

AMENDED IN SENATE JUNE 11, 2013

AMENDED IN SENATE JUNE 4, 2013

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, 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 Sections 31462.05, 31620.5, 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. PEPRAs 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. PEPRAs 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.

The County Employees Retirement Law of 1937 (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 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. *The bill would except retirement systems established under CERL from*

specified provisions of PEPPRA concerning the calculation and adjustment of contribution rates.

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.

16 SEC. 2. Section 31452.5 of the Government Code is amended
17 to read:

18 31452.5. (a) The board may comply with and give effect to a
19 revocable written authorization signed by a retired member or
20 beneficiary of a retired member entitled to a retirement allowance
21 or benefit under this chapter or the California Public Employees'
22 Pension Reform Act of 2013, authorizing the treasurer or other
23 entity authorized by the board to deduct a specified amount from
24 the retirement allowance or benefit payable to any retired member
25 or beneficiary of a retired member for any of the following
26 purposes:

27 (1) Paying premiums on any policy or certificate of group life
28 insurance or group disability insurance issued by an admitted
29 insurer.

30 (2) Paying premiums for a prepaid group medical or hospital
31 service plan.

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

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

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

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

10 (7) Payments to a recognized retiree organization.

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

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

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

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

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

24 SEC. 3. Section 31452.6 of the Government Code is amended
25 to read:

26 31452.6. (a) The board shall comply with and give effect to
27 a revocable written authorization signed by a retired member or
28 beneficiary of a retired member entitled to a retirement allowance
29 or benefit under this chapter or the California Public Employees'
30 Pension Reform Act of 2013, authorizing the treasurer or other
31 entity authorized by the board to deliver the monthly warrant,
32 check, or electronic fund transfer, for the retirement allowance or
33 benefit to any specified bank, savings and loan institution, or credit
34 union to be credited to the account of the retired member or
35 survivor of a deceased retired member. That delivery is full
36 discharge of the liability of the board to pay a monthly retirement
37 allowance or benefit to the retired member or survivor of a
38 deceased retired member.

39 (b) Any payments directly deposited by electronic fund transfer
40 following the date of death of a person who was entitled to receive

1 a retirement allowance or benefit under this chapter or the
2 California Public Employees' Pension Reform Act of 2013 shall
3 be refunded to the retirement system.

4 (c) In order to obtain information from a financial institution
5 following the death of a retired member or the beneficiary of a
6 retired member, as provided in subdivision (o) of Section 7480,
7 the board may certify in writing to the financial institution that the
8 retired member or the beneficiary of a retired member has died
9 and that transfers to the account of the retired member or
10 beneficiary of a retired member at the financial institution from
11 the retirement system occurred after the date of death of the retired
12 member or the beneficiary of a retired member.

13 SEC. 4. Section 31454 of the Government Code is amended
14 to read:

15 31454. (a) The board of supervisors shall, not later than 90
16 days after the beginning of the immediately succeeding fiscal year,
17 adjust the rates of interest, the rates of contributions of members,
18 and county and district appropriations in accordance with the
19 recommendations of the board, but shall not fix them in amounts
20 that reduce the individual benefits provided in this chapter or the
21 California Public Employees' Pension Reform Act of 2013.

22 (b) (1) The governing body of a district within the county
23 system that is not governed by the board of supervisors shall, not
24 later than 90 days after the beginning of the immediately
25 succeeding fiscal year, adjust the rates of contributions of district
26 members and in district appropriations in accordance with the
27 recommendations of the board, but shall not fix them in amounts
28 that reduce the individual benefits provided in this chapter or the
29 California Public Employees' Pension Reform Act of 2013.

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

33 SEC. 5. Section 31455 of the Government Code is amended
34 to read:

35 31455. Unless the context otherwise requires, or unless
36 superseded by any provision of the California Public Employees'
37 Pension Reform Act of 2013, the definitions and general provisions
38 contained in this article govern the construction of this chapter.

39 SEC. 6. Section 31461.6 of the Government Code is amended
40 to read:

1 31461.6. (a) “Compensation earnable” shall not include
 2 overtime premium pay other than premium pay for hours worked
 3 within the normally scheduled or regular working hours that are
 4 in excess of the statutory maximum workweek or work period
 5 applicable to the employee under Section 201 and following of
 6 Title 29 of the United States Code.

