

AMENDED IN SENATE FEBRUARY 14, 2001

AMENDED IN SENATE JANUARY 31, 2001

**SENATE BILL**

**No. 54**

---

---

**Introduced by Senator Polanco  
(Coauthor: Senator Soto)**

December 21, 2000

---

---

An act to amend Sections 11126, 20443, 20445, 20618, 20678, 20687, 20688, 21061, 21073.1, 21073.7, 21290, 21298, 21353, 21355, 21357, 21362, 21362.2, 21363, 21363.1, 21364, 21369.1, 21423, 21465, 21572, 21573, 21574, 21574.5, and 21574.7 of, and to repeal Sections 21362.1, 21363.5, 21363.7, 21389, 21400, 21402, 21403, and 21465.5 of, the Government Code, relating to public employees' retirement, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 54, as amended, Polanco. Public employees' retirement: school employers' assets.

(1) *The Bagley-Keene Open Meeting Act generally requires all meetings of a state body to be open and public. Under the act, a state body or its designated representative is not prevented from holding closed sessions with its representatives in discharging the responsibilities of the state body under the Meyers-Milias-Brown Act as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. The Meyers-Milias-Brown Act governs local government employer-employee relations.*

*This bill would extend the above described provision to closed sessions of a state body or its designated representatives when*

*discharging responsibilities of the state body under the Ralph C. Dills Act, which governs state employer-employee relations; the Bill of Rights for State Excluded Employees; and the Educational Employment Relations Act, which governs public school employer-employee relations.*

(2) Under the Public Employees' Retirement Law, local safety members subject to the 2% at age 50 benefit formula pay contributions equal to 9% of compensation, as defined, and those members subject to the 3% at age 55 benefit formula pay contributions equal to 8% of compensation. Existing law does not specify a contribution rate for local safety members subject to the 3% at age 50 benefit formula. Member contributions are deposited in the Public Employees' Retirement Fund, a continuously appropriated fund.

This bill would provide that local safety members subject to either the 3% at age 50 or the 3% at age 55 benefit formula shall pay contributions equal to 9% of compensation. By increasing the amount of employee contributions to the Public Employees' Retirement Fund, the bill would make an appropriation.

~~(2)~~

(3) Existing law provides that members of the Public Employees' Retirement System subject to Second Tier benefits, as defined, may elect to become subject to First Tier benefits, as specified. Existing law also provides for the establishment of separate member and nonmember accounts upon the legal separation or dissolution of marriage of a member and division of the community estate.

This bill would authorize a nonmember spouse whose separate account is credited with service subject to Second Tier benefits to elect to have that service subject to First Tier benefits subject to specified conditions and additional contributions, thereby making an appropriation.

~~(3)~~

(4) The Public Employees' Retirement Law provides that the maximum service retirement benefit payable to state patrol members employed by the state on or after January 1, 2000, shall not exceed 90% of final compensation, as defined.

This bill would provide that the 90% maximum benefit limit shall also apply to former state patrol members who retire on and after January 1, 2000.

~~(4)~~



(5) The Public Employees' Retirement Law provides that a 3% at age 55 benefit formula for state peace officer/firefighter members employed by the California State University on January 1, 2000.

This bill would make that benefit formula available to those members formerly employed by the California State University, as specified.

~~(5)~~

(6) The Public ~~Employees~~ *Employees*' Retirement Law prescribes specified survivor benefits for state and school members and authorizes contracting agencies to elect from among several alternative survivor allowance benefit levels.

This bill would specify that assets and liabilities of state and school employers on account of those survivor benefits shall be pooled in separate accounts and provide that 2 of the optional benefit levels shall no longer be available to new contracting agencies or future contract amendments as of specified dates.

~~(6)~~

(7) The bill would also make technical changes.

~~(7)~~

(8) The bill would declare that it is to take effect immediately as an urgency statute and declare that ~~is~~ *its* provisions would be operative retroactively to January 1, 2000, *except as specified*.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. *Section 11126 of the Government Code is*  
2 *amended to read:*

3 11126. (a) (1) Nothing in this article shall be construed to  
4 prevent a state body from holding closed sessions during a regular  
5 or special meeting to consider the appointment, employment,  
6 evaluation of performance, or dismissal of a public employee or  
7 to hear complaints or charges brought against that employee by  
8 another person or employee unless the employee requests a public  
9 hearing.

10 (2) As a condition to holding a closed session on the complaints  
11 or charges to consider disciplinary action or to consider dismissal,  
12 the employee shall be given written notice of his or her right to  
13 have a public hearing, rather than a closed session, and that notice  
14 shall be delivered to the employee personally or by mail at least 24



1 hours before the time for holding a regular or special meeting. If  
2 notice is not given, any disciplinary or other action taken against  
3 any employee at the closed session shall be null and void.

4 (3) The state body also may exclude from any public or closed  
5 session, during the examination of a witness, any or all other  
6 witnesses in the matter being investigated by the state body.

7 (4) Following the public hearing or closed session, the body  
8 may deliberate on the decision to be reached in a closed session.

9 (b) For the purposes of this section, “employee” shall not  
10 include any person who is elected to, or appointed to a public office  
11 by, any state body. However, officers of the California State  
12 University who receive compensation for their services, other than  
13 per diem and ordinary and necessary expenses, shall, when  
14 engaged in that capacity, be considered employees. Furthermore,  
15 for purposes of this section, the term employee shall include a  
16 person exempt from civil service pursuant to subdivision (e) of  
17 Section 4 of Article VII of the California Constitution.

18 (c) Nothing in this article shall be construed to do any of the  
19 following:

20 (1) Prevent state bodies that administer the licensing of persons  
21 engaging in businesses or professions from holding closed  
22 sessions to prepare, approve, grade, or administer examinations.

23 (2) Prevent an advisory body of a state body that administers  
24 the licensing of persons engaged in businesses or professions from  
25 conducting a closed session to discuss matters that the advisory  
26 body has found would constitute an unwarranted invasion of the  
27 privacy of an individual licensee or applicant if discussed in an  
28 open meeting, provided the advisory body does not include a  
29 quorum of the members of the state body it advises. Those matters  
30 may include review of an applicant’s qualifications for licensure  
31 and an inquiry specifically related to the state body’s enforcement  
32 program concerning an individual licensee or applicant where the  
33 inquiry occurs prior to the filing of a civil, criminal, or  
34 administrative disciplinary action against the licensee or applicant  
35 by the state body.

36 (3) Prohibit a state body from holding a closed session to  
37 deliberate on a decision to be reached in a proceeding required to  
38 be conducted pursuant to Chapter 5 (commencing with Section  
39 11500) of Part 1 of Division 3 of Title 2 or similar provisions of  
40 law.



1 (4) Grant a right to enter any correctional institution or the  
2 grounds of a correctional institution where that right is not  
3 otherwise granted by law, nor shall anything in this article be  
4 construed to prevent a state body from holding a closed session  
5 when considering and acting upon the determination of a term,  
6 parole, or release of any individual or other disposition of an  
7 individual case, or if public disclosure of the subjects under  
8 discussion or consideration is expressly prohibited by statute.

9 (5) Prevent any closed session to consider the conferring of  
10 honorary degrees, or gifts, donations, and bequests that the donor  
11 or proposed donor has requested in writing to be kept confidential.

12 (6) Prevent the Alcoholic Beverage Control Appeals Board  
13 from holding a closed session for the purpose of holding a  
14 deliberative conference as provided in Section 11125.

15 (7) (A) Prevent a state body from holding closed sessions with  
16 its negotiator prior to the purchase, sale, exchange, or lease of real  
17 property by or for the state body to give instructions to its  
18 negotiator regarding the price and terms of payment for the  
19 purchase, sale, exchange, or lease.

20 (B) However, prior to the closed session, the state body shall  
21 hold an open and public session in which it identifies the real  
22 property or real properties that the negotiations may concern and  
23 the person or persons with whom its negotiator may negotiate.

24 (C) For purposes of this paragraph, the negotiator may be a  
25 member of the state body.

26 (D) For purposes of this paragraph, “lease” includes renewal  
27 or renegotiation of a lease.

28 (E) Nothing in this paragraph shall preclude a state body from  
29 holding a closed session for discussions regarding eminent domain  
30 proceedings pursuant to subdivision (e).

31 (8) Prevent the California Postsecondary Education  
32 Commission from holding closed sessions to consider matters  
33 pertaining to the appointment or termination of the Director of the  
34 California Postsecondary Education Commission.

35 (9) Prevent the Council for Private Postsecondary and  
36 Vocational Education from holding closed sessions to consider  
37 matters pertaining to the appointment or termination of the  
38 Executive Director of the Council for Private Postsecondary and  
39 Vocational Education.



1 (10) Prevent the Franchise Tax Board from holding closed  
2 sessions for the purpose of discussion of confidential tax returns  
3 or information the public disclosure of which is prohibited by law,  
4 or from considering matters pertaining to the appointment or  
5 removal of the Executive Officer of the Franchise Tax Board.

6 (11) Require the Franchise Tax Board to notice or disclose any  
7 confidential tax information considered in closed sessions, or  
8 documents executed in connection therewith, the public disclosure  
9 of which is prohibited pursuant to Article 2 (commencing with  
10 Section 19542) of Chapter 7 of Part 10.2 of the Revenue and  
11 Taxation Code.

12 (12) Prevent the Board of Corrections from holding closed  
13 sessions when considering reports of crime conditions under  
14 Section 6027 of the Penal Code.

15 (13) Prevent the State Air Resources Board from holding  
16 closed sessions when considering the proprietary specifications  
17 and performance data of manufacturers.

18 (14) Prevent the State Board of Education or the  
19 Superintendent of Public Instruction, or any committee advising  
20 the board or the superintendent, from holding closed sessions on  
21 those portions of its review of assessment instruments pursuant to  
22 Chapter 5 (commencing with Section 60600) of, or pursuant to  
23 Chapter 8 (commencing with Section 60850) of, Part 33 of the  
24 Education Code during which actual test content is reviewed and  
25 discussed. The purpose of this provision is to maintain the  
26 confidentiality of the assessments under review.

27 (15) Prevent the California Integrated Waste Management  
28 Board or its auxiliary committees from holding closed sessions for  
29 the purpose of discussing confidential tax returns, discussing trade  
30 secrets or confidential or proprietary information in its possession,  
31 or discussing other data, the public disclosure of which is  
32 prohibited by law.

33 (16) Prevent a state body that invests retirement, pension, or  
34 endowment funds from holding closed sessions when considering  
35 investment decisions. For purposes of consideration of  
36 shareholder voting on corporate stocks held by the state body,  
37 closed sessions for the purposes of voting may be held only with  
38 respect to election of corporate directors, election of independent  
39 auditors, and other financial issues that could have a material effect  
40 on the net income of the corporation. For the purpose of real



1 property investment decisions that may be considered in a closed  
2 session pursuant to this paragraph, a state body shall also be  
3 exempt from the provisions of paragraph (7) relating to the  
4 identification of real properties prior to the closed session.

5 (17) Prevent a state body, or boards, commissions,  
6 administrative officers, or other representatives that may properly  
7 be designated by law or by a state body, from holding closed  
8 sessions with its representatives in discharging its responsibilities  
9 under Chapter 10 (commencing with Section 3500), *Chapter 10.3*  
10 (*commencing with Section 3512*), *Chapter 10.5 (commencing with*  
11 *Section 3525, or Chapter 10.7 (commencing of Section 3540)* of  
12 Division 4 of Title 1 as the sessions relate to salaries, salary  
13 schedules, or compensation paid in the form of fringe benefits. For  
14 the purposes enumerated in the preceding sentence, a state body  
15 may also meet with a state conciliator who has intervened in the  
16 proceedings.

17 (d) (1) Notwithstanding any other provision of law, any  
18 meeting of the Public Utilities Commission at which the rates of  
19 entities under the commission's jurisdiction are changed shall be  
20 open and public.

21 (2) Nothing in this article shall be construed to prevent the  
22 Public Utilities Commission from holding closed sessions to  
23 deliberate on the institution of proceedings, or disciplinary actions  
24 against any person or entity under the jurisdiction of the  
25 commission.

26 (e) (1) Nothing in this article shall be construed to prevent a  
27 state body, based on the advice of its legal counsel, from holding  
28 a closed session to confer with, or receive advice from, its legal  
29 counsel regarding pending litigation when discussion in open  
30 session concerning those matters would prejudice the position of  
31 the state body in the litigation.

