

AMENDED IN SENATE MARCH 29, 2012

**SENATE BILL**

**No. 1494**

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**Introduced by Senator DeSaulnier**

February 24, 2012

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An act to amend Sections 31664.1 and 31720.1 of, and to add Sections 31755.4, 31755.5, and 31755.6 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1494, as amended, DeSaulnier. County employees' retirement: Contra Costa County.

Existing law authorizes the Contra Costa County Board of Supervisors and the governing boards of districts within the county, if authorized by the board of supervisors, to provide service retirement allowances for general members based on a formula commonly known as the 2% at age 55 formula and to make a Tier Three program applicable to all new employees and to all current employees in Tier Two, and to provide members in Tier Three or Tier One, or both, with retirement allowances based on the 2% at age 55 benefit formula.

This bill would authorize the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with specified recognized employee organizations representing general members to subject new general members to a 2% at age 60 formula, known as Tier Four, as specified.

Existing law authorizes the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with a recognized employee organization representing safety members regarding the conditions, as

specified, to be required of employees who are or may become subject to the 3% at age 50 formula.

This bill would authorize the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with specified recognized employee organizations representing safety members to subject new safety members to a 3% at age 55 formula, as specified.

The bill would also make related changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 31664.1 of the Government Code is  
2 amended to read:

3 31664.1. (a) This section may be made applicable in any  
4 county on the first day of the month after the board of supervisors  
5 of the county adopts, by majority vote, a resolution providing that  
6 this section shall become applicable in the county.

7 (b) Notwithstanding any other provisions of this chapter, the  
8 current service pension or the current service pension combined  
9 with the prior service pension is an additional pension for safety  
10 members purchased by the contributions of the county or district  
11 sufficient when added to the service retirement annuity to equal 3  
12 percent of the member’s final compensation set forth opposite his  
13 or her age at retirement, taken to the preceding completed quarter  
14 year, in the following table, multiplied by the number of years of  
15 current service or years of current and prior service with which  
16 the member is entitled to be credited at retirement. In no event  
17 shall the total retirement allowance exceed the limitation of the  
18 safety member’s final compensation as set forth in Section 31676.1,  
19 as it now reads or may hereafter be amended to read.

20		
21	Age at	
22	Retirement	Fraction
23	41 .....	.6258
24	41¼ .....	.6350
25	41½ .....	.6442
26	41¾ .....	.6533
27	42 .....	.6625

1	42¼ .....	.6720
2	42½ .....	.6814
3	42¾ .....	.6909
4	43 .....	.7004
5	43¼ .....	.7102
6	43½ .....	.7200
7	43¾ .....	.7299
8	44 .....	.7397
9	44¼ .....	.7499
10	44½ .....	.7601
11	44¾ .....	.7703
12	45 .....	.7805
13	45¼ .....	.7910
14	45½ .....	.8016
15	45¾ .....	.8121
16	46 .....	.8226
17	46¼ .....	.8339
18	46½ .....	.8452
19	46¾ .....	.8586
20	47 .....	.8678
21	47¼ .....	.8780
22	47½ .....	.8882
23	47¾ .....	.8983
24	48 .....	.9085
25	48¼ .....	.9194
26	48½ .....	.9304
27	48¾ .....	.9413
28	49 .....	.9522
29	49¼ .....	.9641
30	49½ .....	.9761
31	49¾ .....	.9880
32	50 and over .....	1.0000

34 (c) Contributions shall not be made by safety members having  
 35 credit for 30 years of continuous service.

36 (d) This section shall not apply to any person to whom Section  
 37 31755.6 applies.

38 SEC. 2. Section 31720.1 of the Government Code is amended  
 39 to read:

1 31720.1. (a) Notwithstanding Sections 31720, 31755, and  
2 31755.5, any member covered under Section 31751 who is  
3 permanently incapacitated shall be retired for disability regardless  
4 of age if, and only if:

5 (a)

6 (1) The member’s incapacity is substantially caused by injury  
7 or disease arising out of and in the course of the member’s  
8 employment, or

9 (b)

10 (2) The member has completed a total of 10 years of service.

11 ~~“Permanently~~

12 (b) “*Permanently* incapacitated,” for the purpose of this section,  
13 means that the member is unable permanently to engage in any  
14 substantial gainful employment.

15 SEC. 3. Section 31755.4 is added to the Government Code, to  
16 read:

17 31755.4. Notwithstanding any other law, the benefits provided  
18 in Sections 31755, 31755.1, 31755.2, and 31755.3 shall not apply  
19 to any person to whom Section 31755.5 applies.

