

AMENDED IN ASSEMBLY JULY 15, 1999
AMENDED IN ASSEMBLY JUNE 24, 1999
AMENDED IN ASSEMBLY MAY 19, 1999
AMENDED IN SENATE APRIL 22, 1999
AMENDED IN SENATE APRIL 6, 1999

SENATE BILL

No. 400

**Introduced by Senator Ortiz
(Principal coauthor: Senator Burton)**

February 12, 1999

An act to amend Sections 20391, 20392, 20393, 20395, 20397, 20398, 20405.1, 20405.3, 20407, 20409, 20677, 20683, 20687, 20822, 21070, 21071, 21072, 21073.5, 21077, 21130, 21337, 21353, 21353.5, 21362, 21363, 21363.5, 21363.6, 21369, 21372, 21373, 21374, 21403, 21407, 21572, 21573, and 21581 of, and to add Sections 20035.5, 21073.1, 21073.7, 21328, 21354.1, 21362.2, 21363.1, 21369.1, and 21403.1 to, and to add and repeal Section 21574.7 of, the Government Code, relating to the Public Employees' Retirement System, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 400, as amended, Ortiz. Public Employees' Retirement System: benefits.

(1) Under the Public Employees' Retirement Law, retirement allowances for school members are calculated, in part, based on the highest average compensation earnable during a consecutive 3-year period.

This bill would instead base that calculation on the highest average compensation earnable during a consecutive 12-month period.

(2) *The Public Employees' Retirement Law defines "state peace officer/firefighter" in terms of employees employed by specified state departments in specified job classifications and provides higher retirement benefit formulas and higher employer and employee contribution rates for state peace officer/firefighter members than for state miscellaneous members.*

This bill would add the Sergeants-at-Arms of each house of the State Legislature, excluding the Chief Sergeant-at-Arms, within the state peace officer/firefighter membership category.

(3) The Public Employees' Retirement Law establishes retirement ~~plans~~ *formulas*, known as the Second Tier and the ~~Modified~~ *modified* First Tier, that are applicable to specified members of the system.

This bill would close those ~~plans~~ *formulas* to state employees hired on or after January 1, 2000, authorize ~~current~~ *members* subject to Second Tier ~~members~~ *benefits* to elect to become subject to First Tier ~~members~~, *benefits and contribution rates, thereby making an appropriation;* and provide that current ~~Modified~~ *modified* First Tier members will become subject to First Tier ~~members~~ unless they elect to remain ~~in~~ subject to the ~~Modified~~ *modified* First Tier. The bill would also establish the means for *members subject to Second Tier* ~~members~~ to elect to have their former Second Tier service converted to First Tier service.

~~(3)~~

(4) The Public Employees' Retirement Law prescribes a 2% at age 60 retirement formula for state miscellaneous, university, state industrial and school members.

This bill would make that formula inapplicable to those members who retire on or after January 1, 2000, and would instead prescribe a 2% at age 55 retirement formula, as specified. The bill would also provide a 2 to 5%, inclusive, retirement allowance increase for retired state and school members, as specified, and make related technical changes.

~~(4)~~

(5) The Public Employees' Retirement Law prescribes a 2% at age 50 retirement formula for members of the California Highway Patrol and specified local safety members, a 2.5% at age 55 retirement formula for state peace officer/firefighter members and specified local safety members, and a 2% at age 55 retirement formula for state safety members and specified local safety members.

This bill would make those formulas inapplicable to those state members who retire on or after January 1, 2000, and would instead prescribe a 3% at age 50 retirement formula for members of the California Highway Patrol and a 3% at age 55 for state peace officer/firefighter members, as specified, provide an enhanced retirement formula for state safety members, as specified, and make related technical changes.

(5)

(6) The Public Employees' Retirement Law provides preretirement death benefits for the surviving spouse or children, or both, as specified, of state members and specified school members not covered by the federal Social Security Act and prescribes the member contribution for those benefits. A surviving spouse becomes eligible for certain of these benefits when he or she attains the age of 62 years and meets other specified criteria.

This bill would, on January 1, 2000, and until January 1, 2010, increase those benefits, revise the member contribution rate, and decrease the surviving spouse's eligibility age to 60 years.

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

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

1 SECTION 1. Section 20035.5 is added to the
2 Government Code, to read:
3 20035.5. Notwithstanding Section 20037, "final
4 compensation" for the purposes of determining any
5 pension or benefit with respect to a school member who
6 retires on or after January 1, 2000, means the highest
7 annual compensation that was earnable by the school
8 member during the consecutive 12-month period of
9 employment immediately preceding the effective date of



1 his or her retirement or the date of his or her last
2 separation from service if earlier or during any other
3 period of 12 consecutive months during his or her
4 membership in this system that the member designates
5 on the application for retirement.

6 SEC. 2. Section 20391 of the Government Code is
7 amended to read:

8 20391. “State peace officer/firefighter member”
9 means:

10 (a) All persons in the Board of Prison Terms, the
11 Department of Consumer Affairs, the Department of
12 Developmental Services, the Department of Health
13 Services, the Department of Toxic Substances Control,
14 the Horse Racing Board, the Department of Industrial
15 Relations, the Department of Insurance, the Department
16 of Mental Health, the Department of Motor Vehicles, the
17 Department of Social Services employed with the class
18 title of Special Investigator (Class Code 8553), Senior
19 Special Investigator (Class Code 8550), and Investigator
20 Assistant (Class Code 8554) who have been designated as
21 peace officers as defined in Sections 830.2 and 830.3 of the
22 Penal Code.

23 (b) All persons in the Department of Alcoholic
24 Beverage Control employed with the class title
25 Investigator Trainee, Alcoholic Beverage Control (Class
26 Code 7553), Investigator I, Alcoholic Beverage Control,
27 Range A and B (Class Code 7554), and Investigator II,
28 Alcoholic Beverage Control (Class Code 7555) who have
29 been designated as peace officers as defined in Sections
30 830.2 and 830.3 of the Penal Code.

31 (c) All persons within the Department of Justice who
32 are state employees as defined in subdivision (c) of
33 Section 3513 and who have been designated as peace
34 officers and performing investigative duties.

35 (d) All persons in the Department of Parks and
36 Recreation employed with the class title of Park Ranger
37 (Intermittent) (Class Code 0984) who have been
38 designated as peace officers as defined in Sections 830.2
39 and 830.3 of the Penal Code. Any person so designated
40 may elect, within 90 days of notification by the board, to



1 remain subject to the service retirement benefit and
2 normal rate of contribution applicable prior to July 3,
3 1984, by filing an irrevocable notice of election with the
4 board. A member who so elects shall, on and after January
5 1, 2000, be subject to the reduced benefit factors specified
6 in Section 21354.1 only for service also included in the
7 federal system.

8 (e) All persons in the Franchise Tax Board who have
9 been designated as peace officers in subdivision (s) of
10 Section 830.3 of the Penal Code.

11 SEC. 3. Section 20392 of the Government Code is
12 amended to read:

13 20392. "State peace officer/firefighter member" also
14 includes officers and employees with the following class
15 titles of:

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
	Class	Code																						
							Classification																	
		6875					Air Operations Officer I																	
		1056					Air Operations Officer II																	
		1053					Air Operations Officer III																	
		6877					Air Operations Officer I (Maintenance)																	
		6882					Air Operations Officer II (Maintenance)																	
		1050					Air Operations Officer III (Maintenance)																	
		8997					Arson and Bomb Investigator																	
		9694					Board Coordinating Parole Agent, Youthful Offender																	
							Parole Board																	
		9904					Correctional Counselor I																	
		9903					Correctional Counselor II																	
		9662					Correctional Officer																	
		9911					Case Work Specialist, Youth Authority																	
		9013					Deputy State Fire Marshal III (Specialist)																	
		9086					Deputy State Fire Marshal																	
		9010					Deputy State Fire Marshal III (Supervisor)																	
		1077					Fire Apparatus Engineer																	
		1095					Fire Captain																	
		1072					Fire Control Aid																	
		8979					Firefighter																	
		1083					Firefighter I																	
		1082					Firefighter II																	



1	9001	Firefighter (Correctional Institution)
2	8990	Firefighter/Security Officer
3	1047	Fire Prevention Officer I
4	1049	Fire Prevention Officer II
5	9090	Fire Service Training Specialist III
6	8418	Fish and Game Patrol, Lieutenant
7	8421	Fish and Game Warden, Department of Fish and Game
8	9039	Senior Food and Drug Investigator
9	9028	Food and Drug Program Specialist
10	9007	Food Technology Specialist
11	1060	Forestry Aid
12	1046	Forestry Pilot (Helicopter)
13	9579	Group Supervisor
14	9578	Group Supervisor Trainee
15	6387	Heavy Fire Equipment Operator
16	1937	Hospital Peace Officer I
17	8416	Lieutenant Fish and Game Patrol Boat
18	0992	Lifeguard
19	8217	Medical Technical Assistant, Correctional Facility
20	1992	Museum Security Officer I
21	9701	Parole Agent I, Youth Authority
22	9765	Parole Agent I, Adult Parole
23	9696	Parole Agent II, Youth Authority (Specialist)
24	9763	Parole Agent II, Adult Parole (Supervisor)
25	9762	Patrol Agent II, Adult Parole (Specialist)
26	8215	Senior Medical Technical Assistant
27	8359	Sergeant, California State Police
28	8980	State Fire Marshal Trainee
29	9723	State Forest Ranger I (Nonsupervisory)
30	9724	State Forest Ranger II (Nonsupervisory)
31	0983	State Park Ranger I
32	8464	State Police Officer
33	8358	State Security Officer
34	8989	Captain Firefighter/Security Officer
35	8410	Warden–Pilot Department of Fish and Game
36	9581	Youth Counselor
37		

38 Any person so designated may elect, within 90 days of
39 notification by the board, to remain subject to the service
40 retirement benefit and the normal rate of contribution



1 applicable prior to July 3, 1984, by filing an irrevocable
2 notice of election with the board. A member who so elects
3 shall, on and after January 1, 2000, be subject to the
4 reduced benefit factors specified in Section 21354.1 only
5 for service also included in the federal system.

6 SEC. 4. Section 20393 of the Government Code is
7 amended to read:

8 20393. “State peace officer/firefighter member” also
9 means:

10 (a) All persons in the office of the Secretary of State,
11 office of the Controller, and the Public Employees’
12 Retirement System employed on a full-time permanent
13 basis with the class title of Special Investigator (Class
14 Code 8553), Senior Special Investigator (Class Code
15 8550), and Investigator Assistant (Class Code 8554) who
16 have been designated as peace officers as defined in
17 Sections 830.2 and 830.3 of the Penal Code.

18 (b) All persons employed on a full-time permanent
19 basis with the class title of Corporations Investigator
20 (Class Code 8570) or Associate Corporations Investigator
21 (Class Code 8571) who have been designated as peace
22 officers as defined in Sections 830.2 and 830.3 of the Penal
23 Code.

24 (c) All persons employed on a full-time permanent
25 basis with the class title of Sergeant, State Fair Police
26 (Class Code 1946), State Fair Police Officer (Class Code
27 1945), Lottery Agent (Class Code 8602), District
28 Representative I and II, Division of Codes and Standards
29 (Class Codes 8960 and 8958), Deputy Registrar of
30 Contractors I and II (Class Codes 8793 and 8792),
31 Polygraph Examiner, California Department of Youth
32 Authority (Class Code 8542), Community Services
33 Consultant I (Class Code 9717), or Parole Service
34 Associate (Class Code 9776) who have been designated as
35 peace officers as defined in Sections 830.2, 830.3, and 830.5
36 of the Penal Code.

37 (d) All persons employed on a full-time permanent
38 basis with the class title of Forester I (Class Code 1054)
39 and Forester II (Class Code 9721).



1 Any person so designated may elect, within 90 days of
 2 notification by the board, to remain subject to the service
 3 retirement benefit and the normal rate of contribution
 4 applicable prior to the effective date that this section is
 5 applicable to the member by filing an irrevocable notice
 6 of election with the board. A member who so elects shall,
 7 on and after January 1, 2000, be subject to the reduced
 8 benefit factors specified in Section 21354.1 only for
 9 service also included in the federal system.

10 SEC. 5. Section 20395 of the Government Code is
 11 amended to read:

12 20395. "State peace officer/firefighter member"
 13 means all members who are full-time permanent
 14 employees represented in Corrections Unit No. 6,
 15 Protective Services and Public Safety Unit No. 7, and
 16 Firefighters Unit No. 8 and are employed in class titles
 17 that are designated as peace officer as defined in Chapter
 18 4.5 (commencing with Section 830) of Title 3 of Part 2 of
 19 the Penal Code or are firefighters whose principal duties
 20 consist of active firefighting/fire suppression.

21 A member who is employed in a position that is
 22 reclassified from state miscellaneous to state peace
 23 officer/firefighter pursuant to this section, may make an
 24 irrevocable election in writing to remain subject to the
 25 miscellaneous service retirement benefit and the normal
 26 rate of contribution by filing a notice of the election with
 27 the board within 90 days of notification by the board. A
 28 member who so elects shall, on and after January 1, 2000,
 29 be subject to the reduced benefit factors specified in
 30 Section 21354.1 only for service also included in the
 31 federal system.

