

AMENDED IN ASSEMBLY AUGUST 2, 2010

**SENATE BILL**

**No. 846**

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**Introduced by ~~Committee on Budget and Fiscal Review~~ Senator  
Correa  
(Coauthors: Senators Ducheny and Liu)**

January 11, 2010

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*An act relating to the Budget Act of 2010. An act to amend Sections 19999.3, 21353, 21354.1, 21362.2, 21363.1, and 21369.1 of, and to add Sections 19829.7, 19829.8, 19829.9, 19829.95, 20037.14, 20677.6, 20677.7, 20677.8, 20677.9, 21369.2, and 22874.1 to, the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 846, as amended, ~~Committee on Budget and Fiscal Review~~ Correa. ~~Budget Act of 2010. State employees: memoranda of understanding.~~

(1) Existing law provides that if any provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions that require the expenditure of funds for memoranda of understanding entered into between the state employer and State Bargaining Units 5, 12, and 18 and would provide that the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions

*of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.*

*The bill would provide that provisions of the memoranda of understanding approved by this bill that require the expenditure of funds will not take effect unless funds for these provisions are specifically appropriated by the Legislature, and would authorize the state employer and the affected employee organizations to reopen negotiations on all or part of the memorandum of understanding if the memorandum of understanding that requires the expenditure of funds is not approved by the Legislature.*

*This bill would, with respect to salaries that are continuously appropriated prior to the enactment of the annual Budget Act, require the Director of Finance to reduce the necessary items for the payment of salaries from specified funds scheduled in that Budget Act to reflect the salaries paid prior to the enactment of the annual Budget Act.*

*(2) Existing law establishes an alternate retirement program and provides that state employees, as defined, who become new members of the Public Employees' Retirement System (PERS) during their first 24 months of employment, do not make contributions to the system or receive service credit for their service, and the state employer shall not make contributions on their behalf. These members are instead required to contribute either 5% or 6% of their monthly compensation, as specified, to the alternate retirement program, administered by the Department of Personnel Administration, and these contributions cease when the state employees begin making their own contributions to PERS.*

*This bill would require all state employees participating in the alternate retirement system to contribute an amount equal to the same amount that employees in the same employment classifications in the same state bargaining units are required to contribute to PERS.*

*(3) The Public Employees' Retirement Law (PERL) provides a comprehensive set of rights and benefits based upon age, service credit, and final compensation. Existing law defines final compensation variously for different member classifications and bargaining units and, in this regard, defines final compensation for a state member for the purpose of calculating retirement benefits as the highest annual average compensation earnable by the member during a designated 12-month or 36-month period, depending upon the bargaining unit and classification of that employee. Currently the final compensation for members hired on or after July 1, 2006, who are represented by State*

*Bargaining Units 12, 16, 18, and 19, means the final compensation earnable by the member during a designated 36-month period.*

*This bill would provide that final compensation for a person who becomes a state member, as specified, on or after October 31, 2010, and who is represented by State Bargaining Units 5 and 8, means the highest annual average compensation earnable by the member during a designated 36-month period.*

*(4) PERL provides that the contribution rate for state miscellaneous members and specified state safety members is 5% or 6% of the compensation in excess of \$513. Existing law provides that the contribution rate for specified state firefighters is 8% of compensation in excess of \$238 per month. Existing law provides that the contribution rate for specified state safety patrol members is 8% of the compensation in excess of \$863 per month.*

*This bill would increase the contributions rates by 5% for state miscellaneous members of State Bargaining Units 5, 8, 12, 16, 18, and 19 and state safety members of State Bargaining Units 12, 16, 18, and 19, and by 2% for state firefighter members of State Bargaining Unit 8 and state patrol members of State Bargaining Unit 5. By increasing member contributions into a continuously appropriated fund, this bill would make an appropriation.*

*(5) PERL establishes various retirement formulas that apply to specified membership categories. Under PERL, state miscellaneous members are generally subject to a retirement formula commonly known as 2% at 55, which, if the member retires at 55 years of age, yields a benefit equal to 2% of the member's final compensation multiplied by the member's years of service credit, as specified. Under PERL, patrol members and specified state peace officer/firefighter members are generally subject to a 3% at 50 retirement formula. Under PERL, state safety members are generally subject to a 2.5% at 55 retirement formula.*

*This bill would provide that state miscellaneous members who are first employed on and after the date the act takes effect, are subject to a 2% at 60 retirement formula. The bill would also provide that patrol members and firefighter members in State Bargaining Units 5 and 8 who are first employed on and after October 31, 2010, are subject to a 3% at 55 retirement formula.*

*(6) The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of PERS establishes percentages for levels of benefit coverage afforded under the approved health benefit plan in which the employee or*

*annuitant is enrolled. Existing law provides that a represented state employee first hired on or after January 1, 1989, shall not be vested for the full employer contribution payable for annuitants unless he or she has 20 years of credited state service, as defined, at the time of retirement, as specified.*

*This bill would, instead, provide that these benefits vest at 50% for state employees represented by State Bargaining Unit 12, who become members of the system on and after January 1, 2011, and would increase that percentage by 5% for each year of credited state service up to 100% after 25 years of credited state service.*

*(7) The annual Budget Act appropriates specified amounts from the General Fund, unallocated special funds, and unallocated nongovernmental cost funds, for state employee compensation.*

*This bill would, in the event that the annual Budget Act is not enacted prior to July 1 of each year covered by the memoranda of understanding for State Bargaining Units 5, 8, 12, 16, 18, and 19, provide for a continuous appropriation for the amount necessary for the payment of compensation and benefits to members of those bargaining units.*

*(8) This bill would provide that its provisions would not become operative unless AB 1592 of the 2009–10 Regular Session is enacted and takes effect on or before January 1, 2011.*

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

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

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

- 1    *SECTION 1. The Legislature finds and declares that the*
- 2    *purpose of this act is to approve the provisions of agreements*
- 3    *pursuant to Section 3517.6 of the Government Code entered into*
- 4    *by the state employer and State Bargaining Units 5 (the California*
- 5    *Association of Highway Patrolmen), 12 (the International Union*
- 6    *of Operating Engineers), and 18 (the California Association of*
- 7    *Psychiatric Technicians) that require the expenditure of funds.*
- 8    *SEC. 2. The provisions of the memorandum of understanding*
- 9    *prepared pursuant to Section 3517.5 of the Government Code and*
- 10   *entered into by the state employer and State Bargaining Unit 5 on*

1 *June 15, 2010, State Bargaining Unit 12 on June 24, 2010, and*  
2 *State Bargaining Unit 18 on June 11, 2010, and that require the*  
3 *expenditure of funds, are hereby approved for the purposes of*  
4 *Section 3517.6 of the Government Code.*

5 *SEC. 3. The provisions of the memoranda of understanding*  
6 *approved by Section 1 of this act that are scheduled to take effect*  
7 *on or after July 1, 2010, and that require the expenditure of funds,*  
8 *shall not take effect unless funds for these provisions are*  
9 *specifically appropriated by the Legislature. If the Legislature*  
10 *does not approve or fully fund any provision of the memorandum*  
11 *of understanding that requires the expenditure of funds, either*  
12 *party may reopen negotiations on all or part of the memorandum*  
13 *of understanding.*

14 *SEC. 4. Notwithstanding Section 3517.6 of the Government*  
15 *Code, the provisions of any memorandum of understanding that*  
16 *require the expenditure of funds shall become effective even if the*  
17 *provisions of the memorandum of understanding are approved by*  
18 *the Legislature in legislation other than the annual Budget Act.*

