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AB-2415 Public Employees' Retirement System: officers and directors: appointment and compensation.
(2017-2018)

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Assembly Bill No. 2415

CHAPTER 916

An act to amend Section 20098 of the Government Code, relating to public employees' retirement.

[Approved by Governor September 29, 2018. Filed with Secretary of State September 29, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2415, Calderon. Public Employees' Retirement System: officers and directors: appointment and compensation.

The Public Employees' Retirement Law (PERL) vests the management and control of the Public Employees' Retirement System in the Board of Administration. PERL requires the board to appoint and fix the compensation of an executive officer, a general counsel, a chief actuary, a chief investment officer, a chief financial officer and other investment officers and portfolio managers, as specified. PERL requires that specified principles guide the board when fixing compensation, consistent with its fiduciary responsibility to recruit and retain highly qualified and effective employees for these positions.

This bill would additionally require the board to appoint and fix the compensation of a chief operating officer and a chief health director. The bill would prohibit the annual percentage increase in salary paid 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, from exceeding 10% for the 2018–19 fiscal year or 5% for any subsequent fiscal year.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 20098 of the Government Code is amended to read:

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.