32 (2) For purposes of this article, all expressions of the  
33 lawyer-client privilege other than those provided in this  
34 subdivision are hereby abrogated. This subdivision is the  
35 exclusive expression of the lawyer-client privilege for purposes of  
36 conducting closed session meetings pursuant to this article. For  
37 purposes of this subdivision, litigation shall be considered pending  
38 when any of the following circumstances exist:

39 (A) An adjudicatory proceeding before a court, an  
40 administrative body exercising its adjudicatory authority, a



1 hearing officer, or an arbitrator, to which the state body is a party,  
2 has been initiated formally.

3 (B) (i) A point has been reached where, in the opinion of the  
4 state body on the advice of its legal counsel, based on existing facts  
5 and circumstances, there is a significant exposure to litigation  
6 against the state body.

7 (ii) Based on existing facts and circumstances, the state body  
8 is meeting only to decide whether a closed session is authorized  
9 pursuant to clause (i).

10 (C) (i) Based on existing facts and circumstances, the state  
11 body has decided to initiate or is deciding whether to initiate  
12 litigation.

13 (ii) The legal counsel of the state body shall prepare and submit  
14 to it a memorandum stating the specific reasons and legal authority  
15 for the closed session. If the closed session is pursuant to paragraph  
16 (1), the memorandum shall include the title of the litigation. If the  
17 closed session is pursuant to subparagraph (A) or (B), the  
18 memorandum shall include the existing facts and circumstances on  
19 which it is based. The legal counsel shall submit the memorandum  
20 to the state body prior to the closed session, if feasible, and in any  
21 case no later than one week after the closed session. The  
22 memorandum shall be exempt from disclosure pursuant to Section  
23 6254.25.

24 (iii) For purposes of this subdivision, “litigation” includes any  
25 adjudicatory proceeding, including eminent domain, before a  
26 court, administrative body exercising its adjudicatory authority,  
27 hearing officer, or arbitrator.

28 (iv) Disclosure of a memorandum required under this  
29 subdivision shall not be deemed as a waiver of the lawyer-client  
30 privilege, as provided for under Article 3 (commencing with  
31 Section 950) of Chapter 4 of Division 8 of the Evidence Code.

32 (f) In addition to subdivisions (a), (b), and (c), nothing in this  
33 article shall be construed to do any of the following:

34 (1) Prevent a state body operating under a joint powers  
35 agreement for insurance pooling from holding a closed session to  
36 discuss a claim for the payment of tort liability or public liability  
37 losses incurred by the state body or any member agency under the  
38 joint powers agreement.

39 (2) Prevent the examining committee established by the State  
40 Board of Forestry and Fire Protection, pursuant to Section 763 of



1 the Public Resources Code, from conducting a closed session to  
2 consider disciplinary action against an individual professional  
3 forester prior to the filing of an accusation against the forester  
4 pursuant to Section 11503.

5 (3) Prevent an administrative committee established by the  
6 California Board of Accountancy pursuant to Section 5020 of the  
7 Business and Professions Code from conducting a closed session  
8 to consider disciplinary action against an individual accountant  
9 prior to the filing of an accusation against the accountant pursuant  
10 to Section 11503. Nothing in this article shall be construed to  
11 prevent an examining committee established by the California  
12 Board of Accountancy pursuant to Section 5023 of the Business  
13 and Professions Code from conducting a closed hearing to  
14 interview an individual applicant or accountant regarding the  
15 applicant's qualifications.

16 (4) Prevent a state body, as defined in Section 11121.2, from  
17 conducting a closed session to consider any matter that properly  
18 could be considered in closed session by the state body whose  
19 authority it exercises.

20 (5) Prevent a state body, as defined in Section 11121.7, from  
21 conducting a closed session to consider any matter that properly  
22 could be considered in a closed session by the body defined as a  
23 state body pursuant to Section 11121 or 11121.2.

24 (6) Prevent a state body, as defined in Section 11121.8, from  
25 conducting a closed session to consider any matter that properly  
26 could be considered in a closed session by the state body it advises.

27 (7) Prevent the State Board of Equalization from holding  
28 closed sessions for either of the following:

29 (A) When considering matters pertaining to the appointment or  
30 removal of the Executive Secretary of the State Board of  
31 Equalization.

32 (B) For the purpose of hearing confidential taxpayer appeals or  
33 data, the public disclosure of which is prohibited by law.

34 (8) Require the State Board of Equalization to disclose any  
35 action taken in closed session or documents executed in  
36 connection with that action, the public disclosure of which is  
37 prohibited by law pursuant to Sections 15619 and 15641 of this  
38 code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455,  
39 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of  
40 the Revenue and Taxation Code.



1 (9) Prevent the California Earthquake Prediction Evaluation  
2 Council, or other body appointed to advise the Director of the  
3 Office of Emergency Services or the Governor concerning matters  
4 relating to volcanic or earthquake predictions, from holding closed  
5 sessions when considering the evaluation of possible predictions.

6 (g) This article shall not prevent either of the following:

7 (1) The Teachers' Retirement Board or the Board of  
8 Administration of the Public Employees' Retirement System from  
9 holding closed sessions when considering matters pertaining to the  
10 recruitment, appointment, employment, or removal of the chief  
11 executive officer or when considering matters pertaining to the  
12 recruitment or removal of the Chief Investment Officer of the State  
13 Teachers' Retirement System or the Public Employees'  
14 Retirement System.

15 (2) The Commission on Teacher Credentialing from holding  
16 closed sessions when considering matters relating to the  
17 recruitment, appointment, or removal of its executive director.

18 *SEC. 2.* Section 20443 of the Government Code is amended  
19 to read:

20 20443. A member who is employed in a position that is  
21 reclassified from local miscellaneous to local safety and is made  
22 subject to a safety service retirement benefit, other than that  
23 provided in Section 21362, 21362.2, or 21363.1, may make an  
24 irrevocable election in writing to remain subject to the  
25 miscellaneous service retirement benefit by filing a notice of that  
26 election with the board within 90 days after notification by the  
27 board.

28 ~~SEC. 2.~~

29 *SEC. 3.* Section 20445 of the Government Code is amended  
30 to read:

31 20445. A member employed with a school district or  
32 community college district, as defined in subdivision (i) of Section  
33 20057, who is in a position that qualifies as a school safety member  
34 and made subject to a safety service retirement benefit other than  
35 that provided in Section 21362, 21362.2, or 21363.1 may make an  
36 irrevocable election in writing to remain subject to the  
37 miscellaneous service retirement benefit by filing a notice of that  
38 election with the board within 90 days after notification by the  
39 board.

40 ~~SEC. 3.~~



1     *SEC. 4.* Section 20618 of the Government Code is amended  
2 to read:

3     20618. (a) The assets and liabilities arising out of contracts  
4 with school employers, as defined in Section 20063, shall be  
5 merged, excluding that portion of a contract that provides benefits  
6 pursuant to Section 21623.6, that portion of a contract with respect  
7 to local police officers, as defined in Section 20430, and those  
8 contracts with school districts or community college districts, as  
9 defined in subdivision (i) of Section 20057, that employ school  
10 safety members, as defined in Section 20444. Employer  
11 accumulated contributions credited to those entities on June 30,  
12 1982, and all the contributions paid by a school employer after  
13 June 30, 1982, shall be held exclusively for the benefit of school  
14 members, retired school members, and their beneficiaries.

15     (b) Effective December 31, 1999, any service previously  
16 credited as local miscellaneous service with the Los Angeles  
17 Unified School District or the Los Angeles Community College  
18 District shall be considered service credit with a school employer.  
19 A person who is a member under a contract between the board and  
20 school districts or community college districts prior to July 1,  
21 1983, shall not be denied any right extended to him or her by  
22 reason of that membership.

23     ~~SEC. 4.~~

24     *SEC. 5.* Section 20678 of the Government Code is amended  
25 to read:

26     20678. (a) For each local safety member subject to Section  
27 21362, 21362.2, or 21363.1 by reason of the amendment of his or  
28 her employer's contract, or on the later date of entrance into this  
29 system, the normal rate of contribution shall be 9 percent of the  
30 compensation paid to those members. For those members whose  
31 service is included in the federal system, the normal rate of  
32 contribution shall be 9 percent of the compensation in excess of  
33 one hundred thirty-three dollars and thirty-three cents (\$133.33)  
34 per month paid to those members.

35     (b) The normal rate of contribution for local safety members  
36 subject to Section 21363 shall be 8 percent of the compensation  
37 paid to those members. For those members whose service is  
38 included in the federal system, the normal rate of contribution shall  
39 be 8 percent of the compensation in excess of two hundred  
40 thirty-eight dollars (\$238.00) per month paid to those members.



1 (c) Notwithstanding subdivision (b), the normal rate of  
2 contribution for local safety members of the City of Sacramento  
3 subject to Section 21363 shall be 9 percent of the compensation  
4 paid to those members.

5 (d) No adjustment shall be included in rates adopted under this  
6 section as the result of amendments hereto, changing the time at  
7 which members may retire or the benefits members will receive,  
8 because of time during which members have contributed at  
9 different rates prior to the adoption.

10 (e) The amendments to this section enacted during the first year  
11 of the 2001–02 Regular Session shall be operative retroactively to  
12 January 1, 2000.

13 ~~SEC. 5.~~

14 SEC. 6. Section 20687 of the Government Code is amended  
15 to read:

16 20687. (a) The normal rate of contribution for state peace  
17 officer/firefighter members subject to Section 21363 or 21363.1  
18 shall be 8 percent of the compensation in excess of two hundred  
19 thirty-eight dollars (\$238) per month paid to those members.

20 (b) If the provisions of this section are in conflict with the  
21 provisions of a memorandum of understanding reached pursuant  
22 to Section 3517.5, the memorandum of understanding shall be  
23 controlling without further legislative action, except that if those  
24 provisions of a memorandum of understanding require the  
25 expenditure of funds, those provisions shall not become effective  
26 unless approved by the Legislature in the annual Budget Act.

27 ~~SEC. 6.~~

28 SEC. 7. Section 20688 of the Government Code is amended  
29 to read:

30 20688. The normal rate of contribution otherwise established  
31 under this article for a local safety member whose retirement  
32 allowance is determined under Section 21362, 21362.2, 21363.1,  
33 or 21366, and reduced under Section 21367 because his or her  
34 service is included in the federal system, shall be reduced by  
35 one-third as applied to compensation not exceeding four hundred  
36 dollars (\$400) for services rendered in any month after the date of  
37 execution of the modification of the federal-state agreement,  
38 including services in the federal system, or the effective date of the  
39 contract or contract amendment pursuant to which a contracting  
40 agency and its employees become subject to this section,



1 whichever is later, and prior to the date upon which services of  
2 persons in his or her employment cease to be covered under the  
3 federal system.

4 ~~SEC. 7.~~

5 *SEC. 8.* Section 21061 of the Government Code is amended  
6 to read:

7 21061. (a) A local safety member, other than one subject to  
8 Section 21362 or 21362.2, shall be retired for service upon the  
9 member's written application to the board if the member has  
10 attained the age of 55 years, and is credited with five years of state  
11 service.

12 (b) Subdivision (a) does not apply to the employees of any  
13 contracting agency having a contract with the board made prior to  
14 September 5, 1945, which contract specifies an age greater than  
15 the age of 55 years as the minimum age for voluntary retirement  
16 for service for local safety members, until the agency elects to  
17 make subdivision (a) applicable to its employees, by amendment  
18 to its contract made in the manner prescribed for the approval of  
19 contracts, except that an election among the employees is not  
20 required.

21 Until the contracting agency elects to make subdivision (a)  
22 applicable to its employees, a local safety member employed by  
23 the contracting agency shall be retired for service upon the  
24 member's written application to the board if the member has  
25 attained the minimum age for voluntary retirement specified in the  
26 contract between his or her employer and the board, and is credited  
27 with five years of state service.

28 ~~SEC. 8.~~

29 *SEC. 9.* Section 21073.1 of the Government Code is amended  
30 to read:

31 21073.1. (a) Effective January 1, 2000, a member who elects  
32 to receive service credit under Section 21354.1, as authorized by  
33 Section 21073.7, for time during which the member received  
34 service credit subject to Section 21076 or 21077, shall deposit an  
35 amount equal to any accumulated contributions the member  
36 withdrew pursuant to Section 20737, plus the interest that would  
37 have been credited to the member's account had the contributions  
38 not been withdrawn, and any contributions the member would  
39 have made, plus an amount equal to the interest that would have  
40 been credited to those contributions, had the member not been



1 subject to Section 21076 or 21077. This deposit shall be made in  
2 a lump sum or by installments, with interest through the  
3 completion of payments, over that period and subject to minimum  
4 payment amounts as may be prescribed by regulations of the  
5 board. Alternatively, this deposit requirement may be satisfied by  
6 an actuarial equivalent reduction in the member's retirement  
7 allowance.