19 *SEC. 5. Notwithstanding any provision of law, if the 2010–11*  
20 *Budget Act is not enacted prior to the effective date of this act,*  
21 *and in the event that a memorandum of understanding goes into*  
22 *effect pursuant to the Ralph C. Dills Act (Chapter 10.3*  
23 *(commencing with Section 3512) of Division 4 of Title 1 of the*  
24 *Government Code) or there is a corresponding adjustment to*  
25 *nonrepresented employees consistent with those of related*  
26 *classifications and groups of represented employees, the Director*  
27 *of Finance shall reduce the necessary items of the General Fund,*  
28 *as appropriate, to reflect a reduction in the total amount of up to*  
29 *\$24,600,000 and other funds, as appropriate, to reflect a reduction*  
30 *in the total amount of up to \$27,700,000 in the annual Budget Act*  
31 *and applicable non-Budget Act items via Executive order. Nothing*  
32 *in this section shall be construed to change or expand the existing*  
33 *ability of the administration to adjust salaries or benefits of*  
34 *nonrepresented employees.*

35 *SEC. 6. Section 19829.7 is added to the Government Code, to*  
36 *read:*

37 *19829.7. (a) Notwithstanding Section 13340, for the 2010–11*  
38 *fiscal year, if the 2010–11 Budget Act is not enacted by July 1,*  
39 *2010, for the memoranda of understanding entered into between*  
40 *the state employer and State Bargaining Unit 5 (effective July 3,*

1 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective  
2 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12  
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
4 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State  
5 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,  
6 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,  
7 to July 1, 2012, inclusive), there is hereby continuously  
8 appropriated to the Controller from the General Fund, unallocated  
9 special funds, including, but not limited to, federal funds and  
10 unallocated nongovernmental cost funds, and any other fund from  
11 which state employees are compensated, the amount necessary for  
12 the payment of compensation and employee benefits to state  
13 employees covered by the above memoranda of understanding  
14 until the 2010–11 Budget Act is enacted. The Controller may  
15 expend an amount no greater than necessary to enable the  
16 Controller to compensate state employees covered by the above  
17 memoranda of understanding for work performed between July 1,  
18 2010, of the 2010–11 fiscal year and the enactment of the 2010–11  
19 Budget Act.

20 (b) If the memoranda of understanding entered into between  
21 the state employer and State Bargaining Unit 5 (effective July 3,  
22 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective  
23 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12  
24 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
25 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State  
26 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,  
27 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,  
28 to July 1, 2012, inclusive) are in effect and approved by the  
29 Legislature, the compensation and contribution for employee  
30 benefits for state employees represented by these bargaining units  
31 shall be at a rate consistent with the applicable memorandum of  
32 understanding referenced above.

33 (c) Expenditures related to any warrant drawn pursuant to  
34 subdivision (a) are not augmentations to the expenditure authority  
35 of a department. Upon enactment of the 2010–11 Budget Act, these  
36 expenditures shall be subsumed by the expenditure authority  
37 approved in the 2010–11 Budget Act for each affected department.

38 (d) This section shall only apply to an employee covered by the  
39 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July  
40 3, 2013, inclusive), State Bargaining Unit 8, (effective July 1, 2010,

1 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July  
2 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16  
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
4 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and  
5 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,  
6 inclusive) memoranda of understanding. Notwithstanding Section  
7 3517.8, this section shall not apply after the term of the  
8 memorandum of understanding expires. For purposes of this  
9 section, the memorandum of understanding for State Bargaining  
10 Unit 5 expires on July 3, 2013, the memorandum of understanding  
11 for State Bargaining Unit 8 expires on July 1, 2013, the  
12 memorandum of understanding for State Bargaining Unit 12  
13 expires on July 1, 2012, the memorandum of understanding for  
14 State Bargaining Unit 16 expires on July 1, 2012, the memorandum  
15 of understanding for State Bargaining Unit 18 expires on July 1,  
16 2012, and the memorandum of understanding for State Bargaining  
17 Unit 19 expires on July 1, 2012.

18 SEC. 7. Section 19829.8 is added to the Government Code, to  
19 read:

20 19829.8. (a) Notwithstanding Section 13340, for the 2011–12  
21 fiscal year, if the 2011–12 Budget Act is not enacted by July 1,  
22 2011, for the memoranda of understanding entered into between  
23 the state employer and State Bargaining Unit 5 (effective July 3,  
24 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective  
25 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12  
26 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
27 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State  
28 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,  
29 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,  
30 to July 1, 2012, inclusive), there is hereby continuously  
31 appropriated to the Controller from the General Fund, unallocated  
32 special funds, including, but not limited to, federal funds and  
33 unallocated nongovernmental cost funds, and any other fund from  
34 which state employees are compensated, the amount necessary for  
35 the payment of compensation and employee benefits to state  
36 employees covered by the above memoranda of understanding  
37 until the 2011–12 Budget Act is enacted. The Controller may  
38 expend an amount no greater than necessary to enable the  
39 Controller to compensate state employees covered by the above  
40 memoranda of understanding for work performed between July 1,

1 2011, of the 2011–12 fiscal year and the enactment of the 2011–12  
2 Budget Act.

3 (b) If the memoranda of understanding entered into between  
4 the state employer and State Bargaining Unit 5 (effective July 3,  
5 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective  
6 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12  
7 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
8 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State  
9 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,  
10 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,  
11 to July 1, 2012, inclusive), are in effect and approved by the  
12 Legislature, the compensation and contribution for employee  
13 benefits for state employees represented by these bargaining units  
14 shall be at a rate consistent with the applicable memorandum of  
15 understanding referenced above.

16 (c) Expenditures related to any warrant drawn pursuant to  
17 subdivision (a) are not augmentations to the expenditure authority  
18 of a department. Upon the enactment of the 2011–12 Budget Act,  
19 these expenditures shall be subsumed by the expenditure authority  
20 approved in the 2010–11 Budget Act for each affected department.

21 (d) This section shall only apply to an employee covered by the  
22 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July  
23 3, 2013, inclusive), State Bargaining Unit 8 (effective July 1, 2010,  
24 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July  
25 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16  
26 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
27 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and  
28 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,  
29 inclusive) memoranda of understanding. Notwithstanding Section  
30 3517.8, this section shall not apply after the term of the  
31 memorandum of understanding has expired. For purposes of this  
32 section, the memorandum of understanding for State Bargaining  
33 Unit 5 expires on July 3, 2013, the memorandum of understanding  
34 for State Bargaining Unit 8 expires on July 1, 2013, the  
35 memorandum of understanding for State Bargaining Unit 12  
36 expires on July 1, 2012, the memorandum of understanding for  
37 State Bargaining Unit 16 expires on July 1, 2012, the memorandum  
38 of understanding for State Bargaining Unit 18 expires on July 1,  
39 2012, and the memorandum of understanding for State Bargaining  
40 Unit 19 expires on July 1, 2012.

1 SEC. 8. Section 19829.9 is added to the Government Code, to  
2 read:

3 19829.9. (a) Notwithstanding Section 13340, for the 2012–13  
4 fiscal year, if the 2012–13 Budget Act is not enacted by July 1,  
5 2012, for the memoranda of understanding entered into between  
6 the state employer and State Bargaining Unit 5 (effective July 3,  
7 2010, to July 3, 2013, inclusive) and State Bargaining Unit 8  
8 (effective July 1, 2010, to July 1, 2013, inclusive), there is hereby  
9 continuously appropriated to the Controller from the General  
10 Fund, unallocated special funds, including, but not limited to,  
11 federal funds and unallocated nongovernmental cost funds, and  
12 any other fund from which state employees are compensated, the  
13 amount necessary for the payment of compensation and employee  
14 benefits to state employees covered by the above memoranda of  
15 understanding until the 2012–13 Budget Act is enacted. The  
16 Controller may expend an amount no greater than necessary to  
17 enable the Controller to compensate state employees covered by  
18 the above memoranda of understanding for work performed  
19 between July 1, 2012, of the 2012–13 fiscal year and the enactment  
20 of the 2012–13 Budget Act.

