

Assembly Bill No. 1021

CHAPTER 584

An act to amend Sections 31452.5, 31452.6, 31452.65, 31588, 31589, 31590, 31595.1, 31596, 31597, 31597.1, 31599, and 31628 of, and to add Sections 31485.6 and 31597.2 to, the Government Code, relating to county retirement systems.

[Approved by Governor October 4, 1995. Filed
with Secretary of State October 4, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1021, Tucker. County employee retirement: funds.

(1) The County Employee Retirement Law of 1937 requires the county treasurer to perform various duties relating to the assets of the retirement systems.

This bill would provide that those duties be performed by the retirement board and would authorize the board to have those duties performed by the treasurer or other entities.

(2) The County Employee Retirement Law of 1937 requires all warrants, checks, and electronic fund transfers to be signed or authorized by the treasurer, at least one other member of the retirement board, and the county auditor.

This bill would authorize warrants, checks, and electronic fund transfers to be signed or authorized by 2 board officers or employees designated by the retirement board.

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

SECTION 1. Section 31452.5 of the Government Code is amended to read:

31452.5. The board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer or other entity authorized by the board to deduct a specified amount from the retirement allowance or benefit payable to any retired member or beneficiary of a retired member for the purpose of paying premiums on any policy or certificate of group life insurance or group disability insurance issued by an admitted insurer, for any prepaid group medical or hospital service plan, or both, for any dental plan, approved by the board, for the benefit of the retired member or his or her dependents, for the payment of premiums on national service life insurance or United States government converted insurance, for the purchase of shares in or the payment of money to any regularly



chartered credit union, for charitable organizations or federally chartered veterans' organizations as approved by both the board of retirement and the board of supervisors, or for the purchase of United States Savings Bonds, or for the payment of personal income taxes to the government of the United States or of the State of California, and each month shall draw his or her order in favor of the insurer, institution, credit union, or government named in the written authorization for an amount equal to the deductions so authorized and made during the month. The board may charge a reasonable fee for the making of the deductions and payments and the fees shall be deposited in the county fund from which salaries are paid.

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

31452.6. The board shall comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer or other entity authorized by the board to deliver the monthly warrant, check, or electronic fund transfer, for the retirement allowance or benefit to any specified bank, savings and loan institution, or credit union to be credited to the account of the retired member or survivor of a deceased retired member. That delivery is full discharge of the liability of the board to pay a monthly retirement allowance or benefit to the retired member or survivor of a deceased retired member.

SEC. 3. Section 31452.65 of the Government Code is amended to read:

31452.65. Upon receipt of proof, satisfactory to the board, that a warrant or check drawn in payment of a retirement allowance or in payment of any other account due from the retirement system has been lost or destroyed, the treasurer or other entity authorized by the board upon request of the board of retirement shall as provided by Section 31590 issue a duplicate warrant or check bearing the same date as the original in payment of the same amount, without requiring a bond from the payee, and the treasurer or other entity authorized by the board shall pay the duplicate in lieu of the original warrant or check and any losses incurred by reason of the issuance of duplicate warrants or checks shall be a charge against the account from which the payment is derived.

This section shall not be operative in any county until the time as the board of supervisors shall, by resolution, make this section applicable in the county.

SEC. 4. Section 31485.6 is added to the Government Code, to read:

31485.6. "Treasurer" as used in Sections 31595.9, 31625, 31625.1, 31629, and 31706 means the county treasurer or any other entity authorized by the board.



SEC. 4.5. Section 31588 of the Government Code is amended to read:

31588. A trust fund account to be designated as “employees retirement fund” shall be opened upon the books of the retirement board, or treasurer and auditor if authorized by the board, of any county adopting this retirement system.

The “employees retirement fund” shall be a trust fund created or continued and administered in accordance with this chapter, solely for the benefit of the members and retired members of the system and their survivors and beneficiaries.

Nothing in this section shall be construed to prohibit the retirement board paying administrative costs, already authorized or to be authorized, or to prohibit the transfer of surplus funds to county advance reserves.

SEC. 5. Section 31589 of the Government Code is amended to read:

31589. All transfers or payments to the retirement system and all withdrawals and other cash transactions, shall be accounted upon the books of the retirement board, or treasurer and auditor, if authorized by the board, in and out of the retirement fund, in the same manner as county transactions.

SEC. 6. Section 31590 of the Government Code is amended to read:

31590. (a) All warrants, checks, and electronic fund transfers drawn on the retirement fund shall be signed or authorized by at least two board officers or employees, designated by the board. If the treasurer is designated by the board, the board shall also designate the auditor to sign or authorize warrants, checks, and electronic fund transfers. The authorization may be by blanket authorization of all warrants, checks, or electronic fund transfers appearing on a list or register, or may be by a standing order to draw warrants, checks, or electronic fund transfers, which shall be good until revoked. A warrant, check, or electronic fund transfer is not valid until it is signed or authorized, numbered, and recorded by the county auditor, except as provided in subdivision (c).

