

Introduced by Senator Walters

February 17, 2011

An act to amend Section 22960.60 of, and to repeal Section 22960.61 of, the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 528, as introduced, Walters. Public employees' retirement: defined contribution plan.

The Public Employees' Retirement Law contains the State Peace Officers' and Firefighters' Defined Contribution Plan for state peace officer or firefighter members in State Bargaining Unit 6, the California Correctional Peace Officers Association, to supplement the benefits provided under the Public Employees' Retirement System. Under that plan, employer and employee contributions rates may be determined by the terms of a memorandum of understanding. Existing law also requires that the employer pick up the amounts otherwise due as employee contributions in accordance with federal law.

This bill would instead prohibit employer contributions to the account of a plan participant on or after January 1, 2012. The bill would also delete the requirement that the employer pick up the amounts otherwise due as employee contributions.

Vote: majority. 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 22960.60 of the Government Code is
- 2 amended to read:

1 22960.60. (a) ~~Employer and employee~~ *Employee* contribution
2 rates may be determined by the terms of the memorandum of
3 understanding applicable to each plan participant ~~and the employer~~
4 in accordance with the requirements of this section.

5 (b) Through the Department of Personnel Administration, the
6 employer shall provide the board with a true and correct copy of
7 each memorandum of understanding applicable to plan participants.
8 The board may prescribe procedures for the orderly transmittal
9 and receipt of these documents.

10 (c) Except as provided in subdivision (e), after receipt of an
11 applicable memorandum of understanding that sets forth an
12 ~~employer contribution rate and any~~ employee contribution rate,
13 the board shall, in accordance with Section 22960.36, amend the
14 plan to provide for the ~~employer contribution rate and any~~
15 employee contribution rate set forth in the memorandum of
16 understanding.

17 (d) ~~The employer contribution rate and any~~ employee
18 contribution rate for state peace officers and firefighters who have
19 become subject to this part pursuant to the provisions of subdivision
20 (b) of Section 22960 shall be the contribution rate or rates set forth
21 in the memorandum of understanding for state peace officers and
22 firefighter members in Bargaining Unit 6.

23 (e) The board may refuse to amend the plan under this section
24 if, in the board's considered judgment, the proposed amendment
25 would violate any applicable provision of Title 26 of the United
26 States Code.

27 (f) ~~The initial employer contribution rate shall be prescribed in~~
28 ~~the memorandum of understanding.~~ In the event an MOU expires
29 and no new memorandums of understanding takes effect, the last
30 memorandums of understanding in place shall control.

31 (g) *Notwithstanding subdivision (f) and Section 3517.8, on or*
32 *after January 1, 2012, the employer shall not contribute any*
33 *amount to the account of a participant in the plan.*

34 SEC. 2. Section 22960.61 of the Government Code is repealed.

35 ~~22960.61. The employer shall pick up, for the sole purpose of~~
36 ~~and in accordance with the requirements of Section 414(h)(2) of~~
37 ~~Title 26 of the United States Code and Section 17501 of the~~
38 ~~Revenue and Taxation Code, all of the amounts otherwise due as~~
39 ~~employee contributions, which shall be paid by the employer in~~

- 1 ~~lieu of employee contributions and which shall be deducted from~~
- 2 ~~the employee's compensation.~~

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