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**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 5. PERSONNEL [18000 - 22980]** ( Division 5 added by Stats. 1945, Ch. 123. )

**PART 2.6. PERSONNEL ADMINISTRATION [19815 - 19999.7]** ( Part 2.6 added by Stats. 1981, Ch. 230, Sec. 55. )

**CHAPTER 4. Deferred Compensation [19993 - 19993.05]** ( Chapter 4 added by Stats. 1981, Ch. 230, Sec. 55. )

**19993.** (a) The department may establish for officers and employees a tax-advantaged retirement savings plan in accordance with Section 457(b) of the Internal Revenue Code. Participation in the plan shall be by agreement between the officers and employees and the state which shall provide for deduction of a portion of those officers' or employees' wages. Officers and employees may authorize deductions to be made from their wages for the purpose of participating in the tax-advantaged retirement savings plan.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(Amended by Stats. 2018, Ch. 903, Sec. 4. (SB 1504) Effective January 1, 2019.)

**19993.05.** (a) This section shall be known and may be cited as the Freedom of Financial Choice Act.

(b) The department shall provide officers and employees participating in a tax-advantaged retirement savings plan established by the department under this chapter or Chapter 9 (commencing with Section 19999.5) with a broad range of investment options. The department shall have the exclusive authority to determine the investment products provided in the core portfolio under tax-advantaged retirement savings plans and shall make these selections in a prudent manner for the exclusive benefit of plan participants, retirees, and their beneficiaries. The department shall ensure that the cost of these investment options are reasonable under the prevailing facts and circumstances and that any investment alternatives determined appropriate for the core portfolio. The investment options available under the tax-advantaged retirement savings plans shall also be limited to the extent necessary to ensure the continued qualification of the plans under the Internal Revenue Code, applicable to state law, and the cost-efficient and timely administration of the plans. In addition to the core options, the department shall offer a brokerage option.

(c) No fiduciary of a plan established by the department under this chapter or Chapter 9 (commencing with Section 19999.5) shall be liable for any loss that results from any individual investment choice made by a participant of a plan, except that this subdivision shall not extend to any malfeasance or misfeasance by any fiduciary of a plan established by the department under this chapter or Chapter 9 (commencing with Section 19999.5).

(d) Notwithstanding any other law, the Deferred Compensation Plan Fund (0915) is exempt from the application of Article 2 (commencing with Section 11270) of Chapter 3 of Part 3 of Division 3.

(Amended by Stats. 2018, Ch. 903, Sec. 5. (SB 1504) Effective January 1, 2019.)