AMENDED IN ASSEMBLY JUNE 21, 2012

AMENDED IN ASSEMBLY JUNE 14, 2012

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL No. 1494

Introduced by Senator DeSaulnier

February 24, 2012

An act to amend Sections 31664.1 and 31720.1 of, and to add Sections 31755.4, 31755.5, and 31755.6 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1494, as amended, DeSaulnier. County employees' retirement: Contra Costa County.

Existing law authorizes the Contra Costa County Board of Supervisors and the governing boards of districts within the county, if authorized by the board of supervisors, to provide service retirement allowances for general members based on a formula commonly known as the 2% at age 55 formula and to make a Tier Three program applicable to all new employees and to all current employees in Tier Two, and to provide members in Tier Three or Tier One, or both, with retirement allowances based on the 2% at age 55 benefit formula.

This bill would authorize the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with specified recognized employee organizations representing general members to subject ~~new~~ general members *who are hired on or after January 1, 2013, or a later date,* to a 2% at age 60 formula, known as Tier Four, as specified.

Existing law authorizes the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with a recognized employee organization representing safety members regarding the conditions, as specified, to be required of employees who are or may become subject to the 3% at age 50 formula.

This bill would authorize the Contra Costa County Board of Supervisors and the governing boards of districts within that county, if authorized by the board of supervisors, to negotiate with specified recognized employee organizations representing safety members to subject ~~new~~ safety members *who are hired on or after January 1, 2013, or a later date,* to a 3% at age 55 formula, as specified.

The bill would also make related changes.

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 31664.1 of the Government Code is amended to read:

31664.1. (a) This section may be made applicable in any county on the first day of the month after the board of supervisors of the county adopts, by majority vote, a resolution providing that this section shall become applicable in the county.

(b) Notwithstanding any other provisions of this chapter, the current service pension or the current service pension combined with the prior service pension is an additional pension for safety members purchased by the contributions of the county or district sufficient when added to the service retirement annuity to equal 3 percent of the member's final compensation set forth opposite his or her age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the number of years of current service or years of current and prior service with which the member is entitled to be credited at retirement. In no event shall the total retirement allowance exceed the limitation of the safety member's final compensation as set forth in Section 31676.1, as it now reads or may hereafter be amended to read.

Age at Retirement	Fraction

41	.6258
41¼	.6350
41½	.6442
41¾	.6533
42	.6625
42¼	.6720
42½	.6814
42¾	.6909
43	.7004
43¼	.7102
43½	.7200
43¾	.7299
44	.7397
44¼	.7499
44½	.7601
44¾	.7703
45	.7805
45¼	.7910
45½	.8016
45¾	.8121
46	.8226
46¼	.8339
46½	.8452
46¾	.8586
47	.8678
47¼	.8780
47½	.8882
47¾	.8983
48	.9085
48¼	.9194
48½	.9304
48¾	.9413
49	.9522
49¼	.9641
49½	.9761
49¾	.9880
50 and over	1.0000

(c) Contributions shall not be made by safety members having credit for 30 years of continuous service.

(d) This section shall not apply to any person to whom Section 31755.6 applies.

SEC. 2. Section 31720.1 of the Government Code is amended to read:

31720.1. (a) Notwithstanding Sections 31720, 31755, and 31755.5, any member covered under Section 31751 who is permanently incapacitated shall be retired for disability regardless of age if, and only if:

(1) The member's incapacity is substantially caused by injury or disease arising out of and in the course of the member's employment, or

(2) The member has completed a total of 10 years of service.

(b) "Permanently incapacitated," for the purpose of this section, means that the member is unable permanently to engage in any substantial gainful employment.

SEC. 3. Section 31755.4 is added to the Government Code, to read:

31755.4. Notwithstanding any other law, the benefits provided in Sections 31755, 31755.1, 31755.2, and 31755.3 shall not apply to any person to whom Section 31755.5 applies.

SEC. 4. Section 31755.5 is added to the Government Code, to read:

31755.5. Notwithstanding any other law:

(a) (1) When the Board of Supervisors of Contra Costa County, in any of its capacities, meets and confers pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any collective bargaining unit, the parties may agree, pursuant to a memorandum of understanding with respect to that bargaining unit, that the benefits provided in this section, known as Tier Four benefits, shall apply to an employee who is ~~first~~ hired on or after January 1, 2013, or a later date established in the memorandum of understanding approved by resolution of the board of supervisors. Tier Four benefits shall apply to all unrepresented employees within similar job classifications as employees in a collective bargaining unit that has agreed to Tier Four benefits in a memorandum of understanding, and associated supervisors and managers, who are hired on and after the same date.

