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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 3. PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21716]** ( Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2. )

**CHAPTER 1. General Provisions and Definitions [20000 - 20085]** ( Chapter 1 added by Stats. 1995, Ch. 379, Sec. 2. )

**ARTICLE 2. Definitions [20010 - 20071]** ( Article 2 added by Stats. 1995, Ch. 379, Sec. 2. )

**20010.** "Accumulated additional contributions" means the sum of all additional contributions standing to the credit of a member's individual account, and interest thereon.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20011.** "Accumulated contributions" means accumulated normal contributions plus any accumulated additional contributions standing to the credit of a member's account.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20012.** "Accumulated normal contributions" means the sum of all normal contributions standing to the credit of a member's individual account, and interest thereon.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20013.** "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the mortality tables adopted and the actuarial interest rate fixed by the board.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20014.** "Actuarial interest rate" means the interest rate fixed by the board for purposes of actuarial valuation of the assets and liabilities of this system.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20015.** "Actuary" means an actuary regularly employed on a full-time or part-time basis by the board.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20016.** "Additional contributions" means contributions made by members and their employers in addition to their normal contributions under Article 2 (commencing with Section 20710) of Chapter 8.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20017.** "Annual interest rate" means the net earnings rate reduced by 110 basis points for purposes of crediting interest.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20018.** "Annuity" means payments for life derived from contributions made by a member.

(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

**20019.** "Beneficiary" means any person or corporation designated by a member, a retired member, or by statute to receive a benefit payable under this part, on account of the death of a member or a retired member. A member or retired member may also designate the member's estate as a beneficiary.

*(Amended by Stats. 1996, Ch. 906, Sec. 2. Effective January 1, 1997.)*

**20020.** "Benefit" means the retirement allowance, basic death benefit, limited death benefit, special death benefit, any monthly allowance for survivors of a member or retired person, the insurance benefit, the partial disability retirement program payment, or refund of accumulated contributions.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20021.** "Board" means the Board of Administration of the Public Employees' Retirement System.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20022.** "Contracting agency" means any public agency that has elected to have all or any part of its employees become members of this system and that has contracted with the board for that purpose. "Contracting agency" also means any county office of education, school district, or community college district that has elected to have all or part of its employees participate in a risk pool and that has contracted with the board for that purpose.

*(Amended by Stats. 2002, Ch. 1133, Sec. 1. Effective January 1, 2003.)*

**20023.** "County peace officer service" shall include service rendered in the sheriff's office of a city and county in positions that were subsequently reclassified as positions within the definition of "county peace officer."

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20023.5.** "County retirement system" means a retirement system established under Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3, the County Employees Retirement Law of 1937.

*(Added by Stats. 1996, Ch. 906, Sec. 4. Effective January 1, 1997.)*

**20024.** "Current service" means all state service rendered by a member on and after the date upon which he or she first became a member, service in employment while not a member but after persons employed in the status of the member were eligible for membership, and public service designated as current service under Section 21034.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20025.** "Dependent," in reference to any benefit provided, upon the death of a member, for a surviving dependent parent, or parent dependent upon the member for support, shall mean receipt of at least one-half of the parent's support from the member at the time of the member's death determined according to rules of the board.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20026.** "Disability" and "incapacity for performance of duty" as a basis of retirement, mean disability of permanent or extended duration, which is expected to last at least 12 consecutive months or will result in death, as determined by the board, or in the case of a local safety member by the governing body of the contracting agency employing the member, on the basis of competent medical opinion.

*(Amended by Stats. 2017, Ch. 241, Sec. 1. (SB 525) Effective January 1, 2018.)*

**20027.** "Disability," "disabled," or "incapacitated" means, with respect to qualification for an allowance payable to a surviving child, inability to engage in any substantial gainful occupation by reason of any physical or mental impairment that is determined by the board, on the basis of competent medical or psychiatric opinion, to be of permanent or extended and uncertain duration.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20027.5.** (a) "Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape, so as to order, instruct, or authorize a financial institution to debit or credit an account. Electronic funds transfers shall be executed by one of the following methods:

- (1) An automated clearinghouse debit in which the state, through its designated depository bank, originates an automated clearinghouse transaction debiting the person's bank account and crediting the state's bank account for the amount of the debit. Banking costs incurred for the automated clearinghouse debit transaction shall be paid by the state.

(2) An automated clearinghouse credit in which the person, through his or her own bank, originates an entry crediting the state's bank account and debiting his or her own bank account. Banking costs incurred for the automated clearinghouse credit transaction charged to the state shall be paid by the person originating the credit.

(3) A Federal Reserve Wire Network transfer (Fedwire) originated by a person utilizing the national electronic payment system to transfer funds through the federal reserve banks, when that person debits his or her own bank account and credits the state's bank account. Electronic funds transfers may be made by Fedwire only if payment cannot, for good cause, be made according to paragraph (1) or (2), and the use of Fedwire is preapproved by the board. Banking costs incurred for the Fedwire transaction charged to the person and to the state shall be paid by the person originating the transaction.

(b) For purposes of this section, "automated clearinghouse" means any federal reserve bank, or an organization established in agreement with the National Automated Clearing House Association, that operates as a clearinghouse for transmitting or receiving entries between banks or bank accounts and which authorizes an electronic transfer of funds between these banks or bank accounts.

*(Added by Stats. 2009, Ch. 118, Sec. 1. (AB 637) Effective January 1, 2010.)*

**20028.** "Employee" means all of the following:

(a) Any person in the employ of the state, a county superintendent of schools, or the university whose compensation, or at least that portion of his or her compensation that is provided by the state, a county superintendent of schools, or the university, is paid out of funds directly controlled by the state, a county superintendent of schools, or the university, excluding all other political subdivisions, municipal, public and quasi-public corporations. "Funds directly controlled by the state" includes funds deposited in and disbursed from the State Treasury in payment of compensation, regardless of their source.

(b) Any person in the employ of any contracting agency.

