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AMENDED IN ASSEMBLY APRIL 23, 2013
AMENDED IN ASSEMBLY APRIL 1, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1380

Introduced by Committee on Public Employees, Retirement and Social Security (Bonta (Chair), Jones-Sawyer, Mullin, Rendon, and Wieckowski)

February 26, 2013

An act to amend Sections 31452, 31452.5, 31452.6, 31454, 31455, 31461.6, 31462, 31462.1, 31462.2, 31479.1, 31482.5, 31490.6, 31499.11, 31551, 31581.1, 31581.2, 31625.2, 31625.3, 31630, 31639.85, 31658, 31662.2, 31663.25, and 31672 31663.26, 31664.5, 31670, 31671, 31672, 31672.1, 31672.2, 31678.2, 31678.3, 31678.31, 316780, 31680.1, 31680.2, 31680.3, 31680.6, 31705, 31835, 31836, 31839, 31873, 31873.1, 31874.5, and 31899 of, and to add ~~Section~~ Sections 31462.05, 31672.3, and 31685.01 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1380, as amended, Committee on Public Employees, Retirement and Social Security. County employees' retirement.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act and, among other provisions, generally prohibits a public employer that offers a defined benefit plan from offering new employees defined benefit retirement formulas other than those established by the act, *which, in comparison*

to existing formulas, generally provide reduced benefits and later ages for retirement. PEPPRA prohibits the purchase of nonqualified service credit, as defined, unless the application to purchase the credit is received by the retirement system prior to January 1, 2013, and subsequently approved. PEPPRA prohibits an employer from paying a new member's contribution for the normal cost of benefits in a defined plan and prohibits an enhancement of a public employee's retirement benefit adopted on or after January 1, 2013, from applying to service previously performed.

Under the

The County Employees Retirement Law of 1937, a safety member of a county retirement system who has reached the applicable compulsory retirement age, if any, has completed 10 years of continued service and reached 50 years of age, or who has completed 20 years of service, may retire after filing a written application with the board of retirement, except as specified. The law authorizes a member of a county retirement system who has reached 70 years of age, has completed 10 years of services and has reached 55 years of age, or has completed 30 years of service, to retire after filing a written application with the board. The law authorizes an active member of a retirement system established pursuant to its provisions to make contributions and receive up to 5 years of service credit in additional retirement credit, as defined, by making a written application and by satisfying other requirements (CERL) authorizes counties and districts to establish retirement systems in order to provide pension benefits to their employees and their beneficiaries and prescribes the rights, benefits, and duties of members in this regard. Certain parts of CERL are applicable only in specified counties or upon adoption by the board of supervisors of a county. CERL provides for a defined retirement benefit based upon credited service, final compensation, and age at retirement subject to specified formulas relating to membership classification. The law defines compensation earnable and final compensation for these purposes. The law permits credit for service as an elective or appointed county official that is uncompensated. CERL permits an employer to pay a member's contribution for certain benefits, as specified, and permits the retirement of certain safety members, regardless of age, if they meet specified service requirements. CERL authorizes an employer to permit active members to purchase additional nonqualified service credit and permits a new formula for calculation of retirement benefits to be applied to service already performed. CERL further permits a county or district

to provide a supplemental defined benefit plan for the purpose of providing benefits in excess of specified federal standards.

~~This bill would limit provisions relating to purchase of additional retirement credit, as described above, to applications received prior to January 1, 2013, and subsequently approved. The bill would also prohibit the application of the above-described authorizations regarding time of retirement to a member who is subject to the PEPRAs for that member’s membership in the county retirement system. The bill would also authorize a member who is subject to the PEPRAs and has completed 5 years of service and has reached the minimum retirement age applicable to that member, or has reached 70 years of age, to retire upon filing a written application with the board, as specified amend various provisions of CERL to coordinate and subordinate that law with PEPRAs. Generally, the bill would specify that certain provisions of CERL do not apply to members who are currently subject to PEPRAs by virtue of being first employed on or after January 1, 2013. The bill would provide that provisions allowing a new formula for calculation of retirement benefits to be applied to service already performed are inoperative as of January 1, 2013, and would prohibit the purchase of nonqualified service credit, as specified.~~

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 31452 of the Government Code is
2 amended to read:
3 31452. The right of a person to a pension, annuity, retirement
4 allowance, return of contributions, the pension, annuity, or
5 retirement allowance, any optional benefit, any other right accrued
6 or accruing to any person under this chapter, the money in the fund
7 created or continued under this chapter or the California Public
8 Employees’ Pension Reform Act of 2013, and any property
9 purchased for investment purposes pursuant to this chapter, are
10 exempt from taxation, including any inheritance tax, whether state,
11 county, municipal, or district. They are not subject to execution
12 or any other process of court whatsoever except to the extent
13 permitted by Section 31603 of this code and Section 704.110 of
14 the Code of Civil Procedure, and are unassignable except as
15 specifically provided in this chapter.

1 *SEC. 2. Section 31452.5 of the Government Code is amended*
2 *to read:*

3 31452.5. (a) The board may comply with and give effect to a
4 revocable written authorization signed by a retired member or
5 beneficiary of a retired member entitled to a retirement allowance
6 or benefit under this chapter *or the California Public Employees'*
7 *Pension Reform Act of 2013*, authorizing the treasurer or other
8 entity authorized by the board to deduct a specified amount from
9 the retirement allowance or benefit payable to any retired member
10 or beneficiary of a retired member for any of the following
11 purposes:

12 (1) Paying premiums on any policy or certificate of group life
13 insurance or group disability insurance issued by an admitted
14 insurer.

15 (2) Paying premiums for a prepaid group medical or hospital
16 service plan.

17 (3) Paying premiums for a vision care program or dental plan,
18 approved by the board, for the benefit of the retired member or his
19 or her dependents.

20 (4) Paying premiums on national service life insurance or United
21 States government converted insurance.

22 (5) Payment for the purchase of shares in or the payment of
23 money to any regularly chartered credit union.

24 (6) Payment to a charitable organization or a federally chartered
25 veterans' organization that is approved by the board.

26 (7) Payments to a recognized retiree organization.

27 (8) Payment for the purchase of United States savings bonds.

28 (9) The payment of personal income taxes to the government
29 of the United States or the State of California.

30 (10) Payment for any retiree benefit programs available through
31 the recognized retiree organization. The board may require that
32 this payment be to a single party designated by the recognized
33 retiree organization, either to itself or to a third-party administrator.

34 (b) Each month the order shall be drawn in favor of the insurer,
35 institution, credit union, organization, or government named in
36 the written authorization for an amount equal to the deductions
37 authorized in subdivision (a) and made during the month.

38 (c) The board may charge a reasonable fee for the making of
39 the deductions and payments.

1 *SEC. 3. Section 31452.6 of the Government Code is amended*
2 *to read:*

3 31452.6. (a) The board shall comply with and give effect to
4 a revocable written authorization signed by a retired member or
5 beneficiary of a retired member entitled to a retirement allowance
6 or benefit under this chapter *or the California Public Employees'*
7 *Pension Reform Act of 2013*, authorizing the treasurer or other
8 entity authorized by the board to deliver the monthly warrant,
9 check, or electronic fund transfer, for the retirement allowance or
10 benefit to any specified bank, savings and loan institution, or credit
11 union to be credited to the account of the retired member or
12 survivor of a deceased retired member. That delivery is full
13 discharge of the liability of the board to pay a monthly retirement
14 allowance or benefit to the retired member or survivor of a
15 deceased retired member.

16 (b) Any payments directly deposited by electronic fund transfer
17 following the date of death of a person who was entitled to receive
18 a retirement allowance or benefit under this chapter *or the*
19 *California Public Employees' Pension Reform Act of 2013* shall
20 be refunded to the retirement system.