7 (b) This section shall not apply to a member who is subject to
 8 the California Public Employees’ Pension Reform Act of 2013.

9 SEC. 7. Section 31462 of the Government Code is amended
 10 to read:

11 31462. (a) “Final compensation” means the average annual
 12 compensation earnable by a member during any three years elected
 13 by a member at or before the time he or she files an application
 14 for retirement, or, if he or she fails to elect, during the three years
 15 immediately preceding his or her retirement. If a member has less
 16 than three years of service, his or her final compensation shall be
 17 determined by dividing his or her total compensation by the number
 18 of months of service credited to him or her and multiplying by 12.

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

23 SEC. 8. Section 31462.05 is added to the Government Code,
 24 to read:

25 31462.05. For a member who is subject to the California Public
 26 Employees’ Pension Reform Act of 2013 for all or any portion of
 27 his or her membership in the county retirement system, “final
 28 compensation” as defined in Section 7522.32 shall apply. If a
 29 member has less than three years of service, that member’s final
 30 compensation shall be determined by dividing the total
 31 compensation by the number of months of service credited to the
 32 member and multiplying by 12.

33 SEC. 9. Section 31462.1 of the Government Code is amended
 34 to read:

35 31462.1. (a) (1) “Final compensation” means the average
 36 annual compensation earnable by a member during any year elected
 37 by a member at or before the time he or she files an application
 38 for retirement, or, if he or she fails to elect, during the year
 39 immediately preceding his or her retirement.

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

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

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

11 31462.2. (a) "Final compensation" for members whose service
12 is on a tenure that is temporary, seasonal, intermittent, or for part
13 time only means one-third of the total compensation earned for
14 that period of time during which the member rendered the
15 equivalent of three years of full-time service.

16 (b) The member may elect at or before the time he or she files
17 an application for retirement the period of time during which he
18 or she has earned three full years of credit upon which final
19 compensation shall be calculated. If he or she does not so elect,
20 such period of time immediately preceding his or her retirement
21 shall be used.

22 (c) This section applies to a member meeting the conditions
23 specified in subdivision (a), whose service is described in
24 subdivision (a), and who is subject to the California Public
25 Employees' Pension Reform Act of 2013.

26 SEC. 11. Section 31479.1 of the Government Code is amended
27 to read:

28 31479.1. (a) (1) Notwithstanding Section 31479, an elective
29 or appointive county official may receive credit for service rendered
30 as a city council member even though that service was not
31 compensated.

32 (2) This section shall not be operative in any county until it is
33 adopted by a majority vote of the board of supervisors.

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

37 SEC. 12. Section 31482.5 of the Government Code is amended
38 to read:

1 31482.5. (a) Notwithstanding any provisions to the contrary
2 in Section 20894, this section shall apply to all participants in
3 retirement systems governed by this chapter.

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

7 (c) Nothing in this section shall preclude concurrent participation
8 and credit for service in a public retirement system and in a
9 deferred compensation plan that meets the requirements of Section
10 457 of Title 26 of the United States Code, a tax-deferred retirement
11 plan that meets the requirements of Section 401(k) of Title 26 of
12 the United States Code, or a defined contribution plan and trust
13 that meets the requirements of Section 401(a), 403(b), or 415(m)
14 of Title 26 of the United States Code.

15 (d) Nothing in this section shall preclude concurrent participation
16 and credit for service in the defined benefit plan provided under
17 this chapter and in a supplemental defined benefit plan maintained
18 by the employer that meets the requirements of Section 401(a) of
19 Title 26 of the United States Code, provided all of the following
20 conditions exist:

21 (1) The defined benefit plan provided under this chapter has
22 been designated as the employer’s primary plan for the person and
23 the supplemental defined benefit plan is adopted by the governing
24 body of the employer.

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

29 (3) The person’s participation in the supplemental defined
30 benefit plan does not, in any way, interfere with the person’s rights
31 to membership in the defined benefit plan, or any benefit provided,
32 under this chapter.

33 (e) If any provision of this section conflicts with the California
34 Public Employees’ Pension Reform Act of 2013, that provision
35 shall not apply to a member who is subject to the California Public
36 Employees’ Pension Reform Act of 2013 for all or any portion of
37 his or her membership in the county retirement system.

