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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 PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21716]** ( Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2.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 7. Records and Reports [20220 - 20236]** ( Article 7 added by Stats. 1995, Ch. 379, Sec. 2. )

**20220.** The board shall, on the request of a board of retirement of a county retirement system supply information and data necessary for administration of that system as it is affected by membership in and service credited under this system.

(Amended by Stats. 1996, Ch. 906, Sec. 14. Effective January 1, 1997.)

**20221.** Each state agency, school employer, and the chief administrative officer of a contracting agency or any other person who its governing body may designate shall furnish all of the following:

- (a) Immediate notice to the board, in the manner prescribed by the system, of the change in status of any member resulting from transfer, promotion, leave of absence, resignation, reinstatement, dismissal, or death.
- (b) Any additional information concerning any member that the board may require in the administration of this system.
- (c) The services of its officer and departments that the board may request in connection with claims by members against this system.

(Amended by Stats. 2009, Ch. 130, Sec. 15. (AB 966) Effective January 1, 2010.)

**20221.5.** Every state agency, school employer, or contracting agency shall, upon request from the board, provide information on its employees who are not enrolled as members of the system to assist the board to carry out the administration of the system.

- (a) The information provided under this section shall be submitted in the manner and under the conditions prescribed by the board.
- (b) Nothing in this section shall be construed to supersede or diminish an employer's responsibility to determine eligibility or to enroll its qualifying employees in membership.
- (c) Any information obtained under this section shall be treated as confidential by the system, under the same terms and conditions that apply to information that is confidential pursuant to Section 20230.

(Added by Stats. 2008, Ch. 261, Sec. 1. Effective January 1, 2009.)

**20222.** The comptroller of the university, or any other official who the university may designate, shall furnish monthly reports to the board showing changes in the status of all members employed by the university during the preceding month, and shall furnish any additional information concerning any members that the board may require in the administration of this system.

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

**20222.5.** (a) The board may, during the course of an audit, require each state employer, school employer, including each school district represented by a school employer, and contracting agency, to provide information or make available for examination or copying at a specified time and place, or both, books, papers, any data, or any records, including, but not limited to, personnel and payroll records, as deemed necessary by the board to determine eligibility for, and the correctness of, retirement benefits, reportable compensation, enrollment in, and reinstatement to this system.

(b) Before initiating an audit, the board shall notify the subject of the audit of the estimated time required to complete the audit. The estimate shall be based upon various factors, including, but not limited to, the following:

- (1) The number of employees.

- (2) Employment classifications.
- (3) Benefits.
- (4) Contract provisions.
- (5) Geographical location.
- (6) Time required for audits of comparable entities.
- (7) Additional time factors raised by the subject of the audit.

(c) If an audit requires an excess of the time estimated, the board may assess a reasonable charge upon the employer to recover additional costs incurred for the excess time to complete the audit. A contracting agency shall not be assessed for delays during the course of an audit that are reasonably outside of the agency's control.

(d) The information obtained from an employer under this section shall remain confidential pursuant to Section 20230.

*(Amended by Stats. 2015, Ch. 244, Sec. 2. (SB 216) Effective January 1, 2016.)*

**20223.** Each employee shall file with the board information affecting his or her status as a member as the board may require.

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

**20224.** If it is impracticable for the board to determine from the records the length of service, compensation, or age of any member, or if any member refuses or fails to give the board a statement of his or her state service, compensation, or age, the board may estimate the length of service, compensation, or age.

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

**20225.** (a) In addition to other records and accounts, the board shall keep records and accounts necessary to compute at any time:

- (1) The total accumulated contributions of members.
- (2) The total accumulated contributions of retired members and of deceased members, to or on account of whom payments involving life contingencies are paid, less the annuity payments made to the members.
- (3) The accumulated contributions of the state, school employers, and of contracting agencies held for the benefit of members on account of current service.
- (4) All other accumulated contributions of the state, school employers, and of contracting agencies, which shall include the amounts available to meet the obligation of the state, school employers, and of the contracting agencies, respectively, on account of benefits that have been granted to, or on account of, retired and deceased employees and on account of prior service of members.

