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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 PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21716] (Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2.)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 8. Member Contributions [20671 - 20776] (Chapter 8 added by Stats. 1995, Ch. 379, Sec. 2.)

ARTICLE 6. Contribution Procedure [20770 - 20776] (Article 6 added by Stats. 1995, Ch. 379, Sec. 2.)

20770. The board shall furnish, in a manner determined by it, to the head of each state agency and court and to the comptroller of the university the normal rate of contribution for, and the amount of any other contributions payable by, each member employed therein. The state agency head, comptroller, or the Controller, as the case may be, shall apply that rate of contribution to the compensation of each member.

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

20771. Each head of a state agency for which the member's compensation is paid directly by the Controller shall furnish to the Controller the normal rate of contribution for, and the amount of any other contributions payable by, each member employed therein. The Controller shall deduct from the compensation of each member and remit to the board the contributions so determined and the other contributions payable, and furnish to the board a statement of contributions deducted, with respect to each member, together with other information the board may require.

Each head of a state agency that directly pays the member's compensation shall deduct from the compensation of each member and remit to the board the contributions so determined and the other contributions payable, and furnish to the board a statement of contributions so deducted, with respect to each member, together with other information the board may require.

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

20772. When a member employed by the state is assigned to service for which he or she is compensated from funds not directly controlled by the state, he or she shall contribute to the retirement fund at the rate certified by the board, applied to the compensation earnable by him or her immediately preceding that assignment. The head of each state agency in which a member assigned to that service is employed shall notify the member of his or her individual rate of contribution and the amount of the monthly contribution payable by him or her to the retirement fund, and shall furnish monthly to the board a list of the employees so assigned during the preceding month, together with the rate of compensation earnable by each. Within 15 days of the receipt of compensation for that service in any month, the member rendering that service shall transmit his or her contribution in respect to that service to the office of this system in Sacramento. Any contribution remaining unpaid for 30 days after the completion of the assignment of the member and his or her return to the state payroll shall be deducted from his or her compensation for the next succeeding month or months as the board may provide by rule.

(Amended by Stats. 1996, Ch. 906, Sec. 89. Effective January 1, 1997.)

20772.5. (a) Notwithstanding any other provision of this part, a National Guard member shall contribute to the retirement fund at the rate applicable to state miscellaneous members and applied to the compensation earned by him or her during the period or periods of contribution. In addition to the normal rate of contribution provided in Section 20677.4, a National Guard member shall also pay the employer contribution, at the rate established in Section 20814, attributable to the service of that member. All contributions described in this section will be deposited in the account of the National Guard member and administered as normal contributions of that member.

(b) (1) The Military Department shall notify the member of his or her total rate of contributions and the amount of the monthly contribution payable by him or her to the retirement fund. The member shall transmit his or her contribution with respect to the service described in the notice by the Military Department. The Military Department shall transmit the contributions to the system as described in rules and regulations adopted by the board.

- (2) If the member fails to pay the contribution within one month after receipt of the notice, the amount of contribution due shall accrue interest, at the rate described in Section 20059, as calculated by the Military Department, with interest to be added to the amount owed for the subsequent month. The system shall not be obligated to attempt to collect any delinquent payments. A member may not be credited with service under this part until the contribution with respect to that service, plus any accrued interest, is paid in full.
- (c) The Military Department shall periodically furnish to the board a list of the members subject to this section.

(Added by Stats. 2007, Ch. 355, Sec. 13. Effective January 1, 2008.)

20772.6. Under conditions established by the board, the system may periodically bill the Military Department for reimbursement of the administrative and program costs of administering the membership and service credit of National Guard members.

(Added by Stats. 2007, Ch. 355, Sec. 14. Effective January 1, 2008.)

20773. The comptroller of the university shall deduct from the compensation of each university member and remit to the board the contributions so determined and the other contributions payable, and furnish to the board a statement of the contributions so deducted, with respect to each member, together with any other information the board may require.

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

20774. The board shall furnish, in a manner determined by it, to the clerk or other officer designated by the governing body, of each contracting agency the normal rate of contribution for, and the amount of any other contributions payable by, each local member employed therein. The officer shall apply the rate of contribution to the compensation of each local member and deduct from that compensation and remit to the board the contributions so determined and the other contributions payable, and furnish to the board a statement of the contributions so deducted, with respect to each member, together with any other information the board may require.

