

AMENDED IN SENATE MARCH 2, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 884

Introduced by Assembly Member Honda

February 27, 1997

An act to amend Sections 22140 and 22141 of the Education Code, relating to school employees.

LEGISLATIVE COUNSEL'S DIGEST

AB 884, as amended, Honda. School employees: retirement.

The State Teachers' Retirement Law provides that benefits be annually increased by a 2% improvement factor and that the factor shall not be compounded.

This bill would provide that, effective September 1, ~~1998~~ 1999, the annual improvement factor shall be compounded.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 22140 of the Education Code is
2 amended to read:
3 22140. "Improvement factor" means an increase of 2
4 percent in benefits for each year commencing on
5 September 1, following the first anniversary of the
6 effective date of retirement, or the date on which the
7 monthly benefits commenced to accrue to any

1 beneficiary other than a retired member or other periods
 2 specifically stated in this part. Effective September 1,
 3 ~~1998~~ 1999, the improvement factor shall be compounded
 4 but shall not be applicable to annuities payable from the
 5 accumulated annuity deposit contributions or the
 6 accumulated tax-sheltered annuity contributions. The
 7 Legislature reserves the right to adjust the amount of the
 8 improvement factor up or down as economic conditions
 9 dictate. No adjustments of the improvement factor shall
 10 reduce the monthly retirement allowance or benefit
 11 below that which would be payable to the recipient under
 12 this part had this section not been enacted.

13 SEC. 2. Section 22141 of the Education Code is
 14 amended to read:

15 22141. Notwithstanding Section 22140,
 16 “improvement factor” means an increase of 2 percent in
 17 benefits provided under Sections 24408 and 24409 for
 18 each year commencing on September 1, 1981. Effective
 19 September 1, ~~1998~~ 1999, the improvement factor shall be
 20 compounded but shall not be applicable to annuities
 21 payable from the accumulated annuity deposit
 22 contributions or the accumulated tax-sheltered annuity
 23 contributions. The Legislature reserves the right to adjust
 24 the amount of the improvement factor up or down as the
 25 economic conditions dictate. No adjustments of the
 26 improvement factor shall reduce the monthly retirement
 27 allowance or benefit below that which would be payable
 28 to the recipient under this part had this section not been
 29 enacted.

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