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AB-2967 Public Employees' Retirement System: contracting agencies: exclusion from membership.
(2019-2020)

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Assembly Bill No. 2967

CHAPTER 223

An act to amend Sections 20460 and 20502 of the Government Code, relating to public employees' retirement.

[Approved by Governor September 28, 2020. Filed with Secretary of State September 28, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2967, O'Donnell. Public Employees' Retirement System: contracting agencies: exclusion from membership.

Existing law, the Public Employees' Retirement Law (PERL), establishes the Public Employees' Retirement System (PERS), which provides a defined benefit to members of the system, based on final compensation, credited service, and age at retirement, subject to certain variations. PERS is administered by the Board of Administration of the Public Employees' Retirement System.

PERL authorizes a public agency to contract to make all or part of its employees members of PERS, subject to specified conditions, and requires membership in PERS to be compulsory for all employees included under a contract. Existing law prohibits these contracts from providing for the exclusion of some, but not all, firefighters and specified public safety officers. With regard to other groups of employees, existing law requires that they be based on general categories, such as departments or duties, and not on individual employees.

This bill would delete provisions of PERL that generally authorize a public agency contracting with PERS to make all or part of its employees members of the system. The bill would generally prohibit exclusions of groups of employees from being made by amendment of a public agency contract with PERS, except as provided. The bill would apply these provisions to contracts entered into, amended, or extended on and after January 1, 2021.

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

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

SECTION 1. Section 20460 of the Government Code is amended to read:

20460. (a) Any public agency may participate in this system by contract entered into between its governing body and the board pursuant to this part. However, a public agency shall not enter into the contract within three years of termination of a previous contract for participation.

(b) The changes to this section made by the act adding this subdivision shall apply to a contract entered into, amended, or extended on and after January 1, 2021.

SEC. 2. Section 20502 of the Government Code is amended to read:

20502. (a) (1) The initial contract shall include in this system all firefighters, police officers, county peace officers, local sheriffs, and other employees of the contracting agency, except as exclusions in addition to the exclusions applicable to state employees may be agreed to by the agency and the board. The contract shall not provide for the exclusion of some, but not all, firefighters, police officers, county peace officers, or local sheriffs. The exclusions of employees, other than firefighters, police officers, county peace officers, or local sheriffs, shall be based on groups of employees such as departments or duties, and not on individual employees.

(2) The exclusions of groups shall not be made by amendments to contracts. An amendment to a contract to enumerate or clarify provisions related to groups of employees in a manner that does not expand those already subject to exclusion shall not be considered an exclusion prohibited by this paragraph.

(3) Membership in this system is compulsory for all employees included under a contract.

(b) This section shall not be construed to supersede Sections 20303 and 20305.

(c) The changes to this section made by the act adding this subdivision shall apply to a contract entered into, amended, or extended on and after January 1, 2021.