

AMENDED IN SENATE MARCH 9, 1999

SENATE BILL

No. 39

Introduced by Senator Baca

December 7, 1998

An act to add ~~Sections 24205.5, 44928.5, and 87489~~ *Section 24203.6* to the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

SB 39, as amended, Baca. State Teachers' Retirement System.

The existing State 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 for members with 29 or more and 31 or more years of credited service who retire on and after January 1, 2000.

~~The existing State Teachers' Retirement Law provides various service retirement plans under the State Teachers' Retirement System and provides that, in certain plans, the retirement allowance of members retiring prior to age 60 years shall be reduced pursuant to specified schedules.~~

~~This bill would add an additional, optional, so-called Rule of 85 service retirement plan that would authorize service retirement for a member age 55 years or any older age specified by the governing board, who retires on or after July 1, 2000, with a minimum of 5 years of credited service, without any allowance reduction, subject to specified conditions, including if the total of the member's age and credited service~~

~~is at least 85, and if retirement occurs within specified periods. The plan would be optional to each employer, would be applicable to all qualified employees, and would be effective only if the employer, by formal action, makes specified determinations and transmits the actuarial equivalent amount of money and the State Teachers Retirement System's related administrative costs to the State Teachers Retirement System.~~

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. Section 24205.5 is added to the~~
2 *SECTION 1. This act shall be known and may be cited*
3 *as the Career Teacher Incentive Act of 1999.*
4 *SEC. 2. Section 24203.6 is added to the Education*
5 *Code, to read:*
6 *24203.6. In addition to the increase prescribed by*
7 *Section 24203.5, the percentage of final compensation*
8 *used to compute the allowance pursuant to Section*
9 *24202.5 or 24203 of a member retiring on or after January*
10 *1, 2000, who has 29 or more years of credited service, shall*
11 *be increased by one-tenth of 1 percentage point, and the*
12 *percentage of final compensation used to compute the*
13 *allowance pursuant to Section 24202.5 or 24203 of a*
14 *member retiring on or after January 1, 2000, who has 31*
15 *or more years of credited service, shall be further*
16 *increased by another one-tenth of 1 percentage point*
17 *provided that the sum of the percentage of final*
18 *compensation used to compute the allowance in Section*
19 *24202.5 or 24203, including any adjustments for retiring*
20 *before the normal retirement age, and the additional*
21 *percentages provided by this section does not exceed 2.40*
22 *percent.*



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All matter omitted in this version of the bill appears in the bill as introduced in the Senate, December 7, 1998 (JR 11)

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