20 SEC. 4. Section 31755.5 is added to the Government Code, to  
21 read:

22 31755.5. Notwithstanding any other law:

23 (a) (1) When the Board of Supervisors of Contra Costa County,  
24 in any of its capacities, meets and confers pursuant to the  
25 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section  
26 3500) of Division 4 of Title 1) with any collective bargaining unit,  
27 the parties may agree, pursuant to a memorandum of understanding  
28 with respect to that bargaining unit, that the benefits provided in  
29 this section, known as Tier Four benefits, shall apply to an  
30 employee who is first hired on or after January 1, 2013, or a later  
31 date established in the memorandum of understanding approved  
32 by resolution of the board of supervisors. Tier Four benefits shall  
33 apply to all unrepresented employees within similar job  
34 classifications as employees in a collective bargaining unit that  
35 has agreed to Tier Four benefits in a memorandum of  
36 understanding, and associated supervisors and managers, who are  
37 hired on and after the same date.

38 (2) When the governing body of a district within Contra Costa  
39 County meets and confers pursuant to the Meyers-Milias-Brown  
40 Act (Chapter 10 (commencing with Section 3500) of Division 4

1 of Title 1) with any collective bargaining unit, the parties may  
 2 agree, pursuant to a memorandum of understanding with respect  
 3 to that bargaining unit, that Tier Four benefits shall apply to an  
 4 employee who is first hired on or after January 1, 2013, or a later  
 5 date established in the memorandum of understanding approved  
 6 by resolution of the governing body. Tier Four benefits shall apply  
 7 to all unrepresented employees within similar job classifications  
 8 as employees in a collective bargaining unit that has agreed to Tier  
 9 Four benefits in a memorandum of understanding, and associated  
 10 supervisors and managers, who are hired on and after the same  
 11 date.

12 (b) Notwithstanding any other provision of this chapter, the Tier  
 13 Four current service pension combined with the prior service  
 14 pension shall be known as 2 percent at age 60 and is an additional  
 15 pension for members purchased by the contributions of the county  
 16 or district sufficient, when added to the service retirement annuity,  
 17 to equal (1) the member's final compensation, (2) multiplied by  
 18 the percentage set forth in the following table for his or her age at  
 19 retirement, taken to the preceding completed quarter year, and (3)  
 20 multiplied by the number of years of current service or years of  
 21 current and prior service with which the member is entitled to be  
 22 credited at retirement. In no event shall the total retirement  
 23 allowance exceed 90 percent of the member's final compensation.

24

25 Retirement Age Percentage

26	50.....	0.87%
27	50.25.....	0.89%
28	50.5.....	0.91%
29	50.75.....	0.93%
30	51.....	0.95%
31	51.25.....	0.97%
32	51.5.....	0.99%
33	51.75.....	1.01%
34	52.....	1.03%
35	52.25.....	1.05%
36	52.5.....	1.07%
37	52.75.....	1.09%
38	53.....	1.11%
39	53.25.....	1.14%
40	53.5.....	1.16%

1	53.75.....	1.19%
2	54.....	1.21%
3	54.25.....	1.24%
4	54.5.....	1.26%
5	54.75.....	1.29%
6	55.....	1.31%
7	55.25.....	1.34%
8	55.5.....	1.37%
9	55.75.....	1.40%
10	56.....	1.43%
11	56.25.....	1.46%
12	56.5.....	1.49%
13	56.75.....	1.52%
14	57.....	1.55%
15	57.25.....	1.59%
16	57.5.....	1.62%
17	57.75.....	1.66%
18	58.....	1.69%
19	58.25.....	1.73%
20	58.5.....	1.77%
21	58.75.....	1.81%
22	59.....	1.84%
23	59.25.....	1.88%
24	59.5.....	1.92%
25	59.75.....	1.96%
26	60.....	2.00%
27	60.25.....	2.02%
28	60.5.....	2.03%
29	60.75.....	2.04%
30	61.....	2.05%
31	61.25.....	2.07%
32	61.5.....	2.08%
33	61.75.....	2.09%
34	62.....	2.10%
35	62.25.....	2.12%
36	62.5.....	2.13%
37	62.75.....	2.14%
38	63 and over.....	2.15%
39		

1 (c) The following provisions shall apply to the current and prior  
2 service pension and service retirement annuity provided by this  
3 section:

4 (1) “Final compensation” means the average annual  
5 compensation earnable by a member during any three consecutive  
6 years elected by a member at or before the time he or she files an  
7 application for retirement, or, if he or she fails to elect, during the  
8 three consecutive years immediately preceding his or her  
9 retirement. If a member has less than three years of service, his or  
10 her final compensation shall be determined by dividing his or her  
11 total compensation by the number of months of service credited  
12 to him or her and multiplying by 12.

