



# NEWS RELEASE

OFFICE OF THE MAYOR  
ALVIN BROWN  
MAYOR

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FOR IMMEDIATE RELEASE

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## MAYOR BROWN UNVEILS SECOND PHASE OF RETIREMENT REFORM INITIATIVE

**JACKSONVILLE, Fla. Tuesday, October 30, 2012** — One day after he unveiled his retirement reform proposal for police employees in the Police and Fire Pension Plan (PFPF), Mayor Alvin Brown today unveiled his reform proposal for certain COJ employees in the General Employees Retirement Plan (GERP) in a collective bargaining meeting with the American Federation of State County and Municipal Employees (AFSCME).

“Our city employees deserve a retirement system that is sustainable,” said Mayor Brown. “The current system is broken. We have to fix it to respect and protect employees and taxpayers.”

The numbers tell the story of the need for retirement reform. Currently, the General Employees Retirement Plan (GERP) has a significant level of unfunded liability. In October 2005, assets in the GERP were worth \$225 million less than its total pension obligations. By October 2011, that deficit had grown to more than \$635 million. Under-funding earned the GERP a “C” grade in a 2011 study by the Leroy Collins Institute at Florida State University.

Mayor Brown would reform the retirement system in two ways. First, as with his initial proposal with police employees in the PFPF, it would address the underfunding of pension benefits by making the assumed rate of return on GERP investments more realistic. Right now, GERP assumes that its investments will earn an 8.25 percent return. Mayor Brown proposes to lower that assumed rate of return to 7 percent (net 6.5 percent).

Second, Mayor Brown proposes benefit changes that would apply to all new employees and many current employees. His proposal will **not** affect any former City of Jacksonville employees who are already retired or any current employees who are already eligible for full retirement at the time the new plan is implemented. It will **not** affect retirement benefits already earned by any current employees through the date the plan is implemented, although it will modify the future benefits they earn **after** the new plan is implemented. A copy of the reforms is attached.

Mayor Brown’s retirement reform plan is projected to save \$10 million in its first year and \$1.05 billion over 30 years.



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In 2012, Mayor Brown and two civilian unions – AFSCME and the Jacksonville Supervisors Association (JSA) – reached agreement on new labor contracts that are projected to produce nearly \$5 million in combined savings for the next three years. Those agreements, ratified by City Council, did not specifically address retirement benefits but required that the City and unions hold meetings over the balance of 2012 to reopen and discuss that subject to see if agreement is possible.

The first of those meetings was with AFSCME today, with another to follow on Thursday, November 1 with JSA. Meetings are also scheduled in November with two unions who have not yet reached economic agreements with the City – the Communication Workers of America (CWA) and Laborers International Union of North America (LIUNA).

“Our previous negotiations were a great example of teamwork,” said Mayor Brown. “If we work together again, I am hopeful that we can achieve retirement reform that is sustainable for our employees and our taxpayers.”

More information can be found on [coj.net](http://coj.net), the City of Jacksonville Web site.

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