(c) City employees who prior to the effective date of the contract with the hospital are assigned to a hospital that became a contracting agency because of subdivision (p) of Section 20057 shall be deemed hospital employees from and after the effective date of the contract with the hospital for retirement purposes. City employees who after the effective date of the contract with the hospital become employed by the hospital, shall be considered as new employees of the hospital for retirement purposes.

(d) Any person in the employ of a school employer.

(e) Public health department or district employees who were employees prior to the date of assumption of the contract by the governing body of a county of the 15th class shall be deemed public health department or district employees from and after the effective date of assumption of the contract for retirement purposes. Employees who after the effective date of assumption of the contract become employed by the public health department or district shall be considered as new employees for retirement purposes.

(f) Officers, warrant officers, and enlisted personnel of the California National Guard not otherwise described in subdivision (a) rendering service authorized by Title 32 of the United States Code.

*(Amended by Stats. 2007, Ch. 355, Sec. 2. Effective January 1, 2008.)*

**20029.** "Employee federal contributions" means those contributions required of employees under the federal system with respect to wages paid to individuals who perform services in employment in any coverage group included in the federal-state agreement, at the rate of taxes imposed on employees by Section 3101 of Title 26 of the United States Code for the respective calendar years set forth therein.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20030.** "Employer" means the state, the university, a school employer, and any contracting agency employing an employee.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20031.** "Employer federal contributions" means those contributions required of employers under the federal system with respect to wages paid to individuals who perform services in employment in any coverage group included in the federal-state agreement, at the rate of taxes imposed on employers by Section 3111 of Title 26 of the United States Code for the respective calendar years set forth therein and all penalties and interest that may be required to be paid with respect to those wages under the federal-state agreement.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20032.** "Federal-state agreement" means the agreement or any modification thereof executed by the board pursuant to Section 418 of Title 42 of the United States Code.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20033.** “Federal system” means the old age, survivors, disability, and health insurance provisions of the Social Security Act.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20034.** The highest annual average compensation during any consecutive 12- or 36-month period of employment as a member of any retirement system maintained by the university shall be considered compensation earnable by a member of this system for purposes of computing final compensation for the member providing he or she retires concurrently under both systems.

*(Amended by Stats. 2016, Ch. 415, Sec. 6. (AB 2375) Effective January 1, 2017.)*

**20035.** (a) Notwithstanding Section 20037, “final compensation” for the purposes of determining any pension or benefit with respect to a state member who retires or dies on or after July 1, 1991, and with respect to benefits based on service with the state, means the highest annual compensation which was earnable by the state member during any consecutive 12-month period of employment preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) With respect to a state member who retires or dies on or after July 1, 1991, and who was a managerial employee, as defined by subdivision (e) of Section 3513, or a supervisory employee, as defined by subdivision (g) of Section 3513, whose monthly salary range was administratively reduced by 5 percent because of the salary range reductions administratively imposed upon managers and supervisors during the 1991–92 fiscal year, “final compensation” means the highest annual compensation the state member would have earned had his or her salary range not been reduced by the 5-percent reduction. This subdivision shall only apply if the period during which the state member’s salary was reduced would have otherwise been included in determining his or her final compensation. The costs, if any, that may result from the use of the higher final compensation shall be paid for by the employer in the same manner as other retirement benefits are funded.

*(Amended by Stats. 2016, Ch. 415, Sec. 7. (AB 2375) Effective January 1, 2017.)*

**20035.2.** Notwithstanding Sections 20035 and 20037, “final compensation,” for the purpose of determining any pension or benefit with respect to a patrol member who retires or dies on or after July 1, 2003, who was a member of State Bargaining Unit 5, and whose monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to an addendum to a memorandum of understanding entered during the 2003–04 fiscal year, means the highest annual compensation the patrol member would have earned as of July 1, 2003, if that 5-percent reduction had not occurred. This section shall apply only if the period during which the patrol member’s salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of “final compensation” provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

*(Amended by Stats. 2004, Ch. 183, Sec. 157. Effective January 1, 2005.)*

**20035.21.** Notwithstanding Sections 20035 and 20037, “final compensation” for the purpose of determining any pension or benefit with respect to a patrol member who retires or dies on or after July 1, 2004, who was a member of State Bargaining Unit 5, and whose monthly salary range that was to be effective July 1, 2004, was reduced by 5 percent pursuant to an addendum to a memorandum of understanding entered during the 2004–05 fiscal year, “final compensation” means the highest annual compensation the patrol member would have earned as of July 1, 2004, if that 5 percent reduction had not occurred. This section shall only apply if the period during which the patrol member’s salary was reduced would have otherwise been included in determining his or her final compensation.

The increased costs, if any, that may result from the application of the definition of “final compensation” provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

*(Added by Stats. 2004, Ch. 635, Sec. 5. Effective September 21, 2004.)*

**20035.3.** Notwithstanding Sections 20035 and 20037, “final compensation,” for the purpose of determining any pension or benefit with respect to a state miscellaneous or peace officer/firefighter member who retires or dies on or after July 1, 2003, who was a member of State Bargaining Unit 8, and whose monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to an addendum to a memorandum of understanding entered during the 2003–04 fiscal year, means the highest annual compensation the member would have earned as of July 1, 2003, if that 5-percent reduction had not occurred. This section shall apply only if the period during which the member’s salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of “final compensation” provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

*(Amended by Stats. 2004, Ch. 183, Sec. 158. Effective January 1, 2005.)*

**20035.4.** Notwithstanding Sections 20035 and 20037, “final compensation,” for the purpose of determining any pension or benefit with respect to a member who retires or dies on or after July 1, 2003, who was a member of State Bargaining Unit 16, and whose

monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to a memorandum of understanding entered during the 2003–04 fiscal year, means the highest annual compensation the member would have earned as of July 1, 2003, if that 5-percent reduction had not occurred. This section shall apply only if the period during which the member's salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of "final compensation" provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

*(Amended by Stats. 2004, Ch. 183, Sec. 159. Effective January 1, 2005.)*

**20035.5.** Notwithstanding Section 20037, "final compensation" for the purposes of determining any pension or benefit with respect to a school member who retires or dies on or after January 1, 2000, and with respect to benefits based on service with a school employer, means the highest annual compensation that was earnable by the school member during any consecutive 12-month period of employment preceding the effective date of his or her retirement or the date of his or her last separation from service if earlier.

