

AMENDED IN SENATE AUGUST 27, 2010

AMENDED IN SENATE AUGUST 20, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 194

**Introduced by Assembly Members Torrico and Torres
(Coauthors: Assembly Members De La Torre and Gatto)**

February 2, 2009

An act to add Section 7503.5 to the Government Code, relating to retirement, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 194, as amended, Torrico. Retirement: local employees.

The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which provides a defined benefit to its members based on age at retirement, service credit, and final compensation, as defined. The State Teachers' Retirement Law (STRL) and the retirement laws for county employees and city employees also provide for a defined benefit based on age at retirement, service credit, and final compensation. Existing law requires the California Citizens Compensation Commission to establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers.

This bill would specify that, notwithstanding any other law, for the purposes of determining a retirement benefit paid to a person who first becomes a member of a public retirement system on or after January 1, 2011, the maximum salary or payrate upon which retirement benefits shall be based shall not exceed 125% of the salary recommended by the California Citizens Compensation Commission to be paid to the

Governor of the State of California, effective December 7, 2009. The bill would require that this amount be adjusted annually based on changes in the All Urban California Consumer Price Index.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 7503.5 is added to the Government Code,
2 to read:

3 7503.5. Notwithstanding any other law, for the purposes of
4 determining a retirement benefit paid to a person who first becomes
5 a member of a public retirement system on or after January 1,
6 2011, the maximum salary or payrate upon which retirement
7 benefits shall be based shall not exceed 125 percent of the salary
8 recommended by the California Citizens Compensation
9 Commission to be paid to the Governor of the State of California
10 effective December 7, 2009. This amount shall be adjusted annually
11 based on changes in the All Urban California Consumer Price
12 Index.

13 SEC. 2. *This act is an urgency statute necessary for the*
14 *immediate preservation of the public peace, health, or safety within*
15 *the meaning of Article IV of the Constitution and shall go into*
16 *immediate effect. The facts constituting the necessity are:*

17 *In order to preserve the fiscal integrity and increase the stability*
18 *of public retirement systems at the earliest possible time, it is*
19 *necessary that this measure take effect immediately.*