32 Notwithstanding any other provision of law, security
 33 officers employed by the Department of Justice are not
 34 state peace officer/firefighter members, but are, for all
 35 purposes, state miscellaneous members.

36 SEC. 6. *Section 20397 of the Government Code is*
 37 *amended to read:*

38 20397. "State peace officer/firefighter member" also
 39 includes ~~bailiffs~~:



1 (1) *The Sergeants-at-Arms of each house of the*
2 *Legislature who have been designated as peace officers*
3 *in subdivision (a) of Section 830.36 of the Penal Code,*
4 *excluding the Chief Sergeant-at-Arms.*

5 (2) *Bailiffs and security coordinators of the judicial*
6 *branch who have been designated as peace officers in*
7 *subdivision (b) of Section 830.36 of the Penal Code.*

8 A member who is reclassified from state miscellaneous
9 to state peace officer/firefighter pursuant to this section,
10 may make an irrevocable election in writing to remain
11 subject to the miscellaneous service retirement benefit
12 and the normal rate of contribution by filing a notice of
13 the election with the board within 90 days of notification
14 by the board. A member who so elects shall, *on and after*
15 *January 1, 2000*, be subject to the reduced benefit factors
16 specified in Section—~~21353~~ 21354.1 only for service
17 included in the federal system.

18 SEC. 7. Section 20398 of the Government Code is
19 amended to read:

20 20398. “State peace officer/firefighter member” also
21 includes:

22 (a) State officers and employees designated as peace
23 officers as defined in Sections 830.1, 830.2, 830.3, 830.38,
24 830.4, and 830.5 of the Penal Code, except a patrol
25 member, or a firefighter whose principal duties consist of
26 active firefighting/fire suppression, who is either
27 excluded from the definition of state employee in
28 subdivision (c) of Section 3513 or is a nonelected officer
29 or employee of the executive branch of government who
30 is not a member of the civil service, provided, that those
31 officers and employees have responsibility for the direct
32 supervision of state peace officer/firefighter personnel
33 specified in Sections 20391, 20392, 20393, and 20395. The
34 Department of Personnel Administration shall annually
35 determine which classes meet the above conditions and
36 are not classes specified in Sections 20391, 20392, 20393,
37 and 20395, and report its findings to the Legislature and
38 to this system, to be effective July 1 of each year.

39 (b) Members who are reclassified pursuant to this
40 section may file an irrevocable election to remain subject



1 to their prior retirement formula and the corresponding
2 rate of contributions. The Director of Corrections may,
3 upon appointment to that office on or after January 1,
4 1999, file an irrevocable election to be subject to the
5 industrial formula and the corresponding rate of
6 contributions. The elections must be filed within 90 days
7 of notification by the board. Members who so elect shall,
8 on and after January 1, 2000, be subject to the reduced
9 benefit factor specified in Section 21354.1 only for the
10 service included in the federal system.

11 ~~SEC. 7.~~

12 *SEC. 8.* Section 20405.1 of the Government Code is
13 amended to read:

14 20405.1. Notwithstanding Section 20405, this section
15 shall apply to state employees in State Bargaining Unit 16.

16 (a) On and after the effective date of this section, state
17 safety members shall also include officers and employees
18 whose classifications or positions are found to meet the
19 state safety criteria prescribed in Section 19816.20,
20 provided the Department of Personnel Administration
21 agrees to their inclusion. The effective date of safety
22 membership shall be the date on which the department
23 and the employees' exclusive representative reach
24 agreement by memorandum of understanding pursuant
25 to Section 3517.5.

26 (b) The department shall notify the board as new
27 classes or positions become eligible for state safety
28 membership, as specified in subdivision (a), and specify
29 how service prior to the effective date shall be credited.

30 (c) Notwithstanding Section 7550.5, the department
31 shall prepare and submit to the Legislature an annual
32 report that contains the classes or positions that are
33 eligible for state safety membership under this section.

34 (d) Any person designated as a state safety member
35 pursuant to this section may elect, within 90 days of
36 notification by the board, to remain subject to the
37 miscellaneous or industrial service retirement benefit
38 and contribution rate by filing an irrevocable election
39 with the board. A member who so elects shall, on and
40 after January 1, 2000, be subject to the reduced benefit



1 factors specified in Section 21076 or Section 21354.1 only
2 for service also included in the federal system.

3 ~~SEC. 8.~~

4 *SEC. 9.* Section 20405.3 of the Government Code is
5 amended to read:

6 20405.3. (a) Notwithstanding Section 20405, this
7 section shall apply only to state employees in State
8 Bargaining Unit 19.

9 (b) On and after the effective date of this section, state
10 safety members shall also include officers and employees
11 whose classifications or positions are found to meet the
12 state safety criteria prescribed in Section 19816.23,
13 provided the Department of Personnel Administration
14 agrees to their inclusion. The effective date of safety
15 membership shall be the date on which the department
16 and the employees' exclusive representative reach
17 agreement by memorandum of understanding pursuant
18 to Section 3517.5.

19 (c) The department shall notify the board as new
20 classes or positions become eligible for state safety
21 membership, as specified in subdivision (a), and specify
22 how service prior to the effective date shall be credited.

23 (d) Notwithstanding Section 7550.5, the department
24 shall prepare and submit to the Legislature an annual
25 report that contains the classes or positions that are
26 eligible for state safety membership under this section.

27 (e) Any person designated as a state safety member
28 pursuant to this section may elect, within 90 days of
29 notification by the board, to remain subject to the
30 miscellaneous or industrial service retirement benefit
31 and contribution rate by filing an irrevocable election
32 with the board. A member who so elects shall, on and
33 after January 1, 2000, be subject to the reduced benefit
34 factors specified in Section 21076 or Section 21354.1 only
35 for service also included in the federal system.

36 ~~SEC. 9.~~

37 *SEC. 10.* Section 20407 of the Government Code is
38 amended to read:

39 20407. "State safety member" also includes officers
40 and employees with the State Department of Mental



1 Health and the Department of Corrections in the
2 following classifications:

3	4	5	6
	Classification	Code	Classification Title
6		8254	Prelicensed Psychiatric Technician (forensic facility)
8		8253	Psychiatric Technician (forensic facility)
10		8252	Senior Psychiatric Technician (forensic facility)
12		8212	Nurse Practitioner (forensic facility)
14		8160	Health Services Specialist (forensic facility)
16		7601	Program Director-Medical (forensic facility)

18

19 “State safety member” also includes an officer or
 20 employee of the State Department of Mental Health at
 21 Patton State Hospital or Atascadero State Hospital, the
 22 State Department of Mental Health Psychiatric Program
 23 of California Medical Facility at Vacaville, or any other
 24 state hospital that is deemed a forensic facility, who either
 25 is excluded from the definition of state employee in
 26 subdivision (c) of Section 3513 or is a nonelected officer
 27 or employee of the executive branch of government who
 28 is not a member of the civil service. An officer or
 29 employee may be a state safety member under this
 30 paragraph only if the person has responsibility for the
 31 direct supervision of state safety personnel specified in
 32 the classifications listed in this section and if the State
 33 Personnel Board determines that these officers and
 34 employees meet the state safety membership criteria
 35 established pursuant to Section 18717. The Department
 36 of Personnel Administration shall determine which
 37 classes meet the above conditions and report its findings
 38 to the Public Employees’ Retirement System, whereupon
 39 the change in membership categories shall take effect.



1 Any person so designated pursuant to this section may
 2 elect, within 90 days of notification by the board, to
 3 remain subject to the miscellaneous service retirement
 4 benefit and contribution rate by filing an irrevocable
 5 notice of election with the board. A member who so elects
 6 shall, on and after January 1, 2000, be subject to the
 7 reduced benefit factors specified in Section 21354.1 only
 8 for service also included in the federal system.

9 ~~SEC. 10.~~

10 *SEC. 11.* Section 20409 of the Government Code is
 11 amended to read:

12 20409. "State safety member" shall also include
 13 officers and employees of the following departments with
 14 the following class titles:

15	16 Class		
17	Code	Classification	Department
18	8330	Aircraft Pilot, Depart-	Justice
19		ment of Justice	
20	8997	Arson and Bomb	Fire Marshal
21		Investigator	
22	9027	Assistant Chief, Food	Health Services
23		and Drug Section	
24	8609	Chief, Bureau of	Insurance
25		Fraudulent Claims,	
26		Department of	
27		Insurance	
28	8610	Chief, Division of	Consumer Affairs
29		Investigations,	
30		Department of	
31		Consumer Affairs	
32	8988	Chief	Veterans Affairs
33		Firefighter/Security	
34		Guard	
35	9030	Chief, Food and Drug	Health Services
36		Section	
37	8613	Chief, Investigation	Health Services
38		Bureau, Department	
39		of Health Services	



1	1986	Chief Museum	Museum of Science and Industry
2		Security Officer	
3	8673	Deputy Division	Alcoholic Beverage Control
4		Chief, Alcoholic	
5		Beverage Control	
6	8677	District Administrator,	Alcoholic Beverage Control
7		Alcoholic Beverage	
8		Control	
9	8990	Firefighter/Security	Veterans Affairs
10		Guard	
11	8966	Division Chief,	Fire Marshal
12		California State	
13		Fire Marshal	
14	9090	Fire Service Training	Fire Marshal
15		Specialist III	
16	9091	Fire Service Training	Fire Marshal
17		Supervisor	
18	9028	Food and Drug	Health Services
19		Program Coordinator	
20	9029	Food and Drug	Health Services
21		Regional	
22		Administrator	
23	9042	Food and Drug	Health Services
24		Specialist II	
25	9039	Food and Drug	Health Services
26		Specialist III	
27	9036	Food and Drug	Health Services
28		Specialist IV	
29	9043	Food and Drug	Health Services
30		Trainee	
31	9007	Food Technology	Health Services
32		Specialist	
33	1937	Hospital Peace	Developmental Services, Mental
34		Officer I	Health, Consumer Affairs
35	1936	Hospital Peace	Developmental Services, Mental
36		Officer II	Health, Consumer Affairs
37	1935	Hospital Peace	Developmental Services, Mental
38		Officer III	Health

1	1992	Museum Security	Museum of Science and Industry
2		Officer	
3	0891	Park Safety and	Parks and Recreation
4		Enforcement	
5		Supervisor	
6	0890	Park Safety and	Parks and Recreation
7		Enforcement	
8		Specialist	
9	8358	State Security Officer	General Services
10	8999	Chief Arson	Fire Marshal
11		and Bomb	
12		Investigator	
13	8989	Supervising	Veterans Affairs
14		Firefighter/Security	
15		Guard	
16	1988	Supervising Museum	Museum of Science and Industry
17		Security Officer	
18	8678	Supervising Special	Alcoholic Beverage Control
19		Investigator, Alcoholic	
20		Beverage Control	

21
22 (b) Any person employed in the classifications
23 described in subdivision (a) in the department indicated
24 may elect, within 90 days of September 27, 1982, to remain
25 subject to the miscellaneous service retirement benefit
26 by filing an irrevocable notice of election with the board.
27 A member who so elects shall, on and after January 1,
28 2000, be subject to the reduced benefit factors specified
29 in Section 21354.1 only for service also included in the
30 federal system.

31 (c) This section shall not become applicable to any
32 member included in a classification until a ruling or
33 regulation authorizing the inclusion of persons employed
34 in that classification within the definition of "policeman"
35 or "fireman," or both, is issued by the federal agency for
36 purposes of Section 418(d)(5)(A) of Title 42 of the United
37 States Code.

38 ~~SEC. 11.~~

39 *SEC. 12.* Section 20677 of the Government Code is
40 amended to read:



1 20677. (a) (1) The normal rate of contribution for a
2 state miscellaneous member whose service is not
3 included in the federal system shall be 6 percent of the
4 compensation in excess of three hundred seventeen
5 dollars (\$317) per month paid that member for service
6 rendered on and after July 1, 1976. The normal rate of
7 contribution for a school member, or a local
8 miscellaneous member shall be 7 percent of the
9 compensation paid that member for service rendered on
10 and after June 21, 1971.

11 (2) The normal rate of contribution for a state
12 miscellaneous or industrial member, who has elected to
13 be subject to Section 21353.5 and whose service is not
14 included in the federal system, shall be 6 percent of the
15 member's compensation.

16 (3) The normal rate of contribution as established
17 under this subdivision for a member whose service is
18 included in the federal system, and whose service
19 retirement allowance is reduced under Section 21353,
20 21353.5, 21354, or 21354.1 because of that inclusion, shall
21 be reduced by one-third as applied to compensation not
22 exceeding four hundred dollars (\$400) per month for
23 service after the date of execution of the agreement
24 including service in the federal system and prior to
25 termination of the agreement with respect to the
26 coverage group to which he or she belongs.