38 SEC. 13. Section 31490.6 of the Government Code is amended
39 to read:

1 31490.6. (a) An active member may elect, by written notice
2 filed with the board, to make contributions pursuant to this section
3 and to receive up to five years of service credit in the retirement
4 system for additional retirement credit, if the member has
5 completed at least five years of credited service with that retirement
6 system.

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

11 (c) Notwithstanding any other provision of this chapter, service
12 credit for additional retirement credit may not be counted to meet
13 the minimum qualifications for service retirement or for purposes
14 of establishing eligibility for benefits based on 30 years of service,
15 additional ad hoc cost-of-living benefits based on service credit,
16 health care benefits, or any other benefits based upon service credit.

17 (d) A member who elects to make contributions and receive
18 service credit for additional retirement credit shall contribute to
19 the retirement fund, prior to the effective date of his or her
20 retirement, by lump-sum payment or by installment payments over
21 a period not to exceed 10 years, an amount that, at the time of
22 commencement of purchase, in the opinion of the board and the
23 actuary, is sufficient to not place any additional financial burden
24 upon the retirement system.

25 (e) No member may receive service credit under this section
26 for additional retirement credit that he or she has not completed
27 payment pursuant to subdivision (d) before the effective date of
28 his or her retirement or, if applicable, prior to the date provided in
29 Section 31485.8. Subject to the limitations of United States Internal
30 Revenue Service regulations, a member who has elected to make
31 payment in installments may complete payment by lump sum at
32 any time prior to the effective date of his or her retirement.

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

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

38 (h) Pursuant to Section 7522.46, this section shall apply only
39 to an application to purchase additional retirement credit that was

1 received by the retirement system prior to January 1, 2013, that is
2 subsequently approved by the system.

3 SEC. 14. Section 31499.11 of the Government Code is amended
4 to read:

5 31499.11. Unless the context otherwise requires, the definitions
6 contained in this section govern the construction of this article.

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

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

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

12 (d) "Final compensation" means the average annual
13 compensation earnable by a general member during any three
14 years, whether or not consecutive, for a person who became a
15 general member of the plan prior to January 1, 2013, or, for a
16 person who became a general member of the plan on or after
17 January 1, 2013, final compensation means the average annual
18 compensation earnable by a general member during any 36
19 consecutive months, to be elected by the member at or before the
20 time an application for retirement is filed, or, if no election is made,
21 during the three years in which the member or former member last
22 earned compensation preceding retirement. If a member or former
23 member has less than three years of service, final compensation
24 shall be determined by dividing total compensation by the number
25 of months of service credited to the member or former member
26 and multiplying by 12. In no event shall final compensation include
27 any disability benefits received by the member or former member
28 under a disability plan provided by the employer.

29 (e) "Member" or "general member" means an employee hired
30 on a permanent basis, as defined by the employer, except an
31 employee eligible for safety member.

32 (f) "Primary insurance amount" means the monthly retirement
33 benefit payable under the federal system at the age of 65.

34 (g) "Service" means the period of uninterrupted employment
35 of a member and the time in which a member or former member
36 (1) is totally disabled, and (2) is receiving disability benefits or is
37 eligible to receive disability benefits either during or after any
38 elimination or qualifying period, under a disability plan provided
39 by the employer.

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

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

6 SEC. 15. Section 31551 of the Government Code is amended
7 to read:

8 31551. The persons expressly declared to be ineligible to
9 membership by this article shall not become members of the
10 retirement association, and, except as expressly excluded, the
11 persons enumerated in this article or the California Public
12 Employees' Pension Reform Act of 2013 shall become members
13 of the association.

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

20 SEC. 16. Section 31581.1 of the Government Code is amended
21 to read:

22 31581.1. (a) The board of supervisors may elect to pay up to
23 one-half of the contributions normally required of members for
24 any period of time designated in the resolution providing for such
25 payment. The payments shall not become part of the accumulated
26 contributions of the member. These payments may be made with
27 respect to employees in one or more bargaining units irrespective
28 of whether they are made with respect to other employees.

29 (b) This section shall not apply to members who are subject to
30 Section 7522.30.

31 SEC. 17. Section 31581.2 of the Government Code is amended
32 to read:

33 31581.2. (a) The board of supervisors or the governing body
34 of the district may agree to pay any portion of the contributions
35 required to be paid by a member. All payments shall be in lieu of
36 wages and shall be reported simply as normal contributions and
37 shall be credited to member accounts.

