

Introduced by Senator HancockDecember 21, 2012

An act to add Sections 31621.12 and 31676.20 to the Government Code, relating to county employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 54, as introduced, Hancock. Retirement: county employees.

The California Public Employees' Pension Reform Act of 2013 requires each county retirement system created pursuant to the County Employees Retirement Law of 1937 to use a retirement formula commonly known as 2.5% at 67 years of age for nonsafety members first hired on or after January 1, 2013, except that a lower retirement formula may be used as specified. The County Employees Retirement Law of 1937 authorizes the Alameda County Board of Supervisors to provide service retirement allowances for general members based on one of 2 formulas commonly known as the 2% at 57 years of age formula or the 1.64% at 57 years of age formula.

This bill would authorize the Alameda County Board of Supervisors to adopt a resolution that would provide service retirement allowances based on a formula commonly known as the 2% at 65 years of age formula for general members hired after approval of the resolution, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 31621.12 is added to the Government
2 Code, to read:

3 31621.12. In counties adopting Section 31676.20, the normal
4 rates of contribution for members covered by Section 31676.20
5 shall be as provided for in Section 7522.30. Employees shall pay
6 at least 50 percent of normal costs and the employer shall not pay
7 any part of the required employee contribution.

8 SEC. 2. Section 31676.20 is added to the Government Code,
9 to read:

10 31676.20. (a) (1) Notwithstanding any other provision of this
11 chapter or of subdivision (b) of Section 7522.02 and Section
12 7522.20, this section may be made applicable in a county of the
13 fourth class, as defined in Sections 28020 and 28025, as amended
14 by Chapter 1204 of the Statutes of 1971, on the first day of the
15 month after the board of supervisors of the county adopts a
16 resolution by majority vote, as part of or subsequent to the adoption
17 of any negotiated memorandum of understanding with a bargaining
18 unit that represents general member employees and that was
19 adopted on or before July 31, 2012, to employees of that bargaining
20 unit hired after approval of the resolution or to unrepresented
21 employees hired after approval of the resolution.

22 (2) Notwithstanding any other provisions of this chapter or of
23 subdivision (b) of Section 7522.02 and Section 7522.20, the defined
24 benefit plan shall provide a pension at retirement for service equal
25 to the percentage of the member's final compensation set forth
26 opposite the member's age at retirement, taken to the preceding
27 quarter year, in the following table, multiplied by the number of
28 years of service in the system as a nonsafety member. A member
29 may retire for service under this section after five years of service
30 and upon reaching 52 years of age.

31	32 Age of	
33	33 Retirement	34 Fraction
34	52.....	1.00
35	52 1/4.....	1.025
36	52 1/2.....	1.050
37	52 3/4.....	1.075
38	53.....	1.100

1	53 ¹ / ₄	1.125
2	53 ¹ / ₂	1.150
3	53 ³ / ₄	1.175
4	54.....	1.1883
5	54 ¹ / ₄	1.2022
6	54 ¹ / ₂	1.2160
7	54 ³ / ₄	1.2299
8	55.....	1.2436
9	55 ¹ / ₄	1.2585
10	55 ¹ / ₂	1.2733
11	55 ³ / ₄	1.2882
12	56.....	1.3031
13	56 ¹ / ₄	1.3192
14	56 ¹ / ₂	1.3353
15	56 ³ / ₄	1.3514
16	57.....	1.3675
17	57 ¹ / ₄	1.3850
18	57 ¹ / ₂	1.4025
19	57 ³ / ₄	1.4200
20	58.....	1.4375
21	58 ¹ / ₄	1.4565
22	58 ¹ / ₂	1.4757
23	58 ³ / ₄	1.4947
24	59.....	1.5138
25	59 ¹ / ₄	1.5346
26	59 ¹ / ₂	1.5554
27	59 ³ / ₄	1.5763
28	60.....	1.5972
29	60 ¹ / ₄	1.6126
30	60 ¹ / ₂	1.6282
31	60 ³ / ₄	1.6438
32	61.....	1.6593
33	61 ¹ / ₄	1.6801
34	61 ¹ / ₂	1.7010
35	61 ³ / ₄	1.7219
36	62.....	1.7428
37	62 ¹ / ₄	1.7649
38	62 ¹ / ₂	1.7871
39	62 ³ / ₄	1.8092
40	63.....	1.8314

1 63 1/4 1.8549
2 63 1/2 1.8785
3 63 3/4 1.9021
4 64 1.9257
5 64 1/4 1.9510
6 64 1/2 1.9763
7 64 3/4 2.0015
8 65 2.0268
9 65 1/4 2.0268
10 65 1/2 2.0268
11 65 3/4 2.0268
12 66 2.0268
13 66 1/4 2.0268
14 66 1/2 2.0268
15 66 3/4 2.0268
16 67 and over 2.0268

17

18 (b) Except as provided for in subdivisions (a) and (f), any
19 requirement of the California Public Employees’ Pension Reform
20 Act of 2013 (Article 4 (commencing with Section 7522) of Chapter
21 21 of Division 7 of Title 1) imposed on employers or members
22 participating in county and district retirement systems created
23 under this chapter shall also apply to employers and members
24 operating under this section.

25 (c) A resolution adopted pursuant to this section or previously
26 adopted resolutions of the board may require members to pay all
27 or part of the contributions by a member or employer, or both, that
28 would have been required if the section or sections specified within
29 this chapter were or have been adopted by resolution. The payment
30 by a member shall become part of the accumulated contributions
31 of the member.

32 (d) The board of supervisors, in a resolution described in
33 subdivision (a), shall not require that a bargaining unit be divided
34 solely for the purpose of providing different retirement benefits.
35 However, if the members of a bargaining unit within the same or
36 similar membership classification so elect, retirement benefits may
37 be separately negotiated with that bargaining unit.

38 (e) Notwithstanding any other provision of law, the effective
39 date of a resolution described in subdivision (a) may be different
40 than the date of the resolution.

1 (f) Notwithstanding any other law, including subdivision (a) of
2 Section 7522.32, for purposes of this section, “final compensation”
3 shall mean the highest average annual pensionable compensation
4 earned by the member during a period of at least 36 consecutive
5 months, immediately preceding his or her retirement or last
6 separation from service if earlier, or during any other period of at
7 least 36 consecutive months during the member’s applicable service
8 that the member designates on the application for retirement. If a
9 member has less than 36 months of service, the member’s final
10 compensation shall be determined by dividing the member’s total
11 compensation by the number of months of service credited to the
12 member and multiplying by 12.

13 “Final compensation” for members whose service is on a tenure
14 which is temporary, seasonal, intermittent, or for part time only,
15 means one-third of the total compensation earned for that period
16 of time during which the member rendered the equivalent of 36
17 months of full-time service. The member may elect at or before
18 the time the member files an application for retirement the period
19 of time during which the member has earned 36 months of credit
20 upon which final compensation shall be calculated. If the member
21 does not so elect, the period of time immediately preceding
22 retirement shall be used.

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

24 (h) For employees in a bargaining unit, this section may not be
25 imposed by the employer in the absence of a negotiated
26 memorandum of understanding under the Meyers-Milias Brown
27 Act.

28 SEC. 3. This act is an urgency statute necessary for the
29 immediate preservation of the public peace, health, or safety within
30 the meaning of Article IV of the Constitution and shall go into
31 immediate effect. The facts constituting the necessity are:

32 In order for the benefits of a memorandum of understanding that
33 was negotiated between a county of the fourth class and one of its
34 bargaining units to be enacted and applied equitably at the earliest
35 possible time, it is necessary that this act take effect immediately.