

Senate Bill No. 220

Passed the Senate September 4, 2013

Secretary of the Senate

Passed the Assembly September 3, 2013

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 9353, 20636, 20636.1, 20677.4, 20683.2, 20691, 20692, 20693, 20731, 20737, 20891, 20909, 21010, 21011, 21033, 21052, 21060, 21070.5, 21070.6, 21070.7, 21092, 21150, 22760, 75005, and 75505 of, to add Section 20004 to, the Government Code, relating to public employees’ retirement.

LEGISLATIVE COUNSEL’S DIGEST

SB 220, Beall. California Public Employees’ Pension Reform Act of 2013: administration.

The Public Employees’ Retirement Law (PERL) establishes the Public Employees’ Retirement System (PERS) for the purpose of providing pension benefits to specified public employees. Existing law also establishes the Judges’ Retirement System and Judges’ Retirement System II, which provide pension benefits to judges, as defined, and the Legislators’ Retirement System, which provides pension benefits to specified elective officers of the state, other than judges, and to legislative statutory officers. Existing law requires that these systems be administered by the Board of Administration of PERS. Existing law, the California Public Employees’ Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act, as specified. Existing law establishes the Public Employees’ Medical and Hospital Care Act (PEMHCA) for the purpose of providing postemployment health care benefits to specified retirees.

This bill would require the Board of Administration of PERS to administer each of the retirement systems described above in conformance with PEPRA as if the provisions of the act were contained in the provisions governing those systems. The bill would provide that if the board determines that there is a conflict between the provisions of PEPRA and respective provisions of those systems, the provisions of PEPRA control. The bill would make various changes in PERL and in PEMHCA to conform with the requirements of PEPRA. The bill would prescribe requirements for the calculation of the retirement allowance of members with service in different retirement systems, at least one of which is

subject to PEPRA, with different minimum retirement ages, when the member retires before 52 years of age, as specified.

This bill would incorporate changes to Section 22760 of the Government Code that would become operative if both this bill and AB 410 are both chaptered and this bill is chaptered last.

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

SECTION 1. Section 9353 of the Government Code is amended to read:

9353. This system shall be administered by the Board of Administration of the Public Employees' Retirement System. The board shall administer this system in accordance with the provisions of the Public Employees' Retirement Law to the same extent and with the same effect as if those provisions are contained in the Legislators' Retirement Law, except for those provisions which provide for the payment of an allowance or other benefit and except for those provisions which conflict with any provision or provisions of the Legislators' Retirement Law. To the extent applicable, the board shall also administer this system in conformance with the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) to the same extent and with the same effect as if the provisions of the act are contained in the Legislators' Retirement Law. If the Board of Administration of the Public Employees' Retirement System determines that there is a conflict between the provisions of the California Public Employees' Pension Reform Act of 2013 and this chapter, the provisions of the California Public Employees' Pension Reform Act of 2013 shall control.

SEC. 2. Section 20004 is added to the Government Code, to read:

20004. (a) It is the intent of the Legislature, in enacting this section and amending this part, to comply with, and implement the provisions of, the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) to ensure the continued ability of the board to invest the retirement fund and administer the system in conformity with its duties and responsibilities and

to ensure that members are provided with the retirement and related benefits to which they are entitled pursuant to law.

(b) To achieve the purposes set forth in subdivision (a), the board shall have all powers reasonably necessary to invest the assets associated with, and to administer and implement the provisions of, the California Public Employees' Pension Reform Act of 2013, to the extent and with the same effect as if the provisions of the act are contained in the Public Employees' Retirement Law. All laws governing the investment of the retirement fund, and the organization, procedures, and administrative duties and responsibilities of the board shall be applicable to the board in its administration of the California Public Employees' Pension Reform Act of 2013, to the extent these laws are not in conflict with, or are not inconsistent with, the act. If the board determines that there is a conflict between the provisions of the California Public Employees' Pension Reform Act of 2013 and the Public Employees' Retirement Law, the provisions of the California Public Employees' Pension Reform Act of 2013 shall control.

(c) Nothing in this section shall be construed to amend, supersede, limit, or extend the application of the provisions of the California Public Employees' Pension Reform Act of 2013.

SEC. 3. Section 20636 of the Government Code is amended to read:

20636. (a) "Compensation earnable" by a member means the payrate and special compensation of the member, as defined by subdivisions (b), (c), and (g), and as limited by Section 21752.5.

(b) (1) "Payrate" means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. "Payrate," for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(2) "Payrate" shall include an amount deducted from a member's salary for any of the following:

(A) Participation in a deferred compensation plan.

(B) Payment for participation in a retirement plan that meets the requirements of Section 401(k) of Title 26 of the United States Code.

(C) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(D) Participation in a flexible benefits program.

(3) The computation for a leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(4) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c) (1) Special compensation of a member includes a payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, if the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of a service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, is not special compensation unless regulations promulgated by the board specifically determine that value to be "special compensation."

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes “special compensation” as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 and following of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e) (1) As used in this part, “group or class of employment” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. One employee may not be considered a group or class.

