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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 PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21716] (Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2.)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 2. Administration of System [20090 - 20260] (Chapter 2 added by Stats. 1995, Ch. 379, Sec. 2.)

ARTICLE 1. The Board of Administration [20090 - 20100] (Article 1 added by Stats. 1995, Ch. 379, Sec. 2.)

20090. The Board of Administration of the Public Employees' Retirement System is continued in existence. It consists of:

- (a) One member of the State Personnel Board, selected by and serving at the pleasure of the State Personnel Board.
- (b) The Director of Human Resources.
- (c) The Controller.
- (d) The Treasurer.
- (e) An official of a life insurer and an elected official of a contracting agency, appointed by the Governor.
- (f) One person representing the public, appointed jointly by the Speaker of the Assembly and the Senate Committee on Rules.
- (g) Six members elected under the supervision of the board as follows:
 - (1) Two members elected by the members of this system from the membership thereof.
 - (2) A member elected by the active state members of this system from the state membership thereof.
 - (3) A member elected by and from the active local members of this system who are employees of a school district or a county superintendent of schools.
 - (4) A member elected by and from the active local members of this system other than those who are employees of a school district or a county superintendent of schools.
 - (5) A member elected by and from the retired members of this system.

(Amended by Stats. 2012, Ch. 665, Sec. 111. (SB 1308) Effective January 1, 2013.)

20090.1. (a) Notwithstanding any other provision of law to the contrary, the member of the board who is an elected official of a contracting agency appointed by the Governor, pursuant to subdivision (e) of Section 20090, may designate a deputy, who is employed under the official's authority, to act in his or her place and stead on the board or any of its committees. The deputy, while sitting on the board or any of its committees, may exercise the same powers that the elected official could exercise if he or she were personally present. The elected official shall be responsible for the acts of the deputy acting under this designation.

(b) Notwithstanding any other provision of law to the contrary, the Director of Human Resources may designate a deputy, who is employed under the director's authority, to act in his or her place and stead on the board or any of its committees. The deputy, while sitting on the board or any of its committees, may exercise the same powers that the director could exercise if he or she were personally present. The director shall be responsible for the acts of the deputy acting under this designation.

(Amended by Stats. 2012, Ch. 665, Sec. 112. (SB 1308) Effective January 1, 2013.)

20091. The members of the board appointed by the Governor pursuant to subdivision (e) of Section 20090, the public member appointed jointly by the Senate Committee on Rules and the Speaker of the Assembly pursuant to subdivision (f) of Section 20090,

and any retired person serving on the board pursuant to subdivision (g) of Section 20090 shall receive one hundred dollars (\$100) for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties.

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

20092. Each employing agency that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the employing agency for the percentage of the elected board member's regular work schedule during which the elected board member is on leave from the employing agency to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or when serving as president or vice president of the board or chair or vice chair of a committee or subcommittee of the board, or when carrying out other powers or duties as may be approved by the board, or to otherwise fulfill his or her responsibilities to the system.

(Amended by Stats. 2013, Ch. 778, Sec. 1. (SB 215) Effective January 1, 2014.)

20093. The members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred through service on the board.

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

20094. The counsel to the board shall notify each new member of the board upon his or her assumption of office and each member of the board annually that he or she is subject to the gift provisions of Chapter 9.5 (commencing with Section 89500) of Title 9.

(Amended by Stats. 2006, Ch. 538, Sec. 291. Effective January 1, 2007.)

20095. The term of office of members of the board is four years expiring on January 15 in the order fixed by law. The board shall hold special elections to fill vacancies which occur during the term of elected members of the board. If at the time a vacancy occurs, the unexpired term is less than two years, the new member elected to fill that vacancy shall hold office for a period equal to the remainder of the term of the vacated office plus four years.

The Governor or the Speaker of the Assembly and the Senate Committee on Rules, as the case may be, shall fill a vacancy of a member appointed pursuant to subdivision (e) or (f) of Section 20090 by the appointment of a person having the requisite qualifications for the remainder of the vacated term of office.

Notwithstanding any other provision of this part, any person elected to the board under Section 20090 shall be entitled to hold that office until the end of the term.

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

20096. The board shall cause ballots to be distributed to each active and retired member of the system in advance of each election, and shall provide for the return of the voted ballots to the board without cost to the member, and shall develop election procedures. The results shall be certified by the Secretary of State. The board may require all persons who perform election duties to certify, under penalty of perjury, that they properly performed those duties.

(Amended by Stats. 1996, Ch. 724, Sec. 21. Effective January 1, 1997.)

