

## Senate Bill No. 226

### CHAPTER 558

An act to amend Section 31461 of, and to add Article 2.7 (commencing with Section 31515) to Chapter 3 of Part 3 of Division 4 of Title 3 of, the Government Code, relating to county retirement.

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

#### LEGISLATIVE COUNSEL'S DIGEST

SB 226, Russell. County employees retirement: benefits.

(1) The County Employees Retirement Law of 1937 includes deferred compensation in the definition of "compensation" for retirement funding and benefit computation purposes in Los Angeles County.

This bill would make those provisions applicable to all county plans.

(2) Existing provisions of law require county boards of supervisors to make public at regularly scheduled meetings all salary and benefit increases affecting the funding status of county retirement systems and require local legislative bodies to obtain actuarial evaluations of future annual costs of retirement plan benefits. Existing law limits receipt of various retirement benefits by members of local legislative bodies whose first service commences on and after January 1, 1995.

This bill would include those provisions in the County Employees Retirement Law of 1937.

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

SECTION 1. Section 31461 of the Government Code is amended to read:

31461. "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.

SEC. 2. Article 2.7 (commencing with Section 31515) is added to Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code, to read:



## Article 2.7. General Limitations

31515. It is the intent of the Legislature to specifically include in the County Employees Retirement Law of 1937 provisions of law that limit public retirement benefits, other than health benefits, for the members of the legislative bodies of counties and districts and provisions respecting the impact of salary and benefit increases upon the funding status of county retirement systems.

This chapter shall be known and may be cited as the Responsibility in Pensions Act of 1995.

31515.5. The board of supervisors, in compliance with Section 23026, shall make public, at a regularly scheduled meeting of the board, all salary and benefit increases that affect either or both represented employees and nonrepresented employees. Notice of any salary or benefit increase shall be included on the agenda for the meeting as an item of business in compliance with the requirements of Section 54954.2. Notice shall occur prior to the adoption of the salary or benefit increase, and shall include an explanation of the financial impact that the proposed benefit change or salary increase will have on the funding status of the county employees' retirement system.

The board of retirement, or board of investments in a county in which a board of investments has been established pursuant to Section 31520.2, is authorized, consistent with its fiduciary duties, to have an enrolled actuary prepare an estimate of the actuarial impact of the salary or benefit increase. The actuarial data shall be reported to the board of supervisors.

Nothing in this section shall be construed to limit or lessen the requirement imposed by Section 7507 that the costs associated with increases in benefits be determined by an enrolled actuary and publicly disclosed two weeks prior to an adoption of the increase in benefits.

31516. The board of supervisors, in compliance with Section 7507, shall secure the services of an enrolled actuary to provide a statement of the actuarial impact upon future annual costs before authorizing increases in benefits. An "enrolled actuary" means an actuary enrolled under Sections 1241 and 1242 of Title 29 of the United States Code and "future annual costs" shall include, but not be limited to, annual dollar increases or the total dollar increases involved when available.

The future annual costs as determined by the actuary shall be made public at a public meeting at least two weeks prior to the adoption of any increases in benefits.

31517. (a) Notwithstanding any other provision of this chapter, as provided in Section 53060.1, the benefits of any member of a legislative body of any county or district shall be no greater than that received by nonsafety employees of that public agency. In the case



of agencies with different benefit structures, the benefits of members of the legislative body shall not be greater than the most generous schedule of benefits being received by any category of nonsafety employees.

(b) Notwithstanding any other provision of this chapter, members of the legislative body of a county or district shall not be eligible to accrue multiple benefits greater than the most generous schedule of benefits being received by any category of nonsafety employees from two or more public agencies for concurrent service except in the case of a member who serves as a regular full-time employee in a separate public agency.

(c) This section shall be applicable to any member of a legislative body whose first service commences on and after January 1, 1995.