(b) Any person entitled to the receipt of benefits may authorize the payment of the benefits to be directly deposited by electronic fund transfer into the person’s account at the financial institution of the person’s choice under a program for direct deposit by electronic transfer established by the board or treasurer if authorized by the board. The direct deposit shall discharge the system’s obligation in respect to that payment.

(c) The board, or treasurer if authorized by the board, shall authorize a trust company or trust department of any state or national bank authorized to conduct the business of a trust company in this state or the Federal Reserve Bank of San Francisco or any



branch thereof within this state, to process and issue benefit payments by check or electronic fund transfer.

SEC. 7. Section 31595.1 of the Government Code is amended to read:

31595.1. (a) The board may authorize the treasurer to control and safely keep some or all of the moneys of the retirement system. If authorized, the treasurer may invest and reinvest the moneys, and may from time to time sell any securities belonging to the system and may invest and reinvest the proceeds therefrom. An investment in or sale of securities shall not be made except upon the authorization of the board.

(b) The board, in lieu of acting pursuant to subdivision (a), may delegate to another entity some or all of the powers prescribed in that subdivision.

SEC. 8. Section 31596 of the Government Code is amended to read:

31596. (a) When securities belonging to or held for the retirement association are sold, the county treasurer shall deliver the securities to the purchaser upon receiving the proceeds, and may execute any and all documents necessary to transfer title. The duties imposed upon the county treasurer by this article are a part of his or her official duties, for the faithful performance of which he or she is liable on his or her official bond.

(b) Upon the approval of the retirement board, the treasurer shall authorize a trust company or a trust department of any state or national bank authorized to conduct the business of a trust company in this state or the Federal Reserve Bank of San Francisco or any branch thereof within this state, to act as custodian of any securities owned by the retirement association. In that case, the duties imposed by subdivision (a) upon the county treasurer shall instead be performed by the board and shall be included in any agreement for custodial services. Any of these banks or trust companies may be authorized to collect the income from the securities and deposit the proceeds in an account established by the board for the retirement association.

SEC. 9. Section 31597 of the Government Code is amended to read:

31597. Before April 30th of each year the retirement board shall file in the office of the county auditor and with the board of supervisors a sworn statement which shall exhibit the financial condition of the retirement system at the close of the preceding December 31st and its financial transactions for the year ending on that day.

SEC. 10. Section 31597.1 of the Government Code is amended to read:

31597.1. Before October 31 of each year, the retirement board shall file in the office of the county auditor and with the board of



supervisors a sworn statement which shall exhibit the financial condition of the retirement system at the close of the preceding June 30th and its financial transactions for the fiscal year ending that day.

This section shall not be operative in any county until the time as the board of supervisors shall, by resolution adopted by a majority vote, make the provisions of this section applicable in the county. After the filing of the first fiscal year accounting under this section, the provisions of Section 31597 shall not apply in the county.

SEC. 11. Section 31597.2 is added to the Government Code, to read:

31597.2. In those counties in which the retirement board has authorized the treasurer to control and hold the assets of the retirement system pursuant to subdivision (a) of Section 31595.1, the treasurer shall be responsible for filing the statement required by Section 31597 or Section 31597.1, as applicable.

SEC. 12. Section 31599 of the Government Code is amended to read:

31599. In addition to other records and accounts, the retirement board, or the treasurer if authorized by the board, shall keep records and accounts as are necessary to show at any time:

- (a) The total accumulated contributions of members.
- (b) The total accumulated contributions of retired members less the annuity payments made to the members.
- (c) The accumulated contributions of the county or district held for the benefit of members on account of service rendered as members of the retirement system.

(d) All other accumulated contributions of the county or district, including the amounts available to meet the obligation of the county or district on account of benefits granted to retired employees and on account of prior service of members.

SEC. 13. Section 31628 of the Government Code is amended to read:

31628. If the service of a member is discontinued other than by death or retirement, upon proper application submitted to the retirement board, he or she shall be paid all of his or her accumulated contributions, in accordance with this chapter, minus a withdrawal charge, if a withdrawal charge has been provided for by the regulations of the board. The board may order payment in whole or in part withheld for a period not to exceed six months after date of separation. If a member does not file the proper application, the board shall send to the member, not more than 90 days after termination of service, at his or her last known address, a registered or certified letter, return receipt requested, stating that he or she has money to his or her credit on the books of the retirement system and that if he or she does not claim the money within 10 years after date of notice, in the case of persons first employed before January 1, 1976, or within five years in the case of persons first employed on and after



January 1, 1976, the money will be deposited in and become a part of the current pension reserve fund.

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