(2) When the governing body of a district within Contra Costa County meets and confers pursuant to the Meyers-Milias-Brown

Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any collective bargaining unit, the parties may agree, pursuant to a memorandum of understanding with respect to that bargaining unit, that Tier Four benefits shall apply to an employee who is ~~first~~ hired on or after January 1, 2013, or a later date established in the memorandum of understanding approved by resolution of the governing body. Tier Four benefits shall apply to all unrepresented employees within similar job classifications as employees in a collective bargaining unit that has agreed to Tier Four benefits in a memorandum of understanding, and associated supervisors and managers, who are hired on and after the same date.

(b) Notwithstanding any other provision of this chapter, the Tier Four current service pension combined with the prior service pension shall be known as 2 percent at age 60 and is an additional pension for members purchased by the contributions of the county or district sufficient, when added to the service retirement annuity, to equal (1) the member's final compensation, (2) multiplied by the percentage set forth in the following table for his or her age at retirement, taken to the preceding completed quarter year, and (3) multiplied by the number of years of current service or years of current and prior service with which the member is entitled to be credited at retirement. In no event shall the total retirement allowance exceed 90 percent of the member's final compensation.

Retirement Age	Percentage
50	0.87%
50.25	0.89%
50.5	0.91%
50.75	0.93%
51	0.95%
51.25	0.97%
51.5	0.99%
51.75	1.01%
52	1.03%
52.25	1.05%
52.5	1.07%
52.75	1.09%
53	1.11%
53.25	1.14%

53.5	1.16%
53.75	1.19%
54	1.21%
54.25	1.24%
54.5	1.26%
54.75	1.29%
55	1.31%
55.25	1.34%
55.5	1.37%
55.75	1.40%
56	1.43%
56.25	1.46%
56.5	1.49%
56.75	1.52%
57	1.55%
57.25	1.59%
57.5	1.62%
57.75	1.66%
58	1.69%
58.25	1.73%
58.5	1.77%
58.75	1.81%
59	1.84%
59.25	1.88%
59.5	1.92%
59.75	1.96%
60	2.00%
60.25	2.02%
60.5	2.03%
60.75	2.04%
61	2.05%
61.25	2.07%
61.5	2.08%
61.75	2.09%
62	2.10%
62.25	2.12%
62.5	2.13%
62.75	2.14%
63 and over	2.15%

(c) The following provisions shall apply to the current and prior service pension and service retirement annuity provided by this section:

(1) "Final compensation" means the average annual compensation earnable by a member during any three consecutive years elected by a member at or before the time he or she files an application for retirement, or, if he or she fails to elect, during the three consecutive years immediately preceding his or her retirement. If a member has less than three years of service, his or her final compensation shall be determined by dividing his or her total compensation by the number of months of service credited to him or her and multiplying by 12.

(2) The board may not grant a disability retirement allowance to a person who has become a Tier Four member except as provided in Section 31720.1. The amount of the disability retirement allowances under Tier Four shall be as set forth in Section 31727.01.

(3) (A) Every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member under this section shall be adjusted as provided in Section 31870, except that the cost-of-living adjustments for members who have retired on disability under Tier Four shall be the same as the cost-of-living adjustments for members who have retired on disability under Tier Three.

(B) Section 31873 shall apply to any member covered by this section.

(4) The normal rates of contributions of Tier Four members shall be such as to provide an average annuity at 60 years of age equal to one one-hundred-twentieth of the final compensation of Tier Four members for each year of service rendered after entering Tier Four.

(5) The board of supervisors may adopt regulations to implement the provisions of this section.

(6) This section shall not apply to any employee or officer if that application is prohibited by law.

(d) This section shall not become operative unless and until the Board of Supervisors of Contra Costa County, by resolution adopted by a majority vote, makes this section operative in the county.

(e) This section shall not apply to any safety member.

(f) For the purposes of this section, "collective bargaining unit" means any of the following organizations that represents county or district employees who are general members of the Contra Costa County Employees' Retirement Association:

(1) The Professional and Technical Engineers, IFPTE, Local 21.

(2) Professional and Technical Employees, AFSCME, Local 512.

(3) United Clerical, Technical and Specialized Employees, AFSCME, Local 2700.

(4) Public Employees Union, Local One.

(5) Public Employees Union, Local One, CSB-Site Supervisor Unit.

(6) SEIU, Local 1021, Rank and File Unit.

(7) SEIU, Local 1021, Service Line Supervisors Unit.

(8) Western Council of Engineers.

(9) Contra Costa County Deputy Sheriffs Association Rank and File Unit.

(10) Contra Costa County Deputy Sheriffs Association Management Unit.

(11) California Nurses Association/National Nurses United.