38 (b) The enactment of a resolution pursuant to this section shall
39 not create vested rights in any member. The board of supervisors
40 or the governing body of the district may amend or repeal the

1 resolution at any time, subject to the provisions of Sections 3504
2 and 3505, or any similar rule or regulation of the county or district.

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

5 *SEC. 18. Section 31620.5 is added to the Government Code,*
6 *to read:*

7 *31620.5. The normal rates of contribution of general and safety*
8 *members subject to the California Public Employees' Pension*
9 *Reform Act of 2013 shall be determined pursuant to Section*
10 *7522.30 subject to the following exceptions:*

11 (a) *The board may, but is not required to, apply the provisions*
12 *of subdivision (c) of Section 7522.30 that require the initial*
13 *contribution rate to be rounded to the nearest quarter of 1 percent.*

14 (b) *Subdivision (d) of Section 7522.30 shall not apply to the*
15 *contribution rates of members of retirement systems established*
16 *pursuant to this chapter.*

17 ~~SEC. 18:~~

18 *SEC. 19. Section 31625.2 of the Government Code is amended*
19 *to read:*

20 31625.2. (a) *Notwithstanding any other provisions of this*
21 *chapter, contributions shall not be deducted from the salary of any*
22 *member having credit for 30 years' service providing the member*
23 *was a member on March 7, 1973, and remained in membership*
24 *continuously until credited with 30 years' service.*

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

32 ~~SEC. 19:~~

33 *SEC. 20. Section 31625.3 of the Government Code is amended*
34 *to read:*

35 31625.3. (a) *Notwithstanding any other provision of this*
36 *chapter, contributions shall not be deducted from the salary of any*
37 *member who was a member before or after March 7, 1973, of the*
38 *retirement association, another county retirement system*
39 *established under this chapter, or the Public Employees' Retirement*
40 *System, and has total reciprocal service credit of not less than 30*

1 years in the retirement association, or in the retirement association
2 and another county retirement system established under this
3 chapter, or the Public Employees' Retirement System, or a
4 combination thereof.

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

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

9 ~~SEC. 20.~~

10 *SEC. 21.* Section 31630 of the Government Code is amended
11 to read:

12 31630. (a) Notwithstanding any other provisions in this
13 chapter, the South Coast Air Quality Management District and in
14 any county which has adopted Section 31676.1, 31676.11,
15 31676.12, 31676.13, 31676.14, 31676.15, or 31751, the board of
16 supervisors or district board, as the case may be, may agree to pay
17 any portion of the members' normal contributions to the system.
18 All the contributions paid by the county or district, as the case may
19 be, shall remain its contributions, and no right therein shall accrue
20 to any employee prior to the employee's election to take a regular,
21 deferred, or disability retirement.

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

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

27 ~~SEC. 21.~~

28 *SEC. 22.* Section 31639.85 of the Government Code is amended
29 to read:

30 31639.85. (a) Notwithstanding any other provisions in this
31 chapter, in any county which has adopted Section 31676.1,
32 31676.11, 31676.12, 31676.13, 31676.14, or 31676.15 the board
33 of supervisors may agree to pay any portion of the safety members'
34 normal contributions to the system. All contributions paid by the
35 county shall remain county contributions, and no right therein shall
36 accrue to any employee prior to the employee's election to take a
37 regular, deferred or disability retirement.

38 (b) Any contributions paid by the board of supervisors on behalf
39 of the safety members shall be as determined upon actuarial advice,
40 and approved by the board of retirement.

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

3 ~~SEC. 22.~~

4 *SEC. 23.* Section 31658 of the Government Code is amended
5 to read:

6 31658. (a) An active member may elect, by written notice
7 filed with the board, to make contributions pursuant to this section
8 and to receive up to five years of service credit in the retirement
9 system for additional retirement credit, if the member has
10 completed at least five years of credited service with that retirement
11 system.

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

16 (c) Notwithstanding any other provision of this chapter, service
17 credit for additional retirement credit may not be counted to meet
18 the minimum qualifications for service or disability retirement or
19 for purposes of establishing eligibility for any benefits based on
20 30 years of service, additional ad hoc cost-of-living benefits based
21 on service credit, health care benefits, or any other benefits based
22 upon service credit.