(2) Increases in compensation earnable granted to an employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, “final settlement pay” means pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with, or in anticipation of, a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

(g) (1) Notwithstanding subdivision (a), “compensation earnable” for state members means the average monthly compensation, as determined by the board, upon the basis of the average time put in by members in the same group or class of employment and at the same rate of pay, and is composed of the payrate and special compensation of the member. The computation for an absence of a member shall be based on the compensation earnable by him or her at the beginning of the absence and for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in that state service.

(2) Notwithstanding subdivision (b), “payrate” for state members means the average monthly remuneration paid in cash out of funds paid by the employer to similarly situated members of the same group or class of employment, in payment for the member’s services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence. “Payrate” for state members shall include:

(A) An amount deducted from a member’s salary for any of the following:

(i) Participation in a deferred compensation plan established pursuant to Chapter 4 (commencing with Section 19993) of Part 2.6.

(ii) Payment for participation in a retirement plan that meets the requirements of Section 401(k) of Title 26 of the United States Code.

(iii) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(iv) Participation in a flexible benefits program.

(B) A payment in cash by the member’s employer to one other than an employee for the purpose of purchasing an annuity contract for a member under an annuity plan that meets the requirements of Section 403(b) of Title 26 of the United States Code.

(C) Employer “pick up” of member contributions that meets the requirements of Section 414(h)(2) of Title 26 of the United States Code.

(D) Disability or workers’ compensation payments to safety members in accordance with Section 4800 of the Labor Code.

(E) Temporary industrial disability payments pursuant to Article 4 (commencing with Section 19869) of Chapter 2.5 of Part 2.6.

(F) Other payments the board may determine to be within “payrate.”

(3) Notwithstanding subdivision (c), “special compensation” for state members shall mean all of the following:

(A) The monetary value, as determined by the board, of living quarters, board, lodging, fuel, laundry, and other advantages of any nature furnished to a member by his or her employer in payment for the member’s services.

(B) Compensation for performing normally required duties, such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, Peace Officer Standards and Training (POST) certificate pay, and split shift differential.

(C) Compensation for uniforms, except as provided in Section 20632.

(D) Other payments the board may determine to be within “special compensation.”

(4) “Payrate” and “special compensation” for state members do not include any of the following:

(A) The provision by the state employer of a medical or hospital service or care plan or insurance plan for its employees (other than the purchase of annuity contracts as described below in this subdivision), a contribution by the employer to meet the premium or charge for that plan, or a payment into a private fund to provide health and welfare benefits for employees.

(B) A payment by the state employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act.

(C) Amounts not available for payment of salaries and that are applied by the employer for the purchase of annuity contracts including those that meet the requirements of Section 403(b) of Title 26 of the United States Code.

(D) Benefits paid pursuant to Article 5 (commencing with Section 19878) of Chapter 2.5 of Part 2.6.

(E) Employer payments that are to be credited as employee contributions for benefits provided by this system, or employer payments that are to be credited to employee accounts in deferred

compensation plans. The amounts deducted from a member's wages for participation in a deferred compensation plan may not be considered to be "employer payments."

(F) Payments for unused vacation, annual leave, personal leave, sick leave, or compensating time off, whether paid in lump sum or otherwise.

(G) Final settlement pay.

(H) Payments for overtime, including pay in lieu of vacation or holiday.

(I) Compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobiles, and bonuses for duties performed after the member's regular work shift.

(J) Amounts not available for payment of salaries and that are applied by the employer for any of the following:

(i) The purchase of a retirement plan that meets the requirements of Section 401(k) of Title 26 of the United States Code.

(ii) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(K) Payments made by the employer to or on behalf of its employees who have elected to be covered by a flexible benefits program, where those payments reflect amounts that exceed the employee's salary.

(L) Other payments the board may determine are not "payrate" or "special compensation."

(5) If the provisions of this subdivision, including the board's determinations pursuant to subparagraph (F) of paragraph (2) and subparagraph (D) of paragraph (3), are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or 3560, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, those provisions may not become effective unless approved by the Legislature in the annual Budget Act. No memorandum of understanding reached pursuant to Section 3517.5 or 3560 may exclude from the definition of either "payrate" or "special compensation" a member's base salary payments or payments for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off,

or leave of absence. If items of compensation earnable are included by memorandum of understanding as “payrate” or “special compensation” for retirement purposes for represented and higher education employees pursuant to this paragraph, the Department of Human Resources or the Trustees of the California State University shall obtain approval from the board for that inclusion.

(6) (A) Subparagraph (B) of paragraph (3) prescribes that compensation earnable includes compensation for performing normally required duties, such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, POST certificate pay, and split shift differential; and includes compensation for uniforms, except as provided in Section 20632; and subparagraph (I) of paragraph (4) excludes from compensation earnable compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobile, and bonuses for duties performed after regular work shift.

(B) Notwithstanding subparagraph (A), the Department of Human Resources shall determine which payments and allowances that are paid by the state employer shall be considered compensation for retirement purposes for an employee who either is excluded from the definition of state employee in Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service.

(C) Notwithstanding subparagraph (A), the Trustees of the California State University shall determine which payments and allowances that are paid by the trustees shall be considered compensation for retirement purposes for a managerial employee, as defined in Section 3562, or supervisory employee as defined in Section 3580.3.