27 (b) (1) The normal rate of contribution for a state
28 miscellaneous member whose service has been included
29 in the federal system shall be 5 percent of compensation
30 in excess of five hundred thirteen dollars (\$513) per
31 month paid that member for service rendered on and
32 after July 1, 1976.

33 (2) The normal rate of contribution for a state
34 miscellaneous or industrial member, who has elected to
35 be subject to Section 21353.5 and whose service has been
36 included in the federal system, shall be 5 percent of
37 compensation, subject to the reduction specified in
38 paragraph (3) of subdivision (a).



1 (c) The normal rate of contribution for a state
2 miscellaneous or industrial member who is subject to
3 Section 21076 or Section 21077 shall be 0 percent

4 (d) A member who elected to become subject to
5 Section 21353 solely for service rendered on or after the
6 effective date of the election, as authorized by subdivision
7 (c) of Section 21070 during the period between
8 November 1, 1988, and October 31, 1989, is not required
9 to make the contributions specified in Section 21073.

10 (e) A member who elects to become subject to Section
11 21354.1 shall contribute at the rate specified in paragraph
12 (1) of subdivision (a) or paragraph (1) of subdivision (b),
13 as determined by the member's status with the federal
14 system, and the rate shall be applied from the first of the
15 month following the date of the election. A member who
16 makes the election shall also contribute for service prior
17 to the date the contribution rate was applied, in the
18 manner specified in Section 21073.

19 ~~SEC. 12.~~

20 *SEC. 13.* Section 20683 of the Government Code is
21 amended to read:

22 20683. (a) For each state member subject to Section
23 21369 or 21369.1, the normal rate of contribution shall be
24 6 percent of compensation in excess of three hundred
25 seventeen dollars (\$317) per month paid to a member
26 whose service is not included in the federal system or in
27 excess of five hundred thirteen dollars (\$513) for one
28 whose service is included in the federal system.

29 (b) For each local safety member subject to Section
30 21369, the normal rate of contribution shall be 7 percent
31 of compensation.

32 (c) The normal rate of contribution as established
33 under this section for a local member whose service is
34 included in the federal system and whose retirement
35 allowance is reduced because of that inclusion shall be
36 reduced by one-third as applied to compensation not
37 exceeding four hundred dollars (\$400) per month for
38 service rendered after the date of execution of the
39 modification of the federal-state agreement including
40 those services in the federal system and prior to



1 termination of his or her coverage under the federal
2 system.

3 (d) The operative date of this section with respect to
4 a local safety member shall be the date upon which he or
5 she becomes subject to Section 21369.

6 ~~SEC. 13.~~

7 *SEC. 14.* Section 20687 of the Government Code is
8 amended to read:

9 20687. (a) The normal rate of contribution for state
10 peace officer/firefighter members and for local safety
11 members subject to Section 21363 or 21363.1 shall be 8
12 percent of the compensation in excess of two hundred
13 thirty-eight dollars (\$238) per month paid those
14 members.

15 (b) Notwithstanding subdivision (a), the normal rate
16 of contribution for local safety members of the City of
17 Sacramento subject to Section 21363 shall be 9 percent of
18 compensation paid those members.

19 (c) If the provisions of this section are in conflict with
20 the provisions of a memorandum of understanding
21 reached pursuant to Section 3517.5, the memorandum of
22 understanding shall be controlling without further
23 legislative action, except that if those provisions of a
24 memorandum of understanding require the expenditure
25 of funds, those provisions shall not become effective
26 unless approved by the Legislature in the annual Budget
27 Act.

28 ~~SEC. 14.~~

29 *SEC. 15.* Section 20822 of the Government Code is
30 amended to read:

31 20822. From the General Fund in the State Treasury
32 there is appropriated annually, 12 months in arrears, on
33 July 1 of each fiscal year, beginning July 1, 1994, to the
34 retirement fund the state's contribution for:

35 (a) All state miscellaneous members and all other
36 categories of members whose compensation is paid from
37 the General Fund.

38 (b) All university members whose compensation is
39 paid from funds of, or funds appropriated to, the
40 university.



1 (c) All state miscellaneous members who are
2 employed by the State Department of Education or the
3 Department of Rehabilitation and whose compensation
4 is paid from the Vocational Education Federal Fund, the
5 Vocational Rehabilitation Federal Fund, or any other
6 fund received, in whole or in part, as a donation to the
7 state under restrictions preventing its use for state
8 contributions to the retirement system.

9 (d) All state miscellaneous members *and all other*
10 *categories of members* whose compensation is paid from
11 the Senate Operating Fund or the Assembly Operating
12 Fund or the Operating Funds of the Assembly and
13 Senate.

14 *SEC. 16.* Section 21070 of the Government Code is
15 amended to read:

16 21070. (a) Effective January 1, 1985, there shall be an
17 alternative level of benefits available to the following
18 state miscellaneous members: (1) members who are
19 excluded from the definition of state employee in
20 subdivision (c) of Section 3513; (2) members employed
21 by the executive branch of government who are not
22 members of the civil service; and (3) members in state
23 bargaining units for which a memorandum of
24 understanding has been agreed to by the state employer
25 and the recognized employee organization to become
26 subject to this section. Effective September 1, 1986, this
27 section shall apply to members employed by the state as
28 provided for in Article VI of the California Constitution.
29 The board shall provide the affected members a
30 one-month election period commencing on August 1,
31 1986. This section does not apply to state miscellaneous
32 members employed by the California State University or
33 the University of California. This section shall not apply
34 to any employee described by Section 20324 unless and
35 until the employer, as defined in Section 20902, adopts a
36 resolution approving that application.

37 (b) Effective September 1, 1986, there shall be an
38 alternate level of benefits available to the following state
39 industrial members: (1) members in state bargaining
40 units for which a memorandum of understanding has



1 been agreed to by the state employer and the recognized
2 employee organization to become subject to this section;
3 (2) members who are excluded from the definition of
4 state employees in subdivision (c) of Section 3513; and (3)
5 members employed by the executive branch of
6 government who are not members of the civil service.
7 The board shall provide the affected members a
8 one-month election period commencing on August 1,
9 1986.

10 (c) Members eligible to participate in the alternative
11 level of benefits, referred to in this part as the Second
12 Tier, may make an irrevocable election during the period
13 from November 1, 1988, through October 31, 1989, to: (1)
14 become subject to the Second Tier benefits provided for
15 in Section 21076 for all past state miscellaneous and state
16 industrial service and all future state miscellaneous and
17 state industrial service not excluded by this section; (2)
18 become subject to the Second Tier benefits provided for
19 in Section 21077 for state miscellaneous and state
20 industrial service not excluded by this section rendered
21 on and after the effective date of the election to be subject
22 to the Second Tier. Any election by a member to be
23 subject to Section 21076 or 21077 shall also be signed by
24 the spouse of the member and both signatures shall be
25 notarized; (3) become subject to the First Tier
26 retirement formula prescribed by Section 21354.1 for
27 state miscellaneous and state industrial service rendered
28 on or after the effective date of the election, provided
29 that the member had previously elected coverage
30 pursuant to Section 21076 or 21077 and makes the
31 contributions specified in Section 20677; or (4) become
32 subject to the First Tier retirement formula prescribed by
33 Section 21354.1 for all past and future state miscellaneous
34 and state industrial service, provided that the member
35 had previously elected coverage pursuant to Section
36 21076 or 21077 and the member makes the contributions
37 specified in Sections 20677 and 21073. The right of eligible
38 members to elect coverage under the retirement formula
39 of their choice shall apply solely during the



1 above-prescribed one-year period, subject to conditions
2 to be established and communicated by the board.

3 Thereafter, and until January 1, 2000, the board shall
4 provide a 30-day period every five years for eligible
5 members to make an irrevocable election to be subject to
6 the Second Tier benefits provided for in Section 21076 or
7 21077. Eligible members who previously elected Section
8 21077 may make an irrevocable election to become
9 subject to Section 21076 for all past state miscellaneous
10 and state industrial service during this election period.
11 The first election period shall be held five years from the
12 ending date of the one-year election period specified in
13 this subdivision.

14 The effective date of any election filed with the board
15 shall be the first of the month following the date the
16 election is received in the system, provided the election
17 meets the conditions set by the board. Any election filed
18 with the board under this subdivision shall also be signed
19 by the spouse of the member and both signatures shall be
20 notarized.

21 (d) Persons who become state miscellaneous or state
22 industrial members described in this section or who
23 become such members under Article 3 (commencing
24 with Section 20320) of Chapter 3 of this part on or after
25 the Second Tier effective date applicable to the member,
26 shall be subject to Section 21077 unless an election is filed
27 with the board to be subject to Section 21354.1 and the
28 member makes the contributions specified in Section
29 20677. The appointing authority shall provide the
30 member with the election form and the member shall
31 exercise the election within one year of becoming a
32 member. The effective date of the election shall be the
33 date on which the member became a state miscellaneous
34 or state industrial member.

35 (e) A state miscellaneous or state industrial member
36 who, on or after the effective date of an election to be
37 subject to Section 21076 or 21077, ceases to be a member
38 pursuant to Section 20340 or 21075 shall, upon again
39 becoming a state miscellaneous or state industrial
40 member, be subject to Section 21076 or 21077 in



1 accordance with his or her previous irrevocable election.
2 This subdivision does not apply to persons who return to
3 membership as employees of the California State
4 University.

5 Except as otherwise provided in this part, a state
6 miscellaneous or state industrial member subject to
7 Section 21076 or 21077 is subject to all other provisions
8 applicable to state miscellaneous members except those
9 provisions that provide for the payment of an annuity
10 based on contributions. Notwithstanding any other
11 provision of this part, member contributions are not
12 required for any service credit that is subject to Section
13 21076.

14 (f) Notwithstanding any other provision in
15 subdivisions (a) to (e), inclusive, this section does not
16 apply to a state miscellaneous or state industrial member
17 who, on or after January 1, 2000, (1) was employed, (2)
18 returned to employment from a break in service of more
19 than 90 days, or (3) returned to employment after ceasing
20 to be a member pursuant to Section 20340 or 21075.

21 ~~SEC. 15.~~

22 *SEC. 17.* Section 21071 of the Government Code is
23 amended to read:

24 21071. (a) Notwithstanding any other provision of
25 this article, except as provided in subdivisions (b) and
26 (c), persons who first become state miscellaneous or state
27 industrial members of the system on or after July 1, 1991,
28 and prior to January 1, 2000, and who are (1) excluded
29 from the definition of state employee in subdivision (c)
30 of Section 3513, (2) employed by the executive branch of
31 government and are not members of the civil service, or
32 (3) included in the definition of state employee in
33 subdivision (c) of Section 3513 shall become subject to
34 Section 21076.

35 (b) Any person who was a member on or before June
36 30, 1991, eligible to elect membership on or before June
37 30, 1991, or who was employed in any position on or before
38 June 30, 1991, that would lead to membership as a state
39 member, as defined in Section 20370, and who thereafter
40 enters employment subject to Section 21076 shall, until



1 January 1, 2000, be granted the rights provided in
2 subdivision (c) of Section 21070, unless the person had
3 earlier made an irrevocable election to be subject to
4 Section 21076 or 21077. The one-year period in which to
5 make the election provided in subdivision (c) of Section
6 21070 for any member who became a state member prior
7 to January 1, 1994, shall commence with the mailing of a
8 notice by the system to the member, of his or her election
9 right. The effective date of the election shall be the date
10 on which the member became a state miscellaneous or
11 state industrial member. The member shall be obligated
12 to make the contributions specified in Section 20677.

13 (c) Effective on or after April 1, 1998, and until January
14 1, 2000, state miscellaneous or industrial members may
15 elect to be subject to the service retirement formula
16 prescribed in Section 21353.5, as an alternative to Second
17 Tier membership under Section 21076. The election shall
18 be provided to eligible members by the appointing
19 authority, and, to be effective, an election must be filed
20 with the board. Eligible members who must be in the
21 employment of the state are defined as members in state
22 bargaining units for which a memorandum of
23 understanding has been agreed to by the state employer
24 and the recognized employee organization to become
25 subject to Section 21353.5. The effective date of a
26 member's election shall be the first day of the month
27 following the date the election is filed with the system.

28 (d) This section shall not apply to state miscellaneous
29 members employed by the California State University or
30 employees described in Section 20324.

31 ~~SEC. 16.~~

32 *SEC. 18.* Section 21072 of the Government Code is
33 amended to read:

34 21072. (a) A member who elects to be subject to
35 Section 21076 shall be credited at no cost with all
36 creditable previous state miscellaneous or state industrial
37 service after the member is credited with one year of
38 service under Section 21076. A member who was subject
39 to Section 21076, who terminates membership, and who
40 subsequently returns to state service prior to January 1,



1 2000, shall be granted, at no cost, all of the service credit
2 earned as a result of the election, after the member is
3 credited with one year of service following return to state
4 service. The one-year requirement shall be waived for a
5 member who meets the service credit requirements for
6 disability retirement specified in Section 21150 with the
7 past creditable service.