21 (c) In order to obtain information from a financial institution
22 following the death of a retired member or the beneficiary of a
23 retired member, as provided in subdivision (o) of Section 7480,
24 the board may certify in writing to the financial institution that the
25 retired member or the beneficiary of a retired member has died
26 and that transfers to the account of the retired member or
27 beneficiary of a retired member at the financial institution from
28 the retirement system occurred after the date of death of the retired
29 member or the beneficiary of a retired member.

30 *SEC. 4. Section 31454 of the Government Code is amended to*
31 *read:*

32 31454. (a) The board of supervisors shall, not later than 90
33 days after the beginning of the immediately succeeding fiscal year,
34 adjust the rates of interest, the rates of contributions of members,
35 and county and district appropriations in accordance with the
36 recommendations of the board, but shall not fix them in amounts
37 that reduce the individual benefits provided in this chapter *or the*
38 *California Public Employees' Pension Reform Act of 2013*.

39 (b) (1) The governing body of a district within the county
40 system that is not governed by the board of supervisors shall, not

1 later than 90 days after the beginning of the immediately
2 succeeding fiscal year, adjust the rates of contributions of district
3 members and in district appropriations in accordance with the
4 recommendations of the board, but shall not fix them in amounts
5 that reduce the individual benefits provided in this chapter *or the*
6 *California Public Employees' Pension Reform Act of 2013*.

7 (2) This subdivision shall not be operative in any county until
8 the board of supervisors, by resolution adopted by majority vote,
9 makes the provision applicable in that county.

10 *SEC. 5. Section 31455 of the Government Code is amended to*
11 *read:*

12 31455. Unless the context otherwise requires, *or unless*
13 *superseded by any provision of the California Public Employees'*
14 *Pension Reform Act of 2013*, the definitions and general provisions
15 contained in this article govern the construction of this chapter.

16 *SEC. 6. Section 31461.6 of the Government Code is amended*
17 *to read:*

18 31461.6. (a) "Compensation earnable" shall not include
19 overtime premium pay other than premium pay for hours worked
20 within the normally scheduled or regular working hours that are
21 in excess of the statutory maximum workweek or work period
22 applicable to the employee under Section 201 and following of
23 Title 29 of the United States Code.

24 (b) *This section shall not apply to a member who is subject to*
25 *the California Public Employees' Pension Reform Act of 2013*.

26 *SEC. 7. Section 31462 of the Government Code is amended to*
27 *read:*

28 31462. (a) "Final compensation" means the average annual
29 compensation earnable by a member during any three years elected
30 by a member at or before the time he *or she* files an application
31 for retirement, or, if he *or she* fails to elect, during the three years
32 immediately preceding his *or her* retirement. If a member has less
33 than three years of service, his *or her* final compensation shall be
34 determined by dividing his *or her* total compensation by the
35 number of months of service credited to him *or her* and multiplying
36 by 12.

37 (b) *This section shall not apply to a member who is subject to*
38 *the California Public Employees' Pension Reform Act of 2013 for*
39 *all or any portion of his or her membership in the county retirement*
40 *system*.

1 SEC. 8. Section 31462.05 is added to the Government Code,
2 to read:

3 31462.05. For a member who is subject to the California Public
4 Employees' Pension Reform Act of 2013 for all or any portion of
5 his or her membership in the county retirement system, "final
6 compensation" as defined in Section 7522.32 shall apply. If a
7 member has less than three years of service, that member's final
8 compensation shall be determined by dividing the total
9 compensation by the number of months of service credited to the
10 member and multiplying by 12.

11 SEC. 9. Section 31462.1 of the Government Code is amended
12 to read:

13 31462.1. (a) (1) "Final compensation" means the average
14 annual compensation earnable by a member during any year elected
15 by a member at or before the time he *or she* files an application
16 for retirement, or, if he *or she* fails to elect, during the year
17 immediately preceding his *or her* retirement.

18 ~~This~~

19 (2) This section shall not be operative in any county until such
20 time as the board of supervisors shall, by resolution adopted by a
21 majority vote, make the provisions of this section applicable in
22 such county.

23 (b) This section shall not apply to a member who is subject to
24 the California Public Employees' Pension Reform Act of 2013 for
25 all or any portion of his or her membership in the county retirement
26 system.

27 SEC. 10. Section 31462.2 of the Government Code is amended
28 to read:

29 31462.2. ~~Final~~(a) "Final compensation" for members whose
30 service is on a tenure—~~which~~ that is temporary, seasonal,
31 intermittent, or for part time only means one-third of the total
32 compensation earned for that period of time during which the
33 member rendered the equivalent of three years of full-time service.

34 ~~The~~

35 (b) The member may elect at or before the time he *or she* files
36 an application for retirement the period of time during which he
37 *or she* has earned three full years of credit upon which final
38 compensation shall be calculated. If he *or she* does not so elect,
39 such period of time immediately preceding his *or her* retirement
40 shall be used.

1 (c) *This section applies to a member meeting the conditions*
 2 *specified in subdivision (a), whose service is described in*
 3 *subdivision (a), and who is subject to the California Public*
 4 *Employees' Pension Reform Act of 2013.*

5 SEC. 11. *Section 31479.1 of the Government Code is amended*
 6 *to read:*

7 31479.1. (a) (1) Notwithstanding Section 31479, an elective
 8 or appointive county official may receive credit for service rendered
 9 as a city council member even though that service was not
 10 compensated.

11 ~~This~~
 12 (2) *This section shall not be operative in any county until it is*
 13 *adopted by a majority vote of the board of supervisors.*

14 (b) *This section shall not apply to service performed as an*
 15 *elective or appointive officer that is subject to the California Public*
 16 *Employees' Pension Reform Act of 2013.*

17 SEC. 12. *Section 31482.5 of the Government Code is amended*
 18 *to read:*

19 31482.5. (a) Notwithstanding any provisions to the contrary
 20 in Section 20894, this section shall apply to all participants in
 21 retirement systems governed by this chapter.

22 (b) A person shall not receive credit for the same service in two
 23 retirement systems supported wholly or in part by public funds
 24 under any circumstance.

25 (c) Nothing in this section shall preclude concurrent participation
 26 and credit for service in a public retirement system and in a
 27 deferred compensation plan that meets the requirements of Section
 28 457 of Title 26 of the United States Code, a tax-deferred retirement
 29 plan that meets the requirements of Section 401(k) of Title 26 of
 30 the United States Code, or a defined contribution plan and trust
 31 that meets the requirements of Section 401(a), 403(b), or 415(m)
 32 of Title 26 of the United States Code.

33 (d) Nothing in this section shall preclude concurrent participation
 34 and credit for service in the defined benefit plan provided under
 35 this chapter and in a supplemental defined benefit plan maintained
 36 by the employer that meets the requirements of Section 401(a) of
 37 Title 26 of the United States Code, provided all of the following
 38 conditions exist:

39 (1) The defined benefit plan provided under this chapter has
 40 been designated as the employer's primary plan for the person and

1 the supplemental defined benefit plan is adopted by the governing
2 body of the employer.

3 (2) The supplemental defined benefit plan has received a ruling
4 from the Internal Revenue Service stating that the plan qualifies
5 under Section 401(a) of Title 26 of the United States Code, and
6 has furnished proof thereof to the employer.

7 (3) The person's participation in the supplemental defined
8 benefit plan does not, in any way, interfere with the person's rights
9 to membership in the defined benefit plan, or any benefit provided,
10 under this chapter.

11 *(e) If any provision of this section conflicts with the California*
12 *Public Employees' Pension Reform Act of 2013, that provision*
13 *shall not apply to a member who is subject to the California Public*
14 *Employees' Pension Reform Act of 2013 for all or any portion of*
15 *his or her membership in the county retirement system.*

16 **SECTION 4.**

17 *SEC. 13.* Section 31490.6 of the Government Code is amended
18 to read:

19 31490.6. (a) An active member may elect, by written notice
20 filed with the board, to make contributions pursuant to this section
21 and to receive up to five years of service credit in the retirement
22 system for additional retirement credit, if the member has
23 completed at least five years of credited service with that retirement
24 system.