21 (b) Notwithstanding Section 13340, solely for the effective period  
22 of the following memoranda of understanding, and not including  
23 a date beyond the expiration date of the following memoranda of  
24 understanding, for the 2012–13 fiscal year, where the 2012–13  
25 Budget Act is not enacted by July 1, 2012, for the memoranda of  
26 understanding entered into between the state employer and State  
27 Bargaining Unit 12 (effective July 1, 2010, to July 1, 2012,  
28 inclusive), State Bargaining Unit 16 (effective July 1, 2010, to July  
29 1, 2012, inclusive), State Bargaining Unit 18 (effective July 1,  
30 2010, to July 1, 2012, inclusive), and State Bargaining Unit 19  
31 (effective July 1, 2010, to July 1, 2012, inclusive), there is hereby  
32 continuously appropriated to the Controller from the General  
33 Fund, unallocated special funds, including, but not limited to,  
34 federal funds and unallocated nongovernmental cost funds, and  
35 any other fund from which state employees are compensated, the  
36 amount necessary for the payment of compensation and employee  
37 benefits to state employees covered by the above memoranda of  
38 understanding until the 2012–13 Budget Act is enacted.

39 (c) If the memoranda of understanding entered into between  
40 the state employer and State Bargaining Unit 5 (effective July 3,

1 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective  
2 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12  
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
4 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State  
5 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,  
6 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,  
7 to July 1, 2012, inclusive) are in effect and approved by the  
8 Legislature, the compensation and contribution for employee  
9 benefits for state employees represented by these bargaining units  
10 shall be at a rate consistent with the applicable memorandum of  
11 understanding referenced above.

12 (d) Expenditures related to any warrant drawn pursuant to  
13 subdivisions (a) and (b) are not augmentations to the expenditure  
14 authority of a department. Upon enactment of the 2012–13 Budget  
15 Act, these expenditures shall be automatically subsumed by the  
16 expenditure authority approved in the 2012–13 Budget Act for  
17 each affected department.

18 (e) This section shall only apply to an employee covered by the  
19 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July  
20 3, 2013, inclusive), State Bargaining Unit 8 (effective July 1, 2010,  
21 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July  
22 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16  
23 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining  
24 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and  
25 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,  
26 inclusive) memoranda of understanding. Notwithstanding Section  
27 3517.8, this section shall not apply after the term of the  
28 memorandum of understanding expires. For purposes of this  
29 section, the memorandum of understanding for State Bargaining  
30 Unit 5 expires on July 3, 2013, the memorandum of understanding  
31 for State Bargaining Unit 8 expires on July 1, 2013, the  
32 memorandum of understanding for State Bargaining Unit 12  
33 expires on July 1, 2012, the memorandum of understanding for  
34 State Bargaining Unit 16 expires on July 1, 2012, the memorandum  
35 of understanding for State Bargaining Unit 18 expires on July 1,  
36 2012, and the memorandum of understanding for State Bargaining  
37 Unit 19 expires on July 1, 2012.

38 SEC. 9. Section 19829.95 is added to the Government Code,  
39 to read:

1 19829.95. (a) Notwithstanding Section 13340, solely for the  
2 effective period of the following memoranda of understanding,  
3 and not including a date beyond the expiration date of the following  
4 memoranda of understanding, for the 2013–14 fiscal year, where  
5 the 2013–14 Budget Act is not enacted by July 1, 2013, for the  
6 memoranda of understanding entered into between the state  
7 employer and State Bargaining Unit 5 (effective July 3, 2010, to  
8 July 3, 2013, inclusive) and State Bargaining Unit 8 (effective July  
9 1, 2010, to July 1, 2013, inclusive), there is hereby continuously  
10 appropriated to the Controller from the General Fund, unallocated  
11 special funds, including, but not limited to, federal funds and  
12 unallocated nongovernmental cost funds, and any other fund from  
13 which state employees are compensated, the amount necessary for  
14 the payment of compensation and employee benefits to state  
15 employees covered by the above memoranda of understanding  
16 until the 2013–14 Budget Act is enacted.

17 (b) If the memoranda of understanding entered into between  
18 the state employer and State Bargaining Unit 5 (effective July 3,  
19 2010, to July 3, 2013, inclusive) and State Bargaining Unit 8  
20 (effective July 1, 2010, to July 1, 2013, inclusive) are in effect and  
21 approved by the Legislature, the compensation and contribution  
22 for employee benefits for state employees represented by these  
23 bargaining units shall be at a rate consistent with the applicable  
24 memorandum of understanding referenced above.

25 (c) Expenditures related to any warrant drawn pursuant to  
26 subdivision (a) are not augmentations to the expenditure authority  
27 of a department. Upon the enactment of the 2013–14 Budget Act,  
28 these expenditures shall be subsumed by the expenditure authority  
29 approved in the 2013–14 Budget Act for each affected department.

30 (d) This section shall only apply to an employee covered by the  
31 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July  
32 3, 2013, inclusive) and State Bargaining Unit 8 (effective July 1,  
33 2010, to July 1, 2013, inclusive) memoranda of understanding.  
34 Notwithstanding Section 3517.8, this section shall not apply after  
35 the term of the memorandum of understanding expires. For  
36 purposes of this section, the memorandum of understanding for  
37 State Bargaining Unit 5 expires on July 3, 2013, and the  
38 memorandum of understanding for State Bargaining Unit 8 expires  
39 on July 1, 2013.

1     *SEC. 10. Section 19999.3 of the Government Code is amended*  
2     *to read:*

3     19999.3. (a) The Legislature finds and declares that this chapter  
4     is intended to provide an alternate retirement program for new  
5     state employees who are members of the Public Employees'  
6     Retirement System pursuant to Section 20281.5 and who, during  
7     the 24 months of employment following the date they qualify for  
8     membership in the system pursuant to that section, do not make  
9     contributions into the defined benefit retirement program.

10    (b) The Legislature hereby authorizes the development of a  
11    retirement program under the Deferred Compensation Plan, the  
12    tax-deferred Savings Plan, or any other acceptable defined  
13    contribution plan.

14    (c) The state employees described in subdivision (a) who are  
15    employed in positions that are subject to the federal system, as  
16    defined in Section 20033, shall contribute to the retirement program  
17    5 percent of compensation, as set forth in Part 3 (commencing with  
18    Section 20000), in excess of five hundred thirteen dollars (\$513)  
19    per month paid *to* that member for service rendered. The state  
20    employer shall pick up the contribution, as authorized by Section  
21    414(h) of the Internal Revenue Code, and shall deduct the  
22    contribution from the employee's compensation. The contributions  
23    required by this subdivision shall cease when the state employee  
24    begins making contributions to the defined benefit retirement  
25    program.

26    (d) State employees hired on or after July 1, 2006, who are  
27    represented by State Bargaining Unit 2 and are employed in  
28    positions that are subject to the federal system, as defined in  
29    Section 20033, shall contribute to the retirement program 6 percent  
30    of compensation, as set forth in Part 3 (commencing with Section  
31    20000), in excess of five hundred thirteen dollars (\$513) per month  
32    paid *to* that member for service rendered. The state employer shall  
33    pick up the contribution, as authorized by Section 414 (h) of the  
34    Internal Revenue Code, and shall deduct the contribution from the  
35    employee's compensation. The contributions required by this  
36    subdivision shall cease when the state employee begins making  
37    contributions to the defined benefit retirement program.