23 (d) Any member who elects to make contributions and receive
24 service credit for additional retirement credit shall contribute to
25 the retirement fund, prior to the effective date of his or her
26 retirement, by lump-sum payment or by installment payments over
27 a period not to exceed 10 years, an amount that, at the time of
28 commencement of purchase, in the opinion of the board and the
29 actuary, is sufficient to not place any additional financial burden
30 upon the retirement system.

31 (e) No member may receive service credit under this section
32 for any additional retirement credit for which he or she has not
33 completed payment pursuant to subdivision (d) before the effective
34 date of his or her retirement. Subject to the limitations of United
35 States Internal Revenue Service regulations, a member who has
36 elected to make payment in installments may complete payment
37 by lump sum at any time prior to the effective date of his or her
38 retirement.

1 (f) Any sums paid by a member pursuant to this section shall
2 be considered to be and administered as contributions by the
3 member.

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

7 (h) Pursuant to Section 7522.46, this section shall apply only
8 to an application to purchase additional retirement credit that was
9 received by the retirement system prior to January 1, 2013, that is
10 subsequently approved by the system.

11 ~~SEC. 23.~~

12 *SEC. 24.* Section 31662.2 of the Government Code is amended
13 to read:

14 31662.2. Retirement of a safety member in a county subject
15 to the provisions of Section 31676.1, or of Section 31695.1, if
16 applicable, who has met the requirements for age and service shall
17 be made by the board pursuant to this article or pursuant to the
18 California Public Employees' Pension Reform Act of 2013,
19 whichever is applicable.

20 ~~SEC. 24.~~

21 *SEC. 25.* Section 31663.25 of the Government Code is amended
22 to read:

23 31663.25. (a) Except as provided in Section 31663.26, a safety
24 member who has reached the applicable compulsory age of
25 retirement, if any, or a safety member who has completed 10 years
26 of continuous service and who has reached the age of 50, or a
27 safety member who has completed 20 years of service regardless
28 of age, may be retired upon filing with the board a written
29 application setting forth the date upon which the member desires
30 his or her retirement to become effective which shall be not more
31 than 60 days after the date of filing the application.

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

37 ~~SEC. 25.~~

38 *SEC. 26.* Section 31663.26 of the Government Code is amended
39 to read:

1 31663.26. (a) Notwithstanding Section 31663.25, a safety
 2 member who has reached the applicable compulsory age of
 3 retirement, if any, or a safety member who is a full-time employee,
 4 has completed 10 years of service, has reached the age of 50, and
 5 has no service break which exceeds 12 months, or a safety member
 6 who has completed 20 years of service regardless of age, may be
 7 retired upon filing with the board a written application setting forth
 8 the date upon which the member desires his or her retirement to
 9 become effective which shall be not more than 60 days after the
 10 date of filing the application.

11 (b) This section shall not be operative in any county until such
 12 time as the board of supervisors shall, by ordinance, make this
 13 section applicable in the county.

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

18 ~~SEC. 26.~~

19 *SEC. 27.* Section 31664.5 of the Government Code is amended
 20 to read:

21 31664.5. (a) Notwithstanding any other provisions of this
 22 chapter, a safety member may exercise the option of retiring upon
 23 completion of 25 years of service, and if such option is exercised,
 24 the safety member shall receive a retirement allowance equal to
 25 no less than 30 percent of his or her final compensation.

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

30 ~~SEC. 27.~~

31 *SEC. 28.* Section 31670 of the Government Code is amended
 32 to read:

33 31670. Retirement of a member who has met the requirements
 34 for age and service shall be made by the board pursuant to this
 35 article or pursuant to the California Public Employees’ Pension
 36 Reform Act of 2013, whichever is applicable.

37 ~~SEC. 28.~~

38 *SEC. 29.* Section 31671 of the Government Code is amended
 39 to read:

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

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

20 ~~SEC. 29:~~

21 *SEC. 30.* Section 31672 of the Government Code is amended
22 to read:

23 31672. (a) A member who has reached 70 years of age or a
24 member who has completed 10 years of service and who has
25 reached 55 years of age, or a member who has completed 30 years
26 of service regardless of age, may be retired upon filing with the
27 board a written application, setting forth the date upon which he
28 or she desires his or her retirement to become effective not earlier
29 than the date the application is filed with the board and not more
30 than 60 days after the date of filing the application. Fifty-five years
31 of age in the preceding sentence may be reduced to 50 years of
32 age in a county by resolution of the board of supervisors.

