The average pensions for City of Ventura retirees are:
 - \$19,000 for non-safety employees
 - \$50,000 for safety retirees
 - The City’s practices have never allowed pension spiking – where employees inflate their compensation just prior to retirement in order to increase their pension.
- The City does not make any contributions toward retiree health care. This keeps our Other Post-Employment Benefits obligations low, which has a positive effect on our bond rating.
- The City proactively implemented new pensions plans with lower benefit formulas and increased normal retirement age prior to the implementation of statewide pension reform.
 - While these changes were made for new hires dating back to 2011, state law prohibits any employer from making such changes for current employees as the courts consider pensions a vested contractual right.
 - In 2013, the Governor signed the Public Employees’ Pension Reform Act, known as PEPRA. In compliance with PEPRA, the City implemented new retirement formulas (2.0% at 62 for miscellaneous employees and 2.7% at 57 for police and fire). All new formulas use the average of the three highest years of earnings rather than the single highest year.
- We recognize there are many opinions about public employee pensions, but the City of Ventura has actively worked to provide fair, not excessive, benefits and has taken steps to ensure the cost of pensions are shared between the City and employees.