25 (b) As used in this section, "additional retirement credit" means
26 time that does not otherwise qualify as county service, public
27 service, military service, medical leave of absence, or any other
28 time recognized for service credit by the retirement system.

29 (c) Notwithstanding any other provision of this chapter, service
30 credit for additional retirement credit may not be counted to meet
31 the minimum qualifications for service retirement or for purposes
32 of establishing eligibility for benefits based on 30 years of service,
33 additional ad hoc cost-of-living benefits based on service credit,
34 health care benefits, or any other benefits based upon service credit.

35 (d) A member who elects to make contributions and receive
36 service credit for additional retirement credit shall contribute to
37 the retirement fund, prior to the effective date of his or her
38 retirement, by lump-sum payment or by installment payments over
39 a period not to exceed 10 years, an amount that, at the time of
40 commencement of purchase, in the opinion of the board and the

1 actuary, is sufficient to not place any additional financial burden
2 upon the retirement system.

3 (e) No member may receive service credit under this section
4 for additional retirement credit that he or she has not completed
5 payment pursuant to subdivision (d) before the effective date of
6 his or her retirement or, if applicable, prior to the date provided in
7 Section 31485.8. Subject to the limitations of United States Internal
8 Revenue Service regulations, a member who has elected to make
9 payment in installments may complete payment by lump sum at
10 any time prior to the effective date of his or her retirement.

11 (f) Sums paid by a member pursuant to this section shall be
12 considered to be and administered as contributions by the member.

13 (g) This section is not operative until the board of supervisors,
14 by resolution adopted by majority vote, makes this section
15 operative in the county.

16 (h) ~~This Pursuant to Section 7522.46,~~ this section shall apply
17 only to an application to purchase additional retirement credit that
18 was received by the retirement system prior to January 1, 2013,
19 that is subsequently approved by the system.

20 *SEC. 14. Section 31499.11 of the Government Code is amended*
21 *to read:*

22 31499.11. Unless the context otherwise requires, the definitions
23 contained in this section govern the construction of this article.

24 (a) "Board" means the board of retirement.

25 (b) "Employer" means the county or district or agency whose
26 employees are members of the retirement system of the county.

27 (c) "Federal system" means the Old Age and Survivors
28 Insurance provisions of the Social Security Act.

29 (d) "Final compensation" means the average annual
30 compensation earnable by a general member during any three
31 years, whether or not consecutive, *for a person who became a*
32 *general member of the plan prior to January 1, 2013, or, for a*
33 *person who became a general member of the plan on or after*
34 *January 1, 2013, final compensation means the average annual*
35 *compensation earnable by a general member during any 36*
36 *consecutive months, to be elected by the member at or before the*
37 *time an application for retirement is filed, or, if no election is made,*
38 *during the three years in which the member or former member last*
39 *earned compensation preceding retirement. If a member or former*
40 *member has less than three years of service, final compensation*

1 shall be determined by dividing total compensation by the number
2 of months of service credited to the member or former member
3 and multiplying by 12. In no event shall final compensation include
4 any disability benefits received by the member or former member
5 under a disability plan provided by the employer.

6 (e) “Member” or “general member” means an employee hired
7 on a permanent basis, as defined by the employer, except an
8 employee eligible for safety member.

9 (f) “Primary insurance amount” means the monthly retirement
10 benefit payable under the federal system at the age of 65.

11 (g) “Service” means the period of uninterrupted employment
12 of a member and the time in which a member or former member
13 (1) is totally disabled, and (2) is receiving disability benefits or is
14 eligible to receive disability benefits either during or after any
15 elimination or qualifying period, under a disability plan provided
16 by the employer.

17 ~~Except~~

18 (h) *Except* as otherwise provided in this article, a member shall
19 not be credited with service for any period of time in which the
20 member is absent from work without pay.

21 ~~Unless~~

22 (i) *Unless* otherwise provided, service shall not include military
23 service or public service other than service with the employer.

24 *SEC. 15. Section 31551 of the Government Code is amended*
25 *to read:*

26 31551. The persons expressly declared to be ineligible to
27 membership by this article shall not become members of the
28 retirement association, and, except as expressly excluded, the
29 persons enumerated in this article *or the California Public*
30 *Employees’ Pension Reform Act of 2013* shall become members
31 of the association.

32 Persons employed as participants in a program of, and whose
33 wages are paid in whole or in part by federal funds in accordance
34 with, the Comprehensive Employment and Training Act of 1973
35 (Public Law 93-203), as amended, are excluded from membership.
36 This exclusion shall not apply to active fire suppression personnel
37 who are safety members pursuant to Sections 31469.3 and 31470.4.

38 *SEC. 16. Section 31581.1 of the Government Code is amended*
39 *to read:*

1 31581.1. (a) The board of supervisors may elect to pay up to
 2 one-half of the contributions normally required of members for
 3 any period of time designated in the resolution providing for such
 4 payment. The payments shall not become part of the accumulated
 5 contributions of the member. ~~Such~~ *These* payments may be made
 6 with respect to employees in one or more bargaining units
 7 irrespective of whether they are made with respect to other
 8 employees.

9 (b) *This section shall not apply to members who are subject to*
 10 *Section 7522.30.*

11 *SEC. 17. Section 31581.2 of the Government Code is amended*
 12 *to read:*

13 31581.2. (a) The board of supervisors or the governing body
 14 of the district may agree to pay any portion of the contributions
 15 required to be paid by a member. All payments shall be in lieu of
 16 wages and shall be reported simply as normal contributions and
 17 shall be credited to member accounts.

18 ~~The~~

19 (b) *The* enactment of a resolution pursuant to this section shall
 20 not create vested rights in any member. The board of supervisors
 21 or the governing body of the district may amend or repeal the
 22 resolution at any time, subject to the provisions of Sections 3504
 23 and 3505, or any similar rule or regulation of the county or district.

24 (c) *This section shall not apply to members who are subject to*
 25 *Section 7522.30.*

26 *SEC. 18. Section 31625.2 of the Government Code is amended*
 27 *to read:*

28 31625.2. (a) Notwithstanding any other provisions of this
 29 chapter, contributions shall not be deducted from the salary of any
 30 member having credit for 30 years' service providing the member
 31 was a member on March 7, 1973, and remained in membership
 32 continuously until credited with 30 years' service.

33 (b) Notwithstanding subdivision (a), contributions shall not be
 34 deducted from the salary of any member having credit for 30 years'
 35 of continuous service in the retirement association of a county of
 36 the seventh class as established by Sections 28020 and 28028. *This*
 37 *subdivision shall not apply to a member who is subject to the*
 38 *provisions of the California Public Employees' Pension Reform*
 39 *Act of 2013.*

1 *SEC. 19. Section 31625.3 of the Government Code is amended*
2 *to read:*

3 31625.3. (a) Notwithstanding any other provision of this
4 chapter, contributions shall not be deducted from the salary of any
5 member who was a member before or after March 7, 1973, of the
6 retirement association, another county retirement system
7 established under this chapter, or the Public Employees' Retirement
8 System, and has total reciprocal service credit of not less than 30
9 years in the retirement association, or in the retirement association
10 and another county retirement system established under this
11 chapter, or the Public Employees' Retirement System, or a
12 combination thereof.

13 ~~The~~

14 (b) This section shall not apply in any county unless and until
15 it is adopted by a majority vote of the board of supervisors.

16 (c) This section shall not apply to members who are subject to
17 Section 7522.30.

18 *SEC. 20. Section 31630 of the Government Code is amended*
19 *to read:*

20 31630. (a) Notwithstanding any other provisions in this
21 chapter, the South Coast Air Quality Management District and in
22 any county which has adopted Section 31676.1, 31676.11,
23 31676.12, 31676.13, 31676.14, 31676.15, or 31751, the board of
24 supervisors or district board, as the case may be, may agree to pay
25 any portion of the members' normal contributions to the system.
26 All the contributions paid by the county or district, as the case may
27 be, shall remain its contributions, and no right therein shall accrue
28 to any employee prior to the employee's election to take a regular,
29 deferred, or disability retirement.

