Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0059, **File Type:** Program **Agenda Number:** 40.

REGULAR BOARD MEETING
FEBRUARY 27, 2025

SUBJECT: ADOPT PUBLIC SAFETY POLICE PENSION PLAN FOR ELIGIBLE EMPLOYEES OF NEW TRANSIT COMMUNITY PUBLIC SAFETY DEPARTMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Board of Directors for the Public Transportation Services Corporation to amend the contract with the California Public Employee's Retirement System (CalPERS) to implement a Safety Police Pension Plan for sworn officers hired for the new Transit Community Public Safety Department (TCPSD) (Attachment A).

ISSUE

Before Metro can begin the hiring process for the TCPSD, a Safety Police Pension Plan must be in place to facilitate the hiring and retention of sworn officers. Metro's existing pension plans do not meet the requirements of a Safety Police Pension. As a result, sworn officers cannot be members of the existing plan and CalPERS requires that a new Safety Police Pension Plan be implemented for these future hires.

BACKGROUND

The Public Transportation Services Corporation (PTSC), a component unit of Metro, currently contracts with CalPERS for a Miscellaneous pension plan for certain employee groups. Accordingly, any changes to the pension plans require authorization by the Metro Board before the PTSC takes an action to amend the pension plan.

In June 2024, the Metro Board approved the implementation of an in-house TCPSD. The implementation plan requires the agency to hire sworn officers directly instead of contracting for service with outside agencies, such as the Los Angeles Police Department and the Los Angeles County Sheriff's Department. Sworn officer eligibility requires Peace Officer Standards and Training (POST) Certification. PTSC must contract with CalPERS to provide a new Safety Police Pension Plan for sworn officers as this is a specialized group that cannot be enrolled in the Miscellaneous plan currently in existence for other employee groups. Metro staff have been working with CalPERS over the last several months to identify pension plan options for safety members as well as potential

costs and contribution rates.

DISCUSSION

CalPERS presented Metro with three police pension plan options for sworn officers as well as the potential costs and contribution rates for these options. The three options presented specific to sworn officers are listed below along with the estimated cost per option:

Percent	Age	Estimated Cost
2.0%	57	$8.5M
2.5%	57	$10.3M
2.7%	57	$10.7M

These options mean that members are eligible to receive 2%, 2.5% or 2.7% of their salary for each year of service at Metro, based on a retirement age of 57. Metro researched several police departments to determine the retirement formulas other agencies were using. Those who offered CalPERS pension plans for sworn officers, such as Bay Area Rapid Transit (BART), Los Alamitos, Sacramento, Long Beach, Santa Monica, Whittier, Glendale, Burbank, and Anaheim Police Departments offer a pension formula of 2.7% at 57. As the market to hire sworn police officers is extremely competitive, Metro wants to ensure that the public Safety Police Pension Plan is competitive enough to attract new officers and lateral officers who might consider transferring from other neighboring agencies. Therefore, to be competitive, Metro recommends the option of 2.7% at age 57 for sworn officers. In order to implement the Safety Police Pension Plan, PTSC must amend the contract with CalPERS.

In addition to adding a new police category to the CalPERS retirement contract, survivor benefits for police members will also be added to the contract. The 1959 Survivor Benefits program provides benefits to a designated survivor if the member passes away before retiring. This benefit is commensurate with the survivor benefits offered to PTSC employees in the other Miscellaneous pension plans.

PEPRA Impact

Additionally, in 2013, the Public Employee's Pension Reform Act (PEPRA) was enacted which changed retirement benefits for new public employees hired after January 1, 2013. For example, contribution requirements were placed on PEPRA members and retirement formulas were altered. Prior to PEPRA, employers had the ability to pay both the employer and employee share of the required retirement contribution. Metro inquired about the possibility of being able to pay the employee share of the contribution for those employees that retained Classic status because they were members of a public pension plan prior to January 2013. CalPERS determined that this is not allowable under PEPRA rules and regulations as the Safety Police Pension Plan is a PEPRA plan established post January 2013. Specifically, CalPERS confirmed that all members of the Safety Police Pension Plan will be required to pay the employee share of the retirement formula. PTSC currently has two CalPERS pension plans for its employees:

- Miscellaneous 2% at age 60 (Classic)
- Miscellaneous 2% at age 62 (PEPRA)

The majority of PTSC employees are enrolled in the Miscellaneous pension plan with a formula of 2% age 62 (PEPRA plan). Currently, the PEPRA plan has 2,030 members and the Classic plan has 960 members. Sworn officers are not allowed to be members of either Miscellaneous plan and CalPERS requires the implementation of a Safety Police Plan for sworn officers. Before Metro can begin the hiring process for the TCPSD, this Safety Police Pension Plan must be in place to facilitate the hiring and retention of sworn officers.

DETERMINATION OF SAFETY IMPACT

The action plays a pivotal role in the establishment of the Transit Community Public Safety Department, an initiative that is expected to substantially enhance safety across the entire Metro system. The TCPSD will integrate sworn officers alongside non-law enforcement personnel, providing a more visible, accessible, and engaged presence throughout the Metro system. This holistic approach ensures that both public safety and community well-being are prioritized, offering a balanced and effective security strategy for all Metro patrons and employees. By enhancing the range of safety services offered throughout Metro, the TCPSD will foster a safer and more welcoming transit environment, leveraging a combination of proactive law enforcement and community-based support mechanisms. This action ensures that Metro can provide a comprehensive Safety Police Pension Plan, addressing both immediate concerns, long-term transit security needs, and as we prepare for major events coming to the region.

FINANCIAL IMPACT

The projected costs of the Safety Police Pension Plan are consistent with the costs presented to the Board in the TCPSD implementation plan. It is anticipated that the CalPERS Safety Police Pension Plan will cost approximately $10.7 million per year when the department is fully staffed, and all sworn officers have been hired. These costs are based on an employer contribution of approximately 14% of the salaries of sworn officers. Employees would be required to contribute approximately 13.75% of their salary toward the funding of the plan. These percentages are based on actuarial calculations conducted by CalPERS and are subject to changes based on future actuarial calculations, similar to the existing Miscellaneous Plan. The employer cost of the 1959 Survivor Benefits program for sworn officers will be approximately $42,500 per year when the department is fully staffed. These costs are based on an employer contribution of $5.90 per member per month and an employee contribution of $2 per member per month.

Impact to Budget

Sources of funds will parallel the projects charged agency wide and will include operating eligible funds encompassing sales taxes, fares, and federal, state and local funds.

EQUITY PLATFORM

This board item is critical to Metro's ability to establish and operate a holistic, equitable, and multi-layered approach and TCPSD to improve public safety by deploying a combination of sworn and non-sworn staff to accomplish:

- Community Safety & Well-Being
- Prevention Support
- Risk Intervention
- Response and Enforcement

Additionally, the establishment of a comprehensive Safety Police Pension Plan for the sworn officers being hired for the new in-house TCPSD will ensure that officers who join the TCPSD are provided equitable coverage in this Safety Police Pension Plan, which will be an integral component of their retirement benefits. This action also supports Metro's broader commitment to effectively recruit, hire, and retain qualified law enforcement professionals for the TCPSD, ensuring that individuals from diverse backgrounds, experiences, and identities have equal access to opportunities. By offering these retirement benefits, Metro will be in a better position to attract the best candidates, and to foster an inclusive supportive and sustainable career environment for all members of TCPSD, in line with industry standards and equity best practices. The Safety Police Pension Plan will provide officers with the necessary resources to safeguard their health, wellbeing, and long-term financial security, addressing the unique needs of all groups within the various sworn officer job classifications. Metro's dedication to this initiative reflects its proactive and strategic approach to advancing safety, positive workforce management, ensuring the timely staffing of the TCPSD while adhering to all regulatory, safety, and Equal Opportunity requirements. This is aligned with Metro's goal to deliver world-class transit service across Los Angeles County and maintaining a high standard of safety, security, and equity for both employees and patrons.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT through customer activities that will benefit and further encourage transit ridership. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

By ensuring a more secure and visible transit environment, this action supports the reduction of VMT by strengthening Metro's position as a reliable, safe, and attractive alternative to driving. This action aligns with Metro's broader goals of reducing traffic congestion, enhancing public transportation options, and promoting a more sustainable transportation system across the region.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal 2.1, "Metro is committed to improving security." The new Safety Police Pension Plan for sworn officers being hired ensures that Metro will be able to establish a Transit Community Public Safety Department. These sworn officers and the TCPSD will increase the visibility and effectiveness of security and law enforcement personnel at Metro facilities via a multi-layered approach.