(h) This section shall not apply to a new member, as defined in Section 7522.04.

SEC. 4. Section 20636.1 of the Government Code is amended to read:

20636.1. (a) Notwithstanding Section 20636, and Section 45102 of the Education Code, “compensation earnable” by a school member means the payrate and special compensation of the

member, as defined by subdivisions (b) and (c), and as limited by Section 21752.5.

(b) (1) “Payrate” means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. For purposes of this part, for classified members, full-time employment is 40 hours per week, and payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) “Payrate” shall include an amount deducted from a member’s salary for any of the following:

(i) Participation in a deferred compensation plan.

(ii) Payment for participation in a retirement plan that meets the requirements of Section 401(k) or 403(b) of Title 26 of the United States Code.

(iii) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(iv) Participation in a flexible benefits program.

(B) For the purposes of this section, “classified members” shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teachers’ Retirement System.

(C) For the purposes of this section, and Sections 20962 and 20966, “certificated members” shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teachers’ Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(3) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c) (1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be "special compensation."

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes "special compensation" as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 and following of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Any other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e) (1) As used in this part, “group or class of employment” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. Under no circumstances shall one employee be considered a group or class.

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, “final settlement pay” means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

(g) This section shall not apply to a new member, as defined in Section 7522.04.

SEC. 5. Section 20677.4 of the Government Code is amended to read:

20677.4. (a) (1) The normal rate of contribution for a state miscellaneous or state industrial member whose service is not included in the federal system shall be 6 percent of the compensation in excess of three hundred seventeen dollars (\$317) per month paid to that member for service rendered on or after July 1, 1976.

(2) The normal rate of contribution for a state miscellaneous or state industrial member, who has elected to be subject to Section 21353.5 and whose service is not included in the federal system, shall be 6 percent of the member's compensation.

(3) The normal rate of contribution as established under this subdivision for a member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21354.1, because of that inclusion, shall be reduced by one-third as applied to compensation not exceeding four hundred dollars (\$400) per month for service after the date of execution of the agreement including service in the federal system and prior to termination of the agreement with respect to the coverage group to which he or she belongs.

(b) The normal rate of contribution for a state miscellaneous or state industrial member whose service has been included in the federal system shall be 5 percent of compensation in excess of five hundred thirteen dollars (\$513) per month paid that member for service rendered on or after July 1, 1976.

(c) The normal rate of contribution for a state miscellaneous or state industrial member who is subject to Section 21076, 21076.5, or 21077 shall be determined in the manner described in Section 20683.2.

(d) A member who elected to become subject to Section 21353 solely for service rendered on or after the effective date of the election, as authorized by subdivision (c) of Section 21070 during the period between November 1, 1988, and October 31, 1989, is not required to make the contributions specified in Section 21073.

(e) A member who elects to become subject to Section 21354.1, as applicable, shall contribute at the rate specified in paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b), as determined by the member's status with the federal system, and the rate shall be applied from the first of the month following the date of the election. A member who makes the election shall also contribute for service prior to the date the contribution rate was applied, in the manner specified in Section 21073 or 21073.1, as applicable.

(f) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the

provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

(g) The Director of Human Resources may establish the normal rate of contribution for a state employee who is excepted from the definition of “state employee” in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of Human Resources but shall be no earlier than the beginning of the pay period following the date the board receives notification.

SEC. 6. Section 20683.2 of the Government Code is amended to read:

20683.2. Equal sharing of normal costs between the state employer and public employees shall be the standard. It shall be the standard that employees pay at least 50 percent of normal costs and that employers not pay any of the required employee contribution. Equal sharing of normal costs is currently the standard for most state employees.

(a) Notwithstanding any other section of this code, or other provision of law in conflict with this section, except as provided in Section 7522.30, normal contribution rates for defined benefit plans for state employees of public employers as defined in paragraph (1) of subdivision (i) of Section 7522.04, excluding the California State University, shall be determined as follows:

(1) Normal cost contribution rates shall increase as follows:

(A) The contribution rate for state peace officer/firefighter members in State Bargaining Unit 6 and for state safety members in State Bargaining Units 1, 3, 4, 7, 9, 10, 11, 14, 15, 17, 20, and 21 will increase by 1.0 percentage point on July 1, 2013, and will increase by an additional 1.0 percentage point on July 1, 2014.

(B) The contribution rate for state peace officer/firefighter members in State Bargaining Units 7 and 8 will increase by 1.5 percentage points on July 1, 2013, and will increase by an additional 1.5 percentage points on July 1, 2014.

(C) The contribution rate for state industrial members in State Bargaining Units 1, 3, 4, 6, 9, 10, 11, 14, 15, 17, and 20 will increase by 1.0 percentage point on July 1, 2013.

(D) The contribution rate for state miscellaneous and industrial members that have elected the Second Tier benefit formula will increase by 1.5 percentage points annually starting July 1, 2013, until the contribution rate is equal to at least 50 percent of normal costs rounded up to the nearest one-fourth of 1 percent. The final annual increase in the contribution rate shall be adjusted to less than 1.5 percent as appropriate.