8 (b) A member who elects to be subject to Section
9 21077, who terminates membership and who
10 subsequently returns to service shall be credited, at no
11 cost, with the service earned as a result of the election,
12 after the member is credited with one year of service
13 following return to state service. The one-year
14 requirement shall be waived for a member who meets the
15 service credit requirements for disability retirement
16 specified in Section 21150 with the past creditable service.

17 (c) A member who is entitled to service credit under
18 this section shall apply for and identify time periods for
19 that service to the board.

20 ~~SEC. 17.~~

21 *SEC. 19.* Section 21073.1 is added to the Government
22 Code, to read:

23 21073.1. (a) A member who elects to receive service
24 credit under Section 21354.1, as authorized by Section
25 21073.7, for time during which the member received
26 service credit subject to Section 21076 or 21077, shall
27 deposit an amount equal to any accumulated
28 contributions the member withdrew pursuant to Section
29 20737, plus the interest that would have been credited to
30 his or her account had the contributions not been
31 withdrawn, and any contributions the member would
32 have made, plus an amount equal to the interest that
33 would have been credited to those contributions, had he
34 or she not been subject to Section 21076 or 21077. This
35 deposit shall be made in a lump sum or by installments,
36 with interest through the completion of payments, over
37 that period and subject to minimum payment amounts as
38 may be prescribed by regulations of the board.

39 (b) The board, in addition to its general rulemaking
40 authority under Section 20121, may adopt regulations



1 that implement this section. Those regulations shall be
2 exempt from review by the Office of Administrative Law
3 prior to filing with the Secretary of State and publication
4 in the California Code of Regulations.

5 ~~SEC. 18.~~

6 *SEC. 20.* Section 21073.5 of the Government Code is
7 amended to read:

8 21073.5. A state Second Tier member, who meets the
9 eligibility definition prescribed in subdivision (c) of
10 Section 21071 may elect, prior to January 1, 2000, to be
11 subject to Section 21353.5 while he or she is in the
12 employment of the state. Upon becoming subject to
13 Section 21353.5, the active member may elect, prior to
14 January 1, 2000, to have his or her past Second Tier service
15 credited under Section 21353.5. A member who elects to
16 receive credit for past service shall pay all reasonable
17 administrative costs and the amount that will be
18 equivalent to the difference between the actuarial
19 present value of the Second Tier service that had accrued
20 to the member's credit and the actuarial present value for
21 the same service had it been credited under Section
22 21353.5, including interest if deemed necessary, in
23 accordance with the method to be established by the
24 board. The amount shall be contributed in a lump sum or
25 by installments over a period and subject to minimum
26 payments as may be prescribed by regulations of the
27 board. Payments for administrative costs shall be credited
28 to the current appropriation for support of the board and
29 available for expenditures by the board to fund positions
30 deemed necessary by the board to implement this
31 section.

32 ~~SEC. 19.~~

33 *SEC. 21.* Section 21073.7 is added to the Government
34 Code, to read:

35 21073.7. (a) Effective January 1, 2000, members
36 subject to the Second Tier benefits provided in Section
37 21076 or 21077 may make an irrevocable election, to be
38 filed with the board, to be subject to the First Tier
39 benefits provided in Section 21354.1 and to make the
40 contributions specified in Section 20677. The election



1 shall be effective the first of the month following receipt
2 of the election by the system and shall be applicable to
3 state service rendered on and after that date. The
4 election may be made at any time prior to retirement and
5 shall be signed by the spouse of the member and both
6 signatures shall be notarized.

7 (b) A member subject to Section 21354.1 who has past
8 service credited under the Second Tier may elect, at any
9 time prior to retirement, to have his or her past Second
10 Tier service credited under Section 21354.1 by making
11 contributions specified in Section 21073.1. This
12 subdivision shall not apply to a Second Tier member
13 eligible to make the election provided in subdivision (a)
14 until after the effective date of that election.

15 (c) A member who has past service credit under the
16 modified First Tier pursuant to Section 21353.5 shall
17 become subject to Section 21354.1 and make
18 contributions as specified in Section 20677. The member's
19 past service and contributions in the modified First Tier
20 under Section 21353.5 shall be converted to First Tier
21 service and contributions and shall be subject to Section
22 21354.1 unless the member files a written request with the
23 board to remain subject to Section 21353.5. Contributions
24 previously credited as modified First Tier may be
25 redeposited under the conditions specified in Section
26 20750, with the service credit and contributions subject to
27 Section 21354.1.

28 (d) "Member," as used in this section, includes a
29 person who, at the time an election is made under
30 subdivision (a), (b), or (c), is not receiving credit for
31 state service but has not ceased to be a member pursuant
32 to Section 20340 or 21075.

33 ~~SEC. 20.~~

34 *SEC. 22.* Section 21077 of the Government Code is
35 amended to read:

36 21077. The service retirement allowance for a state
37 miscellaneous or state industrial member who elects to be
38 subject to this section shall be: the sum of the allowance
39 for service rendered under the Second Tier retirement
40 formula, computed pursuant to Section 21076, added to



1 the allowance for service rendered as a state
2 miscellaneous or state industrial member covered under
3 the First Tier formula, computed pursuant to Section
4 21354.1.

5 ~~SEC. 21.~~

6 SEC. 23. Section 21130 of the Government Code is
7 amended to read:

8 21130. Every patrol member subject to Section
9 21362.2 shall be retired on the first day of the calendar
10 month succeeding that in which he or she attains the age
11 of 60 years.

12 ~~SEC. 22.~~

13 SEC. 24. Section 21328 is added to the Government
14 Code, to read:

15 21328. In addition to the increase in allowance
16 authorized and granted pursuant to Section 21313, and
17 notwithstanding the limitation on that increase imposed
18 by this article and subdivision (b) of Section 21337,
19 effective January 1, 2000, the monthly allowance paid
20 with respect to a state or school member who retired or
21 died prior to January 1, 2000, shall be increased by the
22 percentage set forth opposite the year of retirement or
23 death in the following schedule:

24		
25	Period during which retirement	
26	or death occurred:	Percentage:
27	48 months ending Dec. 31, 1999	2.0%
28	12 months ending Dec. 31, 1995	3.0%
29	12 months ending Dec. 31, 1994	4.0%
30	12 months ending Dec. 31, 1993	4.5%
31	12 months ending Dec. 31, 1992	
32	or earlier	5.0%

33
34 The percentage shall be applied to the allowance
35 payable on January 1, 2000, and the allowance as so
36 increased shall be paid for time on and after the date and
37 until the first day of April immediately following the date
38 of application. The base allowance shall be the allowance
39 as increased under this section. Notwithstanding Section
40 21337 to the contrary, this increase shall not be included



1 in determining the initial monthly allowance upon which
2 a supplemental benefit is payable pursuant to Section
3 21337.

4 ~~SEC. 23.~~

5 *SEC. 25.* Section 21337 of the Government Code is
6 amended to read:

7 21337. (a) On an annual basis, the board shall transfer
8 to a supplemental account, to fund the purchasing power
9 protection allowance, the lesser of either of the following:

10 (1) The amount necessary to increase all monthly
11 allowances paid by this system to 75 percent of the
12 purchasing power of the initial monthly allowances.

13 (2) Up to 1.1 percent of the net earnings on member
14 contributions, as determined by Section 20178.

15 (b) The funds transferred to the supplemental
16 account shall be utilized to increase all monthly
17 allowances paid by this system up to a maximum of 75
18 percent of the purchasing power, as determined by the
19 board, of the initial monthly allowances, notwithstanding
20 the benefit provided by Section 21328, that were received
21 by every retired person or survivor or beneficiary of a
22 state, school, or local member or retired person who was
23 eligible to receive any allowance at the end of each fiscal
24 year. Funds remaining in the account after the payment
25 of benefits under this section shall be transferred to the
26 employer accounts.

27 ~~SEC. 24.~~

28 *SEC. 26.* Section 21353 of the Government Code is
29 amended to read:

30 21353. The combined current and prior service
31 pensions for a local miscellaneous member, a school
32 member, a state miscellaneous member, a university
33 member, and a state industrial member is a pension
34 derived from the contributions of the employer
35 sufficient, when added to the service retirement annuity
36 that is derived from the accumulated normal
37 contributions of the member at the date of retirement, to
38 equal the fraction of one-fiftieth of the member's final
39 compensation set forth opposite the member's age at
40 retirement, taken to the preceding completed quarter



1 year, in the following table, multiplied by the number of
 2 years of current and prior service except service in a
 3 category of membership other than that of state
 4 miscellaneous member, local miscellaneous member,
 5 school member, a university member, and a state
 6 industrial member or service covered under the First
 7 Tier retirement formula, with which the member is
 8 entitled to be credited at retirement:

9	10 Age of		11 Fraction
12	13 Retirement		
12	50 .....		.546
13	50 ¹ / ₄ .....		.554
14	50 ¹ / ₂ .....		.562
15	50 ³ / ₄ .....		.570
16	51 .....		.578
17	51 ¹ / ₄ .....		.586
18	51 ¹ / ₂ .....		.595
19	51 ³ / ₄ .....		.603
20	52 .....		.612
21	52 ¹ / ₄ .....		.621
22	52 ¹ / ₂ .....		.630
23	52 ³ / ₄ .....		.639
24	53 .....		.648
25	53 ¹ / ₄ .....		.658
26	53 ¹ / ₂ .....		.668
27	53 ³ / ₄ .....		.678
28	54 .....		.688
29	54 ¹ / ₄ .....		.698
30	54 ¹ / ₂ .....		.709
31	54 ³ / ₄ .....		.719
32	55 .....		.730
33	55 ¹ / ₄ .....		.741
34	55 ¹ / ₂ .....		.753
35	55 ³ / ₄ .....		.764
36	56 .....		.776
37	56 ¹ / ₄ .....		.788
38	56 ¹ / ₂ .....		.800
39	56 ³ / ₄ .....		.813
40	57 .....		.825



1	57 ¹ / ₄ .....	.839
2	57 ¹ / ₂ .....	.852
3	57 ³ / ₄ .....	.865
4	58 .....	.879
5	58 ¹ / ₄ .....	.893
6	58 ¹ / ₂ .....	.908
7	58 ³ / ₄ .....	.923
8	59 .....	.937
9	59 ¹ / ₄ .....	.953
10	59 ¹ / ₂ .....	.969
11	59 ³ / ₄ .....	.985
12	60	1.000
13	60 ¹ / ₄	1.017
14	60 ¹ / ₂	1.034
15	60 ³ / ₄	1.050
16	61	1.067
17	61 ¹ / ₄	1.084
18	61 ¹ / ₂	1.101
19	61 ³ / ₄	1.119
20	62	1.136
21	62 ¹ / ₄	1.154
22	62 ¹ / ₂	1.173
23	62 ³ / ₄	1.191
24	63 and over	1.209

25
 26 The fractions specified in the above table shall be
 27 reduced by one-third as applied to that part of final
 28 compensation that does not exceed four hundred dollars
 29 (\$400) per month for all service of a member any of whose
 30 service has been included in the federal system. This
 31 reduction shall not apply to a member employed by a
 32 contracting agency that enters into a contract after July
 33 1, 1971, and elects not to be subject to this paragraph or
 34 with respect to service rendered after the termination of
 35 coverage under the federal system with respect to the
 36 coverage group to which the member belongs.

37 The improved retirement allowance provided by this
 38 section is granted subject to future reduction prior to a
 39 member's retirement, by offset of federal system benefits
 40 or otherwise, as the Legislature may from time to time



1 deem appropriate because of changes in the federal
2 system benefits.

3 Effective January 1, 2000, this section shall only apply
4 to local miscellaneous members.

5 ~~SEC. 25.~~

6 SEC. 27. Section 21353.5 of the Government Code is
7 amended to read:

8 21353.5. The combined current and prior service
9 pensions for a state miscellaneous or industrial member
10 who has elected to be subject to the service retirement
11 formula prescribed in this section, as provided by Sections
12 21071 and 21073.5, is a pension derived from the
13 contributions of the employer sufficient, when added to
14 the service retirement annuity that is derived from the
15 accumulated normal contributions of the member at the
16 date of retirement, to equal the fraction of one-fiftieth of
17 the member's final compensation set forth opposite the
18 member's age at retirement, taken to the preceding
19 completed quarter year, in the following table, multiplied
20 by the number of years of current and prior service,
21 except service in a category of membership other than
22 that credited under this section, with which the member
23 is entitled to be credited at retirement:
24

25	Age of		Fraction
26	Retirement		
27	50	.....	.546
28	50 ¹ / ₄	.....	.554
29	50 ¹ / ₂	.....	.562
30	50 ³ / ₄	.....	.570
31	51	.....	.578
32	51 ¹ / ₄	.....	.586
33	51 ¹ / ₂	.....	.595
34	51 ³ / ₄	.....	.603
35	52	.....	.612
36	52 ¹ / ₄	.....	.621
37	52 ¹ / ₂	.....	.630
38	52 ³ / ₄	.....	.639
39	53	.....	.648
40	53 ¹ / ₄	.....	.658



1	53 ¹ / ₂ .....	.668
2	53 ³ / ₄ .....	.678
3	54 .....	.688
4	54 ¹ / ₄ .....	.698
5	54 ¹ / ₂ .....	.709
6	54 ³ / ₄ .....	.719
7	55 .....	.730
8	55 ¹ / ₄ .....	.741
9	55 ¹ / ₂ .....	.753
10	55 ³ / ₄ .....	.764
11	56 .....	.776
12	56 ¹ / ₄ .....	.788
13	56 ¹ / ₂ .....	.800
14	56 ³ / ₄ .....	.813
15	57 .....	.825
16	57 ¹ / ₄ .....	.839
17	57 ¹ / ₂ .....	.852
18	57 ³ / ₄ .....	.865
19	58 .....	.879
20	58 ¹ / ₄ .....	.893
21	58 ¹ / ₂ .....	.908
22	58 ³ / ₄ .....	.923
23	59 .....	.937
24	59 ¹ / ₄ .....	.953
25	59 ¹ / ₂ .....	.969
26	59 ³ / ₄ .....	.985
27	60 and over	1.000

28

29 The fractions specified in the above table shall be
 30 reduced by one-third as applied to that part of final
 31 compensation that does not exceed four hundred dollars
 32 (\$400) per month for all service of a member any of whose
 33 service has been included in the federal system.