30 ~~Any~~

31 (b) Any contributions paid by the board of supervisors or the
32 district board on behalf of the members shall be as determined by
33 upon actuarial advice, and approved by the board of retirement.

34 (c) This section shall not apply to members who are subject to
35 Section 7522.30.

36 *SEC. 21. Section 31639.85 of the Government Code is amended*
37 *to read:*

38 31639.85. (a) Notwithstanding any other provisions in this
39 chapter, in any county which has adopted Section 31676.1,
40 31676.11, 31676.12, 31676.13, 31676.14, or 31676.15 the board

1 of supervisors may agree to pay any portion of the safety members’
2 normal contributions to the system. All contributions paid by the
3 county shall remain county contributions, and no right therein shall
4 accrue to any employee prior to the employee’s election to take a
5 regular, deferred or disability retirement.

6 ~~Any~~
7 (b) Any contributions paid by the board of supervisors on behalf
8 of the safety members shall be as determined upon actuarial advice,
9 and approved by the board of retirement.

10 (c) *This section shall not apply to members who are subject to*
11 *Section 7522.30.*

12 ~~SEC. 2.~~
13 SEC. 22. Section 31658 of the Government Code is amended
14 to read:

15 31658. (a) An active member may elect, by written notice
16 filed with the board, to make contributions pursuant to this section
17 and to receive up to five years of service credit in the retirement
18 system for additional retirement credit, if the member has
19 completed at least five years of credited service with that retirement
20 system.

21 (b) As used in this section, “additional retirement credit” means
22 time that does not otherwise qualify as county service, public
23 service, military service, medical leave of absence, or any other
24 time recognized for service credit by the retirement system.

25 (c) Notwithstanding any other provision of this chapter, service
26 credit for additional retirement credit may not be counted to meet
27 the minimum qualifications for service or disability retirement or
28 for purposes of establishing eligibility for any benefits based on
29 30 years of service, additional ad hoc cost-of-living benefits based
30 on service credit, health care benefits, or any other benefits based
31 upon service credit.

32 (d) Any member who elects to make contributions and receive
33 service credit for additional retirement credit shall contribute to
34 the retirement fund, prior to the effective date of his or her
35 retirement, by lump-sum payment or by installment payments over
36 a period not to exceed 10 years, an amount that, at the time of
37 commencement of purchase, in the opinion of the board and the
38 actuary, is sufficient to not place any additional financial burden
39 upon the retirement system.

1 (e) No member may receive service credit under this section
2 for any additional retirement credit for which he or she has not
3 completed payment pursuant to subdivision (d) before the effective
4 date of his or her retirement. Subject to the limitations of United
5 States Internal Revenue Service regulations, a member who has
6 elected to make payment in installments may complete payment
7 by lump sum at any time prior to the effective date of his or her
8 retirement.

9 (f) Any sums paid by a member pursuant to this section shall
10 be considered to be and administered as contributions by the
11 member.

12 (g) This section is not operative in any county until the board
13 of supervisors, by resolution adopted by majority vote, makes this
14 section applicable in the county.

15 (h) ~~This Pursuant to Section 7522.46,~~ this section shall apply
16 only to an application to purchase additional retirement credit that
17 was received by the retirement system prior to January 1, 2013,
18 that is subsequently approved by the system.

19 *SEC. 23. Section 31662.2 of the Government Code is amended*
20 *to read:*

21 31662.2. Retirement of a safety member in a county subject
22 to the provisions of Section 31676.1, *or of Section 31695.1, if*
23 *applicable*, who has met the requirements for age and service shall
24 be made by the board pursuant to this article *or pursuant to the*
25 *California Public Employees' Pension Reform Act of 2013,*
26 *whichever is applicable.*

27 ~~SEC. 3.~~

28 *SEC. 24. Section 31663.25 of the Government Code is amended*
29 *to read:*

30 31663.25. (a) Except as provided in Section 31663.26, a safety
31 member who has reached the applicable compulsory age of
32 retirement, if any, or a safety member who has completed 10 years
33 of continuous service and who has reached the age of 50, or a
34 safety member who has completed 20 years of service regardless
35 of age, may be retired upon filing with the board a written
36 application setting forth the date upon which the member desires
37 his or her retirement to become effective which shall be not more
38 than 60 days after the date of filing the application.

39 (b) This section shall not apply to ~~any~~ a member who is subject
40 to the provisions of the California Public Employees' Pension

1 Reform Act of 2013 (Article 4 (commencing with Section 7522)
 2 of Chapter 21 of Division 7 of Title 1) for all or any portion of that
 3 member's membership in the county retirement system.

4 *SEC. 25. Section 31663.26 of the Government Code is amended*
 5 *to read:*

6 31663.26. (a) Notwithstanding Section 31663.25, ~~any~~ a safety
 7 member who has reached the applicable compulsory age of
 8 retirement, if any, or ~~any~~ a safety member who is a full-time
 9 employee, has completed 10 years of service, has reached the age
 10 of 50, and has no service break which exceeds 12 months, or ~~any~~
 11 a safety member who has completed 20 years of service regardless
 12 of age, may be retired upon filing with the board a written
 13 application setting forth the date upon which ~~he or she~~ *the member*
 14 desires his or her retirement to become effective which shall be
 15 not more than 60 days after the date of filing the application.

16 ~~This~~

17 (b) *This* section shall not be operative in any county until such
 18 time as the board of supervisors shall, by ordinance, make this
 19 section applicable in the county.

20 (c) *This section shall not apply to a member who is subject to*
 21 *the provisions of the California Public Employees' Pension Reform*
 22 *Act of 2013 for all or any portion of his or her membership in the*
 23 *county retirement system.*

24 *SEC. 26. Section 31664.5 of the Government Code is amended*
 25 *to read:*

26 31664.5. (a) Notwithstanding any other provisions of this
 27 chapter, a safety member may exercise the option of retiring upon
 28 completion of 25 years of service, and if such option is exercised,
 29 the safety member shall receive a retirement allowance equal to
 30 no less than 30 percent of his *or her* final compensation.

31 (b) *This section shall not apply to a member who is subject to*
 32 *the provisions of the California Public Employees' Pension Reform*
 33 *Act of 2013 for all or any portion of his or her membership in the*
 34 *county retirement system.*

35 *SEC. 27. Section 31670 of the Government Code is amended*
 36 *to read:*

37 31670. Retirement of a member who has met the requirements
 38 for age and service shall be made by the board pursuant to this
 39 article *or pursuant to the California Public Employees' Pension*
 40 *Reform Act of 2013, whichever is applicable.*

1 *SEC. 28. Section 31671 of the Government Code is amended*
2 *to read:*

3 31671. (a) The amount of compensation that is taken into
4 account in computing benefits payable to any person who first
5 becomes a member of the retirement system on or after July 1,
6 1996, shall not exceed the limitations in Section 401(a)(17) of
7 Title 26 of the United States Code upon public retirement systems,
8 as that section may be amended from time to time and as that limit
9 may be adjusted by the Commissioner of Internal Revenue for
10 increases in cost of living. The determination of compensation for
11 each 12-month period shall be subject to the annual compensation
12 limit in effect for the calendar year in which the 12-month period
13 begins. In a determination of average annual compensation over
14 more than one 12-month period, the amount of compensation taken
15 into account for each 12-month period shall be subject to the
16 applicable annual compensation limit.