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

38 ~~SEC. 30:~~

39 *SEC. 31.* Section 31672.1 of the Government Code is amended
40 to read:

1 31672.1. (a) An employee who has reached the age of 55 years,
 2 has held a position in the county service for 10 years, and on the
 3 date of retirement is employed in a temporary, seasonal,
 4 intermittent, or part-time position in which the employee has
 5 received credit for five full years of service, may be retired upon
 6 filing with the board a written application, setting forth the date
 7 upon which the employee desires his or her retirement to become
 8 effective which shall not be more than 60 days after the date of
 9 filing the application. The age of 55 in the preceding sentence may
 10 be reduced to age 50 in any county by resolution of the board of
 11 supervisors if such reduction has also been made under Section
 12 31672.

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

17 ~~SEC. 31.~~

18 *SEC. 32.* Section 31672.2 of the Government Code is amended
 19 to read:

20 31672.2. (a) An elective officer who filed a declaration with
 21 the board to become a member, pursuant to Section 31553, who
 22 has served two complete consecutive terms in an elective office,
 23 and who has reached the minimum age for retirement provided in
 24 Section 31672, may be retired upon filing with the board a written
 25 application setting forth the date upon which he or she desires his
 26 or her retirement to become effective which shall be not more than
 27 60 days after the date of filing the application.

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

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

37 ~~SEC. 32.~~

38 *SEC. 33.* Section 31672.3 is added to the Government Code,
 39 to read:

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

12 ~~SEC. 33.~~

13 *SEC. 34.* Section 31678.2 of the Government Code is amended
14 to read:

15 31678.2. (a) Notwithstanding Section 31678 or any other
16 provision of this chapter, a board of supervisors or a governing
17 body of a district may, by resolution adopted by majority vote,
18 make any section of this chapter prescribing a formula for
19 calculation of retirement benefits applicable to service credit earned
20 on and after the date specified in the resolution, which date may
21 be earlier than the date the resolution is adopted.

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

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

34 (d) On or after January 1, 2013, this section is inoperative
35 pursuant to Section 7522.44.

36 ~~SEC. 34.~~

37 *SEC. 35.* Section 31678.3 of the Government Code is amended
38 to read:

39 31678.3. (a) Notwithstanding any other provision of this
40 chapter, a resolution adopted by a board of supervisors to make

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

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

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

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

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

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

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

1 by a member pursuant to this subdivision shall become part of the
2 accumulated contributions of the member.

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

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

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

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

13 ~~SEC. 35.~~

14 *SEC. 36.* 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.~~

26 *SEC. 37.* Section 31680 of the Government Code is amended
27 to read:

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

31 (1) As specifically provided in this chapter.

32 (2) Pursuant to Section 31733.

33 (3) The county or district may pay and the retired member may
34 receive:

35 (A) Rewards for ideas or suggestions made by the retired
36 member for the improvement of county or district activities.

37 (B) Compensation for his or her services on the board.

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

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.~~

11 *SEC. 38.* Section 31680.1 of the Government Code is amended
 12 to read:

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

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

23 ~~SEC. 38.~~

24 *SEC. 39.* Section 31680.2 of the Government Code is amended
 25 to read:

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

36 (b) (1) This section shall not apply to any retired person who
 37 is otherwise eligible for employment under this section if, during
 38 the 12-month period prior to an appointment described in this
 39 section, that retired person receives unemployment insurance

1 compensation arising out of prior employment subject to this
2 section with the same employer.

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

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

15 ~~SEC. 39.~~

16 *SEC. 40.* Section 31680.3 of the Government Code is amended
17 to read:

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

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

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

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

4 ~~SEC. 40.~~

5 *SEC. 41.* Section 31680.6 of the Government Code is amended
6 to read:

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

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

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

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

35 ~~SEC. 41.~~

36 *SEC. 42.* Section 31685.01 is added to the Government Code,
37 to read:

38 31685.01. Benefits enumerated in this article shall be
39 determined in accordance with the provisions of this chapter or

1 the California Public Employee’s Pension Reform Act of 2013,
2 whichever is applicable.