ALTERNATIVES CONSIDERED

The Board could decide not to amend the contract with CalPERS; however, this amendment is required to provide retirement benefits for sworn officers that are POST certified for the new TCPSD. Not amending the contract with CalPERS to add a Safety Police Pension Plan is not recommended as it would prevent the timely establishment of the new department. Additionally, the board could decide on a Safety Police Pension Plan that is not 2.7% at 57 however, this is not recommended as Metro must establish a competitive pension plan to attract new officers and lateral officers who might consider transferring from other agencies.

NEXT STEPS

Upon Board approval, the PTSC Board of Directors will convene to enact all necessary actions to incorporate a Safety Police Pension Plan.

ATTACHMENTS

Attachment A - Safety Police Pension Plan Summary

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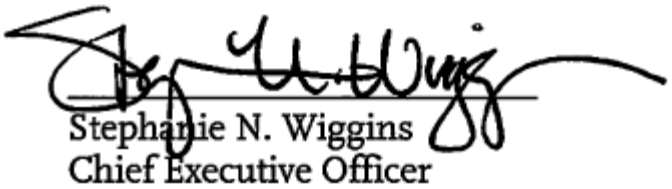


Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Safety Police Pension Plan Summary

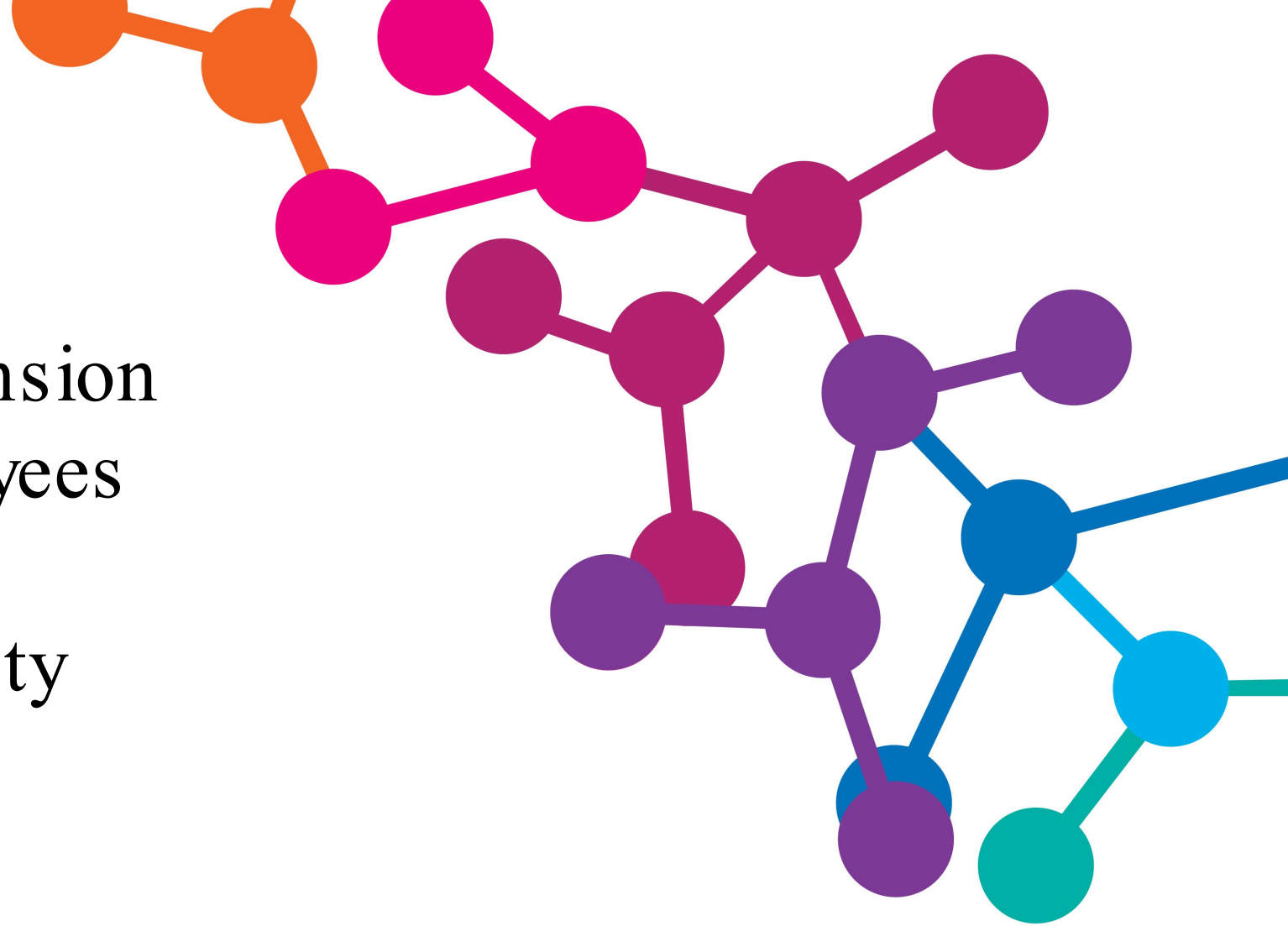
- Safety Police Pension Plan option of 2.7% at age 57 for sworn officers