(E) The contribution rate for state safety members in State Bargaining Unit 2 and state miscellaneous members in State Bargaining Unit 5 will increase by 1.0 percentage point on July 1, 2013.

(F) The contribution rate for patrol members in State Bargaining Unit 5 will increase by 1.5 percentage points on July 1, 2013.

(2) Consistent with paragraph (1), the normal rate of contribution shall be adjusted accordingly for related state employees who are exempted from the definition of “state employee,” or officers and employees of the executive, legislative, or judicial branch of state government who are not members of the civil service.

(b) Calculation of employee contribution rate increases pursuant to this section shall be based upon compensation calculations established pursuant to Sections 20671 to 20694, inclusive.

(c) In addition to the actuarially required contribution, savings realized by the state employer as a result of the employee contribution rate increases required by this section shall be allocated to any unfunded liability, subject to appropriation in the annual Budget Act.

SEC. 7. Section 20691 of the Government Code is amended to read:

20691. (a) (1) Except as provided in subdivision (b), notwithstanding any other law, a contracting agency or school employer may pay all or a portion of the normal contributions required to be paid by a member. Where the member is included in a group or class of employment, the payment shall be for all members in the group or class of employment. If an individual is not part of a group or class, the payment shall be limited to the amount that the board determines is payable to similarly situated members in the closest related group or class, subject to the

limitations of paragraph (2) of subdivision (e) of Section 20636. The payments shall be reported simply as normal contributions and shall be credited to member accounts.

(2) Nothing in this subdivision shall be construed to limit the authority of a contracting agency or school employer to periodically increase, reduce, or eliminate the payment by the contracting agency or school employer of all or a portion of the normal contributions required to be paid by members, as authorized by this section.

(b) Notwithstanding subdivision (a), employers shall not pay a portion of the normal contributions for members who are subject to subdivision (c) of Section 7522.30, except where authorized pursuant to subdivision (f) of Section 7522.30.

SEC. 8. Section 20692 of the Government Code is amended to read:

20692. (a) Where a contracting agency employer or a school employer has elected to pay all or a portion of the normal contributions of members of a group or class of employment pursuant to Section 20691, the employer may, pursuant to a labor policy or agreement, stop paying those contributions during the final compensation period applicable to the members and, instead, increase the payrate of the members by an amount equal to the normal contributions paid by the employer on behalf of the employees in the pay period immediately prior to the final compensation period or increase the payrate of the members by an amount established by a labor policy or agreement in existence and in effect on June 30, 1993. That amount shall not exceed the amount of the normal member contributions that are required to be paid by the members.

(b) This section shall not apply to any contracting agency or to any school employer unless and until the contracting agency or the school employer elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required. In the case of contracts made after July 1, 1994, the section shall not apply unless incorporated by express provision in the contract. However, no school employer may act pursuant to this section unless and until the board approves a request for the amendment of the contract of a school employer to authorize termination of the payment. A school employer shall not submit

a request for a contract amendment unless there is on file a request to terminate that payment from the county superintendent of schools office and each school district, community college district, and other school entity within the jurisdiction of that school employer.

(c) Before adopting this provision, the governing body of a contracting agency or school employer shall, with timely public notice, place the consideration of this section on the agendas of two consecutive public meetings of the governing body, at which time, full disclosure shall be made of the nature of the benefit, the additional employer contributions, and the funding therefor. Only after the second of these public meetings may the governing body adopt this section. The employer shall notify the board of the employer's compliance with this subdivision at the time of the governing body's application to adopt this section.

(d) Persons hired after the effective date of an employer's contract amendment to include this section shall be informed by the employer of how this benefit relates to their total compensation and benefit package.

(e) The additional employer contributions required under this section shall be computed as a level percentage of member compensation. The additional contribution rate required at the time this section is added to a contract shall not be less than the sum of (1) the actuarial normal cost, plus (2) in the case of a contract amendment, the additional contribution required to amortize the increase in accrued liability attributable to the benefit elected under this section over the unfunded actuarial liability period currently in the agency's contract, commencing from the date this section becomes effective in the agency's contract.

(f) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors necessary to calculate the employer's contribution shall be determined on the basis of actuarial assumptions and methods which, in combination, provide the board's best estimate of anticipated experience under the system. The board has the exclusive power and duty to make these determinations.

(g) Within 30 days of notification from the board to the contracting agency or school employer of the additional employer contributions required pursuant to this section, the contracting agency or school employer, or a recognized employee organization,

or both, may file with the board a request for a review of the determination of the calculation of the additional employer contributions. The board shall promulgate regulations governing the conduct of the review, that shall include the means by which an employer or recognized employee organization may submit independent actuarial evidence regarding the additional contribution required by this section. The board shall make the final determination on the additional employer contributions needed to fund this contract amendment.

(h) This section shall not apply to a new member as defined in Section 7522.04.

SEC. 9. Section 20693 of the Government Code is amended to read:

20693. (a) Except as provided in subdivision (b), notwithstanding any other law, the state or the Regents of the University of California may pay all or a portion of the normal contributions required to be paid by a state member. The payments shall be reported as employer-paid normal contributions and shall be credited to member accounts. Nothing in this subdivision shall be construed to limit the authority of the state to periodically increase, reduce, or eliminate the payment by the state of all or a portion of the normal contributions required to be paid by a state member, as authorized by this section.