3 ~~SEC. 42.~~

4 *SEC. 43.* Section 31705 of the Government Code is amended
5 to read:

6 31705. The retirement allowance shall be calculated according
7 to the provisions of this chapter, or the California Public
8 Employees’ Pension Reform Act of 2013, whichever is applicable,
9 as they exist at the time of the commencement of the retirement
10 allowance.

11 ~~SEC. 43.~~

12 *SEC. 44.* Section 31835 of the Government Code is amended
13 to read:

14 31835. The average compensation during any period of service
15 as a member of the Public Employees’ Retirement System, a
16 member of the Judges’ Retirement System or Judges’ Retirement
17 System II, a member of a retirement system established under this
18 chapter in another county, a member of the State Teachers’
19 Retirement System, or a member of a retirement system of any
20 other public agency of the state that has established reciprocity
21 with the Public Employees’ Retirement System subject to the
22 conditions of Section 31840.2, shall be considered compensation
23 earnable or pensionable compensation pursuant to Section 7522.34,
24 whichever is applicable, by a member for purposes of computing
25 final compensation for that member provided:

26 (1) The period intervening between active memberships in the
27 respective systems does not exceed 90 days, or 6 months if Section
28 31840.4 applies. That period shall not include any time during
29 which the member was prohibited by law from becoming a member
30 of the system of another county.

31 Notwithstanding anything in this chapter to the contrary, the
32 90-day or 6-month restriction referred to in this section or any
33 other provision of this chapter effecting deferred retirement shall
34 not be applicable to any members who left county or district service
35 prior to October 1, 1949, and subsequently redeposited.

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

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

1 ~~SEC. 44.~~

2 *SEC. 45.* Section 31836 of the Government Code is amended
3 to read:

4 31836. "Service," solely for purposes of qualification for
5 payment of benefits and retirement allowances, shall also include
6 service as an employee of the state or a contracting agency under
7 the Public Employees' Retirement System or of another county
8 having a retirement system established under this chapter, or as a
9 member of the State Teachers' Retirement System, or as a member
10 of a retirement system of any other public agency of the state that
11 has established reciprocity with the Public Employees' Retirement
12 System subject to the conditions of Section 31840.2, if the
13 compensation for such service constitutes compensation earnable
14 or pensionable compensation pursuant to Section 7522.34,
15 whichever is applicable, by a member under Section 31835 of this
16 part.

17 No credit shall be granted in this retirement system for service
18 for which the member has received credit in another retirement
19 system or for which he or she is presently receiving a retirement
20 allowance from another retirement system.

21 ~~SEC. 45.~~

22 *SEC. 46.* Section 31839 of the Government Code is amended
23 to read:

24 31839. Upon the death before retirement of a member, while
25 in service as a member of the Public Employees' Retirement
26 System or a retirement system established pursuant to this chapter
27 in another county, who has made an election pursuant to Section
28 31700 and 31832, the death benefit provided in Section 31781
29 payable by the system from which he or she elected deferred
30 retirement shall consist of:

31 (a) When death is not the result of a disease or injury arising
32 out of and in the course of employment, the amount of such death
33 benefit shall not exceed an amount which when added to the death
34 benefit payable for the member under such other system will equal
35 the total of the accumulated contributions to both systems plus 50
36 percent of the annual compensation earnable or pensionable
37 compensation pursuant to Section 7522.34, whichever is applicable,
38 by the deceased during the 12 months immediately preceding his
39 or her death.

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

5 ~~SEC. 46.~~

6 *SEC. 47.* Section 31873 of the Government Code is amended
7 to read:

8 31873. (a) Any increases in contributions shall be shared
9 equally between the county or district and the contributing
10 members, with the individual member's contributions based upon
11 the member's age at his or her nearest birthday at time of entrance
12 into the retirement system or based on a single rate of contributions
13 pursuant to Section 31621.11, 31629.26, or as otherwise authorized
14 by this chapter or the California Public Employees' Pension
15 Reform Act of 2013. The board of supervisors by a majority vote
16 may elect to pay part of the costs of the contributions which would
17 otherwise be assessed to the individual members.

18 (b) Notwithstanding subdivision (a), pursuant to Section
19 7522.30, the board of supervisors shall not pay any part of the
20 costs of the member contributions of new members as defined in
21 subdivision (f) of Section 7522.04.