*(Amended by Stats. 2016, Ch. 415, Sec. 8. (AB 2375) Effective January 1, 2017.)*

**20035.6.** Notwithstanding Sections 20035 and 20037, "final compensation," for the purpose of determining any pension or benefit with respect to a member who retires or dies on or after July 1, 2003, who was a member of State Bargaining Unit 19, and whose monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to a memorandum of understanding entered during the 2003–04 fiscal year, means the highest annual compensation the member would have earned as of July 1, 2003, if that 5-percent reduction had not occurred. This section shall apply only if the period during which the member's salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of "final compensation" provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

*(Amended by Stats. 2006, Ch. 538, Sec. 290. Effective January 1, 2007.)*

**20035.9.** (a) Notwithstanding Sections 20035 and 20037, "final compensation," for the purpose of determining any pension or benefit with respect to a state miscellaneous member (1) who retires or dies on or after July 1, 2003, (2) who was a member of a state bargaining unit listed in subdivision (b), and (3) whose monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to a memorandum of understanding entered into during the 2003–04 fiscal year, means the highest annual compensation the member would have earned as of July 1, 2003, if that 5 percent reduction had not occurred. This section shall apply only if the period during which the member's salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of "final compensation" provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

(b) The section shall apply with respect to members in State Bargaining Units 1, 4, 10, 11, 14, 15, 17, 20, and 21.

*(Added by Stats. 2003, Ch. 615, Sec. 7. Effective January 1, 2004.)*

**20035.10.** (a) Notwithstanding Sections 20035 and 20037, "final compensation," for the purpose of determining any pension or benefit with respect to a state miscellaneous member (1) who retires or dies on or after July 1, 2003, (2) who was a member of the state bargaining unit listed in subdivision (b), and (3) whose monthly salary range that was to be effective July 1, 2003, was reduced by 5 percent pursuant to a memorandum of understanding entered into during the 2003–04 fiscal year, means the highest annual compensation the member would have earned as of July 1, 2003, if that 5-percent reduction had not occurred. This section shall apply only if the period during which the member's salary was reduced would have otherwise been included in determining his or her final compensation. The increased costs, if any, that may result from the application of the definition of "final compensation" provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

(b) This section shall apply with respect to members in State Bargaining Unit 9.

*(Amended by Stats. 2004, Ch. 183, Sec. 161. Effective January 1, 2005.)*

**20035.11.** (a) For purposes of this section, "pay letter" means the set of instructions issued by the Department of Human Resources to the Controller and other state agencies of approved changes to civil service pay scales that affect a supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 whose monthly salary is increased effective July 1, 2014, pursuant to this pay letter.

(b) A supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 to whom the pay letter applies and who retires or dies on or after July 1, 2014, shall, for purposes of determining any pension or benefit, have his or her final compensation pursuant to Section 7522.32, 20035, 20035.9, 20035.10, 20037, 20037.11, or 20037.15, modified as described in this section. Any salary increase as provided in the pay letter that exceeds 5 percent shall not be included in final pensionable compensation or compensation earnable for the member, except as follows:

(1) For July 1, 2014, to June 30, 2015, inclusive, only that portion of the salary increase representing up to 33  $\frac{1}{3}$  percent of the excess salary increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation during the fiscal year period.

(2) For July 1, 2015, to June 30, 2016, inclusive, only that portion of the salary increase representing up to 66  $\frac{2}{3}$  percent of the excess salary increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation during the fiscal year period.

(3) On and after July 1, 2016, the entire pay increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation for service performed on or after that date.

(c) A supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 shall pay employee retirement contributions on the full amount of the salary increase provided pursuant to the pay letter. A member that has his or her final compensation modified pursuant to subdivision (b) shall not be eligible for any refund of his or her employee retirement contributions associated with that salary increase unless he or she elects a full refund of his or her retirement contributions and ceases to be a member of the system.

(d) The increased costs, if any, that result from the administration of this section shall be paid by the employer.

(e) The Department of Human Resources shall identify the job classifications receiving salary increases in the pay letter. The Department of Human Resources and any department that employs the affected managers and supervisors shall provide the system and the Controller, upon request, any information necessary to implement this section. The Controller shall provide the system, upon request, any information necessary to implement this section.

*(Added by Stats. 2014, Ch. 28, Sec. 49. (SB 854) Effective June 20, 2014.)*

**20036.** In the computation of the disability retirement allowance payable upon the retirement of a member for industrial disability, final compensation shall be determined only with respect to compensation earnable in the membership category applicable to the member at the time of the injury or the onset of the disease causing the disability.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20037.** For a state member, or for a local member who is an employee of a contracting agency that is subject to this section, "final compensation" means the highest annual average compensation earnable by a member during any consecutive 36-month period of employment preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier, including any or all of the period or periods of (a) service required for qualification for membership, or (b) prior service which qualifies for credit under this system, if any, immediately preceding membership, or (c) time prior to entering state service at the compensation earnable by him or her in the position first held by him or her in that service, as may be necessary to complete three consecutive years. For the purposes of this section, periods of service separated by a period of retirement or breaks in service may be aggregated to constitute a period of three consecutive years, if the periods of service are consecutive except for such a period of retirement or breaks. If a break in service did not exceed six months in duration, time included in the break and compensation earnable during that time shall be included in computation of final compensation. If a break in service exceeded six months in duration, the first six months thereof and the compensation earnable during those six months shall be included in computation of final compensation, but time included in the break which is in excess of six months and the compensation earnable during that excess time shall be excluded in computation of final compensation. On and after November 13, 1968, this section shall apply to all contracting agencies and to the employees of those agencies whether or not those agencies have previously elected to be subject to this section, except that this section shall not apply to an employee of a contracting agency which has not elected to be subject to this section whose death occurred or whose retirement was effective prior to November 13, 1968.