13 (2) The board may not grant a disability retirement allowance  
14 to a person who has become a Tier Four member except as  
15 provided in Section 31720.1. The amount of the disability  
16 retirement allowances under Tier Four shall be as set forth in  
17 Section 31727.01.

18 (3) (A) Every retirement allowance, optional death allowance,  
19 or annual death allowance payable to or on account of any member  
20 under this section shall be adjusted as provided in Section 31870:  
21 ~~No other cost-of-living adjustments shall apply,~~ except that the  
22 cost-of-living adjustments for members who have retired on  
23 disability under Tier Four shall be the same as the cost-of-living  
24 adjustments for members who have retired on disability under Tier  
25 Three.

26 (B) Section 31873 shall apply to any member covered by this  
27 section.

28 (4) The normal rates of contributions of Tier Four members  
29 shall be such as to provide an average annuity at 60 years of age  
30 equal to one one-hundred-twentieth of the final compensation of  
31 Tier Four members for each year of service rendered after entering  
32 Tier Four.

33 (5) The board of supervisors may adopt regulations to implement  
34 the provisions of this section.

35 (6) This section shall not apply to any employee or officer if  
36 that application is prohibited by law.

37 (d) This section shall not become operative unless and until the  
38 Board of Supervisors of Contra Costa County, by resolution  
39 adopted by a majority vote, makes this section operative in the  
40 county.

1 (e) This section shall not apply to any safety member.

2 (f) For the purposes of this section, “collective bargaining unit”  
3 means any of the following organizations that represents county  
4 or district employees who are general members of the Contra Costa  
5 County Employees’ Retirement Association:

6 (1) The Professional and Technical Engineers, IFPTE, Local  
7 21.

8 (2) Professional and Technical Employees, AFSCME, Local  
9 512.

10 (3) United Clerical, Technical and Specialized Employees,  
11 AFSCME, Local 2700.

12 (4) Public Employees Union, Local One.

13 (5) Public Employees Union, Local One, CSB-Site Supervisor  
14 Unit.

15 (6) SEIU, Local 1021, Rank and File Unit.

16 (7) SEIU, Local 1021, Service Line Supervisors Unit.

17 (8) Western Council of Engineers.

18 (9) Contra Costa County Deputy Sheriffs Association Rank and  
19 File Unit.

20 (10) Contra Costa County Deputy Sheriffs Association  
21 Management Unit.

22 SEC. 5. Section 31755.6 is added to the Government Code, to  
23 read:

24 31755.6. Notwithstanding any other law:

25 (a) (1) When the Board of Supervisors of Contra Costa County,  
26 in any of its capacities, meets and confers pursuant to the  
27 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section  
28 3500) of Division 4 of Title 1) with any collective bargaining unit,  
29 the parties may agree, pursuant to a memorandum of understanding  
30 with respect to that bargaining unit, that the benefits provided in  
31 this section, known as Tier D benefits, shall apply to a safety  
32 employee who is first hired on or after January 1, 2013, or a later  
33 date established in the memorandum of understanding approved  
34 by resolution of the board of supervisors. Tier D benefits shall  
35 apply to all unrepresented safety employees within similar job  
36 classifications as safety employees in a collective bargaining unit  
37 that has agreed to Tier D benefits in a memorandum of  
38 understanding, and associated supervisors and managers, who are  
39 hired on and after the same date.

1 (2) When the governing body of a district within Contra Costa  
 2 County meets and confers pursuant to the Meyers-Milias-Brown  
 3 Act (Chapter 10 (commencing with Section 3500) of Division 4  
 4 of Title 1) with any collective bargaining unit, the parties may  
 5 agree, pursuant to a memorandum of understanding with respect  
 6 to that bargaining unit, that Tier D benefits shall apply to a safety  
 7 employee who is first hired on or after January 1, 2013, or a later  
 8 date established in the memorandum of understanding approved  
 9 by resolution of the governing body. Tier D benefits shall apply  
 10 to all unrepresented safety employees within similar job  
 11 classifications as safety employees in a collective bargaining unit  
 12 that has agreed to Tier D benefits in a memorandum of  
 13 understanding, and associated supervisors and managers, who are  
 14 hired on and after the same date.