8 (b) The board, in addition to its general rulemaking authority  
9 under Section 20121, may adopt regulations that implement this  
10 section. Those regulations shall be exempt from review by the  
11 Office of Administrative Law. However, the board shall transmit  
12 those regulations to the Office of Administrative Law for filing  
13 with the Secretary of State and publication in the California Code  
14 of Regulations.

15 (c) The amendments to this section enacted during the first year  
16 of the 1999-2000 Regular Session are subject to the limitations set  
17 forth in Section 21251.13.

18 ~~SEC. 9.~~

19 *SEC. 10.* Section 21073.7 of the Government Code is  
20 amended to read:

21 21073.7. (a) A member subject to the Second Tier benefits  
22 provided in Section 21076 or 21077 who is employed by the state  
23 on or after January 1, 2000, may make an irrevocable election, to  
24 be filed with the board, to be subject to the First Tier benefits  
25 provided in Section 21354.1 and to make the contributions  
26 specified in Section 20677. An election to be subject to Section  
27 21354.1 may be made at any time prior to retirement and shall be  
28 signed by the member's spouse. An election shall be effective the  
29 first day of the month following the date the election is received  
30 by the system and shall be applicable to state service rendered on  
31 and after that date. However an election made by a member who  
32 retires prior to or on the first day of the month following the  
33 system's receipt of the election shall be effective one day prior to  
34 the effective date of the member's retirement.

35 (b) A member who is employed by the state on or after January  
36 1, 2000, with past service credited under the Second Tier may  
37 make an irrevocable election, at any time prior to retirement, to  
38 have his or her past Second Tier service credited under Section  
39 21354.1 by making contributions specified in Section 21073.1.  
40 This subdivision shall not apply to a Second Tier member eligible



1 to make the election provided in subdivision (a) until after the  
2 effective date of that election.

3 (c) A member subject to modified First Tier benefits pursuant  
4 to Section 21353.5 shall become subject to Section 21353 or  
5 21354.1, as applicable, and make contributions as specified in  
6 Section 20677. The member's past service and contributions  
7 credited as modified First Tier under Section 21353.5 shall be  
8 converted to First Tier service and contributions and shall be  
9 subject to Section 21353 or 21354.1, as applicable. Contributions  
10 previously credited as modified First Tier and withdrawn by the  
11 member may be redeposited under the conditions specified in  
12 Section 20750, with the service credit and contributions subject to  
13 Section 21353 or 21354.1, as applicable.

14 (d) Operation and application of this section is subject to the  
15 limitations set forth in Section 21251.13.

16 ~~SEC. 10.~~

17 *SEC. 11.* Section 21290 of the Government Code is amended  
18 to read:

19 21290. (a) Upon the legal separation or dissolution of  
20 marriage of a member, the court shall include in the judgment or  
21 a court order the date on which the parties separated.

22 (b) If the community property is divided in accordance with  
23 paragraph (3) of subdivision (a) of Section 2610 of the Family  
24 Code, the court shall order that the accumulated contributions and  
25 service credit attributable to periods of service during the marriage  
26 be divided into two separate and distinct accounts in the name of  
27 the member and the nonmember, respectively. Any service credit  
28 or accumulated contributions that are not explicitly awarded by the  
29 judgment or court order shall be deemed the exclusive property of  
30 the member.

31 (c) The court shall address the rights of the nonmember to the  
32 following:

33 (1) The right to a retirement allowance, and the consequent  
34 right to elect an optional settlement and designate a beneficiary.

35 (2) The right to a refund of accumulated contributions.

36 (3) The right to redeposit accumulated contributions that are  
37 eligible for redeposit by the member under Sections 20750 and  
38 20752.

39 (4) The right to purchase service credit that is eligible for  
40 purchase by the member under Article 4 (commencing with



1 Section 20990) and Article 5 (commencing with Section 21020)  
2 of Chapter 11.

3 (5) The right to designate a beneficiary to receive his or her  
4 accumulated contributions payable where death occurs prior to  
5 retirement.

6 (6) The right to designate a beneficiary for any unpaid  
7 allowance payable at the time of the nonmember's death.

8 (7) The right to elect coverage in the Second Tier for that  
9 member service that is subject to the Second Tier, provided that the  
10 election is made within one year of the establishment of the  
11 nonmember account or prior to the nonmember's retirement,  
12 whichever occurs first. Immediately upon establishment of a  
13 nonmember account, the board shall provide, by certified mail, the  
14 necessary form and information so that the election may be made.

15 (d) In the capacity of nonmember, he or she shall not be entitled  
16 to any disability or industrial disability retirement allowance, any  
17 basic death benefit, any special death benefit, any monthly  
18 allowance for survivors of a member or retired person, any  
19 insurance benefit, or retired member lump-sum death benefit. No  
20 survivor continuance allowance shall be payable to a survivor of  
21 a nonmember.

22 (e) (1) A nonmember whose account is credited with service  
23 subject to the Second Tier benefits provided in Section 21076 or  
24 21077 may make an irrevocable election, to be filed with the  
25 board, to have his or her Second Tier service credited under section  
26 21354.1, if the following conditions are met:

27 (A) The member is employed by the state on or after January  
28 1, 2000.

29 (B) If eligible, the member has made the election provided in  
30 subdivision (a) of Section 21073.7 at the time of the nonmember's  
31 election.

32 (2) An election under this subdivision shall be effective the first  
33 of the month following the date the election is received by the  
34 system. An election under this subdivision may be made at any  
35 time prior to the retirement of the nonmember or prior to payment  
36 of a refund of the accumulated contributions in the separate  
37 account of the nonmember. A nonmember who makes the election  
38 under this subdivision shall make the contributions specified in  
39 Section 21073.1.



1 (3) The term “member” as used in this subdivision means the  
2 person from whose account the Second Tier service that is credited  
3 to the separate account of the nonmember was derived.

4 ~~SEC. 11.~~

5 *SEC. 12.* Section 21298 of the Government Code is amended  
6 to read:

7 21298. (a) A nonmember entitled to receive a retirement  
8 allowance shall receive a retirement allowance based on the  
9 service retirement formula applicable to the service credited to the  
10 nonmember.

11 (b) The retirement allowance shall consist of a pension and an  
12 annuity, the latter of which shall be derived from the nonmember’s  
13 accumulated contributions. The nonmember’s retirement  
14 allowance, based upon the service credited by the employer and  
15 the nonmember’s effective date of retirement, shall be subject to  
16 all cost-of-living increases, ad hoc increases, and increases  
17 provided by Section 21337.

18 (c) If, prior to the nonmember’s retirement, there is any  
19 increase in the service retirement formula that applies to service  
20 credited to the nonmember, that increase shall apply to the  
21 applicable service credited to the nonmember, provided that the  
22 same increase also applies to the applicable service credited to the  
23 member from whose account the nonmember’s service was  
24 derived.

25 ~~SEC. 12.~~

26 *SEC. 13.* Section 21353 of the Government Code is amended  
27 to read:

28 21353. (a) The combined current and prior service pensions  
29 for a local miscellaneous member, a school member, a state  
30 miscellaneous or state industrial member, or a university member  
31 is a pension derived from the contributions of the employer  
32 sufficient, when added to the service retirement annuity that is  
33 derived from the accumulated normal contributions of the member  
34 at the date of retirement, to equal the fraction of one-fiftieth of the  
35 member’s final compensation set forth opposite the member’s age  
36 at retirement, taken to the preceding completed quarter year, in the  
37 following table, multiplied by the number of years of current and  
38 prior service except service in a category of membership other than  
39 that of state or state industrial member, local miscellaneous  
40 member, school member, or a university member, or service



1 covered under this First Tier retirement formula, with which the  
2 member is entitled to be credited at retirement:

	Age of Retirement	Fraction
3		
4		
5		
6	50 .....	.546
7	50 <sup>1</sup> / <sub>4</sub> .....	.554
8	50 <sup>1</sup> / <sub>2</sub> .....	.562
9	50 <sup>3</sup> / <sub>4</sub> .....	.570
10	51 .....	.578
11	51 <sup>1</sup> / <sub>4</sub> .....	.586
12	51 <sup>1</sup> / <sub>2</sub> .....	.595
13	51 <sup>3</sup> / <sub>4</sub> .....	.603
14	52 .....	.612
15	52 <sup>1</sup> / <sub>4</sub> .....	.621
16	52 <sup>1</sup> / <sub>2</sub> .....	.630
17	52 <sup>3</sup> / <sub>4</sub> .....	.639
18	53 .....	.648
19	53 <sup>1</sup> / <sub>4</sub> .....	.658
20	53 <sup>1</sup> / <sub>2</sub> .....	.668
21	53 <sup>3</sup> / <sub>4</sub> .....	.678
22	54 .....	.688
23	54 <sup>1</sup> / <sub>4</sub> .....	.698
24	54 <sup>1</sup> / <sub>2</sub> .....	.709
25	54 <sup>3</sup> / <sub>4</sub> .....	.719
26	55 .....	.730
27	55 <sup>1</sup> / <sub>4</sub> .....	.741
28	55 <sup>1</sup> / <sub>2</sub> .....	.753
29	55 <sup>3</sup> / <sub>4</sub> .....	.764
30	56 .....	.776
31	56 <sup>1</sup> / <sub>4</sub> .....	.788
32	56 <sup>1</sup> / <sub>2</sub> .....	.800
33	56 <sup>3</sup> / <sub>4</sub> .....	.813
34	57 .....	.825
35	57 <sup>1</sup> / <sub>4</sub> .....	.839
36	57 <sup>1</sup> / <sub>2</sub> .....	.852
37	57 <sup>3</sup> / <sub>4</sub> .....	.865
38	58 .....	.879
39	58 <sup>1</sup> / <sub>4</sub> .....	.893
40	58 <sup>1</sup> / <sub>2</sub> .....	.908



1	58 <sup>3</sup> / <sub>4</sub> .....	.923
2	59 .....	.937
3	59 <sup>1</sup> / <sub>4</sub> .....	.953
4	59 <sup>1</sup> / <sub>2</sub> .....	.969
5	59 <sup>3</sup> / <sub>4</sub> .....	.985
6	60 .....	1.000
7	60 <sup>1</sup> / <sub>4</sub> .....	1.017
8	60 <sup>1</sup> / <sub>2</sub> .....	1.034
9	60 <sup>3</sup> / <sub>4</sub> .....	1.050
10	61 .....	1.067
11	61 <sup>1</sup> / <sub>4</sub> .....	1.084
12	61 <sup>1</sup> / <sub>2</sub> .....	1.101
13	61 <sup>3</sup> / <sub>4</sub> .....	1.119
14	62 .....	1.136
15	62 <sup>1</sup> / <sub>4</sub> .....	1.154
16	62 <sup>1</sup> / <sub>2</sub> .....	1.173
17	62 <sup>3</sup> / <sub>4</sub> .....	1.191
18	63 and over .....	1.209

19

20 (b) The fractions specified in the above table shall be reduced  
 21 by one-third as applied to that part of final compensation that does  
 22 not exceed four hundred dollars (\$400) per month for all service  
 23 of a member any of whose service has been included in the federal  
 24 system. This reduction shall not apply to a member employed by  
 25 a contracting agency that enters into a contract after July 1, 1971,  
 26 and elects not to be subject to this paragraph or with respect to  
 27 service rendered after the termination of coverage under the  
 28 federal system with respect to the coverage group to which the  
 29 member belongs.

30 (c) The improved retirement allowance provided by this  
 31 section is granted subject to future reduction prior to a member's  
 32 retirement, by offset of federal system benefits or otherwise, as the  
 33 Legislature may from time to time deem appropriate because of  
 34 changes in the federal system benefits.

35 (d) With the exception of state miscellaneous members for  
 36 service rendered for the California State University or the  
 37 legislative or judicial branch of government, this section shall  
 38 apply to state miscellaneous and state industrial members who are  
 39 not employed by the state on or after January 1, 2000.