*(Amended by Stats. 2016, Ch. 415, Sec. 9. (AB 2375) Effective January 1, 2017.)*

**20037.5.** Notwithstanding Section 20035, "final compensation" for a state member who has elected to be subject to Section 21353.5, for the purposes of determining any pension or benefit based on service credited under that section, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

*(Amended (as added by Stats. 1998, Ch. 91, Sec. 56) by Stats. 2016, Ch. 415, Sec. 11. (AB 2375) Effective January 1, 2017.)*

**20037.6.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after July 1, 2006, and is represented by State Bargaining Unit 2, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 2.

(c) This section does not apply to:



- (1) Former state employees who return to state employment on or after July 1, 2006.
- (2) State employees hired prior to July 1, 2006, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to July 1, 2006, who become subject to representation by State Bargaining Unit 2 on or after July 1, 2006.
- (4) State employees on an approved leave of absence who return to active employment on or after July 1, 2006.

*(Amended by Stats. 2016, Ch. 415, Sec. 12. (AB 2375) Effective January 1, 2017.)*

**20037.7.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 1, 3, 4, 11, 14, 15, 17, 20, or 21, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 1, 3, 4, 11, 14, 15, 17, 20, or 21.

(c) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.
- (2) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 1, 3, 4, 11, 14, 15, 17, 20, or 21 on or after January 1, 2007.
- (4) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 13. (AB 2375) Effective January 1, 2017.)*

**20037.8.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 12 or 13, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 12 or 13.

(c) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.
- (2) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 12 or 13 on or after January 1, 2007.
- (4) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 14. (AB 2375) Effective January 1, 2017.)*

**20037.9.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 16 or 19, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 16 or 19.

(c) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.
- (2) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 16 or 19 on or after January 1, 2007.
- (4) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 15. (AB 2375) Effective January 1, 2017.)*

**20037.10.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 7, means the highest average annual compensation earnable by the member during any consecutive 36-month period immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 7.

(c) This section does not apply to:

- (1) Service credit accrued while classified as a state peace officer/firefighter while a member of State Bargaining Unit 7.
- (2) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.
- (3) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.
- (4) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 7 on or after January 1, 2007.
- (5) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 16. (AB 2375) Effective January 1, 2017.)*

**20037.11.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 10, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 10.

(c) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.
- (2) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 10 on or after January 1, 2007.
- (4) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 17. (AB 2375) Effective January 1, 2017.)*

**20037.12.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after January 1, 2007, and is represented by State Bargaining Unit 18,



means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 18.

(c) This section does not apply to:

(1) Former state employees previously employed before January 1, 2007, who return to state employment on or after January 1, 2007.

(2) State employees hired prior to January 1, 2007, who were subject to Section 20281.5 during the first 24 months of state employment.

(3) State employees hired prior to January 1, 2007, who become subject to representation by State Bargaining Unit 18 on or after January 1, 2007.

(4) State employees on an approved leave of absence employed before January 1, 2007, who return to active employment on or after January 1, 2007.

*(Amended by Stats. 2016, Ch. 415, Sec. 18. (AB 2375) Effective January 1, 2017.)*

**20037.13.** (a) Notwithstanding Sections 20035 and 20037, for the purposes of determining any pension or benefit with respect to benefits based on service with the state, "final compensation" means the highest annual compensation that was earnable by the state member during any consecutive 36-month period of employment preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section shall only apply to a member appointed to a career executive assignment, as defined in Section 18546, who at the time of appointment meets one or more of the following criteria:

(1) He or she previously had, but does not currently have, permanent status in the civil service.

(2) He or she is a person described in Section 18990 who was not, within the past 12 months, employed by the Legislature for two or more consecutive years.

(3) He or she is a person described in Section 18992 who was not, within the past 12 months, holding a nonelected exempt position in the executive branch.

(c) A state entity that employs a person described in subdivision (b) in a career executive assignment shall notify the Controller of this person's employment status and the Controller shall forward this information to the system.

*(Amended by Stats. 2016, Ch. 415, Sec. 19. (AB 2375) Effective January 1, 2017.)*

**20037.14.** (a) Notwithstanding Sections 20035 and 20037, final compensation for a person who is employed by the state for the first time and becomes a state member of the system on or after October 31, 2010, and is represented by State Bargaining Unit 5 or 8, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to service credit accrued while a member of State Bargaining Unit 5 or 8 or in a class related to State Bargaining Unit 5 or 8 as an employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, or an officer or employee of the executive branch of state government who is not a member of the civil service.

(c) This section does not apply to:

(1) Former state employees previously employed before October 31, 2010, who return to state employment on or after October 31, 2010.

(2) State employees hired prior to October 31, 2010, who were subject to Section 20281.5 during the first 24 months of state employment.

(3) State employees hired prior to October 31, 2010, who become subject to representation by State Bargaining Unit 5 or 8 on or after October 31, 2010.

(4) State employees on an approved leave of absence employed before October 31, 2010, who return to active employment on or after October 31, 2010.

*(Amended (as added by Stats. 2010, Ch. 163, Sec. 11) by Stats. 2016, Ch. 415, Sec. 21. (AB 2375) Effective January 1, 2017.)*

**20037.15.** (a) Notwithstanding Sections 3517.8, 20035, and 20037, final compensation for a person who is employed for the first time and becomes a member of the system on or after January 15, 2011, means the highest average annual compensation earnable by the member during any consecutive 36-month period preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier.

(b) This section applies to the following:

(1) Service credit accrued while a member of State Bargaining Unit 6 or 9 or in a class related to State Bargaining Unit 6 or 9 as an employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, or an officer or employee of the executive branch of state government who is not a member of the civil service.

(2) Service credit accrued while a peace officer/firefighter member represented by State Bargaining Unit 7 or in a class related to peace officer/firefighter members in State Bargaining Unit 7 as an employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, or an officer or employee of the executive branch of state government who is not a member of the civil service.

(3) Service credit accrued as an employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, or an officer or employee of the executive branch of state government who is not a member of the civil service.