This section shall be subject to any applicable collective-bargaining laws.

(b) Notwithstanding subdivision (a), employers shall not pay a portion of the normal contributions for members who are subject to subdivision (c) of Section 7522.30, except where authorized pursuant to subdivision (f) of Section 7522.30.

SEC. 10. Section 20731 of the Government Code is amended to read:

20731. (a) Notwithstanding any other provision of this part, a member who is credited with less than the years of service specified in Article 1 (commencing with Section 21060) of Chapter 12 who enters employment as a member of a public retirement system supported, in whole or in part, by state funds, including the University of California Retirement System, or as a member of a county retirement system, within six months of leaving state service, shall have the right to elect to leave accumulated contributions on deposit in the retirement fund. Failure to make

an election to withdraw accumulated contributions shall be deemed an election to leave accumulated contributions on deposit in the retirement fund. This section shall also apply to a member who is subject to Section 21076 or 21076.5.

(b) (1) An election to allow accumulated contributions to remain in the retirement fund may be revoked by the member at any time, except any of the following:

(A) While the member is employed in state service in a position in which the member is not excluded from membership with respect to that service.

(B) While the member is in service as a member of a public retirement system supported, in whole or in part, by state funds, including the University of California Retirement System.

(C) While the member is in service, entered within six months after discontinuing state service, as a member of a county retirement system.

(2) All accumulated contributions in a member's account up to the time of revocation shall be distributed in accordance with an election pursuant to Section 20735.

(3) A member who is permanently separated from all service covered by the system, who is not subject to paragraph (1), and who attains 70 years of age shall be provided with an election to withdraw contributions or, if vested, an election to either apply for service retirement or to withdraw contributions. Failure to apply for service retirement or to make an election to withdraw contributions within 90 days shall be deemed an election to withdraw contributions. If the person fails to either apply for service retirement or elect to withdraw contributions, or cannot, with reasonable diligence, be located, the accumulated contributions shall be distributed in accordance with Section 21500.

(c) A member whose membership continues under this section is subject to the same age and disability requirements as apply to other members for service or for disability retirement. After the qualification of the member for retirement by reason of age, which shall be the lowest age applicable to any membership category in which the member has credited service, or disability, the member shall be entitled to receive a retirement allowance based upon the amount of the member's accumulated contributions and service standing to the member's credit at the time of retirement and on the employer contributions held for the member and calculated in

the same manner as for other members, except that the provisions in this part for minimum service and disability retirement allowances shall not apply to the member, unless the member meets the minimum service requirements. If a basic death benefit becomes payable under Article 1 (commencing with Section 21490), Article 2 (commencing with Section 21530), and Article 5 (commencing with Section 21620) of Chapter 14 because of death before retirement of a member, the average annual compensation earnable in the year preceding the date of termination of that service, rather than in the year preceding death, shall be used in computing the benefit under Articles 1, 2, and 5 of Chapter 14.

The provisions of this section, as it read prior to June 21, 1971, shall continue with respect to a member whose membership continued under this section on that date.

SEC. 11. Section 20737 of the Government Code is amended to read:

20737. The account of a member who elects to be subject to Section 21076 or 21076.5 shall be paid current year interest through the effective date of that election for service rendered as a state miscellaneous or state industrial member. Interest subsequent to the effective date of that election shall accrue at a rate determined by the board. The member shall not receive his or her accumulated contributions plus interest until the time of retirement or upon request after permanent separation from state service. Interest shall be paid through the day prior to retirement or through the date on which the claim is filed with the Controller. This section does not apply to a member who elects to be subject to Section 21077.

SEC. 12. Section 20891 of the Government Code is amended to read:

20891. Section 20066 and subdivisions (a) and (b) of Section 20068 shall not apply to a state miscellaneous or state industrial member subject to Section 21076, 21076.5, or 21077 who becomes a patrol member, a state safety member, or a state peace officer/firefighter member as a result of an amendment to this part defining those members, or is reclassified as a state peace officer/firefighter member pursuant to Section 20395 or 20398, unless the member elects to: (a) deposit in the retirement fund an amount equal to any accumulated contributions that he or she withdrew pursuant to Section 20737, plus an amount equal to the

interest which would have been credited to his or her account, to the date of completion of payments, had those contributions not been withdrawn; and (b) deposit in the retirement fund the amount that he or she would have contributed had he or she not been subject to subdivision (c) of Section 20677, plus an amount equal to the interest, to the date of completion of payments, which would have been credited to those contributions had he or she been subject to subdivision (a) or (b) of Section 20677.

SEC. 13. Section 20909 of the Government Code is amended to read:

20909. (a) A member who has at least five years of credited state service, may elect, by written notice filed with the board, to make contributions pursuant to this section and receive not less than one year, nor more than five years, in one-year increments, of additional retirement service credit in the retirement system.