34 The retirement allowance provided by this section,
 35 which shall be effective for members who retire on and
 36 after April 1, 1998, is granted subject to future reduction
 37 prior to a member's retirement, by offset of federal
 38 system benefits or otherwise, as the Legislature may from
 39 time to time deem appropriate because of changes in the
 40 federal system benefits.



1 Other than for members who elect under subdivision
 2 (c) of Section 21073.7 to remain subject to the modified
 3 First Tier, this section shall not apply to state
 4 miscellaneous members and state industrial members
 5 who retire on or after January 1, 2000.

6 ~~SEC. 26.~~

7 SEC. 28. Section 21354.1 is added to the Government
 8 Code, to read:

9 21354.1. The combined current and prior service
 10 pensions for school, state miscellaneous, university, and
 11 state industrial members who are subject to the
 12 provisions of this section is a pension derived from the
 13 contributions of the employer sufficient, when added to
 14 the service retirement annuity that is derived from the
 15 accumulated normal contributions of the member at the
 16 date of retirement, to equal the fraction of one-fiftieth of
 17 the member's final compensation set forth opposite the
 18 member's age at retirement, taken to the preceding
 19 completed quarter year, in the following table, multiplied
 20 by the number of years of current and prior service,
 21 except service in a category of membership other than
 22 that of a school, state miscellaneous, university, or state
 23 industrial member with which the member is entitled to
 24 be credited at retirement:

26 Age at		
27 retirement		Fraction
28 50	.....	0.713
29 50 1/4	.....	0.725
30 50 1/2	.....	0.737
31 50 3/4	.....	0.749
32 51	.....	0.761
33 51 1/4	.....	0.775
34 51 1/2	.....	0.788
35 51 3/4	.....	0.801
36 52	.....	0.814
37 52 1/4	.....	0.828
38 52 1/2	.....	0.843
39 52 3/4	.....	0.857
40 53	.....	0.871



1	53 ¹ / ₄	0.886
2	53 ¹ / ₂	0.902
3	53 ³ / ₄	0.917
4	54	0.933
5	54 ¹ / ₄	0.950
6	54 ¹ / ₂	0.966
7	54 ³ / ₄	0.983
8	55	1.000
9	55 ¹ / ₄	1.0088
10	55 ¹ / ₂	1.0175
11	55 ³ / ₄	1.0263
12	56	1.035
13	56 ¹ / ₄	1.0438
14	56 ¹ / ₂	1.0525
15	56 ³ / ₄	1.0613
16	57	1.070
17	57 ¹ / ₄	1.0788
18	57 ¹ / ₂	1.0875
19	57 ³ / ₄	1.0963
20	58	1.105
21	58 ¹ / ₄	1.1138
22	58 ¹ / ₂	1.1225
23	58 ³ / ₄	1.1313
24	59	1.140
25	59 ¹ / ₄	1.1488
26	59 ¹ / ₂	1.1575
27	59 ³ / ₄	1.1663
28	60	1.175
29	60 ¹ / ₄	1.1838
30	60 ¹ / ₂	1.1925
31	60 ³ / ₄	1.2013
32	61	1.210
33	61 ¹ / ₄	1.2188
34	61 ¹ / ₂	1.2275
35	61 ³ / ₄	1.2363
36	62	1.245
37	62 ¹ / ₄	1.2538
38	62 ¹ / ₂	1.2625
39	62 ³ / ₄	1.2713



1	63	1.280
2	63 1/4	1.2888
3	63 1/2	1.2975
4	63 3/4	1.3063
5	64	1.315
6	64 1/4	1.3238
7	64 1/2	1.3325
8	64 3/4	1.3413
9	65	1.350

10

11 The fraction specified in the above table shall be
12 reduced by one-third as applied to that part of final
13 compensation that does not exceed four hundred dollars
14 (\$400) per month for all service of a member any of whose
15 service has been included in the federal system.

16 This section shall supersede Section 21353 with respect
17 to all school, state miscellaneous, university, and state
18 industrial members who retire on or after January 1, 2000.

19 ~~SEC. 27.~~

20 SEC. 29. Section 21362 of the Government Code is
21 amended to read:

22 21362. The current service pension for patrol
23 members and the combined current and prior service
24 pensions for local safety members with respect to local
25 safety service rendered to a contracting agency that is
26 subject to this section is a pension derived from the
27 contributions of the employer sufficient when added to
28 the service retirement annuity that is derived from the
29 accumulated normal contributions of the patrol member
30 at the date of his or her retirement to equal the fraction
31 of one-fiftieth of his or her final compensation set forth
32 opposite his or her age at retirement taken to the
33 preceding completed quarter year, in the following table,
34 multiplied by the number of years of patrol service and
35 local safety service subject to this section with which he
36 or she is credited at retirement.

37

38	Age at		
39	retirement		Fraction
40	50	.....	1.0000



1	50 ¹ / ₄	1.0175
2	50 ¹ / ₂	1.0350
3	50 ³ / ₄	1.0525
4	51	1.0700
5	51 ¹ / ₄	1.0875
6	51 ¹ / ₂	1.1050
7	51 ³ / ₄	1.1225
8	52	1.1400
9	52 ¹ / ₄	1.1575
10	52 ¹ / ₂	1.1750
11	52 ³ / ₄	1.1925
12	53	1.2100
13	53 ¹ / ₄	1.2275
14	53 ¹ / ₂	1.2450
15	53 ³ / ₄	1.2625
16	54	1.2800
17	54 ¹ / ₄	1.2975
18	54 ¹ / ₂	1.3150
19	54 ³ / ₄	1.3325
20	55 and over	1.3500

21
22 In no event shall the current service pension and the
23 combined current and prior service pensions under this
24 section for all service to all employers exceed an amount
25 that, when added to the service retirement annuity
26 related to that service, equals 75 percent of final
27 compensation. For state members who retire on or after
28 January 1, 1995, and with respect to service for all state
29 employers under this section, the benefit shall not exceed
30 80 percent of final compensation. If the pension relates to
31 service to more than one employer and would otherwise
32 exceed that maximum, the pension payable with respect
33 to each employer shall be reduced in the same proportion
34 as the allowance based on service to that employer bears
35 to the total allowance computed as though there were no
36 limit, so that the total of the pensions shall equal the
37 maximum. Where a state member retiring on or after
38 January 1, 1995, has service under this section with both
39 state and local agency employers, the 80-percent limit
40 shall apply and the additional benefit shall be funded by



1 increasing the member's pension payable with respect to
2 the state employer.

3 This section shall not apply to any contracting agency,
4 unless and until the agency elects to be subject to the
5 provisions of this section by amendment to its contract
6 made in the manner prescribed for approval of contracts
7 or, in the case of contracts made after the date this section
8 is operative, by express provision in the contract making
9 the contracting agency subject to the provisions of this
10 section.

11 This section shall supersede Section 21362.1, 21363,
12 21366, 21368, 21369, or 21370, whichever is then
13 applicable, with respect to patrol and local safety
14 members who retire after the date this section becomes
15 applicable to their respective employers.

16 This section shall not apply to state safety or state peace
17 officer/firefighter members.

18 This section shall not apply to patrol members who
19 retire on or after January 1, 2000.

20 The Legislature reserves, with respect to any member
21 subject to this section, the right to provide for the
22 adjustment of industrial disability retirement allowances
23 because of earnings of a retired person and modification
24 of the conditions and qualifications required for
25 retirement for disability as it may find appropriate
26 because of the earlier ages of service retirement made
27 possible by the benefits under this section.

28 ~~SEC. 28.~~

29 *SEC. 30.* Section 21362.2 is added to the Government
30 Code, to read:

31 21362.2. The current service pension for patrol
32 members who are subject to the provisions of this section
33 is a pension derived from the contributions of the
34 employer sufficient when added to the service
35 retirement annuity that is derived from the accumulated
36 normal contributions of the patrol member at the date of
37 his or her retirement to 3 percent of his or her final
38 compensation at the age of 50 years, multiplied by the
39 number of years of patrol service subject to this section
40 with which he or she is credited at retirement.



1 In no event shall the current service pension exceed an
2 amount that, when added to the service retirement
3 annuity related to that service, equals 85 percent of final
4 compensation. If the pension relates to service to more
5 than one employer and would otherwise exceed that
6 maximum, the pension payable with respect to each
7 employer shall be reduced in the same proportion as the
8 allowance based on service to that employer bears to the
9 total allowance computed as though there were no limit,
10 so that the total of the pensions shall equal the maximum.

11 This section shall supersede Sections 21362 and 21362.1
12 with respect to patrol members who retire on or after
13 January 1, 2000.

14 This section shall not apply to state safety or state peace
15 officer/firefighter members.

16 The Legislature reserves, with respect to any member
17 subject to this section, the right to provide for the
18 adjustment of industrial disability retirement allowances
19 because of earnings of a retired person and modification
20 of the conditions and qualifications required for
21 retirement for disability as it may find appropriate
22 because of the earlier ages of service retirement made
23 possible by the benefits under this section.

24 ~~SEC. 29.~~

25 *SEC. 31.* Section 21363 of the Government Code is
26 amended to read:

27 21363. (a) The combined current and prior service
28 pensions for state peace officer/firefighter members
29 subject to this section with respect to state peace
30 officer/firefighter service and the combined current and
31 prior service pensions for local safety members with
32 respect to local safety service rendered to a contracting
33 agency that is subject to this section is a pension derived
34 from the contributions of the employer sufficient when
35 added to the service retirement annuity that is derived
36 from the accumulated normal contributions of the state
37 peace officer/firefighter member at the date of his or her
38 retirement to equal the fraction of one-fiftieth of his or
39 her final compensation set forth opposite his or her age
40 at retirement taken to the preceding completed



1 quarter-year, in the following table, multiplied by the
 2 number of years of state peace officer/firefighter service
 3 subject to this section with which he or she is credited at
 4 retirement.

5	6 Age at		7 Fraction
8	9 Retirement		
10	50		1.0000
11	50 1/4		1.0125
12	50 1/2		1.0250
13	50 3/4		1.0375
14	51		1.0500
15	51 1/4		1.0625
16	51 1/2		1.0750
17	51 3/4		1.0875
18	52		1.1000
19	52 1/4		1.1125
20	52 1/2		1.1250
21	52 3/4		1.1375
22	53		1.1500
23	53 1/4		1.1625
24	53 1/2		1.1750
25	53 3/4		1.1875
26	54		1.2000
27	54 1/4		1.2125
28	54 1/2		1.2250
29	54 3/4		1.2375
30	55 and over		1.2500

31 (b) In no event shall the current service pension and
 32 the combined current and prior service pensions under
 33 this section for all service to all employers exceed an
 34 amount that, when added to the service retirement
 35 annuity related to that service, equals 75 percent of final
 36 compensation. For state members who retire on or after
 37 January 1, 1995, and with respect to service for all state
 38 employers under this section, the benefit shall not exceed
 39 80 percent of final compensation. If the pension relates to
 40 service to more than one employer, or this section and
 Section 21369, and would otherwise exceed that



1 maximum, the pension payable with respect to each
2 section or employer shall be reduced in the same
3 proportion as the allowance bears to the total allowance
4 computed as though there were no limit, so that the total
5 of the pensions shall equal the maximum. Where a state
6 member retiring on or after January 1, 1995, has service
7 under this section with both state and local agency
8 employers, the 80-percent limit shall apply and the
9 additional benefit shall be funded by increasing the
10 member's pension payable with respect to the state
11 employer.

12 (c) The Legislature reserves, with respect to any
13 member subject to this section, the right to provide for
14 the adjustment of industrial disability retirement
15 allowances because of earnings of a retired person and
16 modification of the conditions and qualifications required
17 for retirement for disability as it may find appropriate
18 because of the earlier age of service retirement made
19 possible by the benefits under this section.