(4) Service credit accrued as an employee of the Legislature, the judicial branch, or the California State University.

(c) This section does not apply to:

(1) Former employees previously employed before January 15, 2011, who return to employment on or after January 15, 2011, and who were previously subject to a 12-month average.

(2) State employees hired prior to January 15, 2011, who were subject to Section 20281.5 during the first 24 months of state employment, and who were previously subject to a 12-month average.

(3) State employees hired prior to January 15, 2011, who become subject to representation by State Bargaining Unit 6, 7, or 9 on or after January 15, 2011, and who were previously subject to a 12-month average.

(4) Employees on an approved leave of absence employed before January 15, 2011, who return to active employment on or after January 15, 2011, and who were previously subject to a 12-month average.

(d) If this section is in conflict with a memorandum of understanding that is current and in effect on January 15, 2011, the memorandum of understanding shall be controlling while it remains in effect. Upon expiration of the memorandum of understanding that is in effect and current on January 15, 2011, this section shall be controlling and may not be superseded by a subsequent memorandum of understanding.

*(Amended by Stats. 2016, Ch. 415, Sec. 22. (AB 2375) Effective January 1, 2017.)*

**20039.** Notwithstanding any other provision of this part, "final compensation" of a local member for the purpose of determining any pension or benefit resulting from state service as an elective or appointed officer on a city council or a county board of supervisors accrued while in membership pursuant to Section 20322, shall be based on the highest average annual compensation earnable by the member during the period of state service in each elective or appointed office. Where that elective or appointed service is a consideration in the computation of any pension or benefit, the member may have more than one final compensation.

This section shall apply to a local member first elected or appointed to a city council or a county board of supervisors on or after July 1, 1994, or elected or appointed to a term of office not consecutive with the term of office held on June 30, 1994.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20039.5.** Notwithstanding Article 5 (commencing with Section 20350) of Chapter 3, or any other provision of this part, "final compensation" for the purposes of determining any pension or benefit for service with the California National Guard with respect to a National Guard member means the highest average annual compensation that was earned during a consecutive 12-month period while rendering service with the California National Guard. The final compensation of a National Guard member under another retirement or pension system shall not apply to the calculation of his or her retirement allowance with respect to service with the California National Guard.

*(Amended by Stats. 2009, Ch. 130, Sec. 9. (AB 966) Effective January 1, 2010.)*

**20040.** Notwithstanding any other provision of this part, "final compensation," for the purposes of determining any benefits payable under this part for coverage under the Second Tier, shall not be reduced by any fraction or amount for any member included in the federal system.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20042.** On the election of a contracting agency, other than a county superintendent of schools with respect to a contract under Chapter 6 (commencing with Section 20610), "final compensation" for a local member employed by that agency whose retirement is effective or whose death occurs after the date of the election and with respect to benefits based solely on service credit accrued with the contracting agency making the election under this section shall be computed under Section 20037 but with the substitution of the period of one year for three consecutive years. An election under this section shall be made by amendment to the contracting agency's contract made in the manner prescribed for approval of contracts, except that an election among the employees is not required, or by express provision of the contract if exercised at the time of approval of a contract.

*(Amended by Stats. 2017, Ch. 241, Sec. 2. (SB 525) Effective January 1, 2018.)*

**20044.** "Fiscal year" is any year commencing on July 1st and ending with June 30th next following.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20045.** "Highway patrol service" means service rendered as a member of the California Highway Patrol, only while the member is receiving compensation from the state for that service, except as provided in Article 4 (commencing with Section 20990) of Chapter 11.

*(Amended by Stats. 1996, Ch. 906, Sec. 8. Effective January 1, 1997. Note: Prior to January 1, 1996 (when the reorganization by Stats. 1995, Ch. 379, took effect), these provisions were in Section 20802. See Section 20802 as modified, on July 12, 1995, in Governor's Reorganization Plan No. 1 of 1995.)*

**20046.** "Industrial," in reference to the death or disability of any member of this system who is in a membership category under which special benefits are provided by this part because the death or disability is industrial, means disability or death as a result of injury or disease arising out of and in the course of his or her employment as such a member.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20046.5.** "Industrial" with respect to state miscellaneous members also means death or disability on or after January 1, 1995, resulting from an injury that is a direct consequence of a violent act perpetrated on his or her person by a patient or client of the State Department of State Hospitals at Metropolitan State Hospital or Napa State Hospital if:

- (a) The member was performing his or her duties within a treatment ward at the time of the injury, or
- (b) The member was not within a treatment ward but was acting within the scope of his or her employment at the hospital and is regularly and substantially as part of his or her duties in contact with the patients or clients, and
- (c) The member at the time of injury was employed in a state bargaining unit for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section, or
- (d) The member was either excluded from the definition of state employee in subdivision (c) of Section 3513 or was a nonelected officer or employee of the executive branch of government who was not a member of the civil service.

*(Amended by Stats. 2012, Ch. 440, Sec. 24. (AB 1488) Effective September 22, 2012.)*

**20047.** "Industrial" with respect to state miscellaneous members also means death or disability after January 1, 1993, resulting from an injury that is a direct consequence of a violent act perpetrated on his or her person by a patient or client of the State Department of State Hospitals at Patton State Hospital or Atascadero State Hospital, an inmate at the State Department of State Hospitals Psychiatric Program at California Medical Facility at Vacaville, or a patient at any other state hospital which is deemed a forensic facility if:

- (a) The member was performing his or her duties within a treatment ward at the time of the injury, or
- (b) The member was not within a treatment ward but was acting within the scope of his or her employment at the hospital and is regularly and substantially as part of his or her duties in contact with the patients or clients, and
- (c) The member at the time of injury was employed in a state bargaining unit for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section, or
- (d) The member was either excluded from the definition of state employee in subdivision (c) of Section 3513 or was a nonelected officer or employee of the executive branch of government who was not a member of the civil service.