20096.3. If an incumbent member of the board, holding a board seat described in subdivision (g) of Section 20090, does not deliver his or her completed nomination documents to the election coordinator for reelection by the applicable filing deadline for candidates for the seat, any otherwise eligible person other than the person who was the incumbent on the filing deadline shall have until 10 days after the filing deadline to file nomination documents for the same office. This section is not applicable if there is no incumbent eligible to be elected or if the notice of election states that the incumbent does not intend to be a candidate for reelection.

(Added by Stats. 2002, Ch. 1139, Sec. 1. Effective January 1, 2003.)

20096.5. Candidates for board seats described in subdivision (g) of Section 20090, including incumbent board members running for reelection, shall file campaign statements with the Secretary of State and the board pursuant to Article 2 (commencing with Section 84200) of Chapter 4 of Title 9.

(Amended by Stats. 2011, Ch. 440, Sec. 1. (AB 1028) Effective January 1, 2012.)

20097. The board shall maintain its office in the City of Sacramento. A quorum of the board is seven members. The board shall elect a president from its membership.

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

20098. (a) The board shall appoint and, notwithstanding Sections 19825, 19826, 19829, and 19832, shall fix the compensation of an executive officer, a general counsel, a chief actuary, a chief investment officer, a chief financial officer, a chief operating officer, a chief health director, and other investment officers and portfolio managers whose positions are designated managerial pursuant to Section 18801.1.

(b) The executive officer, deputy executive officers, and the assistant executive officers may administer oaths.

(c) When fixing the compensation for the positions specified in subdivision (a), the board shall be guided by the principles contained in Sections 19826 and 19829, consistent with its fiduciary responsibility to its members to recruit and retain highly qualified and effective employees for these positions.

(d) The annual percentage increase in salary that may be paid pursuant to this section to a person who served as chief health director or as chief operating officer on January 1, 2018, and who does not separate from service in the position prior to the date on which the increase is applied, shall not exceed either of the following:

(1) Ten percent for the 2018–19 fiscal year.

(2) Five percent for any fiscal year subsequent to the 2018–19 fiscal year.

(e) When a position specified in subdivision (a) is filled through a general civil service appointment, it shall be filled from an eligible list based on an examination that was held on an open basis, and tenure in the position shall be subject to Article 2 (commencing with Section 19590) of Chapter 7 of Part 2. In addition to the causes for action specified in that article, the board may take action under the article for causes related to its fiduciary responsibility to its members, including the employee's failure to meet specified performance objectives.

(f) An individual who held a position designated in subdivision (a), or was a member of the board, a deputy executive officer, or an assistant executive officer, shall not, for a period of two years after leaving that position, for compensation, act as agent or attorney for, or otherwise represent, any other person, except the state, by making any formal or informal appearance before, or any oral or written communication to, the Public Employees' Retirement System, or any officer or employee thereof, if the appearance or communication is made for the purpose of influencing administrative or legislative action or any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, contract, or sale or purchase of goods or property.

(Amended by Stats. 2018, Ch. 916, Sec. 1. (AB 2415) Effective January 1, 2019.)

20099. The board may appoint a committee of one or more of its members to perform any act within the power of the board itself to perform. The board may also delegate authority to the executive officer to perform those acts. Except where the board, in delegating authority to a committee or the executive officer, provides that the committee or the executive officer may act finally, all acts of the committee or the executive officer shall be reported to the board, at its next regular meeting, and shall be subject to review and ratification or reversal by the board.

Reversal by the board of any act of the committee or the executive officer shall be effective as of the date fixed by the board, but payment of benefits prior to board action shall not be affected by that action, except for such recovery of amounts paid from the person to whom they were paid as the board may direct.

The executive officer may delegate to his or her subordinates any act or duty unless the board by motion or resolution recorded in the minutes has required him or her to act personally.

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

20100. The board shall adopt a policy for providing education to board members. The policy, at a minimum, shall do the following:

(a) Identify appropriate topics for board member education, which may include, but are not limited to, the following:

(1) Fiduciary responsibilities.

(2) Ethics.

(3) Pension fund investments and investment program management.

(4) Actuarial matters.

(5) Pension funding.

(6) Benefits administration.

(7) Disability evaluation.

(8) Fair hearings.

(9) Pension fund governance.

(10) New board member orientation.

(b) Establish a means for determining the programs, training, and educational sessions that qualify as board member education.

(c) Require that all board members receive a minimum of 24 hours of board member education within the first two years of assuming office and for every subsequent two-year period the board member continues to hold membership on the board.

(d) Require the board to maintain a record of board member compliance with the policy. The policy and an annual report on board member compliance shall be placed on the system's Internet Web site.

(Added by Stats. 2014, Ch. 140, Sec. 1. (AB 1163) Effective January 1, 2015.)