20 (d) This section may be applied to related supervisory
21 classes or confidential positions for the respective
22 bargaining units specified in this section.

23 (e) (1) This section shall be operative with respect to
24 state peace officer/firefighter members in Corrections
25 Bargaining Unit No. 6, Protective Services and Public
26 Safety Bargaining Unit No. 7, or Firefighters Bargaining
27 Unit No. 8, in accordance with a memorandum of
28 understanding reached between the state and the
29 exclusive bargaining agent in the respective unit
30 pursuant to Chapter 10.3 (commencing with Section
31 3512) of Division 4 of Title 1.

32 (2) This section also shall be operative with respect to
33 the state peace officer/firefighter members employed by
34 a California State University police department who are
35 in Public Safety Unit No. 8 in accordance with a
36 memorandum of understanding reached between the
37 Trustees of the California State University and the
38 recognized employee organization pursuant to Chapter
39 12 (commencing with Section 3560) of Division 4 of Title
40 1.



1 (3) This section shall also be operative with respect to
2 a “state peace officer/firefighter member” defined in
3 subdivision (a) of Section 20396 if authorized by, and in
4 accordance with, a memorandum of understanding
5 reached between the Trustees of the California State
6 University and the recognized employee organization
7 pursuant to Chapter 12 (commencing with Section 3560)
8 of Division 4 of Title 1.

9 (4) Nothing in this section or in any other provision of
10 law affected by Chapter 1320 of the Statutes of 1984 or
11 Chapter 234 of the Statutes of 1986 shall be construed as
12 authorizing any future negotiation with respect to
13 whether or not any bargaining unit specified in this
14 section whose memorandum of understanding was
15 previously approved by the Legislature pursuant to law
16 and this section, shall continue to remain within the state
17 peace officer/firefighter membership category.

18 (5) The operative date of this section with respect to
19 members in each of the bargaining units specified in this
20 section shall be as provided for in the memorandum of
21 understanding.

22 (6) Notwithstanding any provisions in a memorandum
23 of understanding to the contrary, this section shall not
24 apply to any state peace officer/firefighter member who
25 retires on or after January 1, 2000.

26 (f) This section shall be known as, and may be cited as
27 the State Peace Officers’ and Fire Fighters’ Retirement
28 Act.

29 (g) The Legislature reserves the right to subsequently
30 modify or amend this part in order to completely
31 effectuate the intent and purposes of this section and the
32 right to not provide any new comparable advantages if
33 disadvantages to employees result from any modification
34 or amendment.

35 (h) This section shall not apply to a contracting agency
36 nor its employees until, first, it is agreed to in a written
37 memorandum of understanding entered into by an
38 employer and representatives of employees and, second,
39 the contracting agency elects to be subject to it by
40 amendment to its contract made in the manner



1 prescribed for approval of contracts or in the case of a
 2 new contract, by express provision of the contract. The
 3 operative date of this section with respect to a local safety
 4 member shall be the effective date of the amendment to
 5 his or her employer's contract electing to be subject to
 6 this section. However, this section shall not apply to any
 7 local safety member in the employ of an employer not
 8 subject to this section on January 1, 2000.

9 ~~SEC. 30.~~

10 *SEC. 32.* Section 21363.1 is added to the Government
 11 Code, to read:

12 21363.1. (a) The combined current and prior service
 13 pensions for state peace officer/firefighter members
 14 subject to this section with respect to state peace
 15 officer/firefighter service is a pension derived from the
 16 contributions of the employer sufficient when added to
 17 the service retirement annuity that is derived from the
 18 accumulated normal contributions of the state peace
 19 officer/firefighter member at the date of his or her
 20 retirement to equal the fraction of 3 percent of his or her
 21 final compensation set forth opposite his or her age at
 22 retirement taken to the preceding completed quarter
 23 year, in the following table, multiplied by the number of
 24 years of state peace officer/firefighter service subject to
 25 this section with which he or she is credited at retirement.

27 Age at		
28 Retirement		Fraction
29 50 .....		.800
30 50 1/4 .....		.810
31 50 1/2 .....		.820
32 50 3/4 .....		.830
33 51 .....		.840
34 51 1/4 .....		.850
35 51 1/2 .....		.860
36 51 3/4 .....		.870
37 52 .....		.880
38 52 1/4 .....		.890
39 52 1/2 .....		.900
40 52 3/4 .....		.910



1	53 .....	.920
2	53 1/4 .....	.930
3	53 1/2 .....	.940
4	53 3/4 .....	.950
5	54 .....	.960
6	54 1/4 .....	.970
7	54 1/2 .....	.980
8	54 3/4 .....	.990
9	55 and over	1.000

10

11 (b) In no event shall the current service pension
 12 exceed an amount that, when added to the service
 13 retirement annuity related to that service, equals 80
 14 percent of final compensation. If the pension relates to
 15 service to more than one employer, or this section and
 16 Section 21369 or 21369.1 would otherwise exceed that
 17 maximum, the pension payable with respect to each
 18 section or employer shall be reduced in the same
 19 proportion as the allowance bears to the total allowance
 20 computed as though there were no limit, so that the total
 21 of the pensions shall equal the maximum. Where a state
 22 member retiring on or after January 1, 2000, has service
 23 under this section with the state and other local agency
 24 safety service pursuant to Section 21369, the 80-percent
 25 limit shall apply and the additional benefit shall be funded
 26 by increasing the member's pension payable with respect
 27 to the state employer.

28 (c) The Legislature reserves, with respect to any
 29 member subject to this section, the right to provide for
 30 the adjustment of industrial disability retirement
 31 allowances because of earnings of a retired person and
 32 modification of the conditions and qualifications required
 33 for retirement for disability as it may find appropriate
 34 because of the earlier age of service retirement made
 35 possible by the benefits under this section.

36 (d) This section shall supersede Section 21363 with
 37 respect to state peace officer/firefighter members who
 38 retire on or after January 1, 2000.



1 (e) This section shall apply to state peace
2 officer/firefighter members who retire on or after
3 January 1, 2000.

4 (f) The Legislature reserves the right to subsequently
5 modify or amend this part in order to completely
6 effectuate the intent and purposes of this section and the
7 right to not provide any new comparable advantages if
8 disadvantages to employees result from any modification
9 or amendment.

10 ~~SEC. 31.~~

11 *SEC. 33.* Section 21363.5 of the Government Code is
12 amended to read:

13 21363.5. Notwithstanding Section 21363 or 21363.1,
14 the limitation on the service retirement benefit shall be
15 85 percent for state peace officer/firefighter members in
16 State Bargaining Unit 6 who retire on and after January
17 1, 1999. This provision may also be applied to state peace
18 officer/firefighter members in related supervisory or
19 confidential positions, provided the Department of
20 Personnel Administration has approved this inclusion in
21 writing to the board.

22 ~~SEC. 32.~~

23 *SEC. 34.* Section 21363.6 of the Government Code is
24 amended to read:

25 21363.6. Notwithstanding Section 21363 or 21363.1,
26 the limitation on the service retirement benefit shall be
27 85 percent for state peace officer/firefighter members in
28 State Bargaining Unit 8 who retire on and after January
29 1, 1999. This provision may also be applied to state peace
30 officer/firefighter members in related supervisory or
31 confidential positions, provided that the Department of
32 Personnel Administration has approved this inclusion in
33 writing to the board.

34 ~~SEC. 33.~~

35 *SEC. 35.* Section 21369 of the Government Code is
36 amended to read:

37 21369. (a) The combined prior and current service
38 pension for a state safety member, and a local safety
39 member with respect to service to a contracting agency
40 subject to this section, upon retirement after attaining the



1 age of 55 years, is a pension derived from contributions of
 2 an employer sufficient, when added to that portion of the
 3 service retirement annuity that is derived from the
 4 accumulated normal contributions of the member at the
 5 date of his or her retirement, to equal one-fiftieth of his
 6 or her final compensation multiplied by the number of
 7 years of state safety, police, fire, or county peace officer
 8 service that is credited to him or her as a state safety
 9 member or a local safety member subject to this section
 10 at retirement. Notwithstanding the preceding sentence,
 11 this section shall apply to the current and prior service
 12 pension for any other state safety member based on
 13 service to which it would have applied had the member,
 14 on July 1, 1971, been in employment described in Section
 15 20403 or 20404.

16 (b) Upon retirement for service prior to attaining the
 17 age of 55 years, the percentage of final compensation
 18 payable for each year of credited service that is subject to
 19 this section shall be the product of 2 percent multiplied
 20 by the factor set forth in the following table for his or her
 21 actual age at retirement:

22	23	24	25
	The percent for	each year of	credited service
26	is:		
27	If the retirement age occurs at:		
28	50	0.713	
29	50 1/4	0.725	
30	50 1/2	0.737	
31	50 3/4	0.749	
32	51	0.761	
33	51 1/4	0.775	
34	51 1/2	0.788	
35	51 3/4	0.801	
36	52	0.814	
37	52 1/4	0.828	
38	52 1/2	0.843	
39	52 3/4	0.857	
40	53	0.871	
	53 1/4	0.886	



1	53 ¹ / ₂	0.902
2	53 ³ / ₄	0.917
3	54	0.933
4	54 ¹ / ₄	0.950
5	54 ¹ / ₂	0.966
6	54 ³ / ₄	0.983

7
8 (c) In no event shall the total pension for all service
9 under this section exceed an amount that, when added to
10 the service retirement annuity related to that service,
11 equals 75 percent of final compensation. For state
12 members who retire on or after January 1, 1995, and with
13 respect to service for all state employers under this
14 section, the benefit shall not exceed 80 percent of final
15 compensation. If the pension relates to service to more
16 than one employer and would otherwise exceed that
17 maximum, the pension payable with respect to each
18 employer shall be reduced in the same proportion as the
19 allowance based on service to that employer bears to the
20 total allowance computed as though there were no limit,
21 so that the total of those pensions shall equal the
22 maximum. Where a state member retiring on or after
23 January 1, 1995, has service under this section with both
24 state and local agency employers, the 80-percent limit
25 shall apply and the additional benefit shall be funded by
26 increasing the member's pension payable with respect to
27 the state employer.

28 (d) This section shall not apply to a person whose
29 effective date of retirement is prior to July 1, 1971.

30 (e) The Legislature reserves, with respect to any
31 member subject to this section, the right to provide for
32 the adjustment of industrial disability retirement
33 allowances because of earnings of a retired person and
34 modification of the conditions and qualifications required
35 for retirement for disability as it may find appropriate
36 because of the earlier age of service retirement made
37 possible by the benefits under this section.

38 (f) The percentage of final compensation provided in
39 this section shall be reduced by one-third as applied to
40 that part of the member's final compensation that does



1 not exceed four hundred dollars (\$400) per month for
2 service after the effective date of coverage of a member
3 under the federal system. This subdivision shall not apply
4 to a member who retires after the date upon which
5 coverage under the federal system of persons in his or her
6 employment terminates. It shall not apply to a local safety
7 member employed by a contracting agency electing to be
8 subject to this section after March 7, 1973, unless the
9 agency elects to be subject to this paragraph by
10 amendment to its contract or by appropriate provision of
11 a contract entered into after this provision is effective and
12 as to any member, the reduction in the percentage of final
13 compensation shall apply to all local safety service to the
14 agency, if any of the local safety service has been included
15 in the federal system.

16 (g) This section shall not apply to a contracting agency
17 nor its employees until the agency elects to be subject to
18 it by amendment to its contract made in the manner
19 prescribed for approval of contracts or in the case of a
20 new contract, by express provision of the contract. The
21 operative date of this section with respect to a local safety
22 member shall be the effective date of the amendment to
23 his or her employer's contract electing to be subject to
24 this section.

25 (h) This section shall not apply to a state safety
26 member who retires after December 31, 1999.

27 ~~SEC. 34.~~

28 *SEC. 36.* Section 21369.1 is added to the Government
29 Code, to read:

30 21369.1. (a) The combined prior and current service
31 pension for state safety members, who are subject to the
32 provisions of this section, upon retirement after attaining
33 the age of 56 years, is a pension derived from
34 contributions of an employer sufficient, when added to
35 that portion of the service retirement annuity that is
36 derived from the accumulated normal contributions of
37 the member at the date of his or her retirement, to equal
38 2.35 percent of his or her final compensation multiplied
39 by the number of years of state safety service that is



1 credited to him or her as a state safety member at
2 retirement.