40 ~~SEC. 13.~~



1     *SEC. 14.* Section 21355 of the Government Code is amended  
2 to read:

3     21355. Notwithstanding Sections 21353, 21354, and  
4 21354.1, if the modification to the federal-state agreement  
5 occurred on or after July 1, 1971, whenever the fraction of final  
6 compensation is reduced pursuant to Section 21353, 21354, or  
7 21354.1 because service of a member has been included in the  
8 federal system, the reduction shall apply only as to service after the  
9 effective date of the member's coverage under the federal system.  
10 This section shall apply to those members whose effective date of  
11 retirement is on or after July 1, 1971.

12     ~~SEC. 14.~~

13     *SEC. 15.* Section 21357 of the Government Code is amended  
14 to read:

15     21357. (a) For a member reinstated from service retirement  
16 or partial service retirement, the current service pension, or current  
17 and prior service pensions, as the case may be, upon his or her  
18 service retirement subsequent to the reinstatement, shall be the  
19 sum of (1) a current service pension calculated on the basis of  
20 service rendered after reinstatement in accordance with the  
21 formula applicable to him or her in that service and membership,  
22 plus, (2) if the subsequent retirement occurs before he or she  
23 renders, after his or her reinstatement, at least one year of state  
24 service credited under this system, or if the subsequent service or  
25 disability retirement occurs after his or her reinstatement from  
26 service or disability retirement pursuant to an election under  
27 Section 21465, his or her current service pension, or current and  
28 prior service pensions, as the case may be, as it was prior to his or  
29 her reinstatement, adjusted for any service on which the pension  
30 was based that was included in coverage of the federal system  
31 during reinstatement according to the formula applicable to the  
32 service in employment for which he or she was retired, and further  
33 adjusted according to any change after reinstatement in the  
34 provisions governing the calculation of his or her pension that  
35 would have applied to him or her had he or she continued in  
36 retirement but been subject to the formula applied in the first  
37 adjustment; or, for state miscellaneous and state industrial service  
38 subject to Section 21076, in lieu of (2), plus (3) a current service  
39 pension, or current and prior service pensions, as the case may be,  
40 as it would have been prior to his or her reinstatement under the



1 formula applicable to Section 21076, adjusted for any service on  
2 which the pension was based that was included in coverage of the  
3 federal system during reinstatement according to the formula  
4 applicable to the service in employment for which he or she was  
5 retired, and further adjusted according to any change after  
6 reinstatement in the provisions governing the calculations of his  
7 or her pension that would have applied to him or her had he or she  
8 continued in retirement and been subject to the formula applicable  
9 to Section 21076, or if he or she has rendered one year or more of  
10 state service after reinstatement, in lieu of (2) or (3), plus (4), a  
11 current service pension based on current service rendered prior to  
12 reinstatement, calculated on the basis of the formula currently  
13 applicable to the employment in which the service was rendered  
14 but on the basis of an age taken to the preceding completed quarter  
15 year but not less than the minimum retirement age applicable to  
16 him or her at his or her last retirement and determined by deducting  
17 from his or her age at his or her subsequent retirement, the  
18 aggregate time during which he or she was under retirement. For  
19 a member reinstated from nonindustrial disability retirement, the  
20 current service pension upon his or her service retirement after  
21 attaining an age one year less than the minimum age at which he  
22 or she could have retired without an actuarial discount because of  
23 age in the employment from which he or she was last retired, or  
24 upon his or her disability retirement after attaining the minimum  
25 age, and subsequent to reinstatement, shall be calculated in the  
26 manners described in the preceding sentence, but the age  
27 determined upon subsequent retirement after rendering at least one  
28 year of state service credited under this system shall not be taken  
29 at less than one year less than the minimum age if the subsequent  
30 retirement is for service, or the minimum age if the retirement is  
31 for disability.

32 (b) The current service pension otherwise payable under this  
33 section to a member whose allowance prior to reinstatement was  
34 paid pursuant to his or her election under Section 21461 shall be  
35 reduced by the actuarial equivalent, on the date of retirement  
36 subsequent to reinstatement, of the amount (converted as below),  
37 if any, by which:

38 (1) The total amount paid in the period during which a  
39 temporary annuity was included in the payments, reduced by the



1 total amount that would have been payable during that period had  
2 the election not been made, exceeds

3 (2) The excess of the total amount that would have been  
4 payable, had the election not been made, during the time  
5 subsequent to that period and prior to reinstatement, over the total  
6 amount actually paid during that time.

7 The amount determined by the above formula shall be  
8 converted to an amount equaling the actuarial equivalent on the  
9 date of reinstatement and this latter amount shall be the basis of the  
10 actuarial equivalent on the date of retirement subsequent to  
11 reinstatement.

12 Actuarial equivalents required by this section shall be based on  
13 the interest rate and mortality tables in use by this system on the  
14 date of retirement subsequent to reinstatement.

15 (c) Notwithstanding this section, or any other provision of this  
16 part, the current service pension payable to any member subject to  
17 this section who rendered one year or more of state service credited  
18 under this system after reinstatement on retirement for service  
19 subsequent to reinstatement from service retirement for any  
20 credited service for which a current service pension was paid prior  
21 to reinstatement shall not be less than the current service pension  
22 that would be payable on the date of the subsequent retirement had  
23 the member not been reinstated. For state miscellaneous and state  
24 industrial service subject to Section 21076, the current service  
25 pension payable for any credited service for which a current  
26 service pension was paid prior to reinstatement shall not be less  
27 than the current service pension that would have been payable on  
28 the date of the subsequent retirement had the member's retirement  
29 been subject to the formula under Section 21076 and had not been  
30 reinstated, adjusted, however, by any reduction under this section  
31 because of an election under Section 21461 and, for any service so  
32 credited that was included in coverage of the federal system during  
33 reinstatement, according to the formula applicable to the service  
34 in employment from which he or she was retired.

35 ~~SEC. 15.~~

36 *SEC. 16.* Section 21362 of the Government Code is amended  
37 to read:

38 21362. (a) The current service pension for patrol members  
39 and the combined current and prior service pensions for local  
40 safety members with respect to local safety service rendered to a



1 contracting agency that is subject to this section is a pension  
 2 derived from the contributions of the employer sufficient when  
 3 added to the service retirement annuity that is derived from the  
 4 accumulated normal contributions of the patrol member or local  
 5 safety member at the date of his or her retirement to equal the  
 6 fraction of one-fiftieth of his or her final compensation set forth  
 7 opposite his or her age at retirement taken to the preceding  
 8 completed quarter year, in the following table, multiplied by the  
 9 number of years of patrol service and local safety service subject  
 10 to this section with which he or she is credited at retirement:

12 Age at 13 retirement	14 Fraction
14 50 .....	1.0000
15 50 1/4 .....	1.0175
16 50 1/2 .....	1.0350
17 50 3/4 .....	1.0525
18 51 .....	1.0700
19 51 1/4 .....	1.0875
20 51 1/2 .....	1.1050
21 51 3/4 .....	1.1225
22 52 .....	1.1400
23 52 1/4 .....	1.1575
24 52 1/2 .....	1.1750
25 52 3/4 .....	1.1925
26 53 .....	1.2100
27 53 1/4 .....	1.2275
28 53 1/2 .....	1.2450
29 53 3/4 .....	1.2625
30 54 .....	1.2800
31 54 1/4 .....	1.2975
32 54 1/2 .....	1.3150
33 54 3/4 .....	1.3325
34 55 and over .....	1.3500

35  
 36 (b) (1) Except as otherwise provided in this subdivision, the  
 37 current service pension and the combined current and prior service  
 38 pensions under this section for all service to all employers shall not  
 39 exceed an amount that, when added to the service retirement



1 annuity related to that service, equals 75 percent of final  
2 compensation.

3 (2) For state members, with respect to service for all state  
4 employers under this section, the benefit shall not exceed:

5 (A) Eighty percent of final compensation for state members  
6 who retire on or after January 1, 1995, and prior to January 1,  
7 1999.

8 (B) Eighty-five percent of final compensation for state  
9 members who retire on or after January 1, 1999, and prior to  
10 January 1, 2000.

11 (C) Ninety percent of final compensation for state members  
12 who retire on or after January 1, 2000.

13 (3) For local safety members who retire on or after January 1,  
14 2000, the benefit shall not exceed 85 percent of final  
15 compensation.

16 (4) If the pension relates to service to more than one employer  
17 and would otherwise exceed that maximum, the pension payable  
18 with respect to each employer shall be reduced in the same  
19 proportion as the allowance based on service to that employer  
20 bears to the total allowance computed as though there were no  
21 limit, so that the total of the pensions shall equal the maximum.  
22 Where a state or local member retiring on or after January 1, 1995,  
23 has service under this section with both state and local agency  
24 employers, the higher maximum shall apply and the additional  
25 benefit shall be funded by increasing the member's pension  
26 payable with respect to the employer for whom the member  
27 performed the service subject to the higher maximum.

28 (c) This section shall not apply to any contracting agency,  
29 unless and until the agency elects to be subject to the provisions of  
30 this section by amendment to its contract made in the manner  
31 prescribed for approval of contracts or, in the case of contracts  
32 made after the date this section is operative, by express provision  
33 in the contract making the contracting agency subject to the  
34 provisions of this section.

35 (d) This section shall supersede Section 21363, 21366, 21368,  
36 21369, or 21370, whichever is then applicable, with respect to  
37 patrol and local safety members who retire after the date this  
38 section becomes applicable to their respective employers.

39 (e) This section shall not apply to state safety or state peace  
40 officer/firefighter members.



1 (f) With respect to patrol members, this section shall only apply  
2 to patrol members who are not employed by the state on or after  
3 January 1, 2000.

4 (g) The Legislature reserves, with respect to any member  
5 subject to this section, the right to provide for the adjustment of  
6 industrial disability retirement allowances because of earnings of  
7 a retired person and modification of the conditions and  
8 qualifications required for retirement for disability as it may find  
9 appropriate because of the earlier ages of service retirement made  
10 possible by the benefits under this section.

11 ~~SEC. 16.~~

12 *SEC. 17.* Section 21362.1 of the Government Code is  
13 repealed.

14 ~~SEC. 17.~~

15 *SEC. 18.* Section 21362.2 of the Government Code is  
16 amended to read:

17 21362.2. (a) Upon attaining the age of 50 years or more, the  
18 combined current and prior service pension for state patrol  
19 members and for local safety members with respect to local safety  
20 service rendered to a contracting agency that is subject to the  
21 provisions of this section is a pension derived from the  
22 contributions of the employer sufficient when added to the service  
23 retirement annuity that is derived from the accumulated normal  
24 contributions of the member at the date of his or her retirement to  
25 equal 3 percent of his or her final compensation at retirement,  
26 multiplied by the number of years of patrol service or local safety  
27 service subject to this section with which he or she is credited at  
28 retirement.

29 (b) In no event shall the current service pension and the  
30 combined current and prior service pensions under this section for  
31 all service to all employers exceed an amount that, when added to  
32 the service retirement annuity related to that service, equals 85  
33 percent of final compensation. For state patrol members with  
34 respect to service for all state employers under this section, the  
35 benefit shall not exceed 90 percent of final compensation. If the  
36 pension relates to service to more than one employer and would  
37 otherwise exceed that maximum, the pension payable with respect  
38 to each employer shall be reduced in the same proportion as the  
39 allowance based on service to that employer bears to the total  
40 allowance computed as though there were no limit, so that the total



1 of the pensions shall equal the maximum. Where a state or local  
2 member has service under this section with both state and local  
3 agency employers, the higher maximum shall apply and the  
4 additional benefit shall be funded by increasing the member's  
5 pension payable with respect to the employer for whom the  
6 member performed the service subject to the higher maximum.

7 (c) For patrol members employed by the state on or after  
8 January 1, 2000, this section shall supersede Section 21362.

9 (d) This section shall not apply to state safety or state peace  
10 officer/firefighter members.

11 (e) This section shall not apply to any contracting agency nor  
12 its employees unless and until the agency elects to be subject to the  
13 provisions of this section by amendment to its contract made in the  
14 manner prescribed for approval of contracts or, in the case of  
15 contracts made after the date this section becomes operative, by  
16 express provision in the contract making the contracting agency  
17 subject to this section. The operative date of this section for a local  
18 safety member shall be the effective date of the amendment to his  
19 or her employer's contract electing to be subject to this section.

20 (f) This section shall supersede Section 21362, 21363,  
21 21363.1, 21366, 21368, 21369, or 21370, whichever is then  
22 applicable, with respect to local safety members who retire after  
23 the date this section becomes applicable to their respective  
24 employers.