*(Amended by Stats. 2012, Ch. 440, Sec. 25. (AB 1488) Effective September 22, 2012.)*

**20047.5.** "Industrial," with respect to state miscellaneous members, means death or disability on or after January 1, 2002, or the date agreed to in the memorandum of understanding between the state employer and the recognized employee organization, resulting from an injury that is a direct consequence of a violent act perpetrated on his or her person by a patient or client of the State Department of Developmental Services, at Porterville Developmental Center, Canyon Springs Community Facility, or Sierra Vista Community Facility, if both of the following apply:

(a) The member either (1) was performing his or her duties within a treatment ward at the time of the injury, or (2) was not within a treatment ward but was acting within the scope of his or her employment at the hospital and is regularly and substantially as part of his or her duties in contact with the patients or clients.

(b) The member, at the time of injury, was either (1) employed in a state bargaining unit for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section, (2) excluded from the definition of "state employee" in subdivision (c) of Section 3513, or (3) a non-elected officer or employee of the executive branch of government who was not a member of the civil service.

*(Amended by Stats. 2006, Ch. 238, Sec. 7. Effective September 13, 2006.)*

**20048.** "Industrial," with respect to state industrial members, means death or disability resulting from an injury that is a direct consequence of a violent act perpetrated on his or her person by an inmate of a state prison, correctional school or facility of the Department of Corrections or the Department of the Youth Authority, or a parolee therefrom, if:

(a) The member was performing his or her duties within the prison, correctional school or facility of the Department of Corrections or the Department of the Youth Authority.

(b) The member was not within the prison, correctional school or facility of the Department of Corrections or the Department of the Youth Authority, but was acting within the scope of his or her employment and is regularly and substantially as part of his or her duties in contact with those inmates or parolees.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20049.** "Labor policy or agreement" means any written policy, agreement, memorandum of understanding, legislative action of the elected or appointed body governing the employer, or any other document used by the employer to specify the payrate, special compensation, and benefits of represented and unrepresented employees.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20050.** "Local safety service" means state service rendered as a local firefighter, local police officer, county peace officer, local safety officer, or positions defined as local safety member in Sections 20421 and 20422 except as provided in Article 1 (commencing with Section 20890) and Article 4 (commencing with Section 20990) of Chapter 11.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20051.** "Month," except as otherwise expressly provided, means a period commencing on any day of a calendar month and extending through the day preceding the corresponding day of the succeeding calendar month, if there is any corresponding day, and if not, through the last day of the succeeding calendar month.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20052.** "Net earnings" means the earnings of the retirement fund less the amounts specified in Sections 20173 and 20174.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20053.** "Normal contributions" means contributions required to be paid by a member at the normal rates of contribution fixed by the law, by contract, or by contract amendment, but does not include additional contributions.

"Normal contributions" also includes contributions required to be paid by a member that are in fact paid on behalf of a member by an employer as defined in Section 20030.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20054.** "Pension" means payments for life derived from contributions made from employer controlled funds.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20055.** (a) "Prior service" as applied to a state member who while employed on a part-time basis became a member because of amendments of the laws governing this system or because of a change in his or her employment status to at least a half-time basis,

means all state service rendered by him or her prior to the time he or she became a member.

(b) As applied to other members, "prior service" means all state service rendered by:

(1) A university member prior to August 27, 1937.

(2) A state member other than a university member, prior to January 1, 1932.

(3) A local member or school member prior to the effective date of the contract under which he or she became a member.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20056.** "Public agency" means any city, county, district, other local authority or public body of or within this state.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20057.** "Public agency" also includes the following:

(a) The Commandant, Veterans' Home of California, with respect to employees of the Veterans' Home Exchange and other post fund activities whose compensation is paid from the post fund of the Veterans' Home of California.

(b) Any auxiliary organization operating pursuant to Chapter 7 (commencing with Section 89900) of Part 55 of Division 8 of Title 3 of the Education Code and in conformity with regulations adopted by the Trustees of the California State University and any auxiliary organization operating pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 of Division 7 of Title 3 of the Education Code and in conformity with regulations adopted by the Board of Governors of the California Community Colleges.

(c) Any student body or nonprofit organization composed exclusively of students of the California State University or community college or of members of the faculty of the California State University or community college, or both, and established for the purpose of providing essential activities related to, but not normally included as a part of, the regular instructional program of the California State University or community college.

(d) A state organization of governing boards of school districts, the primary purpose of which is the advancing of public education through research and investigation.

(e) Any nonprofit corporation whose membership is confined to public agencies as defined in Section 20056.

(f) A section of the California Interscholastic Federation.

(g) Any credit union incorporated under Division 5 (commencing with Section 14000) of the Financial Code, or incorporated pursuant to federal law, with 95 percent of its membership limited to employees who are members of or retired members of this system or the State Teachers' Retirement Plan, and their immediate families, and employees of any credit union. For the purposes of this subdivision, "immediate family" means those persons related by blood or marriage who reside in the household of a member of the credit union who is a member of or retired member of this system or the State Teachers' Retirement Plan. The credit union shall pay any costs that are in addition to the normal charges required to enter into a contract with the board. All the payments made by the credit union that are in addition to the normal charges required shall be added to the total amount appropriated by the Budget Act for the administrative expense of this system. For purposes of this subdivision, a credit union is not deemed to be a public agency unless it has entered into a contract with the board pursuant to Chapter 5 (commencing with Section 20460) prior to January 1, 1988. After January 1, 1988, the board may not enter into a contract with any credit union as a public agency.

(h) Any county superintendent of schools that was a contracting agency on July 1, 1983, and any school district or community college district that was a contracting agency with respect to local police officers, as defined in Section 20430, on July 1, 1983.

(i) Any school district or community college district that has established a police department, pursuant to Section 38000 or 72330 of the Education Code, and has entered into a contract with the board on or after January 1, 1990, for school safety members, as defined in Section 20444.

(j) A nonprofit corporation formed for the primary purpose of assisting the development and expansion of the educational, research, and scientific activities of a district agricultural association formed pursuant to Part 3 (commencing with Section 3801) of Division 3 of the Food and Agricultural Code, and the nonprofit corporation described in the California State Exposition and Fair Law (former Article 3 (commencing with Section 3551) of Chapter 3 of Part 2 of Division 3 of the Food and Agricultural Code, as added by Chapter 15 of the Statutes of 1967).

