

Introduced by Senator Ashburn

February 26, 2009

An act to amend Section 21073.1 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 506, as introduced, Ashburn. Public employees' retirement: service credit.

The Public Employees' Retirement Law provides a comprehensive set of rights and benefits for members of the Public Employees' Retirement System based upon age, service credit, and final compensation. That law establishes retirement formulas, known as the Second Tier, modified First Tier, and First Tier, that are applicable to specified members of the retirement system. Under that law, a member who elects to be subject to Second Tier benefits shall be paid his or her accumulated contributions plus interest, subject to specified conditions. Under that law, effective January 1, 2000, a member who received service credit subject to Second Tier benefits may elect to become subject to First Tier benefits and contribution rates. That law requires a member who elects to become subject to First Tier benefits to deposit accumulated contributions the member withdrew while he or she was subject to Second Tier benefits, plus interest, as specified.

This bill would make technical, and nonsubstantive changes to these provisions.

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

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

SECTION 1. Section 21073.1 of the Government Code is amended to read:

21073.1. (a) Effective January 1, 2000, a member who elects to receive service credit under Section 21354.1, as authorized by Section 21073.7, for time during which the member received service credit subject to Section 21076 or 21077, shall deposit an amount equal to ~~any~~ *the* accumulated contributions the member withdrew pursuant to Section 20737, plus the interest that would have been credited to the member's account had the contributions not been withdrawn, and ~~any~~ *the* contributions the member would have made, plus an amount equal to the interest that would have been credited to those contributions, had the member not been subject to Section 21076 or 21077. This deposit shall be made in a lump sum or by installments, with interest through the completion of payments, over that period and subject to minimum payment amounts as may be prescribed by regulations of the board. Alternatively, this deposit requirement may be satisfied by an actuarial equivalent reduction in the member's retirement allowance.

(b) The board, in addition to its general rulemaking authority under Section 20121, may adopt regulations that implement this section. Those regulations shall be exempt from review by the Office of Administrative Law. However, the board shall transmit those regulations to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations.

(c) The amendments to this section enacted during the first year of the ~~1999-2000~~ 1999-2000 Regular Session are subject to the limitations set forth in Section 21251.13.