15 (b) Notwithstanding any other provision of this chapter, the Tier  
 16 D current service pension combined with the prior service pension  
 17 shall be known as 3 percent at age 55 and is an additional pension  
 18 for safety members purchased by the contributions of the county  
 19 or district sufficient, when added to the service retirement annuity,  
 20 to equal (1) the member’s final compensation, (2) multiplied by  
 21 the percentage set forth in the following table for his or her age at  
 22 retirement, taken to the preceding completed quarter, and (3)  
 23 multiplied by the number of years of current service or years of  
 24 current and prior service with which the member is entitled to be  
 25 credited at retirement. In no event shall the total retirement  
 26 allowance exceed 90 percent of the member’s final compensation.

27

28 Retirement Age Percentage

29	41.....	0.97%
30	41.25.....	0.99%
31	41.5.....	1.01%
32	41.75.....	1.03%
33	42.....	1.05%
34	42.25.....	1.08%
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36	42.75.....	1.12%
37	43.....	1.14%
38	43.25.....	1.17%
39	43.5.....	1.19%
40	43.75.....	1.21%

1	44.....	1.23%
2	44.25.....	1.26%
3	44.5.....	1.28%
4	44.75.....	1.31%
5	45.....	1.33%
6	45.25.....	1.36%
7	45.5.....	1.39%
8	45.75.....	1.42%
9	46.....	1.44%
10	46.25.....	1.47%
11	46.5.....	1.50%
12	46.75.....	1.53%
13	47.....	1.56%
14	47.25.....	1.60%
15	47.5.....	1.63%
16	47.75.....	1.66%
17	48.....	1.69%
18	48.25.....	1.73%
19	48.5.....	1.77%
20	48.75.....	1.80%
21	49.....	1.84%
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23	49.5.....	1.91%
24	49.75.....	1.95%
25	50.....	1.99%
26	50.25.....	2.03%
27	50.5.....	2.07%
28	50.75.....	2.11%
29	51.....	2.16%
30	51.25.....	2.20%
31	51.5.....	2.25%
32	51.75.....	2.30%
33	52.....	2.34%
34	52.25.....	2.39%
35	52.5.....	2.44%
36	52.75.....	2.49%
37	53.....	2.54%
38	53.25.....	2.60%
39	53.5.....	2.65%
40	53.75.....	2.71%

1	54 .....	2.76%
2	54.25.....	2.82%
3	54.5.....	2.88%
4	54.75.....	2.94%
5	55 and over .....	3.00%

6  
7 (c) The following provisions shall apply to the current and prior  
8 service pension and service retirement annuity provided by this  
9 section:

10 (1) “Final compensation” means the average annual  
11 compensation earnable by a member during any three consecutive  
12 years elected by a member at or before the time he or she files an  
13 application for retirement, or, if he or she fails to elect, during the  
14 three consecutive years immediately preceding his or her  
15 retirement. If a member has less than three years of service, his or  
16 her final compensation shall be determined by dividing his or her  
17 total compensation by the number of months of service credited  
18 to him or her and multiplying by 12.

19 (2) The board may grant a disability retirement allowance to a  
20 person who has become a Tier D member under the same terms  
21 and conditions that apply to safety members who are not in Tier D.

22 (3) (A) Section 31870 shall apply to any member covered by  
23 this section. ~~No other cost-of-living adjustments shall apply.~~

24 (B) Section 31873 shall apply to any member covered by this  
25 section.

26 (4) The normal rates of contributions of Tier D members shall  
27 be such as to provide an average annuity at 55 years of age equal  
28 to one one-hundredth of the final compensation of Tier D members  
29 for each year of service rendered after entering Tier D.

30 (5) The board of supervisors may adopt regulations to implement  
31 the provisions of this section.

32 (6) This section shall not apply to any employee or officer if  
33 that application is prohibited by law.

34 (d) This section shall not become operative unless and until the  
35 Board of Supervisors of Contra Costa County, by resolution  
36 adopted by a majority vote, makes this section operative in the  
37 county.

38 (e) For the purposes of this section, “collective bargaining unit”  
39 means any of the following organizations that represent county or

- 1 district employees who are safety members of the Contra Costa
- 2 County Employees' Retirement Association:
- 3 (1) The Professional and Technical Engineers, IFPTE, Local
- 4 21.
- 5 (2) Public Employees Union, Local One.
- 6 (3) SEIU, Local 1021.
- 7 (4) Contra Costa County Deputy Sheriffs Association Rank and
- 8 File Unit.
- 9 (5) Contra Costa County Deputy Sheriffs Association
- 10 Management Unit.

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13 **CORRECTIONS:**

14 **Text—Page 4.**

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