38    (e) *Beginning with the first pay period following the effective*  
39    *date of this subdivision, all state employees who are subject to this*  
40    *section shall make contributions required by this section in the*

1 same amount as contributions made by employees in the same  
2 employment classifications and state bargaining units who are  
3 members subject to Part 3 (commencing with Section 20000) of  
4 Division 5 of Title 2. Consistent with the normal rate of  
5 contribution for all members identified in this subdivision, the  
6 Director of the Department of Personnel Administration may  
7 exercise his or her discretion to establish the normal rate of  
8 contribution for a related state employee who is excepted from the  
9 definition of “state employee” in subdivision (c) of Section 3513,  
10 and an officer or employee of the executive branch of state  
11 government who is not a member of the civil service.

12 ~~(e)~~

13 (f) (1) “State employees,” as used in this section, include  
14 employees, as defined in Section 19815.

15 (2) This section shall not apply to employees of the California  
16 State University, the University of California, or the legislative or  
17 judicial branch.

18 ~~(f)~~

19 (g) If the retirement program authorized by this section is  
20 inconsistent with federal laws or rules or becomes unnecessary  
21 under state or federal law, this section shall become inoperative.

22 SEC. 11. Section 20037.14 is added to the Government Code,  
23 to read:

24 20037.14. (a) Notwithstanding Sections 20035 and 20037,  
25 final compensation for a person who is employed by the state for  
26 the first time and becomes a state member of the system on or after  
27 October 31, 2010, and is represented by State Bargaining Units  
28 5 or 8, means the highest average annual compensation earnable  
29 by the member during the consecutive 36-month period immediately  
30 preceding the effective date of his or her retirement, or the date  
31 of his or her last separation from state service if earlier, or during  
32 any other period of 36 consecutive months during his or her state  
33 membership that the member designates on the application for  
34 retirement.

35 (b) This section applies to service credit accrued while a member  
36 of State Bargaining Unit 5 or 8 or in a class related to State  
37 Bargaining Unit 5 or 8 as an employee who is excepted from the  
38 definition of “state employee” in subdivision (c) of Section 3513,  
39 or an officer or employee of the executive branch of state  
40 government who is not a member of the civil service.

1 (c) *This section does not apply to:*

2 (1) *Former state employees previously employed before October*  
3 *31, 2010, who return to state employment on or after October 31,*  
4 *2010.*

5 (2) *State employees hired prior to October 31, 2010, who were*  
6 *subject to Section 20281.5 during the first 24 months of state*  
7 *employment.*

8 (3) *State employees hired prior to October 31, 2010, who*  
9 *become subject to representation by State Bargaining Unit 5 or 8*  
10 *on or after October 31, 2010.*

11 (4) *State employees on an approved leave of absence employed*  
12 *before October 31, 2010, who return to active employment on or*  
13 *after October 31, 2010.*

14 *SEC. 12. Section 20677.6 is added to the Government Code,*  
15 *to read:*

16 20677.6. (a) *Notwithstanding Section 20677.4, effective with*  
17 *the beginning of the pay period following the effective date of this*  
18 *section, the normal rate of contribution for state miscellaneous or*  
19 *state industrial members who are represented by State Bargaining*  
20 *Units 12, 16, 18, and 19, shall be:*

21 (1) *Eleven percent of the compensation in excess of three*  
22 *hundred seventeen dollars (\$317) per month paid to a member*  
23 *whose service is not included in the federal system.*

24 (2) *Ten percent of compensation in excess of five hundred*  
25 *thirteen dollars (\$513) per month paid to that member whose*  
26 *service has been included in the federal system.*

27 (b) *If the provisions of this section are in conflict with the*  
28 *provisions of a memorandum of understanding reached pursuant*  
29 *to Section 3517.5, the memorandum of understanding shall be*  
30 *controlling without further legislative action, except that if the*  
31 *provisions of a memorandum of understanding require the*  
32 *expenditure of funds, the provisions shall not become effective*  
33 *unless and until approved by the Legislature in the annual Budget*  
34 *Act.*

35 (c) *Consistent with the normal rate of contribution for all*  
36 *members identified in this subdivision, the Director of the*  
37 *Department of Personnel Administration may exercise his or her*  
38 *discretion to establish the normal rate of contribution for a related*  
39 *state employee who is excepted from the definition of “state*  
40 *employee” in subdivision (c) of Section 3513, and an officer or*

1 *employee of the executive branch of state government who is not*  
2 *a member of the civil service.*

3 *SEC. 13. Section 20677.7 is added to the Government Code,*  
4 *to read:*

5 *20677.7. (a) Notwithstanding Section 20677.4, effective with*  
6 *the beginning of the September 2010 pay period, the normal rate*  
7 *of contribution for state miscellaneous or state industrial members*  
8 *who are represented by State Bargaining Units 5 and 8, shall be:*

9 *(1) Eleven percent of the compensation in excess of three*  
10 *hundred seventeen dollars (\$317) per month paid to a member*  
11 *whose service is not included in the federal system.*

12 *(2) Ten percent of compensation in excess of five hundred*  
13 *thirteen dollars (\$513) per month paid to that member whose*  
14 *service has been included in the federal system.*

15 *(b) If the provisions of this section are in conflict with the*  
16 *provisions of a memorandum of understanding reached pursuant*  
17 *to Section 3517.5, the memorandum of understanding shall be*  
18 *controlling without further legislative action, except that if the*  
19 *provisions of a memorandum of understanding require the*  
20 *expenditure of funds, the provisions shall not become effective*  
21 *unless and until approved by the Legislature in the annual Budget*  
22 *Act.*

23 *(c) Consistent with the normal rate of contribution for all*  
24 *members identified in this subdivision, the Director of the*  
25 *Department of Personnel Administration may exercise his or her*  
26 *discretion to establish the normal rate of contribution for a related*  
27 *state employee who is excepted from the definition of “state*  
28 *employee” in subdivision (c) of Section 3513, and an officer or*  
29 *employee of the executive branch of state government who is not*  
30 *a member of the civil service.*

31 *SEC. 14. Section 20677.8 is added to the Government Code,*  
32 *to read:*

33 *20677.8. (a) Notwithstanding Sections 20681 and 20694,*  
34 *effective with the beginning of the September 2010 pay period, the*  
35 *normal rate of contribution for patrol members shall be 10 percent*  
36 *of the compensation in excess of eight hundred sixty-three dollars*  
37 *(\$863) per month paid to those members.*

38 *(b) If the provisions of this section are in conflict with the*  
39 *provisions of a memorandum of understanding reached pursuant*  
40 *to Section 3517.5, the memorandum of understanding shall be*

1 *controlling without further legislative action, except that if the*  
2 *provisions of a memorandum of understanding require the*  
3 *expenditure of funds, the provisions shall not become effective*  
4 *unless approved by the Legislature in the annual Budget Act.*

5 *(c) Consistent with the normal rate of contribution for all*  
6 *members identified in this subdivision, the Director of the*  
7 *Department of Personnel Administration may exercise his or her*  
8 *discretion to establish the normal rate of contribution for a related*  
9 *state employee who is excepted from the definition of “state*  
10 *employee” in subdivision (c) of Section 3513, and an officer or*  
11 *employee of the executive branch of state government who is not*  
12 *a member of the civil service.*