(k) (1) A public or private nonprofit corporation that operates a regional center for the developmentally disabled in accordance with Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

(2) A public or private nonprofit corporation, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, that operates a rehabilitation facility for the developmentally disabled and provides services under a contract with either (A) a regional center for the developmentally disabled, pursuant to paragraph (3) of subdivision (a) of Section 4648 of the Welfare and Institutions Code, or (B) the Department of Rehabilitation, pursuant to Chapter 4.5 (commencing with Section 19350) of Part 2 of

Division 10 of the Welfare and Institutions Code, upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1.

(3) A public or private nonprofit corporation described in this subdivision shall be deemed a "public agency" only for purposes of this part and only with respect to the employees of the regional center or the rehabilitation facility described in this subdivision. Notwithstanding any other provision of this part, the agency may elect by appropriate provision or amendment of its contract not to provide credit for service prior to the effective date of its contract.

(l) Independent data-processing centers formed pursuant to former Article 2 (commencing with Section 10550) of Chapter 6 of Part 7 of the Education Code, as it read on December 31, 1990. An agency included pursuant to this subdivision shall only provide benefits that are identical to those provided to a school member.

(m) Any local agency formation commission.

(n) A nonprofit corporation organized for the purpose of and engaged in conducting a citrus fruit fair as defined in Section 4603 of the Food and Agricultural Code.

(o) (1) A public or private nonprofit corporation that operates an independent living center providing services to severely handicapped people and established pursuant to federal Public Law 93-112, that receives the approval of the board, and that provides at least three of the following services:

(A) Assisting severely handicapped people to obtain personal attendants who provide in-home supportive services.

(B) Locating and distributing information about housing in the community usable by severely handicapped people.

(C) Providing information about financial resources available through federal, state, and local government, and private and public agencies to pay all or part of the cost of the in-home supportive services and other services needed by severely handicapped people.

(D) Counseling by people with similar disabilities to aid the adjustment of severely handicapped people to handicaps.

(E) Operation of vans or buses equipped with wheelchair lifts to provide accessible transportation to otherwise unreachable locations in the community where services are available to severely handicapped people.

(2) A public or private nonprofit corporation described in this subdivision shall be deemed a "public agency" only for purposes of this part and only with respect to the employees of the independent living center.

(3) Notwithstanding any other provisions of this part, the public or private nonprofit corporation may elect by appropriate provision or amendment of its contract not to provide credit for service prior to the effective date of its contract.

(p) A hospital that is managed by a city legislative body in accordance with Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4.

(q) The Tahoe Transportation District that is established by Article IX of Section 66801.

(r) The California Firefighter Joint Apprenticeship Program formed pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(s) A public health department or district that is managed by the governing body of a county of the 15th class, as defined by Sections 28020 and 28036, as amended by Chapter 1204 of the Statutes of 1971.

(t) A nonprofit corporation or association conducting an agricultural fair pursuant to Section 25905 may enter into a contract with the board for the participation of its employees as members of this system, upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The nonprofit corporation or association shall be deemed a "public agency" only for this purpose.

(u) An auxiliary organization established pursuant to Article 2.5 (commencing with Section 69522) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The auxiliary organization is a "public agency" only for this purpose.

(v) The Western Association of Schools and Colleges upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The association shall be deemed a "public agency" only for this purpose.

(w) The State Assistance Fund for Enterprise, Business and Industrial Development Corporation upon obtaining a written opinion from the United States Department of Labor as described in Section 20057.1.

(x) (1) A private nonprofit area agency on aging as described in Section 9006 of the Welfare and Institutions Code upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1.

(2) The area agency on aging shall be deemed a "public agency" only for purposes of this part and only with respect to the employees of the agency.



(3) Notwithstanding any other provision of this part, the area agency on aging may elect by appropriate provision or amendment of its contract not to provide credit for service prior to the effective date of its contract.

(y) (1) A nonprofit mutual water company operating pursuant to Chapter 1 (commencing with Section 14300) of Part 7 of Division 3 of Title 1 of the Corporations Code, upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1, if both of the following requirements are satisfied:

(A) More than 50 percent of the company's shares are owned by a municipality.

(B) The governing body of the company is a local public agency, as defined in Section 7920.510 and subdivision (a) of Section 7920.525, and a legislative body, as defined in Section 54952.

(2) A nonprofit mutual water company that meets the requirements specified in paragraph (1) shall be deemed a "public agency" only for the purposes of this part and only with respect to the employees of the agency.

(3) A nonprofit mutual water company that meets the requirements specified in paragraph (1) shall be deemed a "public agency" for purposes of this part only if it complies with the provisions of Division 10 (commencing with Section 7920.000) of Title 1 and Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5.

*(Amended by Stats. 2021, Ch. 615, Sec. 185. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)*

**20057.1.** To qualify as a "public agency" within the meaning of this part, any organization that qualifies under amendments to the definitions of "public agency" effective on or after January 1, 2002, shall also obtain a written advisory opinion from the United States Department of Labor stating that the organization is an agency or instrumentality of the state or a political subdivision thereof within the meaning of Sections 1001 et seq. of Title 29 of the United States Code.

*(Amended by Stats. 2001, Ch. 793, Sec. 2. Effective January 1, 2002.)*

**20058.** (a) "Retirement system" or "this system" means the Public Employees' Retirement System.

(b) As used in this code and in every other statute heretofore or hereafter enacted, or in every contract heretofore or hereafter entered into under any provisions of law, the term "State Employees' Retirement Law" shall be construed to refer to and mean the "Public Employees' Retirement Law"; the term "State Employees' Retirement System" shall be construed to refer to and mean the "Public Employees' Retirement System"; and the term "State Employees' Retirement Fund" shall be construed to refer to and mean the "Public Employees' Retirement Fund."

