Association of California Cities
Orange County
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August 11, 2026

The Honorable Tina McKinnor
California State Assembly, District 61
1021 O Street, Room 5520
Sacramento, CA 95814

RE: OPPOSE – AB 1383 (McKinnor) – Public Employees' Retirement Benefits

Dear Assembly Member McKinnor,

The Association of California Cities – Orange County (ACC-OC) represents the regional policy needs of most Orange County cities and special districts. Collectively, our members provide services to up to 3.2 million people and work across county borders on a multitude of public policy issues.

ACC-OC regrets to inform you that we oppose AB 1383, which would make changes to the Public Employees Pension Reform Act. First, starting in 2027, it raises the cap on how much compensation can count toward a new employee's pension calculation — specifically increasing the cap that applies to safety members from 120 percent to 135 percent of the federal Social Security wage base. Second, it creates new retirement formulas for safety members hired on or after January 1, 2027, that shift the full-benefit retirement age from 57 down to 55, while keeping the same benefit percentages. Existing safety members would also transition onto the new age-55 schedule for service performed after that date.

Together, these changes would put upward pressure on the employer contribution rates cities are required to pay, at a time when many agencies are already managing tight budgets. A higher compensation cap means more of each employee's pay is pensionable, which increases the size of the benefit being funded. And formulas that deliver the same benefit percentage two years earlier increase the actuarial cost of the plan, since benefits are paid out over a longer expected retirement period. Should you have any questions about our position on this bill or ACC-OC, please contact me at (714) 953-1300, ext. 1 or kmurray@accoc.org.

Sincerely,

Kris Murray
Executive Director
Association of California Cities – Orange County

CC: ACC-OC Board of Directors