

AMENDED IN SENATE AUGUST 31, 2000  
AMENDED IN SENATE AUGUST 18, 2000  
AMENDED IN SENATE AUGUST 7, 2000  
AMENDED IN SENATE JUNE 15, 2000  
AMENDED IN ASSEMBLY MAY 26, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1933**

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**Introduced by Assembly Members Strom-Martin and  
Shelley**

**(Coauthors: Assembly Members Cardoza, Cedillo, ~~Lempert,~~  
~~and Mazzoni)~~ (Coauthor: ~~Senator Karnette)~~ *Honda,*  
*Lempert, and Mazzoni*)**

*(Coauthors: Senators Johnston, Karnette, McPherson, Ortiz,  
and Vasconcellos)*

February 15, 2000

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~~An act to add Sections 22334, 24203.6, 24205.5, and 87489 to~~  
*An act to add Section 24203.6 to the Education Code, relating*  
to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1933, as amended, Strom-Martin. State Teachers'  
Retirement System: benefits.

The Teachers' Retirement Law provides that members  
with 30 or more years of credited service receive increases in  
their retirement allowance.

This bill would provide additional increases, *as specified*, for those members with ~~29 or more and 31~~ who have 30 or more years of credited service prior to 2011 and who retire for service on and or after January 1, 2001.

~~Under the Teachers' Retirement Law, service retirement allowances for members, age 60 or over, are calculated based on years of credited service and specified percentages, up to 2.4%, of the member's final compensation, as defined. Existing law prescribes reduced allowances, as specified, for members who retire prior to age 60.~~

~~This bill would provide that, if agreed to by the employer and employee representatives and funded by the employer, as specified, the service retirement allowance of any member, age 55 or older, shall be based on an agreed percentage, up to 2.5%, of the member's final compensation if the sum of the member's age and years of credited service equals or exceeds 85.~~

~~The bill would also require the Teachers' Retirement Board to conduct a study on the feasibility of basing pensions on years of service and final compensation with no age factor, except minimum retirement age, and to report its findings to the Legislature on or before July 1, 2001.~~

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

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

1 ~~SECTION 1. This act shall be known and may be cited~~  
2 *SECTION 1. Section 24203.6 is added to the*  
3 *Education Code, to read:*  
4 *24203.6. (a) In addition to the amount otherwise*  
5 *payable pursuant to this chapter, a member who (1)*  
6 *retires for service on or after January 1, 2001, (2) has, prior*  
7 *to January 1, 2011, 30 or more years of credited service,*  
8 *excluding service credited pursuant to Sections 22714,*  
9 *22715, 22717, and 22826 but including any credited service*  
10 *that a court has ordered be awarded to a nonmember*  
11 *spouse pursuant to Section 22652, and (3) is receiving an*  
12 *allowance subject to Section 24203.5, shall receive a*  
13 *monthly increase in the allowance, prior to any*



1 modification pursuant to Section 24300, in the amount  
2 identified in the following schedule for the number of  
3 years of the member's credited service at the time of  
4 retirement, excluding service credited pursuant to  
5 Sections 22714, 22715, 22717, and 22826 but including any  
6 credited service that a court has ordered be awarded to  
7 a nonmember spouse pursuant to Section 22652:

8		
9	30 years of credited service .....	\$200
10	31 years of credited service .....	\$300
11	32 or more years of credited service .....	\$400
12		

13 (b) This section also shall apply to a nonmember  
14 spouse, if the member is eligible for the allowance  
15 increase pursuant to subdivision (a) upon his or her  
16 retirement for service and had at least 30 years of credited  
17 service, excluding service credited pursuant to Section  
18 22714, 22715, 22717, or 22826, on the date the parties  
19 separated, as established in the judgment or court order  
20 pursuant to Section 22652.

21 (c) The allowance increase provided under this  
22 section shall not be subject to Sections 24415 and 24417,  
23 but shall be subject to Section 22140.

24 as the Career Teacher Incentive Act of 2000:

25 ~~SEC. 2. Section 22334 is added to the Education Code,~~  
26 ~~to read:~~

27 ~~22334. (a) The board shall conduct a study and~~  
28 ~~prepare a report on the feasibility of basing pensions for~~  
29 ~~its members on years of service and final compensation~~  
30 ~~with no age factor, except for minimum retirement age.~~  
31 ~~The study shall consider the effects of making this change~~  
32 ~~within the system's existing fiscal resources, including any~~  
33 ~~surplus, applying these changes prospectively to new~~  
34 ~~members, and identifying how these changes would~~  
35 ~~affect members.~~