17 (b) *The compensation limitations specified in Section 7522.10*
18 *shall also apply to a member who is subject to the provisions of*
19 *the California Public Employees' Pension Reform Act of 2013 for*
20 *all or any portion of his or her membership in the county retirement*
21 *system.*

22 ~~SEC. 4.~~

23 *SEC. 29. Section 31672 of the Government Code is amended*
24 *to read:*

25 31672. (a) A member who has reached 70 years of age or a
26 member who has completed 10 years of service and who has
27 reached 55 years of age, or a member who has completed 30 years
28 of service regardless of age, may be retired upon filing with the
29 board a written application, setting forth the date upon which he
30 or she desires his or her retirement to become effective not earlier
31 than the date the application is filed with the board and not more
32 than 60 days after the date of filing the application. Fifty-five years
33 of age in the preceding sentence may be reduced to 50 years of
34 age in a county by resolution of the board of supervisors.

35 (b) This section shall not apply to any member who is subject
36 to the provisions of the California Public Employees' Pension
37 Reform Act of 2013 (Article 4 (commencing with Section 7522)
38 of Chapter 21 of Division 7 of Title 1) for all or any portion of that
39 member's membership in the county retirement system.

1 *SEC. 30. Section 31672.1 of the Government Code is amended*
2 *to read:*

3 31672.1. ~~Any~~(a) An employee who has reached the age of 55
4 years, has held a position in the county service for 10 years, and
5 on the date of his retirement is employed in a temporary, seasonal,
6 intermittent, or part-time position in which ~~he~~ *the employee* has
7 received credit for five full years of service, may be retired upon
8 filing with the board a written application, setting forth the date
9 upon which ~~he~~ *the employee* desires his *or her* retirement to
10 become effective which shall not be more than 60 days after the
11 date of filing the application. The age of 55 in the preceding
12 sentence may be reduced to age 50 in any county by resolution of
13 the board of supervisors if such reduction has also been made under
14 Section 31672.

15 (b) *This section shall not apply to a member who is subject to*
16 *the provisions of the California Public Employees' Pension Reform*
17 *Act of 2013 for all or any portion of his or her membership in the*
18 *county retirement system.*

19 *SEC. 31. Section 31672.2 of the Government Code is amended*
20 *to read:*

21 31672.2. ~~Any~~(a) An elective officer who filed a declaration
22 with the board to become a member, pursuant to Section 31553,
23 who has served two complete consecutive terms in an elective
24 office, and who has reached the minimum age for retirement
25 provided in Section 31672, may be retired upon filing with the
26 board a written application setting forth the date upon which he
27 or she desires his or her retirement to become effective which shall
28 be not more than 60 days after the date of filing the application.

29 This

30 (b) *This section shall become operative only in any county of*
31 *the 16th class, as defined by Section 28020 and 28037, as amended*
32 *by Chapter 1204 of the Statutes of 1971, and on the first day of*
33 *the calendar month after the board of supervisors adopts a*
34 *resolution making it operative in the county.*

35 (c) *This section shall not apply to an elective officer who is*
36 *subject to the provisions of the California Public Employees'*
37 *Pension Reform Act of 2013 for all or any portion of his or her*
38 *membership in the county retirement system.*

1 ~~SEC. 5.~~

2 *SEC. 32.* Section 31672.3 is added to the Government Code,
3 to read:

4 31672.3. A member of a county retirement system who is
5 subject to the California Public Employees' Pension Reform Act
6 of 2013 (Article 4 (commencing with Section 7522) of Chapter
7 21 of Division 7 of Title 1) for all or a portion of the member's
8 membership in the county retirement system who has completed
9 five years of service and has reached the minimum retirement age
10 applicable to that member under the act, or has reached 70 years
11 of age, may be retired upon filing with the board a written
12 application, setting forth the date upon which the member desires
13 his or her retirement to become effective which shall be not more
14 than 60 days after the date of filing the application.

15 *SEC. 33.* *Section 31678.2 of the Government Code is amended*
16 *to read:*

17 31678.2. (a) Notwithstanding Section 31678 or any other
18 provision of this chapter, a board of supervisors or a governing
19 body of a district may, by resolution adopted by majority vote,
20 make any section of this chapter prescribing a formula for
21 calculation of retirement benefits applicable to service credit earned
22 on and after the date specified in the resolution, which date may
23 be earlier than the date the resolution is adopted.

24 (b) A resolution adopted pursuant to this section may, if
25 approved in a memorandum of understanding executed by the
26 board of supervisors and the employee representatives, require
27 members to pay all or part of the contributions by a member or
28 employer, or both, that would have been required if the section or
29 sections specified in subdivision (a), as adopted by the board or
30 governing body, had been in effect during the period of time
31 designated in the resolution. The payment by a member shall
32 become part of the accumulated contributions of the member.

33 (c) This section shall only be applicable to members who retire
34 on or after the effective date of the resolution described in
35 subdivision (a).

36 (d) *On or after January 1, 2013, this section is inoperative*
37 *pursuant to Section 7522.44.*

38 *SEC. 34.* *Section 31678.3 of the Government Code is amended*
39 *to read:*

1 31678.3. (a) Notwithstanding any other provision of this
2 chapter, a resolution adopted by a board of supervisors to make
3 any formula for calculation of retirement benefits described in this
4 section applicable to the employees of the county does not apply
5 to make that formula applicable to the employees of any district
6 within the county. The governing body of a district may elect, by
7 resolution adopted by majority vote, to make any formula for
8 calculation of retirement benefits described in this section
9 applicable to the employees of the district irrespective of whether
10 the board of supervisors has made that election with respect to
11 employees of the county.

12 (b) Notwithstanding any other provision of this chapter, the
13 board of supervisors or the governing body of a district may, by
14 resolution adopted by majority vote, pursuant to a memorandum
15 of understanding made under the Meyers-Milias-Brown Act
16 (Chapter 10 (commencing with Section 3500) of Division 4 of
17 Title 2), do any or all of the following:

18 (1) Apply Section 31621.8, 31676.17, 31676.18, or 31676.19
19 for the calculation of retirement benefits for general members to
20 the employees in a bargaining unit comprised of general members.

21 (2) Apply Section 31664.1 for the calculation of retirement
22 benefits for safety members to the employees in a bargaining unit
23 comprised of safety members.

24 (3) Apply Section 31664 for the calculation of retirement
25 benefits for safety members to the employees of the Probation
26 Services Unit and the Probation Supervisory Management Unit.

27 (c) Any nonrepresented employees within similar job
28 classifications as employees in a bargaining unit described in
29 subdivision (b) or supervisors and managers thereof shall be subject
30 to the same formula for the calculation of retirement benefits
31 applicable to the employees in that bargaining unit.

32 (d) A resolution adopted pursuant to subdivision (b) may require
33 members to pay a portion of the contributions attributable to past
34 service liability, that would have been required if the benefits
35 specified in the resolution, as adopted by the board of supervisors
36 or the governing body of the district, had been in effect during the
37 period of time designated in the resolution. Any payments required
38 of represented employees shall first be approved in a memorandum
39 of understanding made under the Meyers-Milias-Brown Act and
40 executed by the board of supervisors or the governing body of the

1 district and the employee representatives. The contributions paid
2 by a member pursuant to this subdivision shall become part of the
3 accumulated contributions of the member.

4 (e) This section shall only be applicable to members who retire
5 on or after the effective date of the resolution described in
6 subdivision (b).

7 (f) The board of supervisors or the governing body of a district
8 may not unilaterally implement a retirement formula for any of its
9 bargaining units.

10 (g) This section shall apply only in Orange County.

11 (h) *Beginning January 1, 2013, if any provision of this section*
12 *conflicts with the California Public Employees' Pension Reform*
13 *Act of 2013, the provisions of that act shall prevail.*

14 *SEC. 35. Section 31678.31 of the Government Code is amended*
15 *to read:*

16 31678.31. (a) Notwithstanding any other provision of this
17 chapter, the board of supervisors or the governing body of a district
18 within the county may, by resolution adopted by majority vote, do
19 the following:

20 (1) Require an employee hired after approval of the resolution,
21 to elect in writing, either the pension calculation stated in Section
22 31676.19 or the pension calculation stated in Section 31676.01.
23 The election shall be made within 45 calendar days of beginning
24 employment with the county or the district. If an employee does
25 not elect the pension calculation stated in Section 31676.19 within
26 45 days of beginning employment, the employee shall be deemed
27 to have elected the pension calculation stated in Section 31676.01.
28 An employee shall not be permitted to rescind his or her election
29 unless the board of supervisors or the governing body of a district,
30 through the adoption of a subsequent ordinance or resolution by
31 majority vote, makes a provision permitting the employee to
32 rescind the election applicable to the county or district.

