

ASSEMBLY BILL

No. 389

Introduced by Assembly Member Nakano

February 20, 2001

An act to amend Section 21311 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 389, as introduced, Nakano. Public employees' retirement: cost-of-living adjustments.

Under the Public Employees' Retirement Law, monthly retirement allowances are adjusted annually based upon changes in the United States city average Consumer Price Index for All Urban Consumers.

This bill would provide that those annual adjustments shall be based on either the United States city average Consumer Price Index for All Urban Consumers or the California Consumer Price Index for All Urban Consumers, whichever of those indices increased by the greater amount during the immediately preceding year.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21311 of the Government Code is
2 amended to read:
3 21311. The following definitions shall govern the application
4 of this article:
5 (a) "Monthly allowance" means any allowance payable
6 monthly to a retired person, a survivor or beneficiary of a member

1 or a retired person, other than a monthly installment of a basic
2 death benefit, the commuted value of an unpaid temporary
3 annuity, or an optional settlement 1, or allowances payable under
4 Article 3 (commencing with Section 21570) of Chapter 14. There
5 shall be excluded from the monthly allowance, for purposes of any
6 adjustment under this article, any portion of the allowance derived
7 from accumulated additional contributions of a member.

8 (b) "Base allowance" means the amount of monthly allowance
9 that would be payable to the recipient at the time of an annual
10 adjustment under this article had this article not been enacted.

11 (c) Effective January 1, ~~1978~~ 2002, "Consumer Price Index"
12 means either the United States city average Consumer Price Index
13 for All Urban Consumers or the California Consumer Price Index
14 for All Urban Consumers, whichever of those indices increased by
15 the greater amount during the immediately preceding year. For
16 any period between January 1, 1978, and December 31, 2001,
17 "Consumer Price Index" means the United States city average
18 "Consumer Price Index for All Urban Consumers." The
19 "Consumer Price Index" for any period prior to January 1, 1978,
20 means the United States city average consumer price index.
21 Should the reference base of the consumer price indices (~~presently~~
22 ~~1957-59=100~~) be changed, each of the indices used to determine
23 the consumer price index as defined in this section will be the
24 indices converted to the new base by standard statistical methods.

25 (d) "Base year" means:

26 (1) The calendar year 1965 for all members whose retirement
27 occurred prior to January 1, 1966, and for the beneficiaries and
28 survivors of those retired members.

29 (2) The calendar year of retirement for all members whose
30 retirement occurs after December 31, 1965, and for the
31 beneficiaries and survivors of those members.

32 (3) The calendar year 1965 for survivors of members whose
33 death occurred before January 1, 1966.

34 (4) The calendar year in which a member's death occurs for
35 survivors of members whose death occurred before retirement and
36 on or after January 1, 1966.

