

Assembly Bill No. 895

CHAPTER 785

An act to amend Section 20687 of, to add Section 21363.3 to, and to repeal Section 20687.1 of, the Government Code, relating to retirement.

[Approved by Governor October 12, 2001. Filed
with Secretary of State October 13, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 895, Wiggins. Public Employees' Retirement System: state peace officer/firefighter members.

The Public Employees' Retirement Law prescribes various retirement formulas based on a member's position and years of service, including a 2% at age 50 retirement formula for certain state and local safety members and a 3% at age 50 retirement formula for state peace officer/firefighter members and specified local members, subject to maximum limits based on the specified percentages of final compensation and other limitations.

This bill would prescribe a 3% at age 50 retirement formula for specified members of the California State University police department, and would modify the maximum pension limitations for those members to 90% of final compensation, if authorized by and in accordance with a memorandum of understanding between the Trustees of the California State University and the recognized employee organization or if authorized by the approval by the trustees of an application by members in management positions, subject to specified conditions and limitations.

Under the Public Employees' Retirement Law, the normal contribution rate for state peace officer/firefighter members and specified local safety members is 8% of the member's compensation in excess of \$238 per month, as specified.

The bill would provide that the normal rate of contribution for specified members of the California State University police department is also 8% of compensation, subject to specified limitations.

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

SECTION 1. Section 20687 of the Government Code is amended to read:

20687. (a) The normal rate of contribution for state peace officer/firefighter members subject to Section 21363, 21363.1, or



21363.3 shall be 8 percent of the compensation in excess of two hundred thirty-eight dollars (\$238) per month paid to those members.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 2. Section 20687.1 of the Government Code is repealed.

SEC. 3. Section 21363.3 is added to the Government Code, to read:

21363.3. (a) The combined current and prior service pensions for state peace officer/firefighter members described in Section 20394 is a pension derived from the contributions of the employer sufficient when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of his or her retirement to equal 3 percent of his or her final compensation at the age of 50 years, multiplied by the number of years of state peace officer/firefighter service subject to this section with which he or she is credited at retirement.

(b) In no event shall the current service pension and the combined current and prior service pensions under this section for all service to all employers exceed an amount that, when added to the service retirement annuity related to that service, equals 90 percent of final compensation. If the pension relates to service to more than one employer and would otherwise exceed that maximum, the pension payable with respect to each employer shall be reduced in the same proportion as the allowance based on service to that employer bears to the total allowance computed as though there were no limit, so that the total of the pensions shall equal the maximum. Where a state peace officer/firefighter member has service under this section, or other safety retirement formulas pursuant to this part with state or local agency employers, the higher maximum shall apply and the additional benefit shall be funded by increasing the member's pension payable with respect to the state employer.

(c) This section shall apply to state peace officer/firefighter members described in Section 20394 if authorized by, and in accordance with, a memorandum of understanding reached between the Trustees of the California State University and the recognized employee organization pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1. This section may also apply to sworn peace officer/firefighter members described in Section 20394 in related management positions, if the Trustees of the California State University have approved the



application in writing to the Board of Administration of the Public Employees' Retirement System.

(d) This section shall supersede Section 21363.1 with respect to peace officer/firefighter service for members employed by the California State University police department on or after the date a memorandum of understanding, or action by the Trustees of the California State University regarding related management positions, makes this section applicable to these members.

(e) This section may not prevent a subsequent memorandum of understanding, or subsequent action by the Trustees of the California State University regarding related management positions, from making this section inapplicable to peace officer/firefighter members first employed by the California State University police department on or after a date specified in a subsequent memorandum of understanding, or subsequent action by the Trustees of the California State University regarding related management positions.