33 (2) Require a current employee of the county or district covered
34 by the pension calculation stated in Section 31676.19, hired before
35 approval of the resolution, within 180 calendar days of approval
36 of the resolution to make, at the employee's option, a one-time
37 written election to terminate the application of the pension
38 calculation stated in Section 31676.19 for future service and elect
39 instead the pension calculation stated in Section 31676.01 for
40 future service. This election shall be signed by the employee. Prior

1 to signing an election, a current employee who chooses to terminate
2 the pension calculation stated in Section 31676.19 and elects
3 instead the pension calculation stated in Section 31676.01, shall
4 be provided by the county or district governing body with a written
5 explanation of the effect and impact of the termination. A current
6 employee who chooses to terminate the pension calculation stated
7 in Section 31676.19 shall be required to sign an affidavit stating
8 that the employee has been fully informed regarding the effect of
9 the termination and understands that the termination is irrevocable.
10 The affidavit shall also state that the employee has chosen
11 termination of his or her own free will and was not coerced into
12 termination by the employer or any other person. An employee
13 shall not be permitted to rescind his or her election unless the board
14 of supervisors or the governing body of a district, through the
15 adoption of a subsequent ordinance or resolution by majority vote,
16 makes a provision permitting the employee to rescind the election
17 applicable to the county or district.

18 (3) Require a current employee of the county or district, hired
19 before approval of the resolution, but not covered by the pension
20 calculation stated in Section 31676.19, who after approval of the
21 resolution becomes eligible for the pension calculation stated in
22 Section 31676.19, to make a one-time written election between
23 the pension calculation stated in Section 31676.19 for future service
24 and the pension calculation stated in Section 31676.01 for future
25 service. The election shall be made within 45 calendar days of
26 becoming eligible for the pension calculation stated in Section
27 31676.19. The election shall be signed by the employee. Prior to
28 signing the election, an employee who does not elect the pension
29 calculation stated in Section 31676.19 and elects instead the
30 pension calculation stated in Section 31676.01 shall be provided
31 by the county or the district governing body with a written
32 explanation of the effect and impact of the election. An employee
33 who does not choose the pension calculation stated in Section
34 31676.19 shall be required to sign an affidavit stating that the
35 employee has been fully informed regarding the effect of the
36 election and understands that the election is irrevocable. The
37 affidavit shall also state that the employee has chosen the election
38 of his or her own free will and was not coerced into the election
39 by the employer or any other person. An employee shall not be
40 permitted to rescind his or her election unless the board of

1 supervisors or the governing body of a district, through the
2 adoption of a subsequent ordinance or resolution by majority vote,
3 makes a provision permitting the employee to rescind the election
4 applicable to the county or district. Failure to make an election
5 within 45 calendar days shall be considered cause for termination
6 of employment until the employee described in this paragraph has
7 made the required election.

8 (b) The retirement allowance for service rendered prior to the
9 effective date of the election under paragraph (2) or (3) of
10 subdivision (a) for an employee covered by any other pension
11 calculation shall be calculated under the employee's prior pension
12 calculation. Any employee who has made an election shall not be
13 eligible for retirement unless the employee meets the minimum
14 requirements of the provision or provisions pursuant to the election
15 applicable at the date of retirement.

16 (c) (1) An election for the pension calculation stated in Section
17 31676.01 by any employee hired before approval of the resolution
18 shall include the signature of the designated beneficiary of the
19 employee's pension acknowledging the election, or shall include
20 a written declaration of one or more of the following as may be
21 applicable:

22 (A) The beneficiary has no identifiable community property
23 interest in the benefit.

24 (B) The employee does not know, and has taken all reasonable
25 steps to determine, the whereabouts of the beneficiary.

26 (C) The beneficiary has been advised of the election and has
27 refused to sign the written acknowledgment.

28 (D) The beneficiary is incapable of executing the
29 acknowledgment because of an incapacitating mental or physical
30 condition.

31 (2) The purpose of this subdivision is to notify the beneficiary,
32 including the employee's spouse or domestic partner, of an election
33 made by the employee that may affect the entitlement of the
34 beneficiary. In addition to the foregoing, if the designated
35 beneficiary of an employee's pension is a spouse or domestic
36 partner of the employee, the election shall also evidence agreement
37 to the election by the spouse or domestic partner.

38 (3) A person who knowingly provides false information in the
39 written declaration submitted pursuant to paragraph (1) shall be
40 subject to a civil penalty of not less than one thousand dollars

1 (\$1,000) and not more than twenty-five thousand dollars (\$25,000),
2 in addition to any civil remedies available to the board. An action
3 to impose a civil penalty pursuant to this paragraph may be brought
4 by any public prosecutor in the name of the people of the state.

5 (d) In the event the employee elects the pension calculation
6 stated in Section 31676.01, the employee shall be eligible to receive
7 a contribution from the county or district based on the employee's
8 contribution to a defined contribution program.

9 (e) In addition to employees represented by bargaining units,
10 any other employees not represented by a bargaining unit, as well
11 as supervisors, managers, and executives, may be subject to
12 subdivision (a) pursuant to the resolution described in subdivision
13 (a).

14 (f) This section shall apply only to members who retire on or
15 after the effective date of the resolution described in subdivision
16 (a).

17 (g) This section shall not apply to safety members.

18 (h) A resolution adopted by the board of supervisors under
19 subdivision (a) shall not apply to the employees of any district
20 within the county. The governing body of a district may elect, by
21 resolution adopted by majority vote, to make this section applicable
22 to the employees of the district irrespective of whether the board
23 of supervisors has made that election applicable to employees in
24 the county.

25 (i) A resolution adopted pursuant to this section may require
26 any member that elects or is deemed to have elected the pension
27 calculation stated in Section 31676.01 to pay additional member
28 contributions beyond those member contributions required under
29 Section 31621. These additional contributions shall not result in
30 an additional benefit to the member. However, the additional
31 contributions paid by a member pursuant to the authority granted
32 by this subdivision shall become part of the accumulated
33 contributions of the member for the following purposes only:

34 (1) Funding the annuity portion of the member's retirement
35 allowance.

36 (2) Withdrawal of contributions by the member upon the
37 member's withdrawal from, and termination of membership in,
38 the retirement system.

39 (j) Any person employed subsequent to the effective date of a
40 resolution adopted under subdivision (a) who would otherwise

1 qualify as a member shall not become a member until he or she
 2 certifies his or her election, or otherwise as described above has
 3 been deemed to have elected, to be covered by the pension
 4 calculation stated in Section 31676.01 or the pension calculation
 5 stated in Section 31676.19. Once the election is made or is deemed
 6 to have been made, the employee will become a member retroactive
 7 to the date of hire. Any employee who subsequently otherwise
 8 becomes eligible for the pension calculation stated in Section
 9 31676.19 subsequent to the effective date of a resolution adopted
 10 under subdivision (a) shall continue to be covered by any
 11 immediately preceding retirement plan to which he or she was
 12 entitled from the county or district until he or she certifies his or
 13 her election to be covered by the pension calculation stated in
 14 Section 31676.01 or the pension calculation stated in Section
 15 31676.19.

16 (k) In the event that the final day to make an election or perform
 17 an act described in this section falls on a weekend or on a county
 18 or district holiday, a subsequent election or act shall be timely if
 19 made or performed on the immediately following regular business
 20 day of the county or district.

21 (l) This section shall apply only in Orange County.