(b) A member may elect to receive this additional retirement service credit at any time prior to retirement by making the contributions as specified in Sections 21050 and 21052. A member may not elect additional retirement service credit under this section more than once.

(c) For purposes of this section, “additional retirement service credit” means time that does not qualify as public service, military service, leave of absence, or any other time recognized for service credit by the retirement system.

(d) Additional retirement service credit elected pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement or for health care benefits, or any other benefits based upon years of service credited to the member.

(e) This section only applies to the following members:

(1) A member while he or she is employed in state service at the time of the additional retirement service credit election.

(2) A member of the system defined in Section 20324.

(f) For purposes of this section, “state service” means service as defined in Section 20069.

(g) This section shall apply only to an application to purchase additional retirement credit that was received by the system prior to January 1, 2013, that is subsequently approved by the system.

SEC. 14. Section 21010 of the Government Code is amended to read:

21010. Unless otherwise provided in this article, a member electing to receive service credit for time during which he or she was absent from state service shall contribute in a lump sum or by installments over that period and subject to such minimum payments as may be prescribed by regulations of the board, an amount equal to (a) the contributions he or she would have made to this system for the period for which current service credit is granted, assuming that the rate of contribution under his or her employer's formula at the rate age applicable to him or her at the beginning of his or her first subsequent period of service in membership and his or her compensation earnable on that date had applied to him or her during the period for which credit is granted, plus (b) those added contributions as may be specially required under this article as a condition for crediting a particular absence, plus (c) the interest that would have accrued to those contributions if they had been on deposit at the beginning date of his or her first subsequent period of service in membership, from that date until the date of completion of payments. The beginning date of the first subsequent period of service for purposes of computation of contributions and interest shall be deemed to be the end of the period of service credited for a member who has no subsequent return to service. For a member who is subject to Section 21076 or 21076.5, and Section 21077, the service and contribution rate to be used for purposes of computation shall be deemed to be the service and contribution rate that would have been used had the member not been subject to Section 21076 or 21076.5, and Section 21077.

Service shall be credited as current or prior service, or both, as it would be credited if the member had been in state service during his or her absence. All contributions of a member under this article shall be considered to be and shall be administered as normal contributions.

SEC. 15. Section 21011 of the Government Code is amended to read:

21011. Notwithstanding Section 21010, for a member electing to receive service credit for time during which he or she was absent from state service who is subject to Section 21076 or 21076.5, and Section 21077, the contribution rate to be used for the purposes of computation shall be deemed to be the contribution rate that

would have been used had the member not been subject to Section 21076 or 21076.5, and Section 21077.

SEC. 16. Section 21033 of the Government Code is amended to read:

21033. A member electing to receive credit for public service shall contribute in a lump sum or by installment payments over that period and subject to minimum payments as may be prescribed by regulations of the board an amount equal to (a) the contributions he or she would have made to this system for the period for which current service credit is granted, assuming that the rate of contribution under his or her employer's formula at the rate age applicable to him or her at the beginning of his or her first subsequent period of service in membership and his or her compensation earnable on that date had applied to him or her during the period for which credit is granted, plus (b) the added contribution that may be specially required under this article as a condition for crediting particular public service, plus (c) the interest which would have accrued to those contributions if they had been deposited at the beginning date of his or her first subsequent period of service in membership, from that date until the date of completion of payments, and (d) if he or she elects to contribute in other than one sum, interest on the unpaid balance of the amount payable to the retirement fund, beginning on the date of the election to receive credit. The beginning date of the first subsequent period of service for purposes of computation of contribution and interest shall be deemed to be the end of the period of service credited for a member who has no subsequent return to service. For a member who is subject to Section 21076 or 21076.5, and Section 21077, the service and contribution rate to be used for purposes of computation shall be deemed to be the service and contribution rate that would have been used had the member not been subject to Section 21076 or 21076.5, and Section 21077.

SEC. 17. Section 21052 of the Government Code is amended to read:

21052. A member or retired former employee who elects to receive service credit subject to this section shall contribute, in accordance with Section 21050, an amount equal to the increase in employer liability, using the payrate and other factors affecting liability on the date of the request for costing of the service credit. The methodology for calculating the amount of the contribution

shall be determined by the chief actuary and approved by the board. A member or retired former employee electing to receive service credit for service subject to Section 21076, 21076.5, or 21077 shall pay the contributions as described.

SEC. 18. Section 21060 of the Government Code is amended to read:

21060. (a) A member shall be retired for service upon his or her written application to the board if he or she has attained 50 years of age and is credited with five years of state service, except as provided in Sections 7522.20, 21061, 21062, and 21074.

(b) For purposes of this section, “state service” includes service to the state for which the member, pursuant to Section 20281.5, did not receive credit.

(c) For a member who has accrued service credit subject to the benefit formula in Section 7522.20 and who has also accrued service credit, within this retirement system, subject to a benefit formula with a minimum retirement age earlier than 52 years of age, the member shall receive an actuarially reduced equivalent benefit, upon retirement, for service subject to Section 7522.20, if the member retires before 52 years of age but at, or after, the minimum age of retirement permitted for other service within this retirement system and the member is credited with at least five years of service.

