

**Chart of Statutory Changes: Conference Committee Report (AB 340)
California Public Employees' Pension Reform Act (PEPRA)**

Bill Section	Code Section Number	Topic	Statutory Change	Who it Applies to/Notes
Note: For purposes of this document, a “legacy” employee is an employee of a public employer hired prior to 1/1/2013. A “legacy” retirement formula or plan is a formula or plan offered to employees first hired prior to 1/1/2013.				
1	EC 22119.3	STRS: Creditable Compensation	Requires CalSTRS to conform its creditable compensation provisions to PEPRA requirements. Clarifies that member and employer contributions for service exceeding one year in a school year (e.g., summer school) shall be credited to the Defined Benefit Supplement Program.	New members after 1/1/13
2	EC 22164.5	STRS: Retired member activities	Defines retired member activities for STRS retirees	All CalSTRS members
3	EC 24202.6	STRS: Retirement formula	Retirement formula for new members: 2% at age 62 increasing to 2.4% at age 65 An allowance provided before age 62 is actuarially reduced by ½ of 1 percent for each month until age 62.	New members after 1/1/13
4	EC 24202.7	STRS: Minimum retirement age	Specifies that minimum or early retirement is age 55. Normal retirement age is 62.	New members after 1/1/13
5	EC 24202.8	STRS: compliance	States the intent of the Legislature that STRS identify and propose statutory changes necessary to effectuate implementation of the formula changes required in 24202.6 and 24202.7	CalSTRS

6	EC 24214	STRS: working after retirement	Defines rules for working after retirement for STRS retirees Changes are consistent with AB 178 (Chapter 135, 2012, Gorrell) Is repealed as of 1/1/2015 unless renewed in subsequent legislation	All members
7	EC 24214	STRS: working after retirement	Becomes effective upon expiration of above section if that section is not renewed by subsequent legislation.	All members
8	EC 24214.5	STRS: working after retirement	Prohibits working after retirement for 180 days, as specified. Employer may be exempted from 180 day prohibition if the retiree appointment is approved in a public meeting pursuant to specified requirements.	All members
9	GC 1243 (New GC 7522.70)	Felony forfeiture for elected officials (old GC 1243)	Renumbers and sunsets current felony forfeiture provision for elected officials.	New GC sections will apply to all public employees.
10, 11, 12, 13, 14		Changes to numbering and titles	Existing Articles and Chapters are renumbered and retitled	
15		Creates Article 4	California Public Employees' Pension Reform Act of 2013 (PEPRA)	
	GC 7522	Names Article 4	California Public Employees' Pension Reform Act of 2013 (PEPRA)	
	GC 7522.02	Applicability of PEPRA	Applies to all public employers and public pension plans on and after January 1, 2013, as specified with	All new public employees first hired on or after 1/1/2013, as

			<p>following exceptions:</p> <ul style="list-style-type: none"> • University of California Retirement Plan • Independent retirement plans established by charter cities or counties that are not subject to retirement systems governed by state laws (for example, the CalPERS and 1937 Act system) <p>Provisions are mandatory for “new members” of a public retirement system on or after 1/1/2013, as defined.</p> <p>“New member” means:</p> <ul style="list-style-type: none"> • An individual who has never been a member of any public retirement system prior to 7/1/13. • An individual who moved between retirement systems with more than a 6 month break in service, as specified. • An individual who moved between public employers within a retirement system after more than a 6 month break in service, as specified. <p>Legacy members who move between employers or retirement systems:</p> <ul style="list-style-type: none"> • An employee who does not meet the definition of “new member” and who moves between retirement systems, or employers within a retirement system, within the 6-month time frame is grandfathered under the plan that was 	<p>defined</p> <p>Some provisions apply to <u>current</u> and new employees, as noted in this document.</p> <p>Exempted charters providing independent retirement systems or plans include City and County of San Francisco, City of Los Angeles, San Jose, City of San Diego, Fresno.</p>
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			<p>provided by the employer on 12/31/2013.</p> <p>2) A defined plan (DB) established prior to 1/1/2013 with a lower normal cost <u>and</u> lower retirement formula than required by PEPR is grandfathered.</p> <ul style="list-style-type: none"> • After 1/1/2013, a retirement plan grandfathered under this exception may only provide the lower, legacy DB formula or the new DB formulas and plan required by PEPR. <p>3) A retirement benefit plan established prior to 1/1/2013 that consists solely of a Defined Contribution (DC) plan is grandfathered.</p> <ul style="list-style-type: none"> • After 1/1/2013, a retirement plan grandfathered under this exception may only provide the lower, legacy DC plan or the new DB formulas and plan required by PEPR. <p>4) The Judges Retirement Systems I & II are excluded from the new retirement formulas and pensionable compensation limits defined in PEPR.</p>	
	GC 7522.04	Definitions	Defines terms included in PEPR	
	GC 7522.10	Limits on pensionable compensation	<p>All public retirement systems must limit the amount of pensionable compensation that can be used to calculate benefits under the plan.</p> <p>A DB plan receives contributions on earnings up to the 1/1/2013 Social Security wage index limit for coordinated employees and up to 120% of that amount</p>	<p>All public retirement systems and plans, public employers, and employees who become new members, as defined, on and after 1/1/2013</p>