(b) For the purposes of this section, all employers subject to Chapter 9 (commencing with Section 20790) shall be deemed to be a single account with respect to their local miscellaneous members, all other employers not subject to Chapter 9 shall be deemed to be a single account with respect to their local miscellaneous members, all employers of local safety members shall be deemed to be a single account with respect to those local safety members, and all employers of school members shall be deemed to be a single account with respect to those school members.

However, the purposes of this section shall be construed in conformity with the individual employer contribution rates established pursuant to Section 20815.

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

**20226.** The records and accounts required under Section 20225 shall not include the contributions made by the state or contracting agencies with respect to the survivor allowances provided for in Article 3 (commencing with Section 21570) of Chapter 14. The board shall keep additional records and accounts with respect to those contributions as will show at any time the accumulated contributions of the state and of contracting agencies held to meet the obligation of the state and of the contracting agencies, respectively, on account of survivor allowances.

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

**20227.** The actuary shall cause to be published, as of the date of the investigation and valuation made pursuant to Section 20131, a financial statement showing an actuarial valuation of the assets and liabilities of this system and a statement as to the accumulated

cash and securities in the retirement fund as certified by the Controller. The actuary may omit from the statement, which shall be published as of July 1 of every other year, assets and liabilities resulting from prior service, and shall include assets and liabilities on account of current service in amounts equal only to accumulated contributions held on account of that service.

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

**20228.** The board shall annually employ a certified public accountant, who is not in public employment, to audit the financial statements of this system. The costs of the audit shall be paid from the income of the retirement fund. The audit shall be made annually. The board shall file a copy of the audit report with the Governor, the Secretary of the Senate, and the Chief Clerk of the Assembly.

The board, for purposes of Section 7504, may file internally prepared financial statements with the Controller within six months of the end of the fiscal year, and shall file independently audited financial statements as soon as they are available.

The annual audits of the financial statements of the system shall not be duplicated by the Department of Finance or the State Auditor.

This section does not affect the ability of the State Auditor or the Department of Finance to conduct other types of audits of the system as otherwise authorized by statute. This system shall be exempt from a pro rata general administrative charge for auditing.

*(Amended by Stats. 2010, Ch. 639, Sec. 3. (SB 1139) Effective January 1, 2011.)*

**20229.** (a) The board, notwithstanding Section 10231.5, shall provide the Legislature, the Governor, and the Chair of the California Actuarial Advisory Panel, established pursuant to Section 7507.2, with an annual report that includes all of the following, as these items apply to state employee retirement plans:

(1) (A) A description of the investment return assumption utilized by the board when determining the contribution rates.

(B) A calculation of the contribution rates utilizing an investment return assumption 2 percentage points above and 2 percentage points below the investment return assumption utilized by the board.

(2) (A) A description of the amortization period for any unfunded liabilities utilized by the board when determining the contribution rates.

(B) A calculation of the contribution rates based on an amortization period equal to the estimated average remaining service periods of employees covered by the contributions.

(3) (A) A description of the discount rate utilized by the board for reporting liabilities.

(B) A calculation of those liabilities based upon a discount rate that is 2 percent below the long-term rate of return actually assumed by the board.

(4) The market value of the assets controlled by the board and an explanation of how the actuarial value assigned to those assets differs from the market value of those assets.

(b) Each legislative session, the Chair of the California Actuarial Advisory Panel, or his or her designee, shall, during a publicly noticed joint hearing of the Senate Committee on Public Employment and Retirement and the Assembly Committee on Public Employees, Retirement and Social Security, do all of the following based on information received in the report required by subdivision (a):

(1) Explain the role played by the investment return assumption and amortization period in the calculation of the contribution rates.

(2) Describe the consequences for future state budgets should the investment return assumption not be realized.

(3) Report whether the board's amortization period exceeds the estimated average remaining service periods of employees covered by the contributions.

(c) The report required by subdivision (a) shall be submitted in compliance with Section 9795.