25 (g) The Legislature reserves, with respect to any member  
26 subject to this section, the right to provide for the adjustment of  
27 industrial disability retirement allowances because of earnings of  
28 a retired person and modification of the conditions and  
29 qualifications required for retirement for disability as it may find  
30 appropriate because of the earlier ages of service retirement made  
31 possible by the benefits under this section.

32 (h) Operation and application of this section is subject to the  
33 limitations set forth in Section 21251.13.

34 ~~SEC. 18.~~

35 *SEC. 19.* Section 21363 of the Government Code is amended  
36 to read:

37 21363. (a) The combined current and prior service pensions  
38 for state peace officer/firefighter members subject to this section  
39 with respect to state peace officer/firefighter service and the  
40 combined current and prior service pensions for local safety



1 members with respect to local safety service rendered to a  
 2 contracting agency that is subject to this section is a pension  
 3 derived from the contributions of the employer sufficient when  
 4 added to the service retirement annuity that is derived from the  
 5 accumulated normal contributions of the state peace  
 6 officer/firefighter or local safety member at the date of his or her  
 7 retirement to equal the fraction of one-fiftieth of his or her final  
 8 compensation set forth opposite his or her age at retirement taken  
 9 to the preceding completed quarter year, in the following table,  
 10 multiplied by the number of years of state peace officer/firefighter  
 11 service or local safety service subject to this section with which he  
 12 or she is credited at retirement.

14 Age at	15 Retirement	15 Fraction
16	50 .....	1.0000
17	50 1/4 .....	1.0125
18	50 1/2 .....	1.0250
19	50 3/4 .....	1.0375
20	51 .....	1.0500
21	51 1/4 .....	1.0625
22	51 1/2 .....	1.0750
23	51 3/4 .....	1.0875
24	52 .....	1.1000
25	52 1/4 .....	1.1125
26	52 1/2 .....	1.1250
27	52 3/4 .....	1.1375
28	53 .....	1.1500
29	53 1/4 .....	1.1625
30	53 1/2 .....	1.1750
31	53 3/4 .....	1.1875
32	54 .....	1.2000
33	54 1/4 .....	1.2125
34	54 1/2 .....	1.2250
35	54 3/4 .....	1.2375
36	55 and over .....	1.2500

37  
 38 (b) (1) In no event shall the current service pension and the  
 39 combined current and prior service pensions under this section for  
 40 all service to all employers exceed an amount that, when added to



1 the service retirement annuity related to that service, equals 75  
2 percent of final compensation.

3 (2) For state members, with respect to service for all state  
4 employers under this section, the benefit shall not exceed:

5 (A) Eighty percent of final compensation for state members  
6 who retire on or after January 1, 1995.

7 (B) Eighty-five percent of final compensation for state peace  
8 officer/firefighter members in State Bargaining Units 6 and 8 who  
9 retire on or after January 1, 1999, and prior to January 1, 2000.

10 (C) Ninety percent of final compensation for state peace  
11 officer/firefighter members who retire on or after January 1, 2000.

12 (3) For local safety members who retire on or after January 1,  
13 2000, the benefit shall not exceed 85 percent of final  
14 compensation. If the pension relates to service to more than one  
15 employer, or this section and Section 21369, and would otherwise  
16 exceed that maximum, the pension payable with respect to each  
17 section or employer shall be reduced in the same proportion as the  
18 allowance bears to the total allowance computed as though there  
19 were no limit, so that the total of the pensions shall equal the  
20 maximum. Where a state or local member retiring on or after  
21 January 1, 1995, has service under this section with both state and  
22 local agency employers, the higher maximum shall apply and the  
23 additional benefit, if any, shall be funded by increasing the  
24 member's pension payable with respect to the employer for whom  
25 the member performed the service subject to the higher maximum.

26 (c) The Legislature reserves, with respect to any member  
27 subject to this section, the right to provide for the adjustment of  
28 industrial disability retirement allowances because of earnings of  
29 a retired person and modification of the conditions and  
30 qualifications required for retirement for disability as it may find  
31 appropriate because of the earlier age of service retirement made  
32 possible by the benefits under this section.

33 (d) This section may be applied to related supervisory classes  
34 or confidential positions for the respective bargaining units  
35 specified in this section.

36 (e) (1) This section shall be operative with respect to state  
37 peace officer/firefighter members in Corrections Bargaining Unit  
38 No. 6, Protective Services and Public Safety Bargaining Unit No.  
39 7, or Firefighters Bargaining Unit No. 8, in accordance with a  
40 memorandum of understanding reached between the state and the



1 exclusive bargaining agent in the respective unit pursuant to  
2 Chapter 10.3 (commencing with Section 3512) of Division 4 of  
3 Title 1.

4 (2) This section also shall be operative with respect to the state  
5 peace officer/firefighter members employed by a California State  
6 University police department who are in Public Safety Unit No. 8  
7 in accordance with a memorandum of understanding reached  
8 between the Trustees of the California State University and the  
9 recognized employee organization pursuant to Chapter 12  
10 (commencing with Section 3560) of Division 4 of Title 1.

11 (3) This section shall also be operative with respect to a “state  
12 peace officer/firefighter member” defined in subdivision (a) of  
13 Section 20396 if authorized by, and in accordance with, a  
14 memorandum of understanding reached between the Trustees of  
15 the California State University and the recognized employee  
16 organization pursuant to Chapter 12 (commencing with Section  
17 3560) of Division 4 of Title 1.

18 (4) Nothing in this section or in any other provision of law  
19 affected by Chapter 1320 of the Statutes of 1984 or Chapter 234  
20 of the Statutes of 1986 shall be construed as authorizing any future  
21 negotiation with respect to whether or not any bargaining unit  
22 specified in this section whose memorandum of understanding  
23 was previously approved by the Legislature pursuant to law and  
24 this section, shall continue to remain within the state peace  
25 officer/firefighter membership category.

26 (5) The operative date of this section with respect to members  
27 in each of the bargaining units specified in this section shall be as  
28 provided for in the memorandum of understanding.

29 (6) With the exception of state peace officer/firefighter  
30 members for service rendered for the California State University  
31 or the legislative or judicial branch of government, this section  
32 shall apply to state peace officer/firefighter members who are not  
33 employed by the state on or after January 1, 2000.

34 (f) This section shall be known as, and may be cited as the State  
35 Peace Officers’ and Fire Fighters’ Retirement Act.

36 (g) The Legislature reserves the right to subsequently modify  
37 or amend this part in order to completely effectuate the intent and  
38 purposes of this section and the right to not provide any new  
39 comparable advantages if disadvantages to employees result from  
40 any modification or amendment.



1 (h) This section shall not apply to a contracting agency nor its  
 2 employees until, first, it is agreed to in a written memorandum of  
 3 understanding entered into by an employer and representatives of  
 4 employees and, second, the contracting agency elects to be subject  
 5 to it by amendment to its contract made in the manner prescribed  
 6 for approval of contracts or in the case of a new contract, by  
 7 express provision of the contract. The operative date of this section  
 8 with respect to a local safety member shall be the effective date of  
 9 the amendment to his or her employer's contract electing to be  
 10 subject to this section. However, this section shall not apply to any  
 11 local safety member in the employ of an employer not subject to  
 12 this section on January 1, 2000.

13 ~~SEC. 19.~~

14 *SEC. 20.* Section 21363.1 of the Government Code is  
 15 amended to read:

16 21363.1. (a) The combined current and prior service  
 17 pensions for state peace officer/firefighter members subject to this  
 18 section with respect to state peace officer/firefighter service, and  
 19 for local safety members with respect to local safety service  
 20 rendered to a contracting agency that is subject to this section, is  
 21 a pension derived from the contributions of the employer  
 22 sufficient when added to the service retirement annuity that is  
 23 derived from the accumulated normal contributions of the state  
 24 peace officer/firefighter member or local safety member at the  
 25 date of his or her retirement to equal the fraction of 3 percent of  
 26 his or her final compensation set forth opposite his or her age at  
 27 retirement taken to the preceding completed quarter year, in the  
 28 following table, multiplied by the number of years of state peace  
 29 officer/firefighter service or local safety service subject to this  
 30 section with which he or she is credited at retirement:

31

32 Age at	33 Fraction
34 Retirement	
35 50 .....	.800
36 50 1/4 .....	.810
37 50 1/2 .....	.820
38 50 3/4 .....	.830
39 51 .....	.840
40 51 1/4 .....	.850
41 51 1/2 .....	.860



1	51 <sup>3</sup> / <sub>4</sub>	.870
2	52	.880
3	52 <sup>1</sup> / <sub>4</sub>	.890
4	52 <sup>1</sup> / <sub>2</sub>	.900
5	52 <sup>3</sup> / <sub>4</sub>	.910
6	53	.920
7	53 <sup>1</sup> / <sub>4</sub>	.930
8	53 <sup>1</sup> / <sub>2</sub>	.940
9	53 <sup>3</sup> / <sub>4</sub>	.950
10	54	.960
11	54 <sup>1</sup> / <sub>4</sub>	.970
12	54 <sup>1</sup> / <sub>2</sub>	.980
13	54 <sup>3</sup> / <sub>4</sub>	.990
14	55 and over	1.000

15  
16 (b) In no event shall the current service pension and the  
17 combined current and prior service pensions under this section for  
18 all service to all employers exceed an amount that, when added to  
19 the service retirement annuity related to that service, equals 85  
20 percent of final compensation. For state peace officer/firefighter  
21 members with respect to service for all state employers under this  
22 section, the benefit shall not exceed 90 percent of final  
23 compensation. If the pension relates to service to more than one  
24 employer and would otherwise exceed that maximum, the pension  
25 payable with respect to each employer shall be reduced in the same  
26 proportion as the allowance based on service to that employer  
27 bears to the total allowance computed as though there were no  
28 limit, so that the total of the pensions shall equal the maximum.  
29 Where a state or local member has service under this section with  
30 both state and local agency employers, the higher maximum shall  
31 apply and the additional benefit shall be funded by increasing the  
32 member's pension payable with respect to the employer for whom  
33 the member performed the service subject to the higher maximum.

34 (c) This section shall supersede Section 21363 for state peace  
35 officer/firefighter members with respect to service rendered for  
36 the California State University or the legislative or judicial branch  
37 of government.

38 (d) This section shall also supersede Section 21363 for state  
39 peace officer/firefighter members, for service not subject to



1 subdivision (c), who are employed by the state on or after January  
2 1, 2000.

3 (e) This section shall not apply to any contracting agency nor  
4 its employees unless and until the agency elects to be subject to the  
5 provisions of this section by amendment to its contract made in the  
6 manner prescribed for approval of contracts or, in the case of  
7 contracts made after the date this section becomes operative, by  
8 express provision in the contract making the contracting agency  
9 subject to this section. The operative date of this section for a local  
10 safety member shall be the effective date of the amendment to his  
11 or her employer's contract electing to be subject to this section.

12 (f) This section shall supersede Section 21363, 21366, 21368,  
13 21369, or 21370, whichever is then applicable, with respect to  
14 local safety members who retire after the date this section becomes  
15 applicable to their respective employers.

16 (g) The Legislature reserves, with respect to any member  
17 subject to this section, the right to provide for the adjustment of  
18 industrial disability retirement allowances because of earnings of  
19 a retired person and modification of the conditions and  
20 qualifications required for retirement for disability as it may find  
21 appropriate because of the earlier age of service retirement made  
22 possible by the benefits under this section.

23 (h) The Legislature reserves the right to subsequently modify  
24 or amend this part in order to completely effectuate the intent and  
25 purposes of this section and the right to not provide any new  
26 comparable advantages if disadvantages to employees result from  
27 any modification or amendment.

28 (i) Operation and application of this section are subject to the  
29 limitations set forth in Section 21251.13.

30 ~~SEC. 20.~~

31 *SEC. 21.* Section 21363.5 of the Government Code is  
32 repealed.

33 ~~SEC. 21.~~

34 *SEC. 22.* Section 21363.7 of the Government Code is  
35 repealed.

36 ~~SEC. 22.~~

37 *SEC. 23.* Section 21364 of the Government Code is amended  
38 to read:

39 21364. A contracting agency may elect to be subject to  
40 Section 21362, 21362.2, or 21363.1 with respect to only those



1 local safety members who are local police officers, those who are  
2 local firefighters, and those who are local safety members as  
3 defined in Section 20421 as local safety members.