3 (b) Upon retirement for service prior to attaining the
4 age of 56 years, the percentage of final compensation
5 payable for each year of credited service that is subject to
6 this section shall be the product of 2 percent multiplied
7 by the factor set forth in the following table for his or her
8 actual age at retirement:

9		The percent for
10		each year of
11		credited service
12		is:
13	If the retirement age occurs at:	
14	50	0.8565
15	50 1/4	0.8650
16	50 1/2	0.8740
17	50 3/4	0.8830
18	51	0.8920
19	51 1/4	0.9020
20	51 1/2	0.9120
21	51 3/4	0.9222
22	52	0.9330
23	52 1/4	0.9410
24	52 1/2	0.9490
25	52 3/4	0.9570
26	53	0.9650
27	53 1/4	0.9675
28	53 1/2	0.9700
29	53 3/4	0.9725
30	54	0.9750
31	54 1/4	0.9810
32	54 1/2	0.9870
33	54 3/4	0.9935
34	55	1.0000
35	55 1/4	1.0435
36	55 1/2	1.0870
37	55 3/4	1.1310
38	56	1.1750



1 (c) In no event shall the current service pension
2 exceed an amount that, when added to the service
3 retirement annuity related to that service, equals 80
4 percent of final compensation. If the pension relates to
5 service to more than one employer, or this section and
6 Section 21363 and would otherwise exceed that
7 maximum, the pension payable with respect to each
8 section or employer shall be reduced in the same
9 proportion as the allowance bears to the total allowance
10 computed as though there were no limit, so that the total
11 of the pension shall equal the maximum. Where a state
12 member retiring on or after January 1, 2000, has service
13 under this section with the state and other local agency
14 service pursuant to Section 21363, the 80-percent limit
15 shall apply and the additional benefit shall be funded by
16 increasing the member's pension payable with respect to
17 the state employer.

18 (d) Notwithstanding anything in this section to the
19 contrary, this section shall apply to the current and prior
20 service pension for any other state safety member based
21 on service to which it would have applied had the
22 member, on July 1, 1971, been in employment described
23 in Section 20403 or 20404.

24 (e) This section shall apply to state safety members
25 who retire on or after January 1, 2000.

26 (f) The Legislature reserves, with respect to any
27 member subject to this section, the right to provide for
28 the adjustment of industrial disability retirement
29 allowances because of earnings of a retired person and
30 modification of the conditions and qualifications required
31 for retirement for disability as it may find appropriate
32 because of the earlier age of service retirement made
33 possible by the benefits under this section.

34 (g) The percentage of final compensation provided in
35 this section shall be reduced by one-third as applied to
36 that part of the member's final compensation that does
37 not exceed four hundred dollars (\$400) per month for
38 service after the effective date of coverage of a member
39 under the federal system. This subdivision shall not apply
40 to a member who retires after the date upon which



1 coverage under the federal system of persons in his or her
2 employment terminates.

3 ~~SEC. 35.~~

4 *SEC. 37.* Section 21372 of the Government Code is
5 amended to read:

6 21372. The combined current and prior service
7 pensions of a state safety member who on March 31, 1973,
8 was a forestry member not subject to former Section
9 21252.3, as added by Chapter 131 of the Statutes of 1970,
10 shall be determined in accordance with this part as it read
11 and applied to him or her on March 31, 1973, and the
12 member shall not become subject to Section 21369.1
13 unless he or she thereafter accepts appointment to a
14 position in another state department in which he or she
15 is a state safety member, and in that event he or she shall
16 be subject to Section 21369.1 with respect to all of his or
17 her state safety service.

18 ~~SEC. 36.~~

19 *SEC. 38.* Section 21373 of the Government Code is
20 amended to read:

21 21373. The combined current and prior service
22 pensions for a state safety member who on March 31, 1973,
23 was a law enforcement member not subject to Section
24 21369, shall be determined in accordance with this part as
25 it read and applied to him or her on March 31, 1973, rather
26 than Section 21369 if under those provisions he or she is
27 entitled to a retirement allowance exceeding 2 percent of
28 final compensation per year of his or her law enforcement
29 service, unless he or she elects in writing to be subject to
30 Section 21369 and the election is filed in the office of the
31 board within 30 calendar days following April 1, 1973. Any
32 member who does not so elect and thereafter accepts
33 appointment to a position in another state department in
34 which he or she is a state safety member shall become
35 subject, upon that acceptance, to Section 21369.1 with
36 respect to all of his or her state safety service.

37 ~~SEC. 37.~~

38 *SEC. 39.* Section 21374 of the Government Code is
39 amended to read:



1 21374. The combined current and prior service
2 pensions for a state safety member who on March 31, 1973,
3 was a warden member shall be determined in accordance
4 with this part as it read and applied to him or her on
5 March 31, 1973, if on March 31, 1973, he or she was either:
6 (a) in compensated employment in which he or she was
7 a warden member, or (b) on leave of absence from that
8 employment and who either: (1) has attained the age of
9 55 years, or (2), if on that date he or she was subject to
10 former Section 21252.2, as amended by Chapter 752 of the
11 Statutes of 1969, he or she entered warden service after
12 attaining the age of 35 years, unless he or she elects in
13 writing to be subject to Section 21369 and the election is
14 filed in the office of the board within 30 calendar days
15 following April 1, 1973.

16 Any member who thereafter accepts an appointment
17 to a position in another state department in which he or
18 she is a state safety member shall become subject to
19 Section 21369.1 with respect to all of his or her state safety
20 service.

21 ~~SEC. 38.~~

22 *SEC. 40.* Section 21403 of the Government Code is
23 amended to read:

24 21403. Prior to January 1, 2000, upon retirement for
25 nonindustrial disability, a patrol member or local safety
26 member subject to Section 21362 or 21363 or a state peace
27 officer/firefighter who has attained the age of 50 years, or
28 a state safety member who has attained the age of 55 years
29 shall receive his or her service retirement allowance. This
30 section shall not apply to patrol members, state peace
31 officer/firefighter members, or state safety members
32 who retire on or after January 1, 2000.

33 ~~SEC. 39.~~

34 *SEC. 41.* Section 21403.1 is added to the Government
35 Code, to read:

36 21403.1. Upon retirement, on or after January 1, 2000,
37 for nonindustrial disability, a patrol member subject to
38 Section 21362.2 or a state peace officer/firefighter
39 member who has attained the age of 50 years, or a state



1 safety member who has attained the age of 55 years, shall
2 receive his or her service retirement allowance.

3 ~~SEC. 40.~~

4 *SEC. 42.* Section 21407 of the Government Code is
5 amended to read:

6 21407. Upon retirement of a state peace
7 officer/firefighter member subject to Section 21363 or
8 21363.1, or a local safety member subject to Section 21363
9 for industrial disability, the member shall receive a
10 disability allowance of 50 percent of his or her final
11 compensation plus an annuity purchased with his or her
12 accumulated additional contributions, if any, or, if
13 qualified for service retirement, the member shall
14 receive his or her service retirement allowance if the
15 allowance, after deducting the annuity, is greater.

16 ~~SEC. 41.~~

17 *SEC. 43.* Section 21572 of the Government Code is
18 amended to read:

19 21572. (a) In lieu of benefits provided in Section
20 21571, if the death benefit provided by Section 21532 is
21 payable on account of a state member's death that occurs
22 under circumstances other than those described in
23 subparagraph (F) of paragraph (1) of subdivision (a) of
24 Section 21530, or if an allowance under Section 21546 is
25 payable, the payment pursuant to subdivision (b) shall be
26 made, in the following order of priority:

27 (1) The surviving wife or surviving husband of the
28 member, who has the care of unmarried children,
29 including stepchildren, of the member who are under 22
30 years of age, or are incapacitated because of a disability
31 that began before and has continued without
32 interruption after attainment of that age.

33 (2) The guardian of surviving unmarried children,
34 including stepchildren, of the member who are under 22
35 years of age or are so incapacitated.

36 (3) The surviving wife or surviving husband of the
37 member, who does not qualify under paragraph (1).

38 (4) Each surviving parent of the member.

39 (b) Regardless of the benefit provided by Section
40 21532 and of the beneficiary designated by the member



1 under that section, or regardless of the allowance
2 provided under Section 21546, the following applicable
3 1959 survivor allowance, under the conditions stated and
4 from contributions of the state, shall be paid:

5 (1) A surviving spouse who was either continuously
6 married to the member for at least one year prior to
7 death, or was married to the member prior to the
8 occurrence of the injury or onset of the illness that
9 resulted in death, and has the care of unmarried children,
10 including stepchildren, of the deceased member who are
11 under 22 years of age or are so incapacitated, shall be paid
12 four hundred fifty dollars (\$450) per month if there is one
13 child or five hundred thirty-eight dollars (\$538) per
14 month if there are two or more children. If there also are
15 children who are not in the care of the surviving spouse,
16 the portion of the allowance payable under this
17 paragraph, assuming that these children were in the care
18 of the surviving spouse, that is in excess of two hundred
19 twenty-five dollars (\$225) per month, shall be divided
20 equally among all those children and payments made to
21 the spouse and other children, as the case may be.

22 (2) If there is no surviving spouse, or if the surviving
23 spouse dies or remarries, and if there are unmarried
24 children, including stepchildren, of the deceased
25 member who are under 22 years of age or are so
26 incapacitated, or if there are children not in the care of
27 the spouse, the children shall be paid an allowance as
28 follows:

29 (A) If there is only one child, the child shall be paid two
30 hundred twenty-five dollars (\$225) per month.

31 (B) If there are two children, the children shall be paid
32 four hundred fifty dollars (\$450) per month divided
33 equally between them.

34 (C) If there are three or more children, the children
35 shall be paid five hundred thirty-eight dollars (\$538) per
36 month divided equally among them.

37 (3) A surviving spouse who has attained or attains the
38 age of 62 years and, with respect to that surviving spouse,
39 who was either continuously married to the member for
40 at least one year prior to death, or was married to the



1 member prior to the occurrence of the injury or onset of
2 the illness that resulted in death and has not remarried
3 subsequent to the member's death, shall be paid two
4 hundred twenty-five dollars (\$225) per month. No
5 allowance shall be paid under this paragraph while the
6 surviving spouse is receiving an allowance under
7 paragraph (1) or while an allowance is being paid under
8 subparagraph (C) of paragraph (2). The allowance paid
9 under this paragraph shall be eighty-eight dollars (\$88)
10 per month while an allowance is being paid under
11 subparagraph (B) of paragraph (2).

12 (4) If there is no surviving spouse or surviving child
13 who qualifies for a 1959 survivor allowance, or if the
14 surviving spouse dies or remarries and there is no
15 surviving child, or if the surviving spouse dies or
16 remarries and the children die or marry or, if not
17 incapacitated, reach 22 years of age, each of the member's
18 dependent parents who has attained or attains the age of
19 62, and who received at least one-half of his or her support
20 from the member at the time of the member's death, shall
21 be paid two hundred twenty-five dollars (\$225) per
22 month.

23 (c) "Stepchildren," for purposes of this section, shall
24 include only stepchildren of the member living with him
25 or her in a regular parent-child relationship at the time
26 of his or her death.

27 (d) This section shall apply to beneficiaries receiving
28 1959 survivor allowances on July 1, 1975, as well as to
29 beneficiaries with respect to the death of a state member
30 occurring on or after July 1, 1975.

31 (e) This section shall apply, with respect to benefits
32 payable on and after July 1, 1981, to all members
33 employed by a school employer, and school safety
34 members employed with a school district or community
35 college district as defined in subdivision (i) of Section
36 20057, except that it shall not apply, without contract
37 amendment, with respect to safety members who
38 became members after July 1, 1981. All assets and
39 liabilities of all school employers, and their employees, on
40 account of benefits provided under this article shall be



1 pooled into a single account, and a single employer rate
2 shall be established to provide benefits under this section
3 on account of all miscellaneous members employed by a
4 school employer and all safety members who are
5 members on July 1, 1981.

6 (f) This section shall not apply to any member in the
7 employ of an employer not subject to this section on
8 January 1, 1994.

9 (g) A contracting agency may, by amending its
10 contract, elect to make this section applicable to local
11 members employed by the agency.

12 (h) On and after January 1, 2000, and until January 1,
13 2010, all state members covered by this section shall be
14 covered by the benefit provided under Section 21574.7.
15 On and after January 1, 2010, all state members not
16 covered by Section 21573 or 21574.7 shall be covered by
17 this section.

18 ~~SEC. 42.~~

19 *SEC. 44.* Section 21573 of the Government Code is
20 amended to read:

21 21573. (a) In lieu of benefits provided in Section
22 21571 or Section 21572, if the death benefit provided by
23 Section 21532 is payable on account of a state member's
24 death that occurs under circumstances other than those
25 described in subparagraph (F) of paragraph (1) of
26 subdivision (a) of Section 21530, or if an allowance under
27 Section 21546 is payable, the payment pursuant to
28 subdivision (b) shall be made in the following order of
29 priority:

30 (1) The surviving wife or surviving husband of the
31 member, who has the care of unmarried children,
32 including stepchildren, of the member who are under 22
33 years of age, or are incapacitated because of a disability
34 that began before and has continued without
35 interruption after attainment of that age.

36 (2) The guardian of surviving unmarried children,
37 including stepchildren, of the member who are under 22
38 years of age or are so incapacitated.

39 (3) The surviving wife or surviving husband of the
40 member, who does not qualify under paragraph (1).



1 (4) Each surviving parent of the member.