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

20775. Each member's contribution deducted and remitted or otherwise paid to the board shall be credited by the board, together with regular interest, to an individual account of the member for whom the contribution was made. Payment of salaries or wages less such contribution is in full discharge of all claims and demands whatsoever for the service rendered by the members during the period covered by the payment, except the benefits afforded by this part.

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

- **20776.** (a) If a basic death benefit becomes payable before the payment of the total amount the member elected to pay under any election with respect to normal contributions, arrears contributions, absences, or public service credit permitted under this part, the member's entire compensation, or the service upon which that total amount was based, as the case may be, shall be included in the computation of the portion of the death benefit that is provided in subdivision (b) of Section 21532, and the unpaid balance of the total amount may not be paid to this system, nor may it be included in the member's accumulated contributions that constitute a part of the basic death benefit.
- (b) Any balance of any total amount remaining unpaid at the death of the member on account of whom a special death benefit is payable or at the retirement of a member for industrial disability may be subject to Section 21037 when payment of the balance would not increase the allowance payable. When the balance of the amount remaining unpaid would increase the allowance payable, the balance shall become due and payable immediately, except that the survivor of a member who died under circumstances under which a special death benefit is payable and who had authorized payroll deductions may elect to continue those deductions from the survivor allowance in lieu of the lump-sum payment otherwise required. If the balance is not paid, the portion of the unpaid amount representing contributions on compensation earned in the membership applicable to the member at the time of injury resulting in death or disability shall be deducted from the benefit otherwise payable and this system shall be discharged from any liability for any annuity or benefit with respect to any remainder of the unpaid contribution.
- (c) Any balance of the total amount remaining unpaid at the time of retirement for service or ordinary disability, or at death, with respect to which a benefit is payable under Section 21546, may be subject to Section 21037 when payment of the balance would not increase the allowance payable. When the balance of the amount remaining unpaid would increase the allowance payable, the balance shall become due and payable immediately, except that the survivor of a member who died under circumstances under which a benefit under Section 21546 is payable and who had authorized payroll deductions may elect to continue those deductions from the survivor allowance in lieu of a lump-sum payment of the balance due. If the balance is not paid, the service credit included in the election shall be reduced proportionately and any service credit dependent on completion of payments eliminated for purposes of computing the allowance but not for purposes of determining entitlement to an allowance.

- (d) Notwithstanding any provision of subdivision (b) or (c), a member who retires before payment of the total amount which he or she elected to pay, may elect to pay the balance due, or the total amount if no payroll deductions had been made prior to retirement, by deductions from his or her retirement allowance equal to those which the member authorized as payroll deductions. In that case, service credit included in the election may not be reduced, nor may any prior service dependent on completion of payments be eliminated for purposes of computing the allowance. Any balance of the total amount remaining unpaid upon the death of the member shall be treated in the same manner as unpaid balances are treated if a special death benefit is payable, except that the survivor of a retired member who had authorized deductions from his or her retirement allowance in accordance with this subdivision, and who is eligible for a monthly allowance, may elect to continue those deductions from the survivor's allowance in lieu of the lump-sum payment otherwise required. Alternatively, on or after January 1, 2020, the member, survivor, or beneficiary may elect to receive an allowance that is reduced by the actuarial equivalent of any balance remaining unpaid by the member.
- (e) Notwithstanding any other provision of this section, all elections with an effective date on or after January 1, 2020, including elections for normal contributions, arrears contributions, absences, or public service, shall become due and payable at the time of retirement or preretirement death. The member, survivor, or beneficiary shall have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member. This subdivision does not apply to elections made under Section 21027 or 21029 for retired members.
- (f) Interest paid with respect to normal contributions, arrears contributions, absences, or public service credit permitted under this part, prior to date of retirement or death of the member, shall be credited to the member's individual account. Interest paid after the date of retirement or death of the member shall be credited to the retirement fund pursuant to Section 20174.

(Amended by Stats. 2018, Ch. 168, Sec. 1. (AB 2196) Effective January 1, 2019.)