

ASSEMBLY BILL

No. 649

Introduced by Assembly Member Negrete McLeod

February 22, 2001

An act to amend Sections 26000.5 and 28100 of, and to add Sections 26000.3 and 26404 to, the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 649, as introduced, Negrete McLeod. Teachers' retirement: Cash Balance Benefit Program: part-time community college teachers.

Existing law establishes the Cash Balance Benefit Program in the Teachers' Retirement Plan as a program that school districts, community college districts, and county offices of education may provide to part-time employees, as specified. Existing law authorizes those employers to give their employees the right to elect coverage under that program or under social security or an alternative retirement plan offered by the employer.

This bill would require community college districts to provide the Cash Balance Benefit Program to their part-time employees and to allow those employees to elect coverage under that program or under social security or an alternative retirement plan offered by the employer.

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 26000.3 is added to the Education Code,
- 2 to read:

1 26000.3. Notwithstanding Section 26000, the governing
2 board of a community college district shall provide the benefits of
3 the Cash Balance Benefit Program under this part for their
4 employees who are employed to perform creditable service for less
5 than 50 percent of the full-time equivalent for the position and who
6 elect to participate in the program. That governing board shall also
7 give those employees the right to elect coverage under social
8 security or an alternative retirement plan offered by the employer
9 in lieu of the Cash Balance Benefit Program.

10 SEC. 2. Section 26000.5 of the Education Code is amended
11 to read:

12 26000.5. ~~(a)~~—An employer *who is required, or* whose
13 governing board has elected, to provide the benefits of this part for
14 its employees pursuant to Section 26000 *or 26000.3* shall enter
15 into an agreement with the State Teachers' Retirement System.
16 The agreement shall specify the terms and conditions of the
17 employer's formal action to provide the Cash Balance Benefit
18 Program and shall remain in effect unless or until the employer
19 exercises the right to discontinue the plan pursuant to Chapter 17
20 (commencing with Section 28100).

21 SEC. 3. Section 26404 is added to the Education Code, to
22 read:

23 26404. (a) Notwithstanding any other provision of this
24 chapter, a person employed by a community college district to
25 perform creditable service for less than 50 percent of the full-time
26 equivalent for the position, who is not subject to mandatory
27 membership in the Defined Benefit Program except as provided in
28 Section 26402, may elect to become a participant for creditable
29 service subject to coverage under the Cash Balance Benefit
30 Program or may elect coverage under social security or an
31 alternative retirement plan offered by the employer.

32 (b) The employee's election under subdivision (a) shall be
33 made within 60 days after the later of the first day on which
34 creditable service is performed or the date of the employer's
35 governing board's action to provide the Cash Balance Benefit
36 Program. Unless otherwise precluded by federal law, the
37 employee's election shall be revocable and shall not preclude the
38 employee from later electing to participate in the Cash Balance
39 Benefit Program so long as the employee is eligible to participate.



1 Subdivision (c) of Section 26400 shall be applicable to the
2 employee election under this section.

3 SEC. 4. Section 28100 of the Education Code is amended to
4 read:

5 28100. (a) The employer may discontinue providing the
6 Cash Balance Benefit Program at anytime in accordance with the
7 terms and conditions of the employer's governing board's formal
8 action to provide the program.

9 (b) The employer shall notify the system of the decision to
10 discontinue the plan no less than 90 calendar days prior to the
11 effective date of discontinuance. Such notice shall be submitted on
12 a form prescribed by the system.

13 (c) *This section shall not apply with respect to a community*
14 *college district that is providing the Cash Balance Benefit*
15 *Program to its employees pursuant to Section 26000.3.*