13 *SEC. 15. Section 20677.9 is added to the Government Code,*  
14 *to read:*

15 *20677.9. (a) Notwithstanding Section 20683, effective with*  
16 *the beginning of the pay period following the effective date of this*  
17 *section, the normal rate of contribution for state safety members*  
18 *who are represented by State Bargaining Units 12, 16, 18, and 19*  
19 *shall be 11 percent of compensation in excess of three hundred*  
20 *seventeen dollars (\$317) per month paid to a member whose*  
21 *service is not included in the federal system or in excess of five*  
22 *hundred thirteen dollars (\$513) for one whose service is included*  
23 *in the federal system.*

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

31 *(c) Consistent with the normal rate of contribution for all*  
32 *members identified in this subdivision, the Director of the*  
33 *Department of Personnel Administration may exercise his or her*  
34 *discretion to establish the normal rate of contribution for a related*  
35 *state employee who is excepted from the definition of “state*  
36 *employee” in subdivision (c) of Section 3513, and an officer or*  
37 *employee of the executive branch of state government who is not*  
38 *a member of the civil service.*

39 *SEC. 16. Section 21353 of the Government Code is amended*  
40 *to read:*

1 21353. (a) The combined current and prior service pensions  
 2 for a local miscellaneous member, a school member, a state  
 3 miscellaneous or state industrial member, or a university member  
 4 is a pension derived from the contributions of the employer  
 5 sufficient, when added to the service retirement annuity that is  
 6 derived from the accumulated normal contributions of the member  
 7 at the date of retirement, to equal the fraction of one-fiftieth of the  
 8 member's final compensation set forth opposite the member's age  
 9 at retirement, taken to the preceding completed quarter year, in  
 10 the following table, multiplied by the number of years of current  
 11 and prior service except service in a category of membership other  
 12 than that of state or state industrial member, local miscellaneous  
 13 member, school member, or a university member, or service  
 14 covered under this First Tier retirement formula, with which the  
 15 member is entitled to be credited at retirement:

16	17 Age of		18 Fraction
18	Retirement		
19	50 .....		.546
20	50¼ .....		.554
21	50½ .....		.562
22	50¾ .....		.570
23	51 .....		.578
24	51¼ .....		.586
25	51½ .....		.595
26	51¾ .....		.603
27	52 .....		.612
28	52¼ .....		.621
29	52½ .....		.630
30	52¾ .....		.639
31	53 .....		.648
32	53¼ .....		.658
33	53½ .....		.668
34	53¾ .....		.678
35	54 .....		.688
36	54¼ .....		.698
37	54½ .....		.709
38	54¾ .....		.719
39	55 .....		.730
40	55¼ .....		.741

1	55½	.....	.753
2	55¾	.....	.764
3	56	.....	.776
4	56¼	.....	.788
5	56½	.....	.800
6	56¾	.....	.813
7	57	.....	.825
8	57¼	.....	.839
9	57½	.....	.852
10	57¾	.....	.865
11	58	.....	.879
12	58¼	.....	.893
13	58½	.....	.908
14	58¾	.....	.923
15	59	.....	.937
16	59¼	.....	.953
17	59½	.....	.969
18	59¾	.....	.985
19	60	.....	1.000
20	60¼	.....	1.017
21	60½	.....	1.034
22	60¾	.....	1.050
23	61	.....	1.067
24	61¼	.....	1.084
25	61½	.....	1.101
26	61¾	.....	1.119
27	62	.....	1.136
28	62¼	.....	1.154
29	62½	.....	1.173
30	62¾	.....	1.191
31	63 and over	.....	1.209

32  
 33 (b) The fractions specified in the above table shall be reduced  
 34 by one-third as applied to that part of final compensation that does  
 35 not exceed four hundred dollars (\$400) per month for all service  
 36 of a member any of whose service has been included in the federal  
 37 system. This reduction shall not apply to a member employed by  
 38 a contracting agency that enters into a contract after July 1, 1971,  
 39 and elects not to be subject to this paragraph or with respect to  
 40 service rendered after the termination of coverage under the federal

1 system with respect to the coverage group to which the member  
2 belongs.

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

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

13 (e) (1) *This section shall apply to a state miscellaneous or*  
14 *industrial member who is employed by the state for the first time*  
15 *and becomes a state miscellaneous or industrial member of the*  
16 *system on or after the first day of the pay period following the*  
17 *effective date of the act adding this subdivision, and is represented*  
18 *by State Bargaining Unit 12, 16, 18, or 19. With respect to related*  
19 *state miscellaneous or industrial members in managerial,*  
20 *supervisory, or confidential positions and officers or employees*  
21 *of the executive branch of state government who are not members*  
22 *of the civil service, the Director of the Department of Personnel*  
23 *Administration may exercise his or her discretion whether to*  
24 *approve their status in writing to the board.*

25 (2) *This subdivision does not apply to:*

26 (A) *Former state employees previously employed before the*  
27 *first day of the pay period following the effective date of this*  
28 *subdivision, who return to state employment on or after the first*  
29 *day of the pay period following the effective date of this*  
30 *subdivision.*

31 (B) *State employees hired prior to the first day of the pay period*  
32 *following the effective date of this subdivision, who were subject*  
33 *to Section 20281.5 during the first 24 months of state employment.*

34 (C) *State employees hired prior to the first day of the pay period*  
35 *following the effective date of this subdivision, who become subject*  
36 *to representation by State Bargaining Unit 12, 16, 18, or 19 on or*  
37 *after the first day of the pay period following the effective date of*  
38 *the act adding this subdivision.*

39 (D) *State employees on an approved leave of absence employed*  
40 *before the first day of the pay period following the effective date*

1 of this subdivision, who return to active employment on or after  
2 the first day of the pay period following the effective date of the  
3 act adding this subdivision.

4 (f) (1) This section shall apply to a state miscellaneous or  
5 industrial member who is employed by the state for the first time  
6 and becomes a state miscellaneous or industrial member of the  
7 system on or after October 31, 2010, and is represented by State  
8 Bargaining Unit 5 or 8. With respect to related state miscellaneous  
9 or industrial members in managerial, supervisory, or confidential  
10 positions and officers or employees of the executive branch of state  
11 government who are not members of the civil service, the Director  
12 of the Department of Personnel Administration may exercise his  
13 or her discretion whether to approve their status in writing to the  
14 board.

15 (2) This subdivision does not apply to:

16 (A) Former state employees previously employed before October  
17 31, 2010, who return to state employment on or after October 31,  
18 2010.

19 (B) State employees hired prior to October 31, 2010, who were  
20 subject to Section 20281.5 during the first 24 months of state  
21 employment.

22 (C) State employees hired prior to October 31, 2010, who  
23 become subject to representation by State Bargaining Unit 5 or 8  
24 on or after October 31, 2010.

25 (D) State employees on an approved leave of absence employed  
26 before October 1, 2010, who return to active employment on or  
27 after October 31, 2010.