22 (m) *Beginning January 1, 2013, if any provision of this section*
 23 *conflicts with the California Public Employees' Pension Reform*
 24 *Act of 2013, the provisions of that act shall prevail.*

25 *SEC. 36. Section 31680 of the Government Code is amended*
 26 *to read:*

27 31680. (a) A member retired for service or disability shall not
 28 be paid for any service rendered by him *or her* to the county or
 29 district after the date of his *or her* retirement, except: ~~(a) As~~

30 (1) *As specifically provided in this chapter.* ~~(b) Pursuant~~

31 (2) *Pursuant to Section 31733.* ~~(c) The~~

32 (3) *The county or district may pay and such the retired member*
 33 *may receive:* ~~(1) rewards~~

34 (A) *Rewards for ideas or suggestions made by such the retired*
 35 *member for the improvement of county or district activities;* ~~(2)~~
 36 ~~compensation activities.~~

37 (B) *Compensation for his or her services on the board.* ~~(d) If~~

38 (4) *If the member is subsequently elected to county office after*
 39 *retirement.*

40 *As*

1 (b) As herein used the term “services rendered” shall refer to
2 service rendered as an officer or employee of the county or district
3 and shall not refer to services performed by a retired officer or
4 employee as an independent contractor engaged by a county or
5 district under a bona fide contract for services within the purview
6 of Section 31000 of this code.

7 (c) *Beginning January 1, 2013, if any provision of this section*
8 *conflicts with the California Public Employees’ Pension Reform*
9 *Act of 2013, the provisions of that act shall prevail.*

10 SEC. 37. *Section 31680.1 of the Government Code is amended*
11 *to read:*

12 31680.1. (a) Any person who has retired under this chapter
13 may, without reinstatement from retirement or loss or interruption
14 of benefits under this chapter, serve as a juror, election officer,
15 field deputy for registration of voters, member of the board of the
16 association or temporarily as a judge when assigned by the
17 Chairman of the Judicial Council and receive any fees payable for
18 ~~such~~ that service.

19 (b) *Beginning January 1, 2013, if any provision of this section*
20 *conflicts with the California Public Employees’ Pension Reform*
21 *Act of 2013, the provisions of that act shall prevail.*

22 SEC. 38. *Section 31680.2 of the Government Code is amended*
23 *to read:*

24 31680.2. (a) Any person who has retired may be employed in
25 a position requiring special skills or knowledge, as determined by
26 the county or district employing him or her, for not to exceed 90
27 working days or 720 hours, whichever is greater, in any one fiscal
28 year or any other 12-month period designated by the board of
29 supervisors and may be paid for that employment. That
30 employment shall not operate to reinstate the person as a member
31 of this system or to terminate or suspend his or her retirement
32 allowance, and no deductions shall be made from his or her salary
33 as contributions to this system.

34 (b) (1) This section shall not apply to any retired person who
35 is otherwise eligible for employment under this section if, during
36 the 12-month period prior to an appointment described in this
37 section, that retired person receives unemployment insurance
38 compensation arising out of prior employment subject to this
39 section with the same employer.

1 (2) A retired person who accepts an appointment after receiving
2 unemployment insurance compensation as described in this
3 subdivision shall terminate that employment on the last day of the
4 current pay period and shall not be eligible for reappointment
5 subject to this section for a period of 12 months following the last
6 day of employment.

7 (3) *Beginning January 1, 2013, if any provision of this section*
8 *conflicts with the California Public Employees' Pension Reform*
9 *Act of 2013, the provisions of that act shall prevail, except that*
10 *the limit on postretirement employment provided in subdivision*
11 *(a) to the greater of 90 working days or 720 hours shall remain*
12 *effective.*

13 *SEC. 39. Section 31680.3 of the Government Code is amended*
14 *to read:*

15 31680.3. (a) Notwithstanding Section 31680.2, any member
16 who has been covered under the provisions of Section 31751 and
17 has retired may be reemployed in a position requiring special skills
18 or knowledge, as determined by the county or district employing
19 the member, for not to exceed 120 working days or 960 hours,
20 whichever is greater, in any one fiscal year and may be paid for
21 that employment. That employment shall not operate to reinstate
22 the person as a member of this system or to terminate or suspend
23 the person's retirement allowance, and no deductions shall be made
24 from the person's salary as contributions to this system.

25 (b) (1) This section shall not apply to any retired member who
26 is otherwise eligible for reemployment under this section if, during
27 the 12-month period prior to an appointment described in this
28 section, that retired person receives unemployment insurance
29 compensation arising out of prior employment subject to this
30 section with the same employer.

31 (2) A retired person who accepts an appointment after receiving
32 unemployment insurance compensation as described in this
33 subdivision shall terminate that employment on the last day of the
34 current pay period and shall not be eligible for reappointment
35 subject to this section for a period of 12 months following the last
36 day of employment.

37 (c) *Beginning January 1, 2013, if any provision of this section*
38 *conflicts with the California Public Employees' Pension Reform*
39 *Act of 2013, the provisions of that act shall prevail.*

1 *SEC. 40. Section 31680.6 of the Government Code is amended*
 2 *to read:*

3 31680.6. (a) Notwithstanding Section 31680.2, any county
 4 subject to Section 31680.2 may, upon adoption of a resolution by
 5 a majority vote by the board of supervisors, extend the period of
 6 time provided for in Section 31680.2 for which a person who has
 7 retired may be employed in a position requiring special skills or
 8 knowledge, as determined by the county or district employing him
 9 or her, to not to exceed 120 working days or 960 hours, whichever
 10 is greater, in any one fiscal year or any other 12-month period
 11 designated by the board of supervisors and may be paid for that
 12 employment. That employment shall not operate to reinstate the
 13 person as a member of this system or to terminate or suspend his
 14 or her retirement allowance, and no deductions shall be made from
 15 his or her salary as contributions to this system.

16 (b) (1) This section shall not apply to any retired person who
 17 is otherwise eligible for employment under this section if, during
 18 the 12-month period prior to an appointment described in this
 19 section, that retired person receives unemployment insurance
 20 compensation arising out of prior employment subject to this
 21 section with the same employer.

22 (2) A retired person who accepts an appointment after receiving
 23 unemployment insurance compensation as described in this
 24 subdivision shall terminate that employment on the last day of the
 25 current pay period and shall not be eligible for reappointment
 26 subject to this section for a period of 12 months following the last
 27 day of employment.

28 (c) *Beginning January 1, 2013, if any provision of this section*
 29 *conflicts with the California Public Employees' Pension Reform*
 30 *Act of 2013, the provisions of that act shall prevail.*

31 *SEC. 41. Section 31685.01 is added to the Government Code,*
 32 *to read:*

33 31685.01. *Benefits enumerated in this article shall be*
 34 *determined in accordance with the provisions of this chapter or*
 35 *the California Public Employee's Pension Reform Act of 2013,*
 36 *whichever is applicable.*

37 *SEC. 42. Section 31705 of the Government Code is amended*
 38 *to read:*

39 31705. The retirement allowance shall be calculated according
 40 to the provisions of this chapter, *or the California Public*

1 *Employees' Pension Reform Act of 2013, whichever is applicable,*
2 *as they exist at the time of the commencement of the retirement*
3 *allowance.*

4 *SEC. 43. Section 31835 of the Government Code is amended*
5 *to read:*

6 31835. The average compensation during any period of service
7 as a member of the Public Employees' Retirement System, a
8 member of the Judges' Retirement System or Judges' Retirement
9 System II, a member of a retirement system established under this
10 chapter in another county, a member of the State Teachers'
11 Retirement System, or a member of a retirement system of any
12 other public agency of the state that has established reciprocity
13 with the Public Employees' Retirement System subject to the
14 conditions of Section 31840.2, shall be considered compensation
15 *earnable or pensionable compensation pursuant to Section 7522.34,*
16 *whichever is applicable,* by a member for purposes of computing
17 final compensation for that member provided:

18 (1) The period intervening between active memberships in the
19 respective systems does not exceed 90 days, or 6 months if Section
20 31840.4 applies. That period shall not include any time during
21 which the member was prohibited by law from becoming a member
22 of the system of another county.

