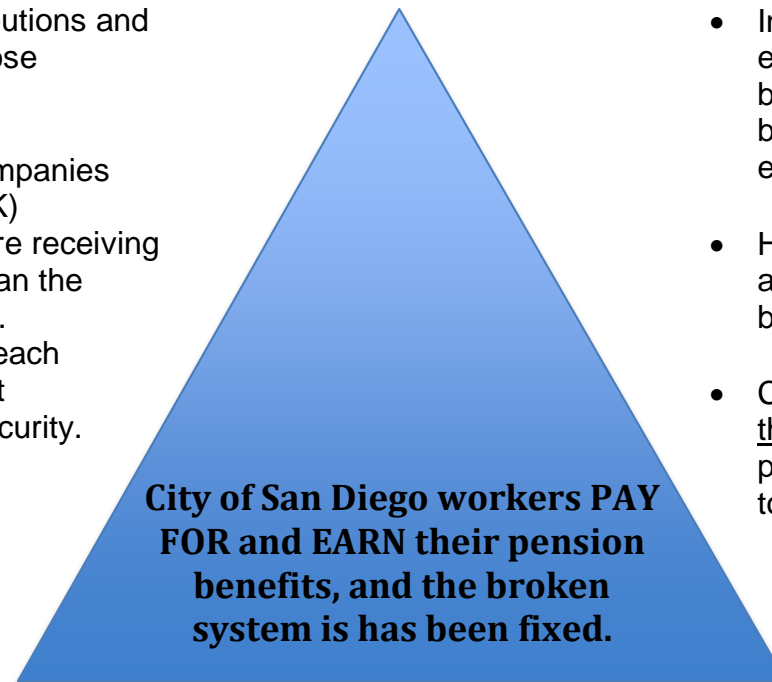


City employees themselves — along with returns on stock market investments on their contributions — pay for the bulk of retiree pensions.

- More than 80 percent of the pension fund is made up of employee contributions and investment gains earned on those contributions.
- If you consider what private companies pay in social security and 401(K) contributions, city employees are receiving no more from their employer than the typical private-sector employee.
 - The City saves 6.2% of each employees' salary by not contributing to Social Security.



San Diego's pension crisis was caused by the diversion of required funds to politicians' pet projects. Employees always paid everything they owed into the pension fund.

- In lieu of salary increases, the city enhanced pension benefits for workers, but never funded those enhanced benefits because they wanted to use the funds elsewhere.
- Had politicians not used the pension fund as a credit card, there would never have been a crisis.
- City employees never stopped making their contributions to the system; only the politicians reneged on financial obligations to avoid tough choices.

Due to reforms, employee concessions and fiscal discipline by elected leaders, our pension system is completely stabilized and no longer in crisis.

- The city has made its full payment for 10 years.
- Employees are paying their full share.
- The pension system operates under some of the most conservative assumptions and practices in the state.
- Pensionable pay freezes agreed to by employees have saved taxpayers millions.