4 ~~SEC. 23.~~

5 *SEC. 24.* Section 21369.1 of the Government Code is  
6 amended to read:

7 21369.1. (a) The combined current and prior service  
8 pensions for state safety members subject to this section with  
9 respect to state safety service that is subject to this section is a  
10 pension derived from the contributions of the employer sufficient  
11 when added to the service retirement annuity that is derived from  
12 the accumulated normal contributions of the state safety member  
13 at the date of his or her retirement to equal the fraction of  
14 one-fiftieth of his or her final compensation set forth opposite his  
15 or her age at retirement taken to the preceding completed quarter  
16 year, in the following table, multiplied by the number of years of  
17 state safety service subject to this section with which he or she is  
18 credited at retirement.

19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
	Age at																				
	Retirement																				
	50	.....																			
	50 1/4	.....																			
	50 1/2	.....																			
	50 3/4	.....																			
	51	.....																			
	51 1/4	.....																			
	51 1/2	.....																			
	51 3/4	.....																			
	52	.....																			
	52 1/4	.....																			
	52 1/2	.....																			
	52 3/4	.....																			
	53	.....																			
	53 1/4	.....																			
	53 1/2	.....																			
	53 3/4	.....																			
	54	.....																			
	54 1/4	.....																			
	54 1/2	.....																			



1	54 <sup>3</sup> / <sub>4</sub> .....	1.2190
2	55 and over .....	1.2500

3

4 (b) For state safety members with respect to service for all state  
5 employers under this section, the benefit shall not exceed 80  
6 percent of final compensation. If the pension relates to service to  
7 more than one employer, and would otherwise exceed that  
8 maximum, the pension payable with respect to each employer  
9 shall be reduced in the same proportion as the allowance based on  
10 service to that employer bears to the total allowance computed as  
11 though there were no limit, so that the total of the pensions shall  
12 equal the maximum.

13 (c) This section shall supersede Section 21369 for state safety  
14 members with respect to service rendered for the California State  
15 University.

16 (d) This section shall also supersede Section 21369 for state  
17 safety members, for service not subject to subdivision (c), who are  
18 employed by the state on or after January 1, 2000.

19 (e) The Legislature reserves, with respect to any member  
20 subject to this section, the right to provide for the adjustment of  
21 industrial disability retirement allowances because of earnings of  
22 a retired person and modification of the conditions and  
23 qualifications required for retirement for disability as it may find  
24 appropriate because of the earlier age of service retirement made  
25 possible by the benefits under this section.

26 (f) The Legislature reserves the right to subsequently modify  
27 or amend this part in order to completely effectuate the intent and  
28 purposes of this section and the right to not provide any new  
29 comparable advantages if disadvantages to employees result from  
30 any modification or amendment.

31 (g) Operation and application of this section are subject to the  
32 limitations set forth in Section 21251.13.

33 ~~SEC. 24.~~

34 *SEC. 25.* Section 21389 of the Government Code is repealed.

35 ~~SEC. 25.~~

36 *SEC. 26.* Section 21400 of the Government Code is repealed.

37 ~~SEC. 26.~~

38 *SEC. 27.* Section 21402 of the Government Code is repealed.

39 ~~SEC. 27.~~

40 *SEC. 28.* Section 21403 of the Government Code is repealed.



1 ~~SEC. 28.~~

2 *SEC. 29.* Section 21423 of the Government Code is amended  
3 to read:

4 21423. The disability retirement pension, other than an  
5 industrial disability retirement pension, for a member, other than  
6 a member who is subject to Section 21424 or 21427, shall be such  
7 an amount as with that portion of his or her annuity provided by  
8 his or her accumulated normal contributions, will make his or her  
9 disability retirement allowance equal to one of the following:

10 (a) Ninety percent of one-fiftieth of his or her final  
11 compensation multiplied by the number of years of service  
12 credited to him or her.

13 (b) If the disability retirement allowance computed under  
14 subdivision (a) does not exceed one-third of his or her final  
15 compensation, 90 percent of one-fiftieth of his final compensation  
16 multiplied by the number of years of service that would be  
17 creditable to him or her if his or her service were to continue until  
18 attainment by him or her of the age of 60 years, but in that case the  
19 retirement allowance shall not exceed one-third of final  
20 compensation. This subdivision is not applicable to members who  
21 are not entitled, at the time of retirement, to be credited with at least  
22 10 years of state service.

23 (c) If qualified for service retirement, the member shall receive  
24 his or her service retirement allowance if that allowance is greater  
25 than the disability retirement allowance provided by this section.

26 ~~SEC. 29.~~

27 *SEC. 30.* Section 21465 of the Government Code is amended  
28 to read:

29 21465. (a) Optional settlement 5 consists of a partial  
30 distribution of the actuarial present value of the portion, as  
31 specified in this section, of the member's unmodified monthly  
32 allowance, as prescribed in Section 21362, 21362.2, 21363, or  
33 21363.1, or Section 21423 when a service retirement allowance is  
34 payable. The actuarial present value shall be based upon the  
35 investment return and postretirement mortality assumptions  
36 adopted by the board for that purpose. The member may elect to  
37 receive the actuarial present value of no less than 20 percent and  
38 no more than 50 percent of his or her unmodified allowance. The  
39 member may elect to receive the remaining portion of the  
40 unmodified allowance, not distributed as a lump sum, under one



1 of the settlements specified in this article for the remainder of his  
2 or her lifetime and thereafter to his or her designated beneficiary,  
3 unless this amount is solely limited to the survivor continuance  
4 portion. Under no circumstances shall the portion of the  
5 unmodified allowance equivalent to the survivor continuance  
6 pursuant to Section 21624 be distributed as a lump sum. Under no  
7 circumstances shall the benefits provided under this section  
8 exceed the benefits that would have otherwise been provided  
9 under any other section in this article.

10 (b) This section shall only apply to the following members who  
11 retire on or after January 1, 1999:

12 (1) State peace officer/firefighter members in State Bargaining  
13 Unit 6.

14 (2) State peace officer/firefighter members in State Bargaining  
15 Unit 8 and state patrol members in State Bargaining Unit 5,  
16 provided that a memorandum of understanding has been agreed  
17 upon by the state and the recognized employee organization to  
18 become subject to this section.

19 (3) This section shall also apply to state peace  
20 officer/firefighter members and state patrol members in related  
21 supervisory and confidential positions, provided the Department  
22 of Personnel Administration has approved their inclusion.

23 ~~SEC. 30.~~

24 *SEC. 31.* Section 21465.5 of the Government Code is  
25 repealed.

26 ~~SEC. 31.~~

27 *SEC. 32.* Section 21572 of the Government Code is amended  
28 to read:

29 21572. (a) In lieu of benefits provided in Section 21571, if  
30 the death benefit provided by Section 21532 is payable on account  
31 of a state member's death that occurs under circumstances other  
32 than those described in subparagraph (F) of paragraph (1) of  
33 subdivision (a) of Section 21530, or if an allowance under Section  
34 21546 is payable, the payment pursuant to subdivision (b) shall be  
35 made in the following order of priority:

36 (1) The surviving wife or surviving husband of the member,  
37 who has the care of unmarried children, including stepchildren, of  
38 the member who are under 22 years of age, or are incapacitated  
39 because of a disability that began before and has continued without  
40 interruption after attainment of that age.



1 (2) The guardian of surviving unmarried children, including  
2 stepchildren, of the member who are under 22 years of age or are  
3 so incapacitated.

4 (3) The surviving wife or surviving husband of the member,  
5 who does not qualify under paragraph (1).

6 (4) Each surviving parent of the member.

7 (b) Regardless of the benefit provided by Section 21532 and of  
8 the beneficiary designated by the member under that section, or  
9 regardless of the allowance provided under Section 21546, the  
10 following applicable 1959 survivor allowance, under the  
11 conditions stated and from contributions of the state, shall be paid:

12 (1) A surviving spouse who was either continuously married to  
13 the member for at least one year prior to death, or was married to  
14 the member prior to the occurrence of the injury or onset of the  
15 illness that resulted in death, and has the care of unmarried  
16 children, including stepchildren, of the deceased member who are  
17 under 22 years of age or are so incapacitated, shall be paid four  
18 hundred fifty dollars (\$450) per month if there is one child or five  
19 hundred thirty-eight dollars (\$538) per month if there are two or  
20 more children. If there also are children who are not in the care of  
21 the surviving spouse, the portion of the allowance payable under  
22 this paragraph, assuming that these children were in the care of the  
23 surviving spouse, that is in excess of two hundred twenty-five  
24 dollars (\$225) per month, shall be divided equally among all those  
25 children and payments made to the spouse and other children, as  
26 the case may be.

27 (2) If there is no surviving spouse, or if the surviving spouse  
28 dies, and if there are unmarried children, including stepchildren,  
29 of the deceased member who are under 22 years of age or are so  
30 incapacitated, or if there are children not in the care of the spouse,  
31 the children shall be paid an allowance as follows:

32 (A) If there is only one child, the child shall be paid two  
33 hundred twenty-five dollars (\$225) per month.

34 (B) If there are two children, the children shall be paid four  
35 hundred fifty dollars (\$450) per month divided equally between  
36 them.

37 (C) If there are three or more children, the children shall be paid  
38 five hundred thirty-eight dollars (\$538) per month divided equally  
39 among them.



1 (3) A surviving spouse who has attained or attains the age of 62  
2 years and, with respect to that surviving spouse, who was either  
3 continuously married to the member for at least one year prior to  
4 death, or was married to the member prior to the occurrence of the  
5 injury or onset of the illness that resulted in death, shall be paid two  
6 hundred twenty-five dollars (\$225) per month. No allowance shall  
7 be paid under this paragraph while the surviving spouse is  
8 receiving an allowance under paragraph (1) or while an allowance  
9 is being paid under subparagraph (C) of paragraph (2). The  
10 allowance paid under this paragraph shall be eighty-eight dollars  
11 (\$88) per month while an allowance is being paid under  
12 subparagraph (B) of paragraph (2).

13 (4) If there is no surviving spouse or surviving child who  
14 qualifies for a 1959 survivor allowance, or if the surviving spouse  
15 dies and there is no surviving child, or if the surviving spouse dies  
16 and the children die or marry or, if not incapacitated, reach 22 years  
17 of age, each of the member's dependent parents who has attained  
18 or attains the age of 62 years, and who received at least one-half  
19 of his or her support from the member at the time of the member's  
20 death, shall be paid two hundred twenty-five dollars (\$225) per  
21 month.

22 (c) "Stepchildren," for purposes of this section, shall include  
23 only stepchildren of the member living with him or her in a regular  
24 parent-child relationship at the time of his or her death.

25 (d) This section shall apply to beneficiaries receiving 1959  
26 survivor allowances on July 1, 1975, as well as to beneficiaries  
27 with respect to the death of a state member occurring on or after  
28 July 1, 1975.

29 (e) This section shall apply, with respect to benefits payable on  
30 and after July 1, 1981, to all members employed by a school  
31 employer, and school safety members employed with a school  
32 district or community college district as defined in subdivision (i)  
33 of Section 20057, except that it shall not apply, without contract  
34 amendment, with respect to safety members who became  
35 members after July 1, 1981. All assets and liabilities of all school  
36 employers, and their employees, on account of benefits provided  
37 under this article shall be pooled into a single account, and a single  
38 employer rate shall be established to provide benefits under this  
39 section on account of all miscellaneous members employed by a



1 school employer and all safety members who are members on July  
2 1, 1981.

3 (f) This section shall not apply to any member in the employ of  
4 an employer not subject to this section on January 1, 1994.

5 (g) On and after January 1, 2000, and until January 1, 2010, all  
6 state members covered by this section shall be covered by the  
7 benefit provided under Section 21574.7. On and after January 1,  
8 2010, all state members not covered by Section 21573 or 21574.7  
9 shall be covered by this section.

10 ~~SEC. 32.~~

11 *SEC. 33.* Section 21573 of the Government Code is amended  
12 to read:

13 21573. (a) In lieu of benefits provided in Section 21571 or  
14 Section 21572, if the death benefit provided by Section 21532 is  
15 payable on account of a state member's death that occurs under  
16 circumstances other than those described in subparagraph (F) of  
17 paragraph (1) of subdivision (a) of Section 21530, or if an  
18 allowance under Section 21546 is payable, the payment pursuant  
19 to subdivision (b) shall be made in the following order of priority:

20 (1) The surviving wife or surviving husband of the member,  
21 who has the care of unmarried children, including stepchildren, of  
22 the member who are under 22 years of age, or are incapacitated  
23 because of a disability that began before and has continued without  
24 interruption after attainment of that age.

