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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 8.6. Alternate Retirement Program for New Employees Exempted from Contributions to the Public Employees' Retirement System [19999.3 - 19999.31] (Chapter 8.6 added by Stats. 2004, Ch. 214, Sec. 1.)

19999.3. (a) The Legislature finds and declares that this chapter is intended to provide an alternate retirement program for new state employees who are members of the Public Employees' Retirement System pursuant to Section 20281.5 and who, during the 24 months of employment following the date they qualify for membership in the system pursuant to that section, do not make contributions into the defined benefit retirement program.

(b) The Legislature hereby authorizes the development of a retirement program under the Deferred Compensation Plan, the tax-deferred savings plan, or any other acceptable defined contribution plan.

(c) The state employees described in subdivision (a) who are employed in positions that are subject to the federal system, as defined in Section 20033, shall contribute to the retirement program 5 percent of compensation, as set forth in Part 3 (commencing with Section 20000), in excess of five hundred thirteen dollars (\$513) per month paid to that member for service rendered. The state employer shall pick up the contribution, as authorized by Section 414(h) of the Internal Revenue Code, and shall deduct the contribution from the employee's compensation. The contributions required by this subdivision shall cease when the state employee begins making contributions to the defined benefit retirement program.

(d) State employees hired on or after July 1, 2006, who are represented by State Bargaining Unit 2 and are employed in positions that are subject to the federal system, as defined in Section 20033, shall contribute to the retirement program 6 percent of compensation, as set forth in Part 3 (commencing with Section 20000), in excess of five hundred thirteen dollars (\$513) per month paid to that member for service rendered. The state employer shall pick up the contribution, as authorized by Section 414(h) of the Internal Revenue Code, and shall deduct the contribution from the employee's compensation. The contributions required by this subdivision shall cease when the state employee begins making contributions to the defined benefit retirement program.

(e) Beginning with the first pay period following the effective date of this subdivision, all state employees who are subject to this section shall make contributions required by this section in the same amount as contributions made by employees in the same employment classifications and state bargaining units who are members subject to Part 3 (commencing with Section 20000) of Division 5 of Title 2. Consistent with the normal rate of contribution for all members identified in this subdivision, the Director of Human Resources may exercise his or her discretion to establish the normal rate of contribution for a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service.

(f) (1) "State employees," as used in this section, include employees, as defined in Section 19815.

(2) This section shall not apply to employees of the California State University, the University of California, or the legislative or judicial branch.

(g) If the retirement program authorized by this section is inconsistent with federal laws or rules or becomes unnecessary under state or federal law, this section shall become inoperative.

(Amended by Stats. 2012, Ch. 665, Sec. 107. (SB 1308) Effective January 1, 2013. Conditionally inoperative as provided in subd. (g).)

19999.31. The Department of Human Resources shall administer the retirement program established by this chapter. The department shall provide the method by which benefit payments shall be made to eligible recipients. The department shall establish the program, the transfer of contributions to the Public Employees' Retirement System upon qualification and election by the

member, continued participation in the program, and other provisions necessary for the implementation of the retirement program. The department may assess each state agency a fee for the costs associated with administration of this program.

(Amended by Stats. 2012, Ch. 665, Sec. 109. (SB 1308) Effective January 1, 2013.)