- 1959 Survivor Benefits program, which provides benefits to a designated survivor if the member passes away before retiring. The 1959 Survivor Benefit provides a monthly allowance of:

    - $950 for one eligible survivor
    - $1,900 for two eligible survivors
    - $2,280 for three eligible survivors

- This is a PEPRA compliant plan requiring all eligible employees to make contributions

Public Safety Police Pension Plan for Eligible Employees of the New Transit Community Public Safety Department



Regular Board Meeting
February 27, 2025

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Background

- In June 2024, the Metro Board approved the implementation of an in-house Transit Community Public Safety Department (TCPSD) and directed Metro to take necessary steps required to establish this new department

- Adopting a safety police pension plan is a critical first step in Metro standing up the Board approved Transit Community Public Safety Department (TCPSD) and being able to hire and competitively recruit for police officers

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Safety Police Pension Plan Information

- California Public Employee's Retirement System (CalPERS) provided three Safety Police Pension Plan options for sworn officers as listed below:

Percent	Age	Estimated Cost
2.0%	57	$8.5M
2.5%	57	$10.3M
2.7%	57	$10.7M

- Metro researched several police departments to determine the California Public Employee's Retirement System (CalPERS) retirement formulas other agencies offer and found that most sworn officers are offered a pension plan formula of 2.7% at 57

- The recommended option is 2.7% at age 57 to be competitive and attract new officers and lateral officers who might consider transferring from other neighboring agencies

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1959 Survivor Benefit Program

- In addition to adding a new police category to the California Public Employee's Retirement System (CalPERS) retirement contract, survivor benefits for police members will also be added to the contract

- The 1959 Survivor Benefits Program provides benefits to a designated survivor if the member passes away before retiring

- This benefit is commensurate with the survivor benefits offered to Public Transportation Services Corporation (PTSC) employees in the other Miscellaneous pension plans

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Staff Recommendation

Authorize the Board of Directors for the Public Transportation Services Corporation (PTSC) to amend the contract with the California Public Employee's Retirement System to implement a Safety Police Pension Plan for sworn officers hired for the new Transit Community Public Safety Department (TCPSD)

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Next Steps

- Upon Board approval, the Public Transportation Services Corporation (PTSC) Board of Directors will convene to enact all necessary actions to incorporate a Safety Police Pension Plan

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