SEC. 19. Section 21070.5 of the Government Code is amended to read:

21070.5. (a) Notwithstanding any other provision of this article, a person who, on or after January 1, 2000, becomes a state miscellaneous or state industrial member of the system because the person (1) is first employed by the state, (2) returns to employment with the state from a break in service of more than 90 days, or (3) returns to employment with the state after ceasing to be a member pursuant to Section 20340 or 21075, shall be subject to the benefits provided by Section 21354.1, unless the person elects within 180 days of membership as a state miscellaneous or state industrial member to be subject to the Second Tier benefits provided for in Section 21076 or 21076.5, as applicable. This section shall only apply to state miscellaneous and state industrial members who are (1) excluded from the definition of state employee in subdivision (c) of Section 3513, (2) employed by the executive branch of government and are not

members of the civil service, or (3) included in the definition of state employee in subdivision (c) of Section 3513.

(b) The effective date of the election shall be the first day of the month following the date the election is received by the system and shall be applicable to state service rendered on and after that date. Any election filed with the board pursuant to this section shall also be signed by the spouse of the member.

(c) A member who makes an election authorized by this section shall not be precluded from making a subsequent election pursuant to Section 21073.7 to be subject to the benefits provided by Section 21354.1.

(d) Operation and application of this section are subject to the limitations set forth in Section 21251.13.

(e) For a member subject to Section 20281.5, the 180-day election period shall not commence until the first day of the first pay period commencing 24 months after becoming a member of the system.

SEC. 20. Section 21070.6 of the Government Code is amended to read:

21070.6. (a) A member who is subject to Section 21076, 21076.5, or 21077 may be credited at no cost with all previous state miscellaneous or state industrial service eligible to be credited under Second Tier benefits. A member who is entitled to service credit under this section shall apply for and identify time periods for that service to the board.

(b) Operation and application of this section are subject to the limitations set forth in Section 21251.13.

(c) This section shall only apply to service credit associated with employment periods prior to July 1, 2013.

SEC. 21. Section 21070.7 of the Government Code is amended to read:

21070.7. Notwithstanding any other provision of this part, Sections 21076, 21076.5, and 21077 shall not apply to service with the California National Guard or service as a National Guard member regardless of any prior membership status or previous election made.

SEC. 22. Section 21092 of the Government Code is amended to read:

21092. (a) The normal rate of contribution for a local miscellaneous member subject to this article shall be 2 percent of

compensation paid the member. A contracting agency may pay all or a portion of the member's normal contributions, pursuant to Section 20691.

(b) Notwithstanding subdivision (a), a new member, as defined in Section 7522.04, shall have a contribution rate of at least 50 percent of the normal cost, pursuant to Section 7522.30.

SEC. 23. Section 21150 of the Government Code is amended to read:

21150. (a) A member incapacitated for the performance of duty shall be retired for disability pursuant to this chapter if he or she is credited with five years of state service, regardless of age, unless the person has elected to become subject to Section 21076, 21076.5, or 21077.

(b) A member subject to Section 21076, 21076.5, or 21077 who becomes incapacitated for the performance of duty shall be retired for disability pursuant to this chapter if he or she is credited with 10 years of state service, regardless of age, except that a member may retire for disability if he or she had five years of state service prior to January 1, 1985.

(c) For purposes of this section, "state service" includes service to the state for which the member, pursuant to Section 20281.5, did not receive credit.

SEC. 24. Section 22760 of the Government Code is amended to read:

22760. "Annuitant" means:

(a) A person, other than a National Guard member defined in Section 20380.5, who has retired within 120 days of separation from employment and who receives a retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(b) A surviving family member receiving an allowance in place of an annuitant who has retired as provided in subdivision (a), or as the survivor of a deceased employee under Section 21541, 21546, 21547, or 21547.7, or similar provisions of any other state retirement system.

(c) A person who has retired within 120 days of separation from employment with a contracting agency as defined in Section 22768 and who receives a retirement allowance from the retirement system provided by the employer, or a surviving family member who receives the retirement allowance in place of the deceased.

(d) A judge who receives the benefits provided by subdivision (e) of Section 75522.

(e) A person who was a state member for 30 years or more and who, at the time of retirement, was a local member employed by a contracting agency.

(f) A Member of the Legislature or an elective officer of the state whose office is provided by the California Constitution, who has at least eight years of credited service, and who meets the following conditions:

(1) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement, or is an inactive member of the Legislators' Retirement System pursuant to Section 9355.2.

(2) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(g) An exempt employee who meets all of the following conditions:

(1) Has at least 10 years of credited state service that includes at least 2 years of credited service while an exempt employee.

(2) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement.

(3) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(h) A person receiving a survivor allowance pursuant to Article 3 (commencing with Section 21570) of Chapter 14 of Part 3 provided that he or she was eligible to enroll in a health benefit plan on the date of the member's death, on whose account the survivor allowance is payable.

(i) (1) A family member of a deceased retired member of the State Teachers' Retirement Plan, if the deceased member meets the following conditions:

(A) Retired within 120 days of separation from employment.

(B) Retired before the member's school employer elected to contract for health benefit coverage under this part.

(C) Prior to his or her death, received a retirement allowance that did not provide for a survivor allowance to family members.