22 ~~SEC. 47.~~

23 *SEC. 48.* Section 31873.1 of the Government Code is amended
24 to read:

25 31873.1. (a) Any cost-of-living contributions required for
26 benefits under Section 31870.3 shall be shared equally between
27 the county or district and the contributing members. The individual
28 member's contributions shall be based upon the member's age at
29 the member's nearest birthday at time of entrance into the
30 retirement system, and shall be expressed as a percentage of the
31 member's normal contribution rate. The board of supervisors by
32 a majority vote may elect to pay all or part of the costs of the
33 contributions which would otherwise be assessed to the individual
34 members.

35 (b) Notwithstanding subdivision (a), pursuant to Section
36 7522.30, the board of supervisors shall not pay any part of the
37 costs of the member contributions of new members as defined in
38 subdivision (f) of Section 7522.04.

39 (c) Until revised by subsequent actuarial studies, the member's
40 cost-of-living contribution rate shall be 39.57 percent of the

1 member's normal contribution rate. These initial cost-of-living
2 contribution rates are shown in the following table, according to
3 the member's age at the time of entry into the system:

4		
5	Age of entry	Percentage
6	into system	of contribution
7	16	1.16
8	17	1.16
9	18	1.16
10	19	1.16
11	20	1.16
12	21	1.16
13	22	1.16
14	23	1.16
15	24	1.16
16	25	1.17
17	26	1.17
18	27	1.18
19	28	1.18
20	29	1.19
21	30	1.20
22	31	1.20
23	32	1.21
24	33	1.22
25	34	1.23
26	35	1.24
27	36	1.25
28	37	1.26
29	38	1.27
30	39	1.28
31	40	1.29
32	41	1.30
33	42	1.31
34	43	1.32
35	44	1.33
36	45	1.34
37	46	1.36
38	47	1.37
39	48	1.38
40	49	1.40

1	50	1.41
2	51	1.43
3	52	1.44
4	53	1.46
5	54 and over	1.47

6
7 ~~SEC. 48.~~

8 *SEC. 49.* Section 31874.5 of the Government Code is amended
9 to read:

10 31874.5. (a) Whenever the percentage of annual increase in
11 the cost of living as of January 1 of each year as shown by the
12 Bureau of Labor Statistics Consumer Price Index for All Urban
13 Consumers exceeds a full 3 percent of the existing cost-of-living
14 increase factor provided by any provision of this article, an
15 additional 1 percent of the excess for each full 3 percent over the
16 existing increase factor shall be applied to the retirement
17 allowances, optional death allowances, or annual death allowances
18 increased by any provision of this article. The increases in
19 allowances resulting from the adoption of this section shall be used
20 to offset any accumulated carryover balances under existing
21 cost-of-living adjustments. The cost of implementing this section
22 shall be prefunded commencing with the adoption of this section
23 by the board of supervisors. The method of paying the cost of
24 implementing this section may be mutually agreed to in a
25 memorandum of understanding executed by the employer and
26 employee representatives. The board of retirement shall conduct
27 the actuarial studies to determine those costs.

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

30 (c) Notwithstanding subdivision (a), a memorandum of
31 understanding regarding the application of the contributions of
32 new members, as defined in subdivision (f) of Section 7522.04,
33 towards paying the cost of the additional cost-of-living adjustment
34 shall not conflict with the requirements of Section 7522.30 or as
35 may be agreed to in accordance with Sections 7522.30 and 31631.

36 ~~SEC. 49.~~

37 *SEC. 50.* Section 31899 of the Government Code is amended
38 to read:

39 31899. (a) The purpose of this chapter is to ensure the federal
40 tax-exempt status of the county employees' retirement systems,

1 to preserve the deferred treatment of federal income tax on public
2 employer contributions to public employee pensions, and to ensure
3 that members are provided with retirement and other related
4 benefits that are commensurate, to the extent deemed reasonable,
5 with the services rendered without violating the intent and purposes
6 of Section 415 of the Internal Revenue Code.
7 (b) To achieve this purpose, this chapter incorporates certain
8 pension payment limitations and elects the “grandfather” option
9 in Section 415(b)(10) of the Internal Revenue Code. Also, this
10 chapter provides for certain replacement benefits.
11 (c) On or after January 1, 2013, the application of this chapter
12 is limited as specified in Section 7522.43.