			<p>for non-coordinated employees (approximately \$110K and \$132K respectively). Amounts may increase incrementally based on annual changes to the Consumer Price Index for all Urban consumers.</p> <p>The Legislature reserves the right to modify these increases on a prospective basis so long as the modification does not result in a decrease in benefits earned up to that point.</p> <p>The pensionable compensation limits apply in all cases in which pensionable compensation is used to determine a benefit, including retirement, disability, and survivor benefits.</p> <p>An employer is prohibited from offering a DB plan or plans on compensation above the pensionable compensation limit.</p> <p>Earnings above the limit may be eligible for an employer sponsored DC plan, up to the federal limits for benefits and compensation attributable to DB plans. An employee may not have a vested right to an employer contribution to such a plan.</p> <p>Employers must observe federal laws on DC plans and, when contributing to a DC plan for earnings above the limit, may not exceed the contribution level, as a percentage of pay, provided to employees who do not earn compensation in excess of the limit.</p>	
	GC 7522.15	Defined benefit formulas	Employers and retirement systems may only offer the defined benefit formulas defined in PEPRA for new members, as specified.	All public employers and retirement systems

			Exceptions are defined in 7522.02.	
	7522.18	Prohibits supplemental defined benefit plans	<p>Supplemental DB plans may not be provided to anyone hired after 1/1/2013, except for the existing STRS Defined Benefit Supplement Plan.</p> <p>Any employer who has such a plan prior to 1-1-2013 shall not offer it to any legacy employee group that was not offered the plan prior to 1-1-2013.</p> <p>An employer that did not have a supplemental plan prior to 1-1-2013 shall not offer one after that date for legacy employees hired prior to that date.</p>	All public employers
	GC 7522.20	Specifics of DB formula: Non-safety	<p>Formula for all DB plans: Nonsafety</p> <p>New 2% @ age 62 plan. Begins at 1% at age 52 and tops out at 2.5% at age 67.</p> <p>Specifies that DB formula applies only to amount of compensation allowed under pensionable compensation limit as required in section 7522.10.</p>	All new nonsafety members
	GC 7522.25	Specifics of DB formulas: Safety	<p>Formula for defined benefit: Safety</p> <p>Basic formula: 1.426% at age 50 increasing to 2% at age 57</p> <p>Safety Option Plan 1: 2% at age 50 increasing to 2.5% at age 57</p> <p>Safety Option Plan 2: 2% at age 50 increasing to 2.7% at age 57</p> <p>Specifies that DB formula applies only to amount of compensation allowed under compensation limit as</p>	All new safety members

			<p>required in section 7522.10.</p> <p>New employees receive the formula that is closest to the formula for employees in their retirement classifications first hired on 12/31/2012. The new formula must also be lower at age 55 than the prior formula offered to legacy employees in the same job classifications.</p> <p>Employers and employees in Option Plans 1 or 2 may negotiate lower formulas for new hires, but lower formulas may not be imposed through impasse procedures.</p>	
	GC 7522.30	Contributions: 50/50 cost sharing for new hires	<p>Requires contributions from new members equal to $\frac{1}{2}$ of the “normal cost,” of the DB, rounded to the nearest $\frac{1}{4}$ of 1%, or the current contribution rate of similarly situated employees, whichever is greater.</p> <p>Defines “normal cost” as the actuarially determined normal cost for the employer’s DB plan expressed as a percentage of payroll.</p> <p>The employer is prohibited from paying the employee contribution.</p> <p>The retirement system shall increase or decrease the employee contribution rate, rounded to the nearest $\frac{1}{4}$% when there is a change in normal cost of 1% or more.</p> <p>Via collective bargaining, the employee contribution can be higher than $\frac{1}{2}$ of normal cost; however, an employer cannot impose a higher contribution rate by going to impasse.</p>	<p>Applies to new members of retirement systems and plans on and after 1/1/2013</p> <p>Normal cost does not include unfunded liability or accrual of excess assets and is determined in the annual valuation by the system actuary.</p> <p>Provisions related to cost sharing for legacy employees are found in sections 20-23 and 31-32 of this chart</p>