36 ~~(b) The board shall submit a written report with its~~  
37 ~~findings to the Legislature on or before July 1, 2001.~~

38 ~~SEC. 3. Section 24203.6 is added to the Education~~  
39 ~~Code, to read:~~



1 ~~24203.6. In addition to the increase prescribed by~~  
2 ~~Section 24203.5, the percentage of final compensation~~  
3 ~~used to compute the allowance pursuant to Section~~  
4 ~~24202.5 or 24203 of a member retiring on or after January~~  
5 ~~1, 2001, who has 29 or more years of credited service,~~  
6 ~~excluding service credited pursuant to Section 22714,~~  
7 ~~22715, 22717, or 22826, shall be increased by one-tenth of~~  
8 ~~1 percentage point, and the percentage of final~~  
9 ~~compensation used to compute the allowance pursuant to~~  
10 ~~Section 24202.5 or 24203 of a member retiring on or after~~  
11 ~~January 1, 2001, who has 31 or more years of credited~~  
12 ~~service, shall be further increased by another one-tenth~~  
13 ~~of 1 percentage point provided that the sum of the~~  
14 ~~percentage of final compensation used to compute the~~  
15 ~~allowance in Section 24202.5 or 24203, including any~~  
16 ~~adjustments for retiring before the normal retirement~~  
17 ~~age, and the additional percentages provided by this~~  
18 ~~section and Section 24203.5 does not exceed 2.50 percent.~~  
19 ~~For purposes of establishing eligibility for the increased~~  
20 ~~allowance pursuant to this section only, credited service~~  
21 ~~shall include credited service that a court has ordered to~~  
22 ~~be awarded to a nonmember spouse pursuant to Section~~  
23 ~~22652. A nonmember spouse shall also be eligible for the~~  
24 ~~increased allowance pursuant to this section if the~~  
25 ~~member has 30 or more years of credited service on the~~  
26 ~~date the parties separated, as established in the judgment~~  
27 ~~or court order pursuant to Section 22652.~~

28 ~~SEC. 4. Section 24205.5 is added to the Education~~  
29 ~~Code, to read:~~

30 ~~24205.5. (a) Notwithstanding any other provision of~~  
31 ~~this part, any member who is employed by a school~~  
32 ~~district, community college district, county~~  
33 ~~superintendent of schools, or state education agency and~~  
34 ~~who retires on or after January 1, 2001, shall receive a~~  
35 ~~retirement allowance calculated pursuant to subdivision~~  
36 ~~(b), if all of the following conditions are satisfied:~~

37 ~~(1) The school district, community college district, or~~  
38 ~~county superintendent of schools has, pursuant to~~  
39 ~~Chapter 10.7 (commencing with Section 3540) of~~  
40 ~~Division 4 of Title 1 of the Government Code, or, in the~~



1 ~~case of a member employed by a state education agency;~~  
2 ~~the Department of Personnel Administration has,~~  
3 ~~pursuant to Chapter 10.3 (commencing with Section~~  
4 ~~3512) of Division 4 of Title 1 of the Government Code,~~  
5 ~~entered into a written agreement with an exclusive~~  
6 ~~representative that makes this section applicable to all of~~  
7 ~~its represented members, in which case this section shall~~  
8 ~~apply to any member employed by the employer who~~  
9 ~~retires during the period of time the written agreement~~  
10 ~~with the exclusive representative is in effect.~~

11 ~~(2) The member is 55 years of age or any older age~~  
12 ~~specified by the written agreement and the total of the~~  
13 ~~member's age in years and fractions thereof and the~~  
14 ~~member's credited service in years and fractions thereof~~  
15 ~~equals or exceeds 85.~~

16 ~~(3) The employer has transmitted to the retirement~~  
17 ~~fund, in a manner and time period acceptable to the~~  
18 ~~board, (A) an amount determined by the board that~~  
19 ~~equals the actuarial equivalent of the difference between~~  
20 ~~the allowance the member shall receive pursuant to this~~  
21 ~~section and the allowance the member would have~~  
22 ~~received pursuant to Sections 24202.5 and 24203.5 and (B)~~  
23 ~~an amount determined by the board that equals the~~  
24 ~~actuarial equivalent of the difference between the~~  
25 ~~purchasing power protection supplemental payment the~~  
26 ~~member shall receive based on the member's allowance~~  
27 ~~calculated pursuant to this section and the purchasing~~  
28 ~~power protection supplemental payment the member~~  
29 ~~would have received based on the member's allowance~~  
30 ~~calculated pursuant to Sections 24202.5 and 24203.5. The~~  
31 ~~payment for the purchasing power protection~~  
32 ~~supplemental payment shall be deposited in the~~  
33 ~~Supplemental Benefit Maintenance Account established~~  
34 ~~by Section 22400 and shall be subject to Sections 24414 and~~  
35 ~~24415.~~