*(Amended by Stats. 2016, Ch. 415, Sec. 23. (AB 2375) Effective January 1, 2017.)*

**20230.** (a) Data filed with the board by or on behalf of any member, retired member, beneficiary, or annuitant is confidential, and an individual record shall not be divulged by any official or employee having access to it to any person other than the following:

(1) The member, retired member, beneficiary, or annuitant to whom the information relates; their authorized representative; or upon written authorization by the member, retired member, beneficiary, or annuitant to whom the information relates.

(2) A contracting agency, county office of education, school district, community college district, the California State University, or the university, if the member, retired member, beneficiary, or annuitant is or was employed by that entity. A contracting agency, county office of education, school district, community college district, the California State University, or the university may also be provided with records that relate to the beneficiary of a member or retired member who is or was employed by the entity.

(3) Any state department or agency.

(4) Any other California public retirement system that either by statute or agreement provides reciprocal benefits to members of the system.

(b) The information shall be used by the board for the sole purpose of carrying into effect the provisions of this part and Part 5 (commencing with Section 22750). Any information that is requested to which this section applies shall be treated as confidential and shall be used solely for retirement purposes, including, but not limited to, the administration and funding of retirement and health benefits, and related reporting and notice obligations.

(c) The gross amount of any benefit or any refund of a PERS contribution due to a member, retired member, or beneficiary under this part is not confidential and may be released upon request to the board.

(d) The board may seek reimbursement for reasonable administrative expenses incurred when providing information. Unless otherwise required by law, pursuant to a court order of competent jurisdiction, or except as provided by this section, a member's, retired member's, beneficiary's, or annuitant's address, home telephone number, or other personal information shall not be released.

(e) For purposes of this section:

(1) "Annuitant" has the meaning provided in Section 22760.

(2) "Authorized representative" includes a spouse or a beneficiary if a contrary appointment has not been made and when, in the opinion of the board, the member, retired member, beneficiary, or annuitant is prevented from appointing an authorized representative because of mental or physical incapacity or death.

*(Amended by Stats. 2020, Ch. 275, Sec. 24. (AB 2101) Effective January 1, 2021.)*

**20231.** Notwithstanding any other provision of law, the Employment Development Department shall disclose to the board information in its possession relating to the earnings of any person who is receiving a disability retirement allowance from this system and has filed with the board a release permitting the Employment Development Department to furnish that information. The earnings information shall be released to the board only upon written request from the board specifying that the person is receiving a disability retirement allowance from this system. The request may be made by the executive officer of this system or by an employee of this system so authorized and identified by name and title by the executive officer in writing. The board shall notify recipients of disability retirement allowances with prescribed limits based on earnings that earnings information from the Employment Development Department's records will be released upon request by the board. The board shall not release any earnings information received from the Employment Development Department to any person, agency, or other entity. This system shall reimburse the Employment Development Department for all reasonable administrative expenses incurred pursuant to this section. Any person receiving a disability retirement allowance who declines to authorize the release of earnings information as provided by this section shall instead furnish the board with proof of earnings the board may require, including, but not limited to, copies of the person's federal and state income tax returns.

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

**20232.** As soon as practicable after the close of each fiscal year the board shall file with the Governor and the Legislature a report of its financial statements and investments for the fiscal year. The report shall be submitted in printed or electronic form and shall include, but not be limited to, each of the following:

(a) A copy of the annual audit performed pursuant to Section 20228.

(b) A review of the system's asset mix strategy, a market review of the economic and financial environment in which investments were made, and a summary of the system's general investment strategy.

(c) A description of the investments currently held by this system at cost and market value. The description of investments shall include, but not be limited to, the asset classes reported pursuant to Section 20235. The report shall also include a list of all investment holdings at the close of the fiscal year, including any major divestitures taken during the fiscal year.

(d) The following information regarding the rate of return of this system by asset type:

(1) Time-weighted market value rate of return on a five-year, three-year, and one-year basis.

(2) Portfolio return comparisons by asset class that compare investment returns with an alternative theoretical portfolio of comparable funds, universes, and indexes.

(e) The use of outside investment advisers and managers, including costs and fees.

(f) A description of the system's investments at cost and market value held in the state.

(g) A review of the system's custodial relationship and daily cash management, purchases, sales, turnover, private placements, soft dollar purchases, and transaction costs such as commissions, dealer spreads, and accommodations.

