

Senate Bill No. 1479

Passed the Senate August 9, 2010

Secretary of the Senate

Passed the Assembly July 1, 2010

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 31527 and 31582 of, and to add Section 31618.5 to, the Government Code, relating to public employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1479, Committee on Public Employment and Retirement. Public employment: retirement benefits: administration.

(1) The County Employees Retirement Law of 1937 (CERL) establishes retirement boards for the administration of benefits authorized under that law and authorizes the board to include specified provisions, by regulation, with respect to the administration of benefits, including the determination of when a person entering county employ becomes a member of the association. Under existing law, the board may provide that a person entering county employ, on a day other than the first day of the calendar month, becomes a member of the association on a day that occurs no later than 6 weeks after the day that person enters county employ.

This bill would authorize the establishment of the day that a person, who enters county employ on a day other than the first day of the calendar month, becomes a member of the association on a day that occurs no later than 12 weeks after the day that person enters county employ. This bill would also provide for the establishment of the day upon which a member terminates service credited by the association as a day that occurs no earlier than 12 weeks prior to the member's termination from service.

(2) The CERL authorizes a retirement board to include, by regulation, provisions exempting or excluding from membership persons whose tenure is temporary, seasonal or intermittent, or for part time only, persons whose rate of compensation is less than \$80 per month, and persons whose compensation is fixed at a rate of pay by the day or hour.

This bill would delete the authorization for a retirement board to exempt or exclude from membership a person whose rate of compensation is less than \$80 per month.

(3) Under the CERL, employer contributions on behalf of members are based on the total compensation earnable by each member. Existing law authorizes a county auditor to make advance payments of all or part of the county's estimated annual contributions to the retirement fund, as provided.

This bill would also authorize specified districts to make advance payments of all or part of the district's estimated annual contributions to the retirement fund, as provided.

(4) The CERL authorizes the establishment of a Supplemental Retiree Benefits Reserve to cover costs for specified retiree benefits.

This bill would authorize a specified county employee association to transfer funds, on an annual basis, from its administrative budget to fund the administrative costs of the programs reimbursed by the Supplemental Retiree Benefits Reserve in a manner that is in compliance with procedures established by the Internal Revenue Service.

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

SECTION 1. Section 31527 of the Government Code is amended to read:

31527. In its regulations, the board may include the following provisions:

(a) From what warrants deductions of members' contributions shall be made.

(b) For a period of time longer than one year during which a member may redeposit in the retirement fund an amount equal to all of the accumulated normal contributions which he or she has withdrawn, plus regular interest thereon from the date of return to service.

(c) For a period of time longer than one year during which a member brought within the field of membership may pay into the retirement fund the amount equal to the contributions he or she would have made plus interest, if he or she had been a member from the date of its organization, or from the date of his or her entrance into service, whichever is later.

(d) For a withdrawal charge against a member who withdraws his or her accumulated contributions. The withdrawal charge shall

not exceed the interest credited to the member subsequent to the effective date of the regulation.

(e) For the exemption or exclusion from membership as a peace officer member or as a safety member or from membership altogether, in the discretion of the board, of persons whose tenure is temporary, seasonal, intermittent, or for part time only, or persons whose compensation is fixed at a rate by the day or hour.

(f) For the periodic physical examination, at county expense, of safety members.

(g) The amount of additional deductions from the salaries or wages of members pursuant to Article 15.5 or 16. Such a provision may be adopted in anticipation of, and prior to Article 15.5 or 16 becoming operative in the particular county.

(h) The day upon which each person becomes a member of the association if it is to be other than the first day of the calendar month after his or her entrance into service, provided that day shall be no later than 12 weeks after his or her entrance into service, or the day upon which the member terminates service credited by the association, provided that the day shall be no earlier than 12 weeks prior to the member's termination from employment.

SEC. 2. Section 31582 of the Government Code is amended to read:

31582. (a) The county auditor shall certify to the board at the end of each month or at the end of each pay period the compensation earnable, as defined in Section 31461, paid to all safety members of the retirement association covered by Article 7.5 (commencing with Section 31662) and the compensation earnable, as defined in Section 31461, paid to all other members of the retirement association, and the auditor shall thereupon transfer from the appropriation to the retirement fund the percentage of this amount determined pursuant to Sections 31453, 31453.5, and 31454. Until that determination, the amount of the transfer shall be 23.77 percent of the compensation earnable, as defined in Section 31461, paid to all safety members covered by Article 7.5 (commencing with Section 31662) and 8.85 percent of the compensation earnable, as defined in Section 31461, paid to all other members.

(b) The board of supervisors may authorize the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund, provided that the

payment is made within 30 days after the commencement of the county's fiscal year. If the advance is only a partial payment of the county's estimated annual contribution, transfers from the appropriation to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount estimated for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.

(c) (1) A district subject to Section 31585 may also authorize an advance payment of all or part of the district's estimated annual contribution to the retirement fund, provided that the payment is made within 30 days after the commencement of the district's fiscal year. If the advance is only a partial payment of the district's estimated annual contribution, payments to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount estimated for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.

(2) This subdivision shall only apply to a district that is part of a retirement system in a county of the seventh class, as described in Section 28020.

SEC. 3. Section 31618.5 is added to the Government Code, to read:

31618.5. (a) The board shall annually transfer, from the administrative budget established pursuant to Article 5 (commencing with Section 31580), an amount sufficient to fund the administrative costs of the programs reimbursed by the Supplemental Retiree Benefits Reserve.

(b) This section shall only apply to a county of the fourth class as described in Section 28020.

Approved _____, 2010

Governor