36 ~~(4) The employer has transmitted to the retirement~~  
37 ~~fund the administrative costs incurred by the system to~~  
38 ~~implement this section, as determined by the board.~~

39 ~~(b) The retirement allowance payable pursuant to this~~  
40 ~~section shall be equal to a percentage, between 2 and 2.5~~



1 percent, of final compensation per year of credited  
2 service. The applicable percentage shall be specified in  
3 the written agreement and applied equally to all  
4 members employed by the school district, community  
5 college district, county superintendent of schools, or state  
6 education agency who meet the conditions set forth in  
7 subdivision (a).

8 (c) The benefits made available pursuant to this  
9 section shall be available to all members employed by the  
10 school district, community college district, county  
11 superintendent of schools, or state education agency who  
12 meet the conditions set forth in subdivision (a).

13 SEC. 5. Section 87489 is added to the Education Code,  
14 to read:

15 87489. (a) Notwithstanding any other provision of  
16 law, any member of the Defined Benefit Program of the  
17 State Teachers' Retirement System who is employed by  
18 a community college district or state education agency  
19 and who retires on or after January 1, 2001, shall receive  
20 a retirement allowance calculated pursuant to  
21 subdivision (b), if all of the following conditions are  
22 satisfied:

23 (1) The community college district has, pursuant to  
24 Chapter 10.7 (commencing with Section 3540) of  
25 Division 4 of Title 1 of the Government Code, or, in the  
26 case of a member employed by a state education agency,  
27 the Department of Personnel Administration has,  
28 pursuant to Chapter 10.3 (commencing with Section  
29 3512) of Division 4 of Title 1 of the Government Code,  
30 entered into a written agreement with an exclusive  
31 representative that makes this section applicable to all of  
32 its represented members, in which case this section shall  
33 apply to any member employed by the employer who  
34 retires during the period of time the written agreement  
35 with the exclusive representative is in effect.

36 (2) The member is 55 years of age or any older age  
37 specified by the written agreement and the total of the  
38 member's age in years and fractions thereof and the  
39 member's credited service in years and fractions thereof  
40 equals or exceeds 85.



1 ~~(3) The employer has transmitted to the Teachers'~~  
2 ~~Retirement Fund, in a manner and time period~~  
3 ~~acceptable to the Teachers' Retirement Board, (A) an~~  
4 ~~amount determined by the board that equals the~~  
5 ~~actuarial equivalent of the difference between the~~  
6 ~~allowance the member shall receive pursuant to this~~  
7 ~~section and the allowance the member would have~~  
8 ~~received pursuant to Sections 24202.5 and 24203.5 and (B)~~  
9 ~~an amount determined by the board that equals the~~  
10 ~~actuarial equivalent of the difference between the~~  
11 ~~purchasing power protection supplemental payment the~~  
12 ~~member shall receive based on the member's allowance~~  
13 ~~calculated pursuant to this section and the purchasing~~  
14 ~~power protection supplemental payment the member~~  
15 ~~would have received based on the member's allowance~~  
16 ~~calculated pursuant to Sections 24202.5 and 24203.5. The~~  
17 ~~payment for the purchasing power protection~~  
18 ~~supplemental payment shall be deposited in the~~  
19 ~~Supplemental Benefit Maintenance Account established~~  
20 ~~by Section 22400 and shall be subject to Sections 24414 and~~  
21 ~~24415.~~

22 ~~(4) The employer has transmitted to the Teachers'~~  
23 ~~Retirement Fund the administrative costs incurred by~~  
24 ~~the system to implement this section, as determined by~~  
25 ~~the Teachers' Retirement Board.~~

26 ~~(b) The retirement allowance payable pursuant to this~~  
27 ~~section shall be equal to a percentage, between 2 and 2.5~~  
28 ~~percent, of final compensation per year of credited~~  
29 ~~service. The applicable percentage shall be specified in~~  
30 ~~the written agreement and applied equally to all~~  
31 ~~members employed by the community college district or~~  
32 ~~state education agency who meet the conditions set forth~~  
33 ~~in subdivision (a).~~

34 ~~(c) The benefits made available pursuant to this~~  
35 ~~section shall be available to all members employed by the~~  
36 ~~community college district or state education agency who~~  
37 ~~meet the conditions set forth in subdivision (a).~~



- 1 \_\_\_\_\_
- 2 **CORRECTIONS**
- 3 **Heading — Lines 5, 6, and 7.**
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