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**SB-962 San Diego Unified Port District: public employee pension benefits.** (2023-2024)

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**Senate Bill No. 962**

**CHAPTER 126**

An act relating to the public employee pension benefits, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 962, Padilla. San Diego Unified Port District: public employee pension benefits.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act and, among other things, requires a public employer that offers a defined benefit pension plan to provide specified retirement formulas for new members, as defined. PEPRA permits a public employer to adopt a new defined benefit formula, on or after January 1, 2013, that is not consistent with PEPRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRA and the plan is approved by the Legislature.

This bill would approve a specified defined benefit formula applicable to employees of the San Diego Unified Port District.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

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

**SECTION 1.** (a) The Legislature finds and declares the following:

(1) The California Public Employees' Pension Reform Act of 2013 (PEPRA) created specified defined benefit formulas that are the only defined benefit formulas that a public retirement system is permitted to offer to new members, as that term is defined in Section 7522.04 of the Government Code, unless the Legislature grants its approval for a different defined benefit formula and other requirements are met.

(2) The San Diego Unified Port District has negotiated multiple memoranda of understanding with the California Teamsters, Public Professional and Medical Employees Local Union 911, representing the following bargaining units: the Service, Maintenance, Operations and Crafts Unit; the Supervisory Unit; and the Non-Sworn Safety Personnel Unit. In accordance with those agreements, the San Diego Unified Port District will prospectively institute for eligible classifications of existing and new California Teamsters, Public Professional and Medical Employees Local Union 911 employees in the respective bargaining units, and eligible unrepresented employees, a retirement plan that consists of a defined benefit plan component, which

provides a defined benefit that will not result in a greater risk or greater cost to the San Diego Unified Port District than that prescribed by PEPPRA.

(3) Consistent with requirements of PEPPRA, specifically subdivision (d) of Section 7522.02 of the Government Code, the defined benefit plan described in paragraph (2) has been certified and determined by the chief actuary of the retirement system and the Board of Retirement of the San Diego City Employees' Retirement System as representing no greater risk and no greater cost to the employer than the relevant defined benefit formula provided by PEPPRA and is thus consistent with the PEPPRA principle of reducing the burden of public employee retirement benefits on public agencies.

(b) Pursuant to the authority granted to the Legislature by subdivision (d) of Section 7522.02 of the Government Code, the Legislature hereby approves of the defined benefit formula described in this act.

**SEC. 2.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

The San Diego Unified Port District seeks to revise a defined benefit plan that existed before the implementation of PEPPRA. The revision must meet specified requirements and be approved by the Legislature. In order to implement the multiple memoranda of understanding with its employees' representatives and to provide the revised plan's benefits as soon as possible, it is necessary for this act to take effect immediately.