

Assembly Bill No. 316

Passed the Assembly March 22, 1999

Chief Clerk of the Assembly

Passed the Senate June 10, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor



CHAPTER _____

An act to add Section 31874.5 to the Government Code, relating to county retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 316, Machado. County retirement: benefits: cost-of-living adjustments.

The County Employees Retirement Law of 1937 prescribes alternative optional cost-of-living adjustments for retirement benefits.

This bill would authorize boards of supervisors to elect to provide an additional prefunded 1% increase in the present cost-of-living adjustment for each full 3% annual increase in the cost of living over the existing maximum cost-of-living adjustment factor. These increases would be used to offset any existing accumulated carryover cost-of-living adjustment balances.

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

SECTION 1. Section 31874.5 is added to the Government Code, to read:

31874.5. Whenever the percentage of annual increase in the cost of living as of January 1 of each year as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers exceeds a full 3 percent of the existing cost-of-living increase factor provided by any provision of this article, an additional 1 percent of the excess for each full 3 percent over the existing increase factor shall be applied to the retirement allowances, optional death allowances, or annual death allowances increased by any provision of this article. The increases in allowances resulting from the adoption of this section shall be used to offset any accumulated carryover balances under existing cost-of-living adjustments. The cost of implementing this section shall be prefunded commencing with the adoption of this section by the board of supervisors. The method of paying the cost of



implementing this section may be mutually agreed to in a memorandum of understanding executed by the employer and employee representatives. The board of retirement shall conduct the actuarial studies to determine those costs.

This section shall not be operative in any county until it is adopted by a majority vote of the board of supervisors.



Approved _____, 1999

Governor

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