28 SEC. 17. Section 21354.1 of the Government Code is amended  
29 to read:

30 21354.1. (a) The combined current and prior service pensions  
31 for school members, state miscellaneous or state industrial  
32 members, or university members who are subject to the provisions  
33 of this section is a pension derived from the contributions of the  
34 employer sufficient, when added to the service retirement annuity  
35 that is derived from the accumulated normal contributions of the  
36 member at the date of retirement, to equal the fraction of  
37 one-fiftieth of the member's final compensation set forth opposite  
38 the member's age at retirement, taken to the preceding completed  
39 quarter year, in the following table, multiplied by the number of  
40 years of current and prior service, except service in a category of

1 membership other than that of a school member, state  
2 miscellaneous or state industrial member, or university member  
3 or service covered under this retirement formula with which the  
4 member is entitled to be credited at retirement:

5	6	7	8
	Age at		Fraction
	retirement		
8	50 .....		0.550
9	50 <sup>1</sup> / <sub>4</sub> .....		0.573
10	50 <sup>1</sup> / <sub>2</sub> .....		0.595
11	50 <sup>3</sup> / <sub>4</sub> .....		0.618
12	51 .....		0.640
13	51 <sup>1</sup> / <sub>4</sub> .....		0.663
14	51 <sup>1</sup> / <sub>2</sub> .....		0.685
15	51 <sup>3</sup> / <sub>4</sub> .....		0.708
16	52 .....		0.730
17	52 <sup>1</sup> / <sub>4</sub> .....		0.753
18	52 <sup>1</sup> / <sub>2</sub> .....		0.775
19	52 <sup>3</sup> / <sub>4</sub> .....		0.798
20	53 .....		0.820
21	53 <sup>1</sup> / <sub>4</sub> .....		0.843
22	53 <sup>1</sup> / <sub>2</sub> .....		0.865
23	53 <sup>3</sup> / <sub>4</sub> .....		0.888
24	54 .....		0.910
25	54 <sup>1</sup> / <sub>4</sub> .....		0.933
26	54 <sup>1</sup> / <sub>2</sub> .....		0.955
27	54 <sup>3</sup> / <sub>4</sub> .....		0.978
28	55 .....		1.000
29	55 <sup>1</sup> / <sub>4</sub> .....		1.008
30	55 <sup>1</sup> / <sub>2</sub> .....		1.016
31	55 <sup>3</sup> / <sub>4</sub> .....		1.024
32	56 .....		1.032
33	56 <sup>1</sup> / <sub>4</sub> .....		1.040
34	56 <sup>1</sup> / <sub>2</sub> .....		1.048
35	56 <sup>3</sup> / <sub>4</sub> .....		1.055
36	57 .....		1.063
37	57 <sup>1</sup> / <sub>4</sub> .....		1.071
38	57 <sup>1</sup> / <sub>2</sub> .....		1.079
39	57 <sup>3</sup> / <sub>4</sub> .....		1.086
40	58 .....		1.094

1	58¼	1.102
2	58½	1.110
3	58¾	1.118
4	59	1.125
5	59¼	1.134
6	59½	1.141
7	59¾	1.149
8	60	1.157
9	60¼	1.165
10	60½	1.173
11	60¾	1.180
12	61	1.188
13	61¼	1.196
14	61½	1.203
15	61¾	1.211
16	62	1.219
17	62¼	1.227
18	62½	1.235
19	62¾	1.243
20	63 and over	1.250

21

22 (b) The fraction specified in the above table shall be reduced  
 23 by one-third as applied to that part of final compensation that does  
 24 not exceed four hundred dollars (\$400) per month for all service  
 25 of a member any of whose service has been included in the federal  
 26 system. This subdivision shall not apply to school members whose  
 27 service is included in the federal system with respect to service  
 28 performed on or after January 1, 2001.

29 (c) This section shall supersede Section 21353 for all school  
 30 members, all university members, and all state miscellaneous  
 31 members, with respect to service rendered for the California State  
 32 University or the legislative or judicial branch of government, who  
 33 retire on or after January 1, 2000.

34 (d) This section shall also supersede Section 21353 for state  
 35 miscellaneous or state industrial members, for service not subject  
 36 to subdivision (c), who are employed by the state on or after  
 37 January 1, 2000, and who do not elect under Section 21070.5 to  
 38 be subject to Second Tier benefits.

39 (e) Operation and application of this section are subject to the  
 40 limitations set forth in Section 21251.13.

1 (f) Notwithstanding any other provision of this section, this  
2 section shall not apply to a state miscellaneous or industrial  
3 member who is employed by the state for the first time and becomes  
4 a state miscellaneous or industrial member of the system on or  
5 after the first day of the pay period following the effective date of  
6 the act adding this subdivision, and is represented by State  
7 Bargaining Unit 12, 16, 18, or 19. With respect to related state  
8 miscellaneous or industrial members in managerial, supervisory,  
9 or confidential positions and officers or employees of the executive  
10 branch of state government who are not members of the civil  
11 service, the Director of the Department of Personnel  
12 Administration may exercise his or her discretion whether to  
13 approve their status in writing to the board.

14 (g) Notwithstanding any other provision of this section, this  
15 section shall not apply to a state miscellaneous or industrial  
16 member who is employed by the state for the first time and becomes  
17 a state miscellaneous or industrial member of the system on or  
18 after October 31, 2010, and is represented by State Bargaining  
19 Unit 5 or 8. With respect to related state miscellaneous or  
20 industrial members in managerial, supervisory, or confidential  
21 positions and officers or employees of the executive branch of state  
22 government who are not members of the civil service, the Director  
23 of the Department of Personnel Administration may exercise his  
24 or her discretion whether to approve their status in writing to the  
25 board.

26 SEC. 18. Section 21362.2 of the Government Code is amended  
27 to read:

28 21362.2. (a) Upon attaining the age of 50 years or more, the  
29 combined current and prior service pension for state patrol  
30 members and for local safety members with respect to local safety  
31 service rendered to a contracting agency that is subject to the  
32 provisions of this section is a pension derived from the  
33 contributions of the employer sufficient when added to the service  
34 retirement annuity that is derived from the accumulated normal  
35 contributions of the member at the date of his or her retirement to  
36 equal 3 percent of his or her final compensation at retirement,  
37 multiplied by the number of years of patrol service or local safety  
38 service subject to this section with which he or she is credited at  
39 retirement.

1 (b) In no event shall the current service pension and the  
2 combined current and prior service pensions under this section for  
3 all service to all employers exceed an amount that, when added to  
4 the service retirement annuity related to that service, equals 85  
5 percent of final compensation. For state patrol members with  
6 respect to service for all state employers under this section, the  
7 benefit shall not exceed 90 percent of final compensation. If the  
8 pension relates to service to more than one employer and would  
9 otherwise exceed that maximum, the pension payable with respect  
10 to each employer shall be reduced in the same proportion as the  
11 allowance based on service to that employer bears to the total  
12 allowance computed as though there were no limit, so that the total  
13 of the pensions shall equal the maximum. Where a state or local  
14 member has service under this section with both state and local  
15 agency employers, the higher maximum shall apply and the  
16 additional benefit shall be funded by increasing the member's  
17 pension payable with respect to the employer for whom the member  
18 performed the service subject to the higher maximum.

19 (c) For patrol members employed by the state on or after January  
20 1, 2000, this section shall supersede Section 21362.

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

23 (e) This section shall not apply to any contracting agency nor  
24 its employees unless and until the agency elects to be subject to  
25 the provisions of this section by amendment to its contract made  
26 in the manner prescribed for approval of contracts or, in the case  
27 of contracts made after the date this section becomes operative,  
28 by express provision in the contract making the contracting agency  
29 subject to this section. The operative date of this section for a local  
30 safety member shall be the effective date of the amendment to his  
31 or her employer's contract electing to be subject to this section.

32 (f) This section shall supersede Section 21362, 21363, 21363.1,  
33 21366, 21368, 21369, or 21370, whichever is then applicable, with  
34 respect to local safety members who retire after the date this section  
35 becomes applicable to their respective employers.

