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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 8. SUPPLEMENTAL CONTRIBUTIONS PROGRAM [22970 - 22970.89] (Part 8 added by Stats. 1999, Ch. 307, Sec. 4.)

CHAPTER 12. Distributions and Rollovers [22970.85 - 22970.89] (Chapter 12 added by Stats. 1999, Ch. 307, Sec. 4.)

22970.85. Notwithstanding any other provision of this part, a participant or beneficiary shall not be permitted to elect a distribution under this part that does not satisfy the requirements of paragraph (9) of subsection (a) Section 401 of Title 26 of the United States Code, including the incidental death benefit requirements of subparagraph (G) of paragraph (9) of subsection (a) of Section 401 and the regulations thereunder. The required beginning date of distributions that reflect the entire interest of the participant shall be as follows:

- (a) In the case of a lump sum distribution to the participant, the lump sum payment shall be made not later than April 1 of the calendar year following the later of the calendar year in which the participant attains the age prescribed by Section 401(a)(9) of the Internal Revenue Code or the calendar year in which the participant terminates employment.
- (b) In the case of a distribution to the participant in the form of periodic payments, payment shall begin not later than April 1 of the calendar year following the later of the calendar year in which the participant attains the age prescribed by Section 401(a)(9) of the Internal Revenue Code or the calendar year in which the participant terminates employment.
- (c) In the case of a benefit payable on account of the participant's death after distributions to the participant have commenced in the form of periodic payments, the remainder of the participant's account shall be distributed at least as rapidly as if the participant had not died.
- (d) In the case of a benefit payable on account of the participant's death before distributions to the participant have commenced, distributions shall be paid no later than December 31 of the calendar year in which the fifth anniversary of the participant's date of death occurs unless the benefit is paid over a period not extending beyond the life expectancy of the beneficiary and distributions commence not later than December 31 of the calendar year immediately following the calendar year in which the participant died, or in the event that the beneficiary is the participant's spouse, distributions must commence on or before the later of either:
 - (1) December 31 of the calendar year immediately following the calendar year in which the participant dies.
 - (2) December 31 of the calendar year in which the participant would have attained the age prescribed by Section 401(a)(9) of the Internal Revenue Code.

(Amended by Stats. 2023, Ch. 159, Sec. 8. (SB 885) Effective January 1, 2024.)

22970.855. The board may permit a participant to withdraw some or all of his or her after-tax contributions without requiring the participant to terminate from the plan to the extent that this in-service distribution is allowed under applicable federal and state laws, and pursuant to the terms and conditions established by the board. A participant may apply for a distribution of amounts held in the participant's separate rollover contribution account established pursuant to Section 22970.58 at any time before that participant's termination of employment, to the extent that an in-service distribution is allowed under applicable federal and state law, and pursuant to the terms and conditions established by the board.

(Amended by Stats. 2013, Ch. 755, Sec. 10. (SB 277) Effective January 1, 2014.)

22970.86. (a) Distributions from the plan shall be made as soon as practicable after the first valuation date immediately following the date of the request for distribution calculated based upon the valuation date immediately preceding the distribution.

(b) Notwithstanding Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code or any other law to the contrary, the death benefit payable under the plan may be requested by the beneficiary and paid as soon as practicable following receipt of proof of the participant's death.

(Added by Stats. 1999, Ch. 307, Sec. 4. Effective January 1, 2000.)

22970.87. (a) If a person becomes entitled to a distribution from the plan that constitutes an eligible rollover distribution within the meaning of paragraph (31) of subsection (a) of Section 401 of Title 26 of the United States Code, the person may elect under terms and conditions established by the board to have the eligible rollover distribution or a portion thereof paid directly to a plan that constitutes an eligible retirement plan within the meaning of paragraph (31) of subsection (a) of Section 401, as specified by that person. Upon the exercise of the election by a person with respect to a distribution or a portion thereof, the distribution by the plan of the amount so designated, once distributable under the terms of the plan, shall be made in the form of a direct rollover to the eligible retirement plan so specified.

(b) Notwithstanding any other provision of this part or Part 3 (commencing with Section 20000), a participant may at any time, in writing, authorize the board to apply any or all of the participant's account to payment of any contributions required as a member of the system or payable to the system at the option of the member pursuant to any provision of Part 3 (commencing with Section 20000), except the normal monthly contributions required in Article 1 (commencing with Section 20671) of Chapter 8 of Part 3. Any distribution or transfer made pursuant to this subdivision shall comply with applicable provisions of Title 26 of the United States Code.

(Added by Stats. 1999, Ch. 307, Sec. 4. Effective January 1, 2000.)

22970.88. Except as otherwise provided in this part, all distributions shall be made directly from the fund to the participant or beneficiary. To the extent required by federal and state law, income and other taxes shall be withheld from each distribution, and the payment shall be reported to the appropriate governmental agency or agencies.

(Added by Stats. 1999, Ch. 307, Sec. 4. Effective January 1, 2000.)

22970.89. (a) The plan's obligations to a participant, beneficiary, or nonparticipant spouse who elected a lump-sum distribution cease upon distribution of the lump-sum benefit.

(1) Deposit in the United States mail of a warrant drawn in favor of the participant, beneficiary, or nonparticipant spouse and addressed to the latest address on file for that person constitutes distribution of the benefit.

(2) Deposit in the United States mail of a notice that the requested electronic funds transfer has been made as directed by the participant, beneficiary, or nonparticipant spouse constitutes distribution of the benefit.

(3) If the participant, beneficiary, or nonparticipant spouse has elected on a form prescribed by the board to transfer all or a specific portion of the account that is eligible for a direct trustee-to-trustee transfer under Section 401(a)(31) of Title 26 of the United States Code to the trustee of an eligible retirement plan, deposit in the United States mail of a notice that the requested transfer has been made constitutes distribution of the benefit.

(b) The plan's obligations to a participant or beneficiary who elected to receive a benefit in the form of partial distributions cease upon distribution of the final payment.

(1) Deposit in the United States mail of a warrant drawn in favor of the participant or beneficiary and addressed to the latest address on file for that person constitutes distribution of the benefit.

(2) Deposit in the United States mail of a notice that the requested electronic funds transfer has been made as directed by the participant or beneficiary constitutes distribution of the benefit.

(c) Distribution under paragraph (1), (2), or (3) of subdivision (a) or paragraph (1) or (2) of subdivision (b) pursuant to the board's determination in good faith of the existence, identity, or other facts relating to entitlement of persons constitutes a complete discharge and release of the board, system, and plan from liability for payments.

(d) This section shall not apply to a permissible in-service distribution pursuant to Section 22970.855 if the participant account is only partially distributed.

(Amended by Stats. 2013, Ch. 755, Sec. 11. (SB 277) Effective January 1, 2014.)