(2) The family member shall elect coverage as an annuitant within one calendar year from the date that the deceased member's school employer elected to contract for health benefit coverage under this part.

(j) A person who reinstates benefits pursuant to subparagraph (ii) of paragraph (2) of subdivision (d) of Section 7522.57.

SEC. 24.5. Section 22760 of the Government Code is amended to read:

22760. "Annuitant" means:

(a) A person, other than a National Guard member defined in Section 20380.5, who has retired within 120 days of separation from employment and who receives a retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(b) A surviving family member receiving an allowance in place of an annuitant who has retired as provided in subdivision (a), or as the survivor of a deceased employee under Section 21541, 21546, 21547, or 21547.7, or similar provisions of any other state retirement system.

(c) A person who has retired within 120 days of separation from employment with a contracting agency as defined in Section 22768 or, if applicable, consistent with the provisions of subdivision (b) of Section 22893, and who receives a retirement allowance from the retirement system provided by that employer, or a surviving family member who receives the retirement allowance in place of the deceased.

(d) A judge who receives the benefits provided by subdivision (e) of Section 75522.

(e) A person who was a state member for 30 years or more and who, at the time of retirement, was a local member employed by a contracting agency.

(f) A Member of the Legislature or an elective officer of the state whose office is provided by the California Constitution, who has at least eight years of credited service, and who meets the following conditions:

(1) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement, or is an inactive member of the Legislators' Retirement System pursuant to Section 9355.2.

(2) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(g) An exempt employee who meets all of the following conditions:

(1) Has at least 10 years of credited state service that includes at least 2 years of credited service while an exempt employee.

(2) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement.

(3) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(h) A person receiving a survivor allowance pursuant to Article 3 (commencing with Section 21570) of Chapter 14 of Part 3 provided that he or she was eligible to enroll in a health benefit plan on the date of the member's death, on whose account the survivor allowance is payable.

(i) (1) A family member of a deceased retired member of the State Teachers' Retirement Plan, if the deceased member meets the following conditions:

(A) Retired within 120 days of separation from employment.

(B) Retired before the member's school employer elected to contract for health benefit coverage under this part.

(C) Prior to his or her death, received a retirement allowance that did not provide for a survivor allowance to family members.

(2) The family member shall elect coverage as an annuitant within one calendar year from the date that the deceased member's school employer elected to contract for health benefit coverage under this part.

(j) A person who reinstates benefits pursuant to subparagraph (ii) of paragraph (2) of subdivision (d) of Section 7522.57.

SEC. 25. Section 75005 of the Government Code is amended to read:

75005. Notwithstanding any other provision of law, this chapter shall be administered and governed by the Board of Administration of the Public Employees' Retirement System in accordance with the Public Employees' Retirement Law to the same extent and with the same effect as if those provisions are contained in the Judges' Retirement Law, except for those provisions which provide

for the payment of an allowance or other benefit and except for those provisions which conflict with any provision of the Judges' Retirement Law. To the extent applicable, the Board of Administration of the Public Employees' Retirement System shall also administer this chapter in conformance with the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) to the same extent and with the same effect as if the provisions of the act are contained in the Judges' Retirement Law. If the Board of Administration of the Public Employees' Retirement System determines that there is a conflict between the provisions of the California Public Employees' Pension Reform Act of 2013 and this chapter, the provisions of the California Public Employees' Pension Reform Act of 2013 shall control. "State Controller" or "Controller" as used in this chapter, or any other provision of law relating to the chapter, shall be construed to refer to and mean the "Board of Administration of the Public Employees' Retirement System"; however, the Controller shall continue to perform the duties prescribed in Sections 75092, 75097, 75101, and 75102.

All payments from the Judges' Retirement Fund shall be made upon warrants drawn by the Controller upon demands by the Board of Administration of the Public Employees' Retirement System.

SEC. 26. Section 75505 of the Government Code is amended to read:

75505. (a) This chapter shall be administered and governed pursuant to the Public Employees' Retirement Law to the same extent and with the same effect as if those provisions are contained in this chapter, except for those provisions that provide for the payment of an allowance or other benefit and except for those provisions that conflict with any provision of this chapter. To the extent applicable, the Board of Administration of the Public Employees' Retirement System shall administer this chapter in conformance with the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) to the same extent and with the same effect as if the provisions of the act are contained in the Judges' Retirement System II Law. If the Board of Administration of the Public Employees' Retirement System determines that there is a conflict between the provisions of the California Public

Employees' Pension Reform Act of 2013 and this chapter, the provisions of the California Public Employees' Pension Reform Act of 2013 shall control.

(b) All payments from the Judges' Retirement System II Fund shall be made upon warrants drawn by the Controller upon demands by the Board of Administration of the Public Employees' Retirement System.

SEC. 27. Section 24.5 of this bill incorporates amendments to Section 22760 of the Government Code proposed by both this bill and Assembly Bill 410. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2014, (2) each bill amends Section 22760 of the Government Code, and (3) this bill is enacted after Assembly Bill 410, in which case Section 24 of this bill shall not become operative.

Approved _____, 2013

Governor