23 Notwithstanding anything in this chapter to the contrary, the
24 90-day or 6-month restriction referred to in this section or any
25 other provision of this chapter effecting deferred retirement shall
26 not be applicable to any members who left county or district service
27 prior to October 1, 1949, and subsequently redeposited.

28 (2) He or she retires concurrently under both systems and is
29 credited with the period of service under that other system at the
30 time of retirement.

31 The provisions of this section shall be applicable to all members
32 and beneficiaries of the system.

33 *SEC. 44. Section 31836 of the Government Code is amended*
34 *to read:*

35 31836. "Service," solely for purposes of qualification for
36 payment of benefits and retirement allowances, shall also include
37 service as an employee of the state or a contracting agency under
38 the Public Employees' Retirement System or of another county
39 having a retirement system established under this chapter, or as a
40 member of the State Teachers' Retirement System, or as a member

1 of a retirement system of any other public agency of the state that
2 has established reciprocity with the Public Employees' Retirement
3 System subject to the conditions of Section 31840.2, if the
4 compensation for such service constitutes compensation earnable
5 *or pensionable compensation pursuant to Section 7522.34,*
6 *whichever is applicable,* by a member under Section 31835 of this
7 part.

8 No credit shall be granted in this retirement system for service
9 for which the member has received credit in another retirement
10 system or for which he *or she* is presently receiving a retirement
11 allowance from another retirement system.

12 *SEC. 45. Section 31839 of the Government Code is amended*
13 *to read:*

14 31839. Upon the death before retirement of a member, while
15 in service as a member of the Public Employees' Retirement
16 System or a retirement system established pursuant to this chapter
17 in another county, who has made an election pursuant to Section
18 31700 and 31832, the death benefit provided in Section 31781
19 payable by the system from which he *or she* elected deferred
20 retirement shall consist of:

21 (a) When death is not the result of a disease or injury arising
22 out of and in the course of employment, the amount of such death
23 benefit shall not exceed an amount which when added to the death
24 benefit payable for the member under such other system will equal
25 the total of the accumulated contributions to both systems plus 50
26 percent of the annual compensation earnable *or pensionable*
27 *compensation pursuant to Section 7522.34, whichever is*
28 *applicable,* by the deceased during the 12 months immediately
29 preceding his *or her* death.

30 (b) When death is the result of disease or injury arising out of
31 and in the course of his *or her* employment as a member of such
32 other system, such death benefit shall consist solely of the
33 member's accumulated contributions.

34 *SEC. 46. Section 31873 of the Government Code is amended*
35 *to read:*

36 31873. (a) Any increases in contributions shall be shared
37 equally between the county or district and the contributing
38 members, with the individual member's contributions based upon
39 the member's age at his or her nearest birthday at time of entrance
40 into the retirement system *or based on a single rate of contributions*

1 pursuant to Section 31621.11, 31629.26, or as otherwise authorized
 2 by this chapter or the California Public Employees' Pension
 3 Reform Act of 2013. The board of supervisors by a majority vote
 4 may elect to pay part of the costs of the contributions which would
 5 otherwise be assessed to the individual members.

6 (b) Notwithstanding subdivision (a), pursuant to Section
 7 7522.30, the board of supervisors shall not pay any part of the
 8 costs of the member contributions of new members as defined in
 9 subdivision (f) of Section 7522.04.

10 SEC. 47. Section 31873.1 of the Government Code is amended
 11 to read:

12 31873.1. (a) Any cost-of-living contributions required for
 13 benefits under Section 31870.3 shall be shared equally between
 14 the county or district and the contributing members. The individual
 15 member's contributions shall be based upon the member's age at
 16 the member's nearest birthday at time of entrance into the
 17 retirement system, and shall be expressed as a percentage of the
 18 member's normal contribution rate. The board of supervisors by
 19 a majority vote may elect to pay all or part of the costs of the
 20 contributions which would otherwise be assessed to the individual
 21 members.

22 (b) Notwithstanding subdivision (a), pursuant to Section
 23 7522.30, the board of supervisors shall not pay any part of the
 24 costs of the member contributions of new members as defined in
 25 subdivision (f) of Section 7522.04.

26 ~~Until~~

27 (c) *Until* revised by subsequent actuarial studies, the member's
 28 cost-of-living contribution rate shall be 39.57 percent of the
 29 member's normal contribution rate. These initial cost-of-living
 30 contribution rates are shown in the following table, according to
 31 the member's age at the time of entry into the system:

33 Age of entry	Percentage
34 into system	of contribution
35 16	1.16
36 17	1.16
37 18	1.16
38 19	1.16
39 20	1.16
40 21	1.16

1	22	1.16
2	23	1.16
3	24	1.16
4	25	1.17
5	26	1.17
6	27	1.18
7	28	1.18
8	29	1.19
9	30	1.20
10	31	1.20
11	32	1.21
12	33	1.22
13	34	1.23
14	35	1.24
15	36	1.25
16	37	1.26
17	38	1.27
18	39	1.28
19	40	1.29
20	41	1.30
21	42	1.31
22	43	1.32
23	44	1.33
24	45	1.34
25	46	1.36
26	47	1.37
27	48	1.38
28	49	1.40
29	50	1.41
30	51	1.43
31	52	1.44
32	53	1.46
33	54 and over	1.47

34
 35 *SEC. 48. Section 31874.5 of the Government Code is amended*
 36 *to read:*

37 31874.5. (a) Whenever the percentage of annual increase in
 38 the cost of living as of January 1 of each year as shown by the
 39 Bureau of Labor Statistics Consumer Price Index for All Urban
 40 Consumers exceeds a full 3 percent of the existing cost-of-living

1 increase factor provided by any provision of this article, an
2 additional 1 percent of the excess for each full 3 percent over the
3 existing increase factor shall be applied to the retirement
4 allowances, optional death allowances, or annual death allowances
5 increased by any provision of this article. The increases in
6 allowances resulting from the adoption of this section shall be used
7 to offset any accumulated carryover balances under existing
8 cost-of-living adjustments. The cost of implementing this section
9 shall be prefunded commencing with the adoption of this section
10 by the board of supervisors. The method of paying the cost of
11 implementing this section may be mutually agreed to in a
12 memorandum of understanding executed by the employer and
13 employee representatives. The board of retirement shall conduct
14 the actuarial studies to determine those costs.

15 ~~This~~

16 (b) *This section shall not be operative in any county until it is*
17 *adopted by a majority vote of the board of supervisors.*

18 (c) *Notwithstanding subdivision (a), a memorandum of*
19 *understanding regarding the application of the contributions of*
20 *new members, as defined in subdivision (f) of Section 7522.04,*
21 *towards paying the cost of the additional cost-of-living adjustment*
22 *shall not conflict with the requirements of Section 7522.30 or as*
23 *may be agreed to in accordance with Sections 7522.30 and 31631.*

24 *SEC. 49. Section 31899 of the Government Code is amended*
25 *to read:*

26 31899. (a) The purpose of this chapter is to ensure the federal
27 tax-exempt status of the county employees' retirement systems,
28 to preserve the deferred treatment of federal income tax on public
29 employer contributions to public employee pensions, and to ensure
30 that members are provided with retirement and other related
31 benefits that are commensurate, to the extent deemed reasonable,
32 with the services rendered without violating the intent and purposes
33 of Section 415 of the Internal Revenue Code.

34 ~~To~~

35 (b) *To achieve this purpose, this chapter incorporates certain*
36 *pension payment limitations and elects the "grandfather" option*
37 *in Section 415(b)(10) of the Internal Revenue Code. Also, this*
38 *chapter provides for certain replacement benefits.*

39 (c) *On or after January 1, 2013, the application of this chapter*
40 *is limited as specified in Section 7522.43.*

O