

Senate Bill No. 1162

Passed the Senate August 18, 2016

Secretary of the Senate

Passed the Assembly August 4, 2016

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 20817 to the Government Code, relating to public retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1162, Berryhill. Public employees' retirement: Mammoth Lakes Fire District.

Existing law, the Public Employees' Retirement Law, creates the Public Employees' Retirement System (PERS), which provides a defined benefit to its members based on age at retirement, service credit, and final compensation. Existing law vests the Board of Administration of PERS with management and control of the system. Existing law authorizes any public agency to participate in and make all or part of its employees members of PERS, as specified.

This bill would authorize the Mammoth Lakes Fire District (MLFD) to request that the board transfer, and upon that request would require the board to transfer, all or a portion of available excess assets credited to the miscellaneous member category from the MLFD's employer account to satisfy the MLFD's unfunded accrued actuarial obligations for its safety plan if the market value of assets attributable to the MLFD's miscellaneous plan exceeds 150% of the amount that is the actuarial equivalent of the amount the system would be obligated to pay after the effective date of contract termination to, or on account of, persons who are or have been employed by, and on account of service rendered by them to, the MLFD, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Mammoth Lakes Fire District.

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

SECTION 1. Section 20817 is added to the Government Code, to read:

20817. (a) The Mammoth Lakes Fire District (MLFD) may request that the board transfer all or a portion of available excess

assets credited to its miscellaneous member plan from the MLFD's employer account to satisfy the MLFD's unfunded accrued actuarial obligations for its safety plan if the market value of assets attributable to the MLFD's miscellaneous plan exceeds 150 percent of the amount that is the actuarial equivalent, including contingencies for mortality fluctuations, of the amount this system would be obligated to pay after the effective date of contract termination to, or on account of, persons who are or have been employed by, and on account of service rendered by them to, the MLFD, as determined by the chief actuary in accordance with subdivision (a) of Section 20576.

(b) Upon request, the board shall transfer the assets, in which case the transferred assets shall be used solely to satisfy the MLFD's current unfunded accrued actuarial obligations in its safety plan. The transferred assets shall remain in the trust fund and shall be for the exclusive use of the MLFD's safety plan.

(c) The amount that may be transferred pursuant to this section shall not exceed the difference between the market value of assets attributable to the MLFD's miscellaneous plan as of the most recently completed valuation and 150 percent of the amount of which is the actuarial equivalent of the amount the system would be obligated to pay as described in subdivision (a).

(d) Before requesting the board to transfer available excess assets in its miscellaneous plan to satisfy the MLFD's unfunded accrued actuarial obligations for its safety plan, the MLFD shall notify its employees of the intended request. The notice to the employees shall be in writing. The notice to the employees shall be issued at least two weeks prior to requesting the transfer of assets between the plans.

(e) The MLFD shall submit a statement in writing to the board that the MLFD has notified its employees as described in subdivision (d) in order for the board to make the transfer.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances faced by the Mammoth Lakes Fire District in funding its pension obligations.

Approved _____, 2016

Governor