

Introduced by Senator Ortiz

February 17, 1999

An act to add Section 22801.5 to the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

SB 473, as amended, Ortiz. State Teachers' Retirement System: benefits.

The State Teachers' Retirement Law authorizes *vested* members to elect to receive ~~additional~~ *up to 5 years* service credit *for nonqualified service* upon payment of *specified* contributions.

This bill would authorize a school district, community college district, or county office of education to pay all or a portion of the member's costs for that service credit *for specified purposes and subject to certain criteria*.

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 22801.5 is added to the
- 2 Education Code, to read:
- 3 22801.5. (a) A school district, a community college
- 4 district, or a county office of education may, subject to
- 5 subdivision (g), pay all or a portion of the cost to receive
- 6 credit for service authorized to be purchased by a

1 ~~member pursuant to Sections 22802, 22805, 22806, 22809,~~
2 ~~or paragraphs (1), (3), (4), or (5), of subdivision (a) of~~
3 ~~Section 22803 or Chapter 14.2 (commencing with Section~~
4 ~~22820) or authorized to be credited to a member who~~
5 ~~redeposits previously refunded contributions pursuant to~~
6 ~~Chapter 19 (commencing with Section 23200). Any~~
7 ~~payments made by a school district, a community college~~
8 ~~district, or a county office of education for service to be~~
9 ~~credited to a member who redeposits previously~~
10 ~~refunded contributions pursuant to Chapter 19~~
11 ~~(commencing with Section 23200), shall be in accord with~~
12 ~~the provisions of that chapter. member pursuant to~~
13 ~~Section 22826.~~

14 (b) A school district, a community college district, or
15 a county office of education electing to pay for credited
16 service pursuant to this section shall establish criteria that
17 are consistent with one or ~~more~~ *both* of the objectives
18 specified in subdivision (f), ~~which~~ *that* shall be used to
19 determine eligibility for a member to have service credit
20 paid by the school district, community college district, or
21 county office of education. The criteria shall be broad
22 enough to apply to at least 20 employees who are
23 members of the system, or 3 percent of the employees
24 who are members of the system, whichever is greater,
25 unless the Teachers' Retirement Board specifically
26 authorizes the application of criteria to a lesser number
27 or percentage of members due to unique circumstances,
28 as determined by the Teachers' Retirement Board.

29 (c) The opportunity to have the cost of credit for
30 service paid by the school district, a community college
31 district, or a county office of education pursuant to this
32 section shall be made equally available to any member
33 employed by the school district, a community college
34 district, or a county office of education who meets the
35 criteria established by the school district, community
36 college district, or county office of education pursuant to
37 this section, and shall not be restricted to members who
38 are not classroom teachers, as defined in Section 22135.

39 (d) The school district, a community college district,
40 or a county office of education shall pay either the same



1 dollar amount toward the purchase of service credit or
2 purchase an equal amount of credit for service pursuant
3 to this section for each member employed by the school
4 district, community college district, or county office of
5 education who meets the criteria established by the
6 school district, community college district, or county
7 office of education pursuant to this section. Payments to
8 the retirement fund shall be made ~~annually~~ *in a lump sum*
9 in a manner ~~and time period, not to exceed four years,~~
10 ~~that is that is~~ acceptable to the Teachers' Retirement
11 Board.

12 (e) Contributions made by a school district,
13 community college district, or county office of education
14 pursuant to this section shall not be credited to the
15 account of the member.

16 (f) The school district, community college district, or
17 county office of education may; purchase all or a portion
18 of permissive service credit pursuant to subdivision (a) to
19 encourage members to remain with the current
20 employer for at least a specified number of years, ~~and or~~
21 to encourage members to cease employment with the
22 current employer in order to facilitate a change in work
23 force requirements due, among other things, to an
24 impending curtailment of services, a decline in workload
25 or a change in curriculum that results in a need for
26 different skills by teachers or instructors ~~or to promote~~
27 ~~the recruitment of members to become employed by the~~
28 ~~employer.~~

29 (g) The school district, community college district, or
30 county office of education shall inform the Teachers'
31 Retirement Board of the criteria that are being applied
32 to establish eligibility to pay the cost of credit for service
33 pursuant to this section, and the estimated number of
34 members who would be eligible to have the cost of credit
35 for service paid by the employer pursuant to this section.
36 Prior to authorizing the payment of funds by the school
37 district, community college district, or county office of
38 education pursuant to this section, the Teachers'
39 Retirement Board shall determine whether the criteria
40 submitted to the board pursuant to this subdivision are



- 1 consistent with one or ~~more~~ *both* of the objectives
- 2 specified in subdivision (f).

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