2 (b) Regardless of the benefit provided by Section
3 21532 and of the beneficiary designated by the member
4 under that section, or regardless of the allowance
5 provided under Section 21546, the following applicable
6 1959 survivor allowance, under the conditions stated and
7 from contributions of the state, shall be paid:

8 (1) A surviving spouse who was either continuously
9 married to the member for at least one year prior to
10 death, or who was married to the member prior to the
11 occurrence of the injury or onset of the illness that
12 resulted in death, and has the care of unmarried children,
13 including stepchildren, of the deceased member who are
14 under 22 years of age or are so incapacitated, shall be paid
15 seven hundred dollars (\$700) per month if there is one
16 child, or eight hundred forty dollars (\$840) per month if
17 there are two or more children. If there also are children
18 who are not in the care of the surviving spouse, the
19 portion of the allowance payable under this paragraph,
20 assuming that these children were in the care of the
21 surviving spouse, that is in excess of three hundred fifty
22 dollars (\$350) per month, shall be divided equally among
23 all those children and payments made to the spouse and
24 other children, as the case may be.

25 (2) If there is no surviving spouse, or if the surviving
26 spouse dies or remarries, and if there are unmarried
27 children, including stepchildren, of the deceased
28 member who are under 22 years of age or are so
29 incapacitated, or if there are children not in the care of
30 the spouse, the children shall be paid an allowance as
31 follows:

32 (A) If there is only one child, the child shall be paid
33 three hundred fifty dollars (\$350) per month.

34 (B) If there are two children, the children shall be paid
35 seven hundred dollars (\$700) per month divided equally
36 between them.

37 (C) If there are three or more children, the children
38 shall be paid eight hundred forty dollars (\$840) per
39 month divided equally among them.



1 (3) A surviving spouse who has attained or attains the
2 age of 62 years, and, with respect to that surviving spouse,
3 who was either continuously married to the member for
4 at least one year prior to death, or who was married to the
5 member prior to the occurrence of the injury or onset of
6 the illness that resulted in death and has not remarried
7 subsequent to the member's death, shall be paid three
8 hundred fifty dollars (\$350) per month. No allowance
9 shall be paid under this paragraph while the surviving
10 spouse is receiving an allowance under paragraph (1) or
11 while an allowance is being paid under subparagraph (C)
12 of paragraph (2). The allowance paid under this
13 paragraph shall be one hundred forty dollars (\$140) per
14 month while an allowance is being paid under
15 subparagraph (B) of paragraph (2).

16 (4) If there is no surviving spouse or surviving child
17 who qualifies for the 1959 survivor allowance, or if the
18 surviving spouse dies or remarries and there is no
19 surviving child, or if the surviving spouse dies or
20 remarries and the children die or marry or, if not
21 incapacitated, reach 22 years of age, each of the member's
22 dependent parents who has attained or attains the age of
23 62 years, and who received at least one-half of his or her
24 support from the member at the time of the member's
25 death, shall be paid three hundred fifty dollars (\$350) per
26 month.

27 (c) "Stepchildren," for purposes of this section, shall
28 include only stepchildren of the member living with the
29 member in a regular parent-child relationship at the time
30 of the death of the member.

31 (d) This section shall apply to beneficiaries of state
32 members whose death occurred before January 1, 1985.
33 Where a surviving spouse attained the age of 62 years
34 prior to January 1, 1987, entitlement shall exist retroactive
35 to January 1, 1985, or to his or her 62nd birthday,
36 whichever is later. All assets and liabilities of all state
37 agencies and their employees on account of benefits
38 provided to beneficiaries specified in this subdivision
39 shall be pooled into a single account. The board shall
40 transfer from the reserve for 1959 survivor contributions



1 retained in the retirement fund, an amount sufficient to
2 pay the cost of the increased benefits provided by this
3 subdivision for beneficiaries of members who died on or
4 before December 31, 1984.

5 (e) This section shall not apply to beneficiaries with
6 respect to the death of a state member, except as
7 provided in subdivision (i), occurring on or after January
8 1, 1985, unless provided for in a memorandum of
9 understanding reached pursuant to Section 3517.5, or
10 authorized by the Director of Personnel Administration
11 for classifications of state employees that are excluded
12 from, or not subject to, collective bargaining. The
13 memorandum of understanding adopting this section
14 shall be controlling without further legislative action,
15 except that if those provisions of a memorandum of
16 understanding require the expenditure of funds, those
17 provisions shall not become effective unless approved by
18 the Legislature as provided by law.

19 (f) This section shall apply, with respect to benefits
20 payable on and after January 1, 1985, to school members
21 and to school safety members, as defined in Section 20444.
22 All assets and liabilities of all school employers, and their
23 employees, on account of benefits provided under this
24 article shall be pooled into a single account, and a single
25 employer rate shall be established to provide benefits
26 under this section on account of school members
27 employed by a school employer.

28 (g) This section shall apply to members of a
29 contracting agency that, in its original contract or by
30 amending its contract, first elects effective on or after
31 January 1, 1985, to make this article applicable to local
32 members employed by the agency. On and after January
33 1, 1985, contracting agencies already subject to Section
34 21571 or Section 21572 may elect by contract amendment
35 to be subject to this section. All assets and liabilities of all
36 contracting agencies subject to this section, and their
37 employees, on account of benefits provided under this
38 article shall be pooled into a single account, and a single
39 employer rate shall be established to provide benefits
40 under this section on account of members employed by



1 a contracting agency that is subject to this section. Any
2 public agency first contracting with the board on and
3 after January 1, 1994, or any contracting agency
4 amending its contract to remove exclusions of member
5 classifications on or after January 1, 1994, that has not,
6 pursuant to Section 418 of Title 42 of the United States
7 Code, entered into an agreement with the federal
8 government for the coverage of its employees under the
9 federal system, shall be subject to this section.

10 (h) The rate of contribution of an employer subject to
11 this section shall be figured using the term insurance
12 valuation method. If a contracting agency that is subject
13 to this section has a surplus in its 1959 survivor benefit
14 account as of the date the contracting agency becomes
15 subject to this section, the surplus shall be applied to
16 reduce its rate of contribution. If a contracting agency
17 that is subject to this section has a deficit in its 1959
18 survivor benefit account as of the date the contracting
19 agency becomes subject to this section, its rate of
20 contribution shall be increased until the deficit is paid.

21 (i) This section shall not apply to beneficiaries with
22 respect to the death of a state member employed by the
23 California State University occurring on or after January
24 1, 1988, unless provided for in a memorandum of
25 understanding reached pursuant to Chapter 12
26 (commencing with Section 3560) of Division 4 of Title 1,
27 or authorized by the Trustees of the California State
28 University for employees excluded from collective
29 bargaining. The memorandum of understanding shall be
30 controlling without further legislative action, except that
31 if the provisions of a memorandum of understanding
32 require the expenditure of funds, the provisions shall not
33 become effective unless approved by the Legislature in
34 the annual Budget Act.

35 (j) On and after January 1, 2000, and until January 1,
36 2010, all state and school members covered by this section
37 shall be covered by the benefit provided under Section
38 21574.7. On and after January 1, 2010, all state and school
39 members not covered by Section 21572 or 21574.7 shall be
40 covered by this section.



1 ~~SEC. 43.~~

2 SEC. 45. Section 21574.7 is added to the Government
3 Code, to read:

4 21574.7. (a) In lieu of benefits provided in Section
5 21571, 21572, 21573, or 21574, if the death benefit provided
6 by Section 21532 is payable on account of a state
7 member's death that occurs under circumstances other
8 than those described in subparagraph (F) of paragraph
9 (1) of subdivision (a) of Section 21530, or if an allowance
10 under Section 21546 is payable, the payment pursuant to
11 subdivision (b) shall be made in the following order of
12 priority:

13 (1) The surviving spouse of the member, who has the
14 care of unmarried children, including stepchildren, of the
15 member who are under 22 years of age, or are
16 incapacitated because of a disability that began before
17 and has continued without interruption after the
18 attainment of that age.

19 (2) The guardian of surviving unmarried children,
20 including stepchildren, of the member who are 22 years
21 of age or are so incapacitated.

22 (3) The surviving spouse of the member, who does not
23 qualify under paragraph (1).

24 (4) Each surviving parent of the member.

25 (b) Regardless of the benefit provided by Section
26 21532 and of the beneficiary designated by the member
27 under that section, or regardless of the allowance
28 provided under Section 21546, the following applicable
29 1959 survivor allowance, under the conditions stated and
30 from contributions of the employer, shall be paid:

31 (1) A surviving spouse who was either continuously
32 married to the member for at least one year prior to
33 death, or was married to the member prior to the
34 occurrence of the injury or onset of the illness that
35 resulted in death, and has the care of unmarried children,
36 including stepchildren, of the deceased member who are
37 under 22 years of age or are so incapacitated, shall be paid
38 one thousand five hundred dollars (\$1,500) per month if
39 there is one child or one thousand eight hundred dollars
40 (\$1,800) per month if there are two or more children. If



1 there also are children who are not in the care of the
2 surviving spouse, the portion of the allowance payable
3 under this paragraph, assuming that these children were
4 in the care of the surviving spouse, that is in excess of
5 seven hundred fifty dollars (\$750) per month, shall be
6 divided equally among all those children and payments
7 made to the spouse and other children, as the case may
8 be.

9 (2) If there is no surviving spouse, or if the surviving
10 spouse dies, and if there are unmarried children,
11 including stepchildren, of the deceased member who are
12 under 22 years of age or are so incapacitated, or if there
13 are children not in the care of the spouse, the children
14 shall be paid an allowance as follows:

15 (A) If there is only one child, the child shall be paid
16 seven hundred fifty dollars (\$750) per month.

17 (B) If there are two children, the children shall be paid
18 one thousand five hundred dollars (\$1,500) per month
19 divided equally between them.

20 (C) If there are three or more children, the children
21 shall be paid one thousand eight hundred dollars (\$1,800)
22 per month divided equally among them.

23 (3) A surviving spouse who has attained or attains the
24 age of 60 years, and who was either continuously married
25 to the member for at least one year prior to death, or was
26 married to the member prior to the occurrence of the
27 injury or onset of the illness that resulted in death, shall
28 be paid seven hundred fifty dollars (\$750) per month. No
29 allowance shall be paid under this paragraph while the
30 surviving spouse is receiving an allowance under
31 paragraph (1) or while an allowance is being paid under
32 subparagraph (C) of paragraph (2). The allowance paid
33 under this paragraph shall be three hundred dollars
34 (\$300) per month while an allowance is being paid under
35 subparagraph (B) of paragraph (2).

36 (4) If there is no surviving spouse or surviving child
37 who qualifies for the 1959 survivor allowance, or if the
38 surviving spouse dies and there is no surviving child, or
39 if the surviving spouse dies and the children die or marry
40 or, if not incapacitated, reach 22 years of age, each of the



1 member's dependent parents who has attained or attains
2 the age of 60 years, and who received at least one-half of
3 his or her support from the member at the time of the
4 member's death, shall be paid seven hundred fifty dollars
5 (\$750) per month.

6 (c) "Stepchildren," for purposes of this section, shall
7 include only stepchildren of the member living with the
8 member in a regular parent-child relationship at the time
9 of the death of the member.

10 (d) This section shall only apply to state and school
11 members effective on or after January 1, 1999. All assets
12 and liabilities of employers subject to this section, and
13 their employees, on account of benefits provided under
14 this article shall be pooled into a single account, and a
15 single employer rate shall be established to provide
16 benefits under this section on account of state and school
17 members employed by the state or a school employer.

18 (e) The rate of contribution of an employer subject to
19 this section shall be calculated using a method
20 determined by the board. Surplus assets shall be applied
21 to reduce the rate of contribution. If a deficit exists, the
22 rate of contribution shall be increased until the deficit is
23 paid.

24 (f) On and after January 1, 2000, and until January 1,
25 2010, all state employees and school members shall be
26 covered by this section.

27 (g) This section shall be repealed on January 1, 2010,
28 unless a later enacted statute, that becomes effective on
29 or before January 1, 2010, deletes or extends that date.

30 ~~SEC. 44.~~

31 *SEC. 46.* Section 21581 of the Government Code is
32 amended to read:

33 21581. (a) The rate of contribution of a member
34 subject to this article shall include, in addition to his or her
35 normal rate, two dollars (\$2) per month or fraction
36 thereof, or ninety-three cents (\$0.93) for each biweekly
37 payroll period or fraction thereof, where salaries are paid
38 on that basis. Those contributions shall not become a part
39 of a member's accumulated contributions or be treated or
40 administered as normal contributions and shall not be



1 refundable to a member under any circumstances. Those
2 contributions shall be available only for payment of 1959
3 survivor allowances.

4 (b) Notwithstanding subdivision (a), the total
5 monthly premium required for Section 21574.7, as
6 determined by the board, shall be offset by the uniform
7 amortization of surplus assets within this account.
8 Member contributions shall be two dollars (\$2) per
9 month until such time as the future required monthly
10 premium exceeds four dollars (\$4), and the employer
11 shall pay the difference between the total required
12 monthly premium and the member's contribution. Once
13 the total required monthly premium exceeds four dollars
14 (\$4), the member and the employer shall evenly share
15 the required monthly premium.

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