36 (g) The Legislature reserves, with respect to any member subject  
37 to this section, the right to provide for the adjustment of industrial  
38 disability retirement allowances because of earnings of a retired  
39 person and modification of the conditions and qualifications  
40 required for retirement for disability as it may find appropriate

1 because of the earlier ages of service retirement made possible by  
2 the benefits under this section.

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

5 (i) *Notwithstanding any other provision of this section, this*  
6 *section shall not apply to a state patrol member who is employed*  
7 *by the state for the first time and becomes a state patrol member*  
8 *of the system on or after October 31, 2010, and is represented by*  
9 *State Bargaining Unit 5. With respect to related state patrol*  
10 *members in managerial, supervisory, or confidential positions and*  
11 *officers or employees of the executive branch of state government*  
12 *who are not members of the civil service, the Director of the*  
13 *Department of Personnel Administration may exercise his or her*  
14 *discretion whether to approve their status in writing to the board.*

15 *SEC. 19. Section 21363.1 of the Government Code is amended*  
16 *to read:*

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

Age at Retirement	Fraction
33 50 .....	.800
34 50¼ .....	.810
35 50½ .....	.820
36 50¾ .....	.830
37 51 .....	.840
38 51¼ .....	.850

1      51½ ..... .860  
2      51¾ ..... .870  
3      52 ..... .880  
4      52¼ ..... .890  
5      52½ ..... .900  
6      52¾ ..... .910  
7      53 ..... .920  
8      53¼ ..... .930  
9      53½ ..... .940  
10     53¾ ..... .950  
11     54 ..... .960  
12     54¼ ..... .970  
13     54½ ..... .980  
14     54¾ ..... .990  
15     55 and over ..... 1.000

16

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

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

39     (d) This section shall also supersede Section 21363 for state  
40 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  
5 the provisions of this section by amendment to its contract made  
6 in the manner prescribed for approval of contracts or, in the case  
7 of contracts made after the date this section becomes operative,  
8 by 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 subject  
17 to this section, the right to provide for the adjustment of industrial  
18 disability retirement allowances because of earnings of a retired  
19 person and modification of the conditions and qualifications  
20 required for retirement for disability as it may find appropriate  
21 because of the earlier age of service retirement made possible by  
22 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 (j) *This section shall apply to a state patrol member who is*  
31 *employed by the state for the first time and becomes a state patrol*  
32 *member of the system on or after October 31, 2010, and is*  
33 *represented by State Bargaining Unit 5. With respect to related*  
34 *state patrol members in managerial, supervisory, or confidential*  
35 *positions and officers or employees of the executive branch of state*  
36 *government who are not members of the civil service, the Director*  
37 *of the Department of Personnel Administration may exercise his*  
38 *or her discretion whether to approve their status in writing to the*  
39 *board.*

1 (k) This section shall apply to a state peace officer/firefighter  
 2 member who is employed by the state for the first time and becomes  
 3 a state peace officer/firefighter member of the system on or after  
 4 October 31, 2010, and is represented by State Bargaining Unit 8.  
 5 With respect to related state peace officer/firefighter members in  
 6 managerial, supervisory, or confidential positions and officers or  
 7 employees of the executive branch of state government who are  
 8 not members of the civil service, the Director of the Department  
 9 of Personnel Administration may exercise his or her discretion  
 10 whether to approve their status in writing to the board.

11 (l) Subdivisions (j) and (k) do not apply to:

12 (1) Former state employees previously employed before October  
 13 31, 2010, who return to state employment on or after October 31,  
 14 2010.

15 (2) State employees hired prior to October 31, 2010, who were  
 16 subject to Section 20281.5 during the first 24 months of state  
 17 employment.

18 (3) State employees hired prior to October 31, 2010, who  
 19 become subject to representation by State Bargaining Unit 5 or 8  
 20 on or after October 31, 2010.

21 (4) State employees on an approved leave of absence employed  
 22 before October 31, 2010, who return to active employment on or  
 23 after October 31, 2010.

24 SEC. 20. Section 21369.1 of the Government Code is amended  
 25 to read:

26 21369.1. (a) The combined current and prior service pensions  
 27 for state safety members subject to this section with respect to state  
 28 safety service that is subject to this section is a pension derived  
 29 from the contributions of the employer sufficient when added to  
 30 the service retirement annuity that is derived from the accumulated  
 31 normal contributions of the state safety member at the date of his  
 32 or her retirement to equal the fraction of one-fiftieth of his or her  
 33 final compensation set forth opposite his or her age at retirement  
 34 taken to the preceding completed quarter year, in the following  
 35 table, multiplied by the number of years of state safety service  
 36 subject to this section with which he or she is credited at retirement.

Age at	Fraction
Retirement	
40 50 .....	0.8500

1	50¼ .....	0.8625
2	50½ .....	0.8750
3	50¾ .....	0.8875
4	51 .....	0.9000
5	51¼ .....	0.9125
6	51½ .....	0.9250
7	51¾ .....	0.9375
8	52 .....	0.9500
9	52¼ .....	0.9625
10	52½ .....	0.9750
11	52¾ .....	0.9875
12	53 .....	1.0000
13	53¼ .....	1.0320
14	53½ .....	1.0630
15	53¾ .....	1.0940
16	54 .....	1.1250
17	54¼ .....	1.1570
18	54½ .....	1.1880
19	54¾ .....	1.2190
20	55 and over .....	1.2500

21

22 (b) For state safety members with respect to service for all state  
 23 employers under this section, the benefit shall not exceed 80  
 24 percent of final compensation. If the pension relates to service to  
 25 more than one employer, and would otherwise exceed that  
 26 maximum, the pension payable with respect to each employer shall  
 27 be reduced in the same proportion as the allowance based on  
 28 service to that employer bears to the total allowance computed as  
 29 though there were no limit, so that the total of the pensions shall  
 30 equal the maximum.

31 (c) This section shall supersede Section 21369 for state safety  
 32 members with respect to service rendered for the California State  
 33 University.

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

37 (e) The Legislature reserves, with respect to any member subject  
 38 to this section, the right to provide for the adjustment of industrial  
 39 disability retirement allowances because of earnings of a retired  
 40 person and modification of the conditions and qualifications

1 required for retirement for disability as it may find appropriate  
 2 because of the earlier age of service retirement made possible by  
 3 the benefits under this section.

4 (f) The Legislature reserves the right to subsequently modify  
 5 or amend this part in order to completely effectuate the intent and  
 6 purposes of this section and the right to not provide any new  
 7 comparable advantages if disadvantages to employees result from  
 8 any modification or amendment.

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

11 (h) *Notwithstanding any other provision of this section, this*  
 12 *section shall not apply to a state safety member who is employed*  
 13 *by the state for the first time and becomes a state safety member*  
 14 *of the system on or after the first day of the pay period following*  
 15 *the effective date of the act adding this subdivision, and is*  
 16 *represented by State Bargaining Unit 12, 16, 18, or 19. With*  
 17 *respect to related state safety members in managerial, supervisory,*  
 18 *or confidential positions and officers or employees of the executive*  
 19 *branch of state government who are not members of the civil*  
 20 *service, the Director of the Department of Personnel*  
 21 *Administration may exercise his or her discretion whether to*  
 22 *approve their status in writing to the board.*

23 SEC. 21. Section 21369.2 is added to the Government Code,  
 24 to read:

25 21369.2. (a) *The combined prior and current service pension*  
 26 *for a state safety member, upon retirement after attaining the age*  
 27 *of 55 years, is a pension derived from contributions of an employer*  
 28 *sufficient, when added to that portion of the service retirement*  
 29 *annuity that is derived from the accumulated normal contributions*  
 30 *of the member at the date of his or her retirement, to equal*  
 31 *one-fiftieth of his or her final compensation multiplied by the*  
 32 *number of years of state safety, that is credited to him or her as a*  
 33 *state safety member subject to this section at retirement.*