SEC. 5. Section 31755.6 is added to the Government Code, to read:

31755.6. Notwithstanding any other law:

(a) (1) When the Board of Supervisors of Contra Costa County, in any of its capacities, meets and confers pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any collective bargaining unit, the parties may agree, pursuant to a memorandum of understanding with respect to that bargaining unit, that the benefits provided in this section, known as Tier D benefits, shall apply to a safety employee who is ~~first~~ hired on or after January 1, 2013, or a later date established in the memorandum of understanding approved by resolution of the board of supervisors. Tier D benefits shall apply to all unrepresented safety employees within similar job classifications as safety employees in a collective bargaining unit that has agreed to Tier D benefits in a memorandum of understanding, and associated supervisors and managers, who are hired on and after the same date.

(2) When the governing body of a district within Contra Costa County meets and confers pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any collective bargaining unit, the parties may agree, pursuant to a memorandum of understanding with respect to that bargaining unit, that Tier D benefits shall apply to a safety employee who is ~~first~~ hired on or after January 1, 2013, or a later date established in the memorandum of understanding approved by resolution of the governing body. Tier D benefits shall apply to all unrepresented safety employees within similar job classifications as safety employees in a collective bargaining unit that has agreed to Tier D benefits in a memorandum of understanding, and associated supervisors and managers, who are hired on and after the same date.

(b) Notwithstanding any other provision of this chapter, the Tier D current service pension combined with the prior service pension shall be known as 3 percent at age 55 and is an additional pension for safety members purchased by the contributions of the county or district sufficient, when added to the service retirement annuity, to equal (1) the member's final compensation, (2) multiplied by the percentage set forth in the following table for his or her age at retirement, taken to the preceding completed quarter, and (3) multiplied by the number of years of current service or years of current and prior service with which the member is entitled to be credited at retirement. In no event shall the total retirement allowance exceed 90 percent of the member's final compensation.

Retirement Age Percentage

41	0.97%
41.25	0.99%
41.5	1.01%
41.75	1.03%
42	1.05%
42.25	1.08%
42.5	1.10%
42.75	1.12%
43	1.14%
43.25	1.17%
43.5	1.19%
43.75	1.21%

44	1.23%
44.25	1.26%
44.5	1.28%
44.75	1.31%
45	1.33%
45.25	1.36%
45.5	1.39%
45.75	1.42%
46	1.44%
46.25	1.47%
46.5	1.50%
46.75	1.53%
47	1.56%
47.25	1.60%
47.5	1.63%
47.75	1.66%
48	1.69%
48.25	1.73%
48.5	1.77%
48.75	1.80%
49	1.84%
49.25	1.87%
49.5	1.91%
49.75	1.95%
50	1.99%
50.25	2.03%
50.5	2.07%
50.75	2.11%
51	2.16%
51.25	2.20%
51.5	2.25%
51.75	2.30%
52	2.34%
52.25	2.39%
52.5	2.44%
52.75	2.49%
53	2.54%
53.25	2.60%
53.5	2.65%
53.75	2.71%

54	2.76%
54.25	2.82%
54.5	2.88%
54.75	2.94%
55 and over	3.00%

(c) The following provisions shall apply to the current and prior service pension and service retirement annuity provided by this section:

(1) "Final compensation" means the average annual compensation earnable by a member during any three consecutive years elected by a member at or before the time he or she files an application for retirement, or, if he or she fails to elect, during the three consecutive years immediately preceding his or her retirement. If a member has less than three years of service, his or her final compensation shall be determined by dividing his or her total compensation by the number of months of service credited to him or her and multiplying by 12.

(2) The board may grant a disability retirement allowance to a person who has become a Tier D member under the same terms and conditions that apply to safety members who are not in Tier D.

(3) (A) Section 31870 shall apply to any member covered by this section.

(B) Section 31873 shall apply to any member covered by this section.

(4) The normal rates of contributions of Tier D members shall be such as to provide an average annuity at 55 years of age equal to one one-hundredth of the final compensation of Tier D members for each year of service rendered after entering Tier D.

(5) The board of supervisors may adopt regulations to implement the provisions of this section.

(6) This section shall not apply to any employee or officer if that application is prohibited by law.

(d) This section shall not become operative unless and until the Board of Supervisors of Contra Costa County, by resolution adopted by a majority vote, makes this section operative in the county.

(e) For the purposes of this section, "collective bargaining unit" means any of the following organizations that represent county or district employees who are safety members of the Contra Costa County Employees' Retirement Association:

(1) The Professional and Technical Engineers, IFPTE, Local 21.

(2) Public Employees Union, Local One.

(3) SEIU, Local 1021.

(4) Contra Costa County Deputy Sheriffs Association Rank and File Unit.

(5) Contra Costa County Deputy Sheriffs Association Management Unit.

(6) District Attorney Investigators' Association.

(7) Probation Peace Officers Association of Contra Costa County.

(8) Professional and Technical Employees, AFSCME, Local 512.

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