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20059.** "Regular interest" means interest at the annual interest rate for purposes of crediting of interest, compounded annually.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20060.** "Retirement" means the granting of a retirement allowance under this part.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20061.** "Retirement allowance" means the service retirement allowance or the disability retirement allowance.

*(Repealed and added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20062.** "Retirement fund" means the Public Employees' Retirement Fund continued in existence by this part.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20062.5.** "Risk pool" means the combination of assets and liabilities with respect to one or more contracting agencies for the purpose of pooling actuarial experience and setting the employer contribution rates pursuant to Section 20840.

*(Added by Stats. 2002, Ch. 1133, Sec. 2. Effective January 1, 2003.)*

**20063.** (a) "School employer" means a county superintendent of schools, other than the Los Angeles County Superintendent of Schools and the San Diego County Superintendent of Schools, that has entered into a contract with the board pursuant to Chapter 6 (commencing with Section 20610) and any school district or community college district that was a contracting agency on July 1, 1983, excluding that portion of a contract with the Los Angeles City Unified School District and the Los Angeles Community College District that pertains to local police officers, as defined in Section 20430, on July 1, 1983, and excluding a school district or a

community college district, as defined in subdivision (i) of Section 20057, that entered into a contract with the board on or after January 1, 1990, and whose employees are school safety members, as defined in Section 20444.

(b) Notwithstanding subdivision (a), "school employer" may not include any county office of education, school district, or community college district that participates in a risk pool.

*(Amended by Stats. 2002, Ch. 1133, Sec. 3. Effective January 1, 2003.)*

**20064.** "School safety service" includes service rendered as a school safety member in employment with a school district or community college district, as defined in subdivision (i) of Section 20057.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20065.** An employee is "serving on a part-time basis" when he or she engages in his or her duties for less time than is required of employees serving on a full-time basis, even though he or she is subject to call at any time.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20065.5.** All references to "spouse," "surviving spouse," or "marriage" in this part apply equally to a domestic partner or domestic partnership, as defined in Section 297 of the Family Code, and all rights and responsibilities granted to a spouse or surviving spouse shall be granted equally to a domestic partner to the extent provided by Section 297.5 of the Family Code.

*(Added by Stats. 2012, Ch. 833, Sec. 2. (SB 987) Effective January 1, 2013.)*

**20066.** "State peace officer/firefighter service" means service rendered as a state peace officer/firefighter member only while receiving compensation for that service, except as provided in Article 4 (commencing with Section 20990) of Chapter 11. It also includes service rendered in an employment in which persons have since become state peace officer/firefighter members.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20067.** "State peace officer/firefighter service," with respect to a member who becomes a state peace officer/firefighter member pursuant to Section 20394, also includes service prior to July 1, 1986, as an employee of the California State University.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*

**20068.** (a) "State safety service" means service rendered as a state safety member only while receiving compensation for that service, except as provided in Article 4 (commencing with Section 20990) of Chapter 11. It also includes service rendered in an employment in which persons have since become state safety members and service rendered prior to April 1, 1973, and falling within the definition of warden, forestry, and law enforcement service under this chapter prior to April 1, 1973. "State safety service" pursuant to this subdivision does not include service as an investigator prior to April 1, 1973, within the Department of Justice of persons who prior to April 1, 1973, were classed as miscellaneous members.

(b) "State safety service" with respect to a member who becomes a state safety member pursuant to Section 20405 shall also include service prior to the date on which he or she becomes a state safety member as an officer or employee of the Department of Corrections and Rehabilitation.

(c) "State safety service" with respect to a member who becomes a state safety member pursuant to Sections 20409 and 20410 shall also include service in a class specified in these sections or service pursuant to subdivision (a), prior to September 27, 1982.

(d) "State safety service," with respect to a member who becomes a state safety member pursuant to Sections 20414 and 20415, shall also include service prior to September 22, 1982, as an officer or employee of the Department of Parks and Recreation or the Military Department.

(e) "State safety service" does not include service in classes specified in Section 20407 prior to January 1, 1989.

(f) "State safety service" does not include service in classes specified in Section 20408 prior to January 1, 1990.

(g) "State safety service," with respect to a member who becomes a state safety member pursuant to subdivision (b) of Section 20405.1, shall also include service rendered in an employment in which persons have since become state safety members, as determined by the Department of Human Resources pursuant to that section.

*(Amended by Stats. 2012, Ch. 665, Sec. 110. (SB 1308) Effective January 1, 2013.)*

**20069.** (a) "State service" means service rendered as an employee or officer (employed, appointed, or elected) of the state, the California Institute for Regenerative Medicine and the officers and employees of its governing body, the university, a school employer, or a contracting agency, for compensation, and only while he or she is receiving compensation from that employer therefor, except as provided in Article 4 (commencing with Section 20990) of Chapter 11.

(b) "State service," solely for purposes of qualification for benefits and retirement allowances under this system, shall also include service rendered as an officer or employee of a county if the salary for the service constitutes compensation earnable by a member of this system under Section 20638.

(c) "State service," except for purposes of qualification for health or dental benefits, shall also include compensated service rendered by an officer, warrant officer, or a person of the enlisted ranks of the California National Guard who has elected to become a member pursuant to Section 20326 and who has not canceled his or her membership pursuant to Section 20327.

*(Amended by Stats. 2009, Ch. 130, Sec. 12. (AB 966) Effective January 1, 2010. Note: This section was amended on Nov. 2, 2004, by initiative Prop. 71.)*

**20069.1.** "Trial court" shall have the same meaning as the term is defined in the Trial Court Employment Protection and Governance Act (Chapter 7 (commencing with Section 71600) of Title 8).

*(Added by Stats. 2000, Ch. 1010, Sec. 4. Effective January 1, 2001.)*

**20070.** "1959 survivor allowance" means the allowance provided for in Sections 21571, 21572, 21573, 21574, 21574.5, and 21574.7.

*(Amended by Stats. 2001, Ch. 793, Sec. 3. Effective January 1, 2002.)*

**20071.** "University" means the University of California and includes The Regents of the University of California as defined and authorized by Section 9 of Article IX of the California Constitution.

*(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)*