25 (2) The guardian of surviving unmarried children, including  
26 stepchildren, of the member who are under 22 years of age or are  
27 so incapacitated.

28 (3) The surviving wife or surviving husband of the member,  
29 who does not qualify under paragraph (1).

30 (4) Each surviving parent of the member.

31 (b) Regardless of the benefit provided by Section 21532 and of  
32 the beneficiary designated by the member under that section, or  
33 regardless of the allowance provided under Section 21546, the  
34 following applicable 1959 survivor allowance, under the  
35 conditions stated and from contributions of the state, shall be paid:

36 (1) A surviving spouse who was either continuously married to  
37 the member for at least one year prior to death, or who was married  
38 to the member prior to the occurrence of the injury or onset of the  
39 illness that resulted in death, and has the care of unmarried  
40 children, including stepchildren, of the deceased member who are



1 under 22 years of age or are so incapacitated, shall be paid seven  
2 hundred dollars (\$700) per month if there is one child, or eight  
3 hundred forty dollars (\$840) per month if there are two or more  
4 children. If there also are children who are not in the care of the  
5 surviving spouse, the portion of the allowance payable under this  
6 paragraph, assuming that these children were in the care of the  
7 surviving spouse, that is in excess of three hundred fifty dollars  
8 (\$350) per month, shall be divided equally among all those  
9 children and payments made to the spouse and other children, as  
10 the case may be.

11 (2) If there is no surviving spouse, or if the surviving spouse  
12 dies, and if there are unmarried children, including stepchildren,  
13 of the deceased member who are under 22 years of age or are so  
14 incapacitated, or if there are children not in the care of the spouse,  
15 the children shall be paid an allowance as follows:

16 (A) If there is only one child, the child shall be paid three  
17 hundred fifty dollars (\$350) per month.

18 (B) If there are two children, the children shall be paid seven  
19 hundred dollars (\$700) per month divided equally between them.

20 (C) If there are three or more children, the children shall be paid  
21 eight hundred forty dollars (\$840) per month divided equally  
22 among them.

23 (3) A surviving spouse who has attained or attains the age of 62  
24 years, and, with respect to that surviving spouse, who was either  
25 continuously married to the member for at least one year prior to  
26 death, or who was married to the member prior to the occurrence  
27 of the injury or onset of the illness that resulted in death, shall be  
28 paid three hundred fifty dollars (\$350) per month. No allowance  
29 shall be paid under this paragraph while the surviving spouse is  
30 receiving an allowance under paragraph (1) or while an allowance  
31 is being paid under subparagraph (C) of paragraph (2). The  
32 allowance paid under this paragraph shall be one hundred forty  
33 dollars (\$140) per month while an allowance is being paid under  
34 subparagraph (B) of paragraph (2).

35 (4) If there is no surviving spouse or surviving child who  
36 qualifies for the 1959 survivor allowance, or if the surviving  
37 spouse dies and there is no surviving child, or if the surviving  
38 spouse dies and the children die or marry or, if not incapacitated,  
39 reach 22 years of age, each of the member's dependent parents  
40 who has attained or attains the age of 62 years, and who received



1 at least one-half of his or her support from the member at the time  
2 of the member's death, shall be paid three hundred fifty dollars  
3 (\$350) per month.

4 (c) "Stepchildren," for purposes of this section, shall include  
5 only stepchildren of the member living with the member in a  
6 regular parent-child relationship at the time of the death of the  
7 member.

8 (d) This section shall apply to beneficiaries of state members  
9 whose death occurred before January 1, 1985. Where a surviving  
10 spouse attained the age of 62 years prior to January 1, 1987,  
11 entitlement shall exist retroactive to January 1, 1985, or to his or  
12 her 62nd birthday, whichever is later. All assets and liabilities of  
13 all state agencies and their employees on account of benefits  
14 provided to beneficiaries specified in this subdivision shall be  
15 pooled into a single account. The board shall transfer from the  
16 reserve for 1959 survivor contributions retained in the retirement  
17 fund an amount sufficient to pay the cost of the increased benefits  
18 provided by this subdivision for beneficiaries of members who  
19 died on or before December 31, 1984.

20 (e) This section shall not apply to beneficiaries with respect to  
21 the death of a state member, except as provided in subdivision (i),  
22 occurring on or after January 1, 1985, unless provided for in a  
23 memorandum of understanding reached pursuant to Section  
24 3517.5, or authorized by the Director of Personnel Administration  
25 for classifications of state employees that are excluded from, or not  
26 subject to, collective bargaining. The memorandum of  
27 understanding adopting this section shall be controlling without  
28 further legislative action, except that if those provisions of a  
29 memorandum of understanding require the expenditure of funds,  
30 those provisions shall not become effective unless approved by the  
31 Legislature as provided by law.

32 (f) This section shall apply, with respect to benefits payable on  
33 and after January 1, 1985, to school members and to school safety  
34 members, as defined in Section 20444. All assets and liabilities of  
35 all school employers, and their employees, on account of benefits  
36 provided under this article shall be pooled into a single account,  
37 and a single employer rate shall be established to provide benefits  
38 under this section on account of school members employed by a  
39 school employer.



1 (g) This section shall apply to members of a contracting agency  
2 that, in its original contract or by amending its contract, first elects  
3 effective on or after January 1, 1985, and prior to July 1, 2001, to  
4 make this article applicable to local members employed by the  
5 agency. On or after January 1, 1985, and prior to July 1, 2001,  
6 contracting agencies already subject to Section 21571 or Section  
7 21572 may elect by contract amendment to be subject to this  
8 section. All assets and liabilities of all contracting agencies subject  
9 to this section, and their employees, on account of benefits  
10 provided under this article shall be pooled into a single account,  
11 and a single employer rate shall be established to provide benefits  
12 under this section on account of members employed by a  
13 contracting agency that is subject to this section. Any public  
14 agency first contracting with the board on or after January 1, 1994,  
15 and prior to July 1, 2001, or any contracting agency amending its  
16 contract to remove exclusions of member classifications on or  
17 after January 1, 1994, and prior to July 1, 2001, that has not,  
18 pursuant to Section 418 of Title 42 of the United States Code,  
19 entered into an agreement with the federal government for the  
20 coverage of its employees under the federal system, shall be  
21 subject to this section.

22 (h) The rate of contribution of an employer subject to this  
23 section shall be figured using the term insurance valuation method.  
24 If a contracting agency that is subject to this section has a surplus  
25 in its 1959 survivor benefit account as of the date the contracting  
26 agency becomes subject to this section, the surplus shall be applied  
27 to reduce its rate of contribution. If a contracting agency that is  
28 subject to this section has a deficit in its 1959 survivor benefit  
29 account as of the date the contracting agency becomes subject to  
30 this section, its rate of contribution shall be increased until the  
31 deficit is paid.

32 (i) This section shall not apply to beneficiaries with respect to  
33 the death of a state member employed by the California State  
34 University occurring on or after January 1, 1988, unless provided  
35 for in a memorandum of understanding reached pursuant to  
36 Chapter 12 (commencing with Section 3560) of Division 4 of Title  
37 1, or authorized by the Trustees of the California State University  
38 for employees excluded from collective bargaining. The  
39 memorandum of understanding shall be controlling without  
40 further legislative action, except that if the provisions of a



1 memorandum of understanding require the expenditure of funds,  
2 the provisions shall not become effective unless approved by the  
3 Legislature in the annual Budget Act.

4 (j) This section shall apply to local members employed by a  
5 contracting agency that has included this benefit in its contract  
6 with the board on or before June 30, 2001.

7 (k) This section shall not apply to any contracting agency that  
8 first contracts with the board on or after July 1, 2001.

9 (l) On and after January 1, 2000, and until January 1, 2010, all  
10 eligible state and school members covered by this section shall be  
11 covered by the benefit provided under Section 21574.7. On and  
12 after January 1, 2010, all eligible state and school members not  
13 covered by Section 21572 or 21574.7 shall be covered by this  
14 section.

15 ~~SEC. 33.~~

16 *SEC. 34.* Section 21574 of the Government Code is amended  
17 to read:

18 21574. (a) In lieu of benefits provided in Section 21571,  
19 21572, or 21573, if the death benefit provided by Section 21532  
20 is payable on account of a local member's death that occurs under  
21 circumstances other than those described in subparagraph (F) of  
22 paragraph (1) of subdivision (a) of Section 21530, or if an  
23 allowance under Section 21546 is payable, the payment pursuant  
24 to subdivision (b) shall be made in the following order of priority:

25 (1) The surviving spouse of the member, who has the care of  
26 unmarried children, including stepchildren, of the member who  
27 are under 22 years of age, or are incapacitated because of disability  
28 that began before and has continued without interruption after the  
29 attainment of that age.

30 (2) The guardian of surviving unmarried children, including  
31 stepchildren, of the member who are 22 years of age or are so  
32 incapacitated.

33 (3) The surviving spouse of the member, who does not qualify  
34 under paragraph (1).

35 (4) Each surviving parent of the member.

36 (b) Regardless of the benefit provided by Section 21532 and of  
37 the beneficiary designated by the member under that section, or  
38 regardless of the allowance provided under Section 21546, the  
39 following applicable 1959 survivor allowance, under the



1 conditions stated and from contributions of the contracting  
2 agency, shall be paid:

3 (1) A surviving spouse who was either continuously married to  
4 the member for at least one year prior to death, or was married to  
5 the member prior to the occurrence of the injury or onset of the  
6 illness that resulted in death, and has the care of unmarried  
7 children, including stepchildren, of the deceased member who are  
8 under 22 years of age or are so incapacitated, shall be paid one  
9 thousand nine hundred dollars (\$1,900) per month if there is one  
10 child or two thousand two hundred eighty dollars (\$2,280) per  
11 month if there are two or more children. If there also are children  
12 who are not in the care of the surviving spouse, the portion of the  
13 allowance payable under this paragraph, assuming that these  
14 children were in the care of the surviving spouse, that is in excess  
15 of nine hundred fifty dollars (\$950) per month, shall be divided  
16 equally among all those children and payments made to the spouse  
17 and other children, as the case may be.

18 (2) If there is no surviving spouse, or if the surviving spouse  
19 dies, and if there are unmarried children, including stepchildren,  
20 of the deceased member who are under 22 years of age or are so  
21 incapacitated, or if there are children not in the care of the spouse,  
22 the children shall be paid an allowance as follows:

23 (A) If there is only one child, the child shall be paid nine  
24 hundred fifty dollars (\$950) per month.

25 (B) If there are two children, the children shall be paid one  
26 thousand nine hundred dollars (\$1,900) per month divided equally  
27 between them.

28 (C) If there are three or more children, the children shall be paid  
29 two thousand two hundred eighty dollars (\$2,280) per month  
30 divided equally among them.

31 (3) A surviving spouse who has attained or attains the age of 60  
32 years, and who was either continuously married to the member for  
33 at least one year prior to death, or was married to the member prior  
34 to the occurrence of the injury or onset of the illness that resulted  
35 in death, shall be paid nine hundred fifty dollars (\$950) per month.  
36 No allowance shall be paid under paragraph (1), or while an  
37 allowance is being paid under subparagraph (C) of paragraph (2).  
38 The allowance paid under this paragraph shall be three hundred  
39 eighty dollars (\$380) per month while an allowance is being paid  
40 under subparagraph (B) of paragraph (2).



1 (4) If there is no surviving spouse or surviving child who  
2 qualifies for the 1959 survivor allowance, or if the surviving  
3 spouse dies and there is no surviving child, or if the surviving  
4 spouse dies and the children die or marry or, if not incapacitated,  
5 reach 22 years of age, each of the member's dependent parents  
6 who has attained or attains the age of 60 years, and who received  
7 at least one-half of his or her support from the member at the time  
8 of the member's death, shall be paid nine hundred fifty dollars  
9 (\$950) per month.

10 (c) "Stepchildren," for purposes of this section, shall include  
11 only stepchildren of the member living with the member in a  
12 regular parent-child relationship at the time of the death of the  
13 member.

14 (d) This section shall only apply to members of a contracting  
15 agency that, by amending its contract, first elects effective on or  
16 after January 1, 1994, to make this section applicable to local  
17 members employed by the agency. On and after January 1, 1994,  
18 contracting agencies already subject to Section 21571, 21572, or  
19 21573 may elect by contract amendment to be subject to this  
20 section. A public agency first contracting with the board or  
21 amending its contract to remove exclusions of member  
22 classifications on or after July 1, 2001, shall include this section  
23 or Section 21574.5 in its contract. All assets and liabilities of all  
24 contracting agencies subject to this section, and their employees,  
25 on account of benefits provided under this article shall be pooled  
26 into a single account, and a single employer rate shall be  
27 established to provide benefits under this section on account of  
28 members employed by a contracting agency that is subject to this  
29 section.

