

Senate Bill No. 419

Passed the Senate April 7, 1997

Secretary of the Senate

Passed the Assembly June 19, 1997

Chief Clerk of the Assembly

This bill was received by the Governor this ____ day
of _____, 1997, at ____ o'clock __M.

Private Secretary of the Governor

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CHAPTER ____

An act to amend Sections 31591 and 31706 of, and to add Section 31783.5 to, the Government Code, relating to county employees.

LEGISLATIVE COUNSEL'S DIGEST

SB 419, KARNETTE. County employees: retirement.

The County Employees Retirement Law of 1937 generally requires regular interest to be credited to all contributions in the retirement fund.

This bill would require regular interest to be credited to the accounts of former members who have not terminated employment.

Existing law requires written notification of retirement eligibility to be transmitted to former county employees who have attained age 70 years.

This bill would make a technical, nonsubstantive change in that procedure.

The bill would also prescribe an unclaimed benefit procedure.

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

SECTION 1. Section 31591 of the Government Code is amended to read:

31591. (a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date. Interest at the rate of 2 ¹/₂ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:



(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

SEC. 2. Section 31706 of the Government Code is amended to read:

31706. Any member who has left county service and has elected to leave accumulated contributions in the retirement fund or who is deemed to have elected a deferred retirement pursuant to subdivision (b) of Section 31700 and has attained age 70 but has not yet applied for a deferred retirement allowance and who is not a reciprocal member of a retirement system established pursuant to this chapter or the Public Employees' Retirement Law shall be notified in writing by the treasurer, or other entity authorized by the board, that the member is eligible to apply for and shall begin receiving a deferred retirement allowance by April 1 of the year following the year in which the member attains age 70 ¹/₂. The notification shall be made at the time the deferred member attains age 70 and shall be sent by certified mail to the member's last known address, or to the member's last known employer, as shown by the records of the retirement system. If the member can be located but does not make proper application for a deferred retirement allowance with retirement to be effective by April 1 of the year in which the member attains age 70 ¹/₂, the retirement system shall commence paying an unmodified allowance to the member. If the member cannot be located by April 1 of the year following the year in which the member attains age 70 ¹/₂, all of the member's accumulated contributions and



interest thereon shall be deposited in, and become a part of, the current pension reserve fund of the retirement system. The board may at any time after transfer of proceeds to the reserve fund upon receipt of proper information satisfactory to it, redeposit the proceeds to the credit of the claimant, to be administered in the manner provided under this law. This section shall not apply to a member while the member is actively employed past mandatory retirement age in a retirement system established under the provisions of this chapter or the Public Employees' Retirement Law.

SEC. 3. Section 31783.5 is added to the Government Code, to read:

31783.5. (a) Whenever a person or estate entitled to payment of a member's accumulated contributions or any other benefit fails to claim the payment or cannot be located, the amount owed from the retirement fund shall be administered in accordance with subdivision (c).

(b) The board shall attempt to locate the claimant through such means as the board in its sound discretion deems reasonable including, but not limited to a registered or certified letter, return receipt requested, mailed to the last known address of the claimant.

(c) Notwithstanding any provision of law to the contrary, the amounts described in subdivision (a) shall be held for the claimant. If the amounts are not claimed within five years after the last attempted contact with the claimant, the amounts shall be deposited in and become a part of the pension reserve fund. The board may at any time after transfer of unclaimed amounts upon receipt of information satisfactory to it, authorize the return of amounts so held in reserve to the credit of the claimant. Those amounts shall be paid only to claimants who have not yet attained the age for mandatory distribution under the Internal Revenue Code.



Approved _____, 1997

Governor