*(Amended by Stats. 1997, Ch. 951, Sec. 1. Effective January 1, 1998.)*

**20235.** (a) The board shall submit a review of this system's assets to the Legislature on a semiannual basis. The report shall also be made available to all contracting agencies. The report shall discuss the system's assets, including review of all defined benefit trusts and defined contribution plans, and shall contain the following information:

(1) Defined benefit trust and defined contribution plan total current market value and allocation of investments across primary asset classes, if appropriate.

(2) Review of all portfolio and partnership current market value by primary asset class and strategy.

(3) Historical time-weighted return for all defined benefit trusts, defined contribution plans, portfolios, and partnerships on a five-year, three-year, and one-year basis.

(4) Summary of performance of an alternative theoretical portfolio for all defined benefit trusts and defined contribution plans based upon policy benchmarks approved by the board.

(5) Description of policy benchmark components represented in the alternative theoretical portfolio.

(b) Upon written request from a contracting agency that does not participate in a risk pool, the board shall also submit quarterly reports to the contracting agency as described in this subdivision. For the first quarter of the fiscal year, the report shall be submitted within 120 days after the end of the quarter and shall contain the agency's beginning balance for the fiscal year. For the second and third quarters of the fiscal year, the report shall be submitted to the contracting agency within 90 days after the end of the quarter. For the fourth quarter of the fiscal year, the report shall be submitted within 180 days after the end of the quarter and shall contain the agency's balance as of the end of the fiscal year. The report shall include, but need not be limited to, the following:

(1) All contributions made to the system by the contracting agency and its employees. The contributions shall be reported as the amounts paid and the amounts due from the contracting agency for both employer contributions and employee contributions.

(2) All benefits paid by the system to members of the contracting agency and their survivors and beneficiaries, including payments on account of pension, death, and disability benefits, and withdrawals of contributions. The benefits shall be reported as the total monthly allowances paid to retirees, survivors, and beneficiaries; the amount of total refunds paid; and the amount of any other lump sums paid.

(3) An amount that represents any miscellaneous adjustments, including transfers in and out.

(4) That quarter's portion of the agency's estimated share of the system's administrative costs that shall be assessed at the end of the fiscal year.

(5) The rate of return for the system during the quarter as reported to the board by the investment committee.

(6) The estimated interest applied to the agency's account as determined by the system. For purposes of this paragraph, the "estimated interest applied" means the estimate of the annual net earnings, as defined in Section 20052, and is subject to adjustment at the end of the fiscal year based on the actual dollar-weighted amount of investment return that shall be credited to the agency's account for the fiscal year. The report for the fourth quarter of the fiscal year shall also include the actual dollar-weighted amount of investment return for the fiscal year that shall be credited to the contracting agency's account.

(c) Upon written request from a contracting agency that participates in a risk pool, the board shall submit to the contracting agency quarterly reports that reflect the total contributions made to the system by agencies in the risk pool, the total benefits paid by the system with respect to the risk pool, the total estimated share of administrative costs for the risk pool, and the total estimated share of investment returns for the risk pool.

(d) A contracting agency requesting quarterly reports pursuant to subdivision (b) or (c) shall pay a fee, in an amount determined by the board, not to exceed one thousand five hundred dollars (\$1,500) quarterly per agency while the manual process of collecting the

information is in use.

(e) Any report received by a contracting agency pursuant to this section shall be made available by the agency to any employee organization that represents the agency's employees and that requests a copy of the report.

*(Amended by Stats. 2015, Ch. 244, Sec. 3. (SB 216) Effective January 1, 2016.)*

**20236.** (a) The board shall provide the Legislature with an analysis of the asset and liability implications of each bill that would affect the investment strategy of this system, the funding of this system, or the benefit structure of this system. The analysis shall include an explanation of the methodology employed and the assumptions used in its preparation. Neither fiscal committee of the Legislature shall hear any such bill until the analysis has been provided to the committee.

(b) There is hereby continuously appropriated, without regard to fiscal years, from the retirement fund, an amount sufficient to pay all costs arising from subdivision (a), but not to exceed fifty thousand dollars (\$50,000) in any one fiscal year.

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