30 (e) The rate of contribution of an employer subject to this  
31 section shall be calculated using the term insurance valuation  
32 method. If a contracting agency that is subject to this section has  
33 a surplus in its 1959 survivor benefit account as of the date the  
34 contracting agency becomes subject to this section, the surplus  
35 shall be applied to reduce its rate of contribution. If a contracting  
36 agency that is subject to this section has a deficit in its 1959  
37 survivor benefit account as of the date the contracting agency  
38 becomes subject to this section, its rate of contribution shall be  
39 increased until the deficit is paid.



1 (f) This section or Section 21574.5 shall apply to public  
2 agencies, employing eligible school safety members as defined in  
3 Section 20444, that first contract with the board on or after July 1,  
4 2001.

5 (g) At the time the single benefit level provided under Section  
6 21574.5 exceeds the single benefit level provided under this  
7 section, no new contracts or amendments to contracts shall provide  
8 for the benefits under this section.

9 ~~SEC. 34.~~

10 *SEC. 35.* Section 21574.5 of the Government Code is  
11 amended to read:

12 21574.5. (a) In lieu of benefits provided in Section 21571,  
13 21572, 21573, or 21574, if the death benefit provided by Section  
14 21532 is payable on account of a local member's death that occurs  
15 under circumstances other than those described in subparagraph  
16 (F) of paragraph (1) of subdivision (a) of Section 21530, or if an  
17 allowance under Section 21546 is payable, the payment pursuant  
18 to subdivision (b) shall be made in the following order of priority:

19 (1) The surviving spouse of the member, who has the care of  
20 unmarried children, including stepchildren, of the member who  
21 are under 22 years of age, or are incapacitated because of disability  
22 that began before and has continued without interruption after the  
23 attainment of that age.

24 (2) The guardian of surviving unmarried children, including  
25 stepchildren, of the member who are 22 years of age or are so  
26 incapacitated.

27 (3) The surviving spouse of the member, who does not qualify  
28 under paragraph (1).

29 (4) Each surviving parent of the member.

30 (b) Regardless of the benefit provided by Section 21532 and of  
31 the beneficiary designated by the member under that section, or  
32 regardless of the allowance provided under Section 21546, the  
33 following applicable 1959 survivor allowance, under the  
34 conditions stated and from contributions of the contracting  
35 agency, shall be paid:

36 (1) A surviving spouse who was either continuously married to  
37 the member for at least one year prior to death, or was married to  
38 the member prior to the occurrence of the injury or onset of the  
39 illness that resulted in death, and has the care of unmarried  
40 children, including stepchildren, of the deceased member who are



1 under 22 years of age or are so incapacitated, shall be paid one  
2 thousand dollars (\$1,000) per month if there is one child or one  
3 thousand five hundred dollars (\$1,500) per month if there are two  
4 or more children. If there also are children who are not in the care  
5 of the surviving spouse, the portion of the allowance payable under  
6 this paragraph, assuming that these children were in the care of the  
7 surviving spouse, that is in excess of five hundred dollars (\$500)  
8 per month, shall be divided equally among all those children and  
9 payments made to the spouse and other children, as the case may  
10 be.

11 (2) If there is no surviving spouse, or if the surviving spouse  
12 dies, and if there are unmarried children, including stepchildren,  
13 of the deceased member who are under 22 years of age or are so  
14 incapacitated, or if there are children not in the care of the spouse,  
15 the children shall be paid an allowance as follows:

16 (A) If there is only one child, the child shall be paid five  
17 hundred dollars (\$500) per month.

18 (B) If there are two children, the children shall be paid one  
19 thousand dollars (\$1,000) per month divided equally between  
20 them.

21 (C) If there are three or more children, the children shall be paid  
22 one thousand five hundred dollars (\$1,500) per month divided  
23 equally among them.

24 (3) A surviving spouse who has attained or attains the age of 60  
25 years, and who was either continuously married to the member for  
26 at least one year prior to death, or was married to the member prior  
27 to the occurrence of the injury or onset of the illness that resulted  
28 in death, shall be paid five hundred dollars (\$500) per month. No  
29 allowance shall be paid under paragraph (1), or while an allowance  
30 is being paid under subparagraph (C) of paragraph (2). The  
31 allowance paid under this paragraph shall be five hundred dollars  
32 (\$500) per month while an allowance is being paid under  
33 subparagraph (B) of paragraph (2).

34 (4) If there is no surviving spouse or surviving child who  
35 qualifies for the 1959 survivor allowance, or if the surviving  
36 spouse dies and there is no surviving child, or if the surviving  
37 spouse dies and the children die or marry or, if not incapacitated,  
38 reach 22 years of age, each of the member's dependent parents  
39 who has attained or attains the age of 60 years, and who received  
40 at least one-half of his or her support from the member at the time



1 of the member's death, shall be paid five hundred dollars (\$500)  
2 per month.

3 (c) "Stepchildren," for purposes of this section, shall include  
4 only stepchildren of the member living with the member in a  
5 regular parent-child relationship at the time of the death of the  
6 member.

7 (d) This section shall only apply to members of a contracting  
8 agency that, by amending its contract, first elects on or after  
9 January 1, 2000, to make this section applicable to local members  
10 employed by the agency. On and after January 1, 2000, contracting  
11 agencies already subject to Section 21571, 21572, or 21573 may  
12 elect by contract amendment to be subject to this section. A public  
13 agency that first contracts with the board or amends its contract to  
14 remove exclusions of member classifications on or after July 1,  
15 2001, shall include this section or Section 21574 in its contract. All  
16 assets and liabilities of all contracting agencies subject to this  
17 section, and their employees, on account of benefits provided  
18 under this article shall be pooled into a single account, and a single  
19 employer rate shall be established to provide benefits under this  
20 section on account of members employed by a contracting agency  
21 that is subject to this section.

22 (e) This section or Section 21574 shall apply to public agencies  
23 that employ eligible school safety members, as defined in Section  
24 20444, and that first contract with the board on or after July 1,  
25 2001.

26 (f) The rate of contribution of an employer subject to this  
27 section shall be calculated using a method determined by the  
28 board.

29 (g) In each subsequent year following the enactment of this  
30 section, the benefits prescribed by this section shall be indexed at  
31 a rate of 2 percent per year for both beneficiaries already receiving  
32 the benefit and for potential beneficiaries of members who die in  
33 the future.

34 ~~SEC. 35.~~

35 *SEC. 36.* Section 21574.7 of the Government Code is  
36 amended to read:

37 21574.7. (a) In lieu of benefits provided in Section 21571,  
38 21572, or 21573, if the death benefit provided by Section 21532  
39 is payable on account of a state member's death that occurs under  
40 circumstances other than those described in subparagraph (F) of



1 paragraph (1) of subdivision (a) of Section 21530, or if an  
2 allowance under Section 21546 is payable, the payment pursuant  
3 to subdivision (b) shall be made in the following order of priority:

4 (1) The surviving spouse of the member, who has the care of  
5 unmarried children, including stepchildren, of the member who  
6 are under 22 years of age, or are incapacitated because of a  
7 disability that began before and has continued without interruption  
8 after the attainment of that age.

9 (2) The guardian of surviving unmarried children, including  
10 stepchildren, of the member who are 22 years of age or are so  
11 incapacitated.

12 (3) The surviving spouse of the member, who does not qualify  
13 under paragraph (1).

14 (4) Each surviving parent of the member.

15 (b) Regardless of the benefit provided by Section 21532 and of  
16 the beneficiary designated by the member under that section, or  
17 regardless of the allowance provided under Section 21546, the  
18 following applicable 1959 survivor allowance, under the  
19 conditions stated and from contributions of the employer, shall be  
20 paid:

21 (1) A surviving spouse who was either continuously married to  
22 the member for at least one year prior to death, or was married to  
23 the member prior to the occurrence of the injury or onset of the  
24 illness that resulted in death, and has the care of unmarried  
25 children, including stepchildren, of the deceased member who are  
26 under 22 years of age or are so incapacitated, shall be paid one  
27 thousand five hundred dollars (\$1,500) per month if there is one  
28 child or one thousand eight hundred dollars (\$1,800) per month if  
29 there are two or more children. If there also are children who are  
30 not in the care of the surviving spouse, the portion of the allowance  
31 payable under this paragraph, assuming that these children were  
32 in the care of the surviving spouse, that is in excess of seven  
33 hundred fifty dollars (\$750) per month, shall be divided equally  
34 among all those children and payments made to the spouse and  
35 other children, as the case may be.

36 (2) If there is no surviving spouse, or if the surviving spouse  
37 dies, and if there are unmarried children, including stepchildren,  
38 of the deceased member who are under 22 years of age or are so  
39 incapacitated, or if there are children not in the care of the spouse,  
40 the children shall be paid an allowance as follows:



1 (A) If there is only one child, the child shall be paid seven  
2 hundred fifty dollars (\$750) per month.

3 (B) If there are two children, the children shall be paid one  
4 thousand five hundred dollars (\$1,500) per month divided equally  
5 between them.

6 (C) If there are three or more children, the children shall be paid  
7 one thousand eight hundred dollars (\$1,800) per month divided  
8 equally among them.

9 (3) A surviving spouse who has attained or attains the age of 60  
10 years, and who was either continuously married to the member for  
11 at least one year prior to death, or was married to the member prior  
12 to the occurrence of the injury or onset of the illness that resulted  
13 in death, shall be paid seven hundred fifty dollars (\$750) per  
14 month. No allowance shall be paid under this paragraph while the  
15 surviving spouse is receiving an allowance under paragraph (1) or  
16 while an allowance is being paid under subparagraph (C) of  
17 paragraph (2). The allowance paid under this paragraph shall be  
18 three hundred dollars (\$300) per month while an allowance is  
19 being paid under subparagraph (B) of paragraph (2).

20 (4) If there is no surviving spouse or surviving child who  
21 qualifies for the 1959 survivor allowance, or if the surviving  
22 spouse dies and there is no surviving child, or if the surviving  
23 spouse dies and the children die or marry or, if not incapacitated,  
24 reach 22 years of age, each of the member's dependent parents  
25 who has attained or attains the age of 60 years, and who received  
26 at least one-half of his or her support from the member at the time  
27 of the member's death, shall be paid seven hundred fifty dollars  
28 (\$750) per month.

29 (c) "Stepchildren," for purposes of this section, shall include  
30 only stepchildren of the member living with the member in a  
31 regular parent-child relationship at the time of the death of the  
32 member.

33 (d) This section shall only apply to state and school members  
34 effective on or after January 1, 2000.

35 (e) All assets and liabilities of state employers subject to this  
36 section, and their employees, on account of benefits provided  
37 under this article shall be pooled into a single account, and a single  
38 employer rate shall be established to provide benefits under this  
39 section on account of state members employed by the state.



1 (f) All assets and liabilities of school employers, as defined in  
2 Section 20063, that are subject to this section, and their employees,  
3 on account of benefits provided under this article shall be pooled  
4 into a single account, and a single employer rate shall be  
5 established to provide benefits under this section.

6 (g) The rate of contribution of an employer subject to this  
7 section shall be calculated using a method determined by the  
8 board. Surplus assets shall be applied to reduce the rate of  
9 contribution. If a deficit exists, the rate of contribution shall be  
10 increased until the deficit is paid.

11 (h) On and after January 1, 2000, and until January 1, 2010, all  
12 state employees and school members shall be covered by this  
13 section.

14 (i) This section shall be repealed on January 1, 2010, unless a  
15 later enacted statute, that becomes effective on or before January  
16 1, 2010, deletes or extends that date.

17 ~~SEC. 36.~~

18 *SEC. 37.* The provisions of this act, *other than the provisions*  
19 *of Section 1*, shall be operative retroactively to January 1, 2000.

20 ~~SEC. 37.~~

21 *SEC. 38.* This act is an urgency statute necessary for the  
22 immediate preservation of the public peace, health, or safety  
23 within the meaning of Article IV of the Constitution and shall go  
24 into immediate effect. The facts constituting the necessity are:

25 In order to ensure that the benefits enacted by Chapter 555 of the  
26 Statutes of 1999 are implemented as intended and to facilitate  
27 appropriate clarification for the proper administration of those  
28 benefits, it is necessary for this act to take effect immediately.