34 (b) *Upon retirement for service prior to attaining the age of 55*  
 35 *years, the percentage of final compensation payable for each year*  
 36 *of credited service that is subject to this section shall be the product*  
 37 *of 2 percent multiplied by the factor set forth in the following table*  
 38 *for his or her actual age at retirement:*

39  
 40 Age at

	<i>Retirement</i>	<i>Fraction</i>
1		
2	50 .....	0.713
3	50¼.....	0.725
4	50½.....	0.737
5	50¾.....	0.749
6	51 .....	0.761
7	51¼.....	0.775
8	51½.....	0.788
9	51¾.....	0.801
10	52 .....	0.814
11	52¼.....	0.828
12	52½.....	0.843
13	52¾.....	0.857
14	53 .....	0.871
15	53¼.....	0.886
16	53½.....	0.902
17	53¾.....	0.917
18	54 .....	0.933
19	54¼.....	0.950
20	54½.....	0.966
21	54¾.....	0.983
22	55 .....	1.0000
23	55¼.....	1.0125
24	55½.....	1.0250
25	55¾.....	1.0375
26	56 .....	1.0500
27	56¼.....	1.0625
28	56½.....	1.0750
29	56¾.....	1.0875
30	57 .....	1.1000
31	57¼.....	1.1125
32	57½.....	1.1250
33	57¾.....	1.1375
34	58 .....	1.1500
35	58¼.....	1.1625
36	58½.....	1.1750
37	58¾.....	1.1875
38	59 .....	1.2000
39	59¼.....	1.2125
40	59½.....	1.2250

1	59¾.....	1.2375
2	60 and over .....	1.2500

3  
4 (c) *In no event shall the total pension for all service under this*  
5 *section exceed an amount that, when added to the service*  
6 *retirement annuity related to that service, equals 80 percent of*  
7 *final compensation. If the pension relates to service to more than*  
8 *one employer and would otherwise exceed that maximum, the*  
9 *pension payable with respect to each employer shall be reduced*  
10 *in the same proportion as the allowance based on service to that*  
11 *employer bears to the total allowance computed as though there*  
12 *were no limit, so that the total of those pensions shall equal the*  
13 *maximum. Where a state member has service under this section*  
14 *with both state and local agency employers, the higher maximum*  
15 *shall apply and the additional benefit shall be funded by increasing*  
16 *the member's pension payable with respect to the employer for*  
17 *whom the member performed the service subject to the higher*  
18 *maximum.*

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

26 (e) *This section shall apply to a state safety member who is*  
27 *employed by the state for the first time and becomes a state safety*  
28 *member of the system on or after the first day of the pay period*  
29 *following the effective date of this section, and is represented by*  
30 *State Bargaining Unit 12, 16, 18, or 19. With respect to related*  
31 *state safety members in managerial, supervisory, or confidential*  
32 *positions and officers or employees of the executive branch of state*  
33 *government who are not members of the civil service, the Director*  
34 *of the Department of Personnel Administration may exercise his*  
35 *or her discretion whether to approve their status in writing to the*  
36 *board.*

37 (f) *This section does not apply to:*  
38 (1) *Former state employees previously employed before the first*  
39 *day of the pay period following the effective date of this*  
40 *subdivision, who return to state employment on or after the first*

1 day of the pay period following the effective date of this  
2 subdivision.

3 (2) State employees hired prior to the first day of the pay period  
4 following the effective date of this subdivision, who were subject  
5 to Section 20281.5 during the first 24 months of state employment.

6 (3) State employees hired prior to the first day of the pay period  
7 following the effective date of this subdivision, who become subject  
8 to representation by State Bargaining Unit 12, 16, 18, or 19 on or  
9 after the first day of the pay period following the effective date of  
10 this subdivision.

11 (4) State employees on an approved leave of absence employed  
12 before the first day of the pay period following the effective date  
13 of this subdivision, who return to active employment on or after  
14 the first day of the pay period following the effective date of this  
15 subdivision.

16 SEC. 22. Section 22874.1 is added to the Government Code,  
17 to read:

18 22874.1. (a) Notwithstanding Sections 22870, 22871, 22873,  
19 and 22874 a state employee, defined by subdivision (c) of Section  
20 3513, who is employed by the state for the first time, and is  
21 represented by State Bargaining Unit 12, who becomes a state  
22 member of the system on or after January 1, 2011, may not receive  
23 any portion of the employer contribution payable for annuitants  
24 unless the person is credited with 15 years of state service at the  
25 time of retirement.

26 (b) The percentage of the employer contribution payable for  
27 postretirement health benefits for an employee subject to this  
28 section shall be based on the completed years of credited state  
29 service at retirement as shown in the following table:

<i>Years of Service Contribution</i>	<i>Credited Years Percentage of Employer Contribution</i>
31 15.....	50
32 16.....	55
33 17.....	60
34 18.....	65
35 19.....	70
36 20.....	75
37 21.....	80
38 22.....	85

1 23..... 90  
 2 24..... 95  
 3 25 or more..... 100

4

5 (c) *This section shall apply only to state employees who retire*  
 6 *for service. For purposes of this section, “state service” means*  
 7 *service rendered as an employee of the state or an appointed or*  
 8 *elected officer of the state for compensation. Notwithstanding*  
 9 *Section 22826, for purposes of this section, credited state service*  
 10 *includes service to the state for which the employee, pursuant to*  
 11 *Section 20281.5, did not receive credit.*

12 (d) *This section does not apply to:*

13 (1) *Former state employees previously employed before January*  
 14 *1, 2011, who return to state employment on or after January 1,*  
 15 *2011.*

16 (2) *State employees hired prior to January 1, 2011, who were*  
 17 *subject to Section 20281.5 during the first 24 months of state*  
 18 *employment.*

19 (3) *State employees hired prior to January 1, 2011, who become*  
 20 *subject to representation by State Bargaining Unit 12 on or after*  
 21 *January 1, 2011.*

22 (4) *State employees on an approved leave of absence employed*  
 23 *before January 1, 2011, who return to active employment on or*  
 24 *after January 1, 2011.*

25 (5) *State employees hired after January 1, 2011, who are first*  
 26 *represented by a state bargaining unit other than State Bargaining*  
 27 *Unit 12.*

28 (6) *Employees of the California State University, the judicial*  
 29 *branch, or the Legislature.*

30 (e) *Notwithstanding Section 22875, this section shall also apply*  
 31 *to a related state employee who is excepted from the definition of*  
 32 *“state employee” in subdivision (c) of Section 3513, and an officer*  
 33 *or employee of the executive branch of state government who is*  
 34 *not a member of the civil service who met the requirements of this*  
 35 *section when employed by the state for the first time.*

36 SEC. 23. *This bill shall become operative only if Assembly Bill*  
 37 *1592 of the 2009–10 Regular Session is enacted and takes effect*  
 38 *on or before January 1, 2011.*

39 SEC. 24. *This act is an urgency statute necessary for the*  
 40 *immediate preservation of the public peace, health, or safety within*

1 *the meaning of Article IV of the Constitution and shall go into*  
2 *immediate effect. The facts constituting the necessity are:*

3 *In order for the provisions of this act to be applicable as soon*  
4 *as possible for the 2010–11 fiscal year, and thereby facilitate the*  
5 *orderly administration of state government at the earliest time*  
6 *possible, it is necessary that this act take effect immediately.*

7 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
8 ~~changes relating to the Budget Act of 2010.~~

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