			<p>An employer must contribute equal contribution rates for related non-represented employees and represented employees.</p> <p>New employees could be brought in under the terms of a contract in existence prior to 1/1/2013 that provides for a lower employee contribution rate for legacy employees—if requiring the 50% of normal cost contribution from new employees would impair the existing contract—but upon expiration of the contract, the new employees would be required to pay ½ of the normal cost.</p>	
	GC 7522.32	Final compensation: highest three years	<p>Final compensation period shall be at least 36 months or three school years for new members on and after 1/1/2013.</p> <p>Employers with legacy employees subject to 3-year final compensation periods prior to 1/1/2013 may not subsequently contract for or provide shorter final comp periods for those employees.</p>	New members of retirement systems and plans.
	GC 7522.34	Pensionable compensation definition: regular and recurring pay	Defines what may and may not be included in compensation for the purpose of determining a pension benefit.	New members of retirement systems and plans on and after 1/1/2013.
	GC 7522.40	Benefit equity	<p>Prohibits a public employer from providing a better retiree health benefit vesting period for excluded and exempt employees of that employer than for represented employees in the same retirement classes.</p> <p>This provision is intended to apply to vesting requirements for retiree health care.</p>	<p>All public employers and excluded or exempt employees first hired on or after 1/1/2013.</p> <p>Also applies with regard to legacy employees who are not subject to a vesting period for retiree health care coverage</p>

			This provision is not intended to change the vesting period for any employer-provided health care benefit that an employee is, or was, subject to prior to 1/1/2013.	prior to 1/1/2013, but who become subject to retiree health care vesting as an excluded or exempt employee on or after 1/1/2013.
	GC 7522.42	Federal compensation limits	<p>For new members, prohibits a public retirement system or plan from providing a retirement benefit based on compensation earned in excess of the federal 401(a)(17) limit.</p> <p>For employees first hired after 1/1/2013, prohibits an employer from making contributions to <u>any</u> public retirement plan on any amounts of compensation that exceed the 401(a)(17) limit. This would include contributions to employer sponsored DC plans.</p> <p>Prohibits an employer from seeking a federal exception to the 401(a)(17) limit after 1/1/2013.</p> <p>Clarifies that this section does not apply to compensation paid to employees who were hired before the federal limits became effective.</p>	Applies to any retirement plan for individuals who first become members on or after 1/1/2013, and to employers with regard to employees first hired on or after that date.
	GC 7522.43	Benefit replacement plans	<p>Prohibits a retirement board from administering, and a public employer from offering, a benefits replacement plan for any new member or survivor who is subject to the federal limit on benefits established by section 415 of the federal code.</p> <p>Allows a public retirement system to continue to administer a benefit replacement plan for legacy employees of an employer.</p> <p>Prohibits an employer that did <u>not</u> offer a benefits</p>	<p>Applies to any retirement plan for individuals who first become members on or after 1/1/2013, and to employers with regard to employees first hired on or after that date.</p> <p>Also applies in some cases to employers with regard to employees hired prior to 1/1/2013 who were not eligible</p>

			<p>replacement plan for legacy employees from offering such a plan for legacy employees after 1/1/2013.</p> <p>Prohibits an employer that <u>did</u> offer a benefits replacement plan for some, but not all, legacy employees prior to 1/1/2013, from offering such a plan to any <u>new</u> group of legacy employees after 1/1/2013.</p>	for a benefit replacement plan.
	GC 7522.44	Retroactive benefit enhancements	<p>Prohibits a retroactive (i.e., prior to the operative date of the enhancement) enhancement to a benefit formula, either due to a change to an existing formula, or due to a change to the retirement classification for a specific job.</p> <p>Defines “operative date” for purposes of this section to mean one of the following:</p> <ul style="list-style-type: none"> • The date the agreement is signed by the parties. • A date agreed to by the parties that occurs after the agreement is signed. • A date agreed to by the parties that occurred prior to the date the agreement was signed if the most recent collective bargaining agreement was expired on the agreement date, and the date designated for the benefit improvement is the day after the expiration of the prior contract or 12 months prior to the agreement date, whichever is less. <p>Clarifies that a retiree’s annual cost-of-living increase is not considered to be an enhancement to a retirement</p>	Applies to all employees and employers with regard to enhancements made to retirement benefits or formulas on and after January 1, 2013.

			benefit for purposes of this section.	
	GC 7522.46	Service credit purchase for non-qualified time	Prohibits the purchase of non-qualified time (aka, "airtime") on and after 1/1/2013. Any application to purchase airtime received by a retirement system or plan prior to 1/1/2013 is grandfathered if the member would otherwise be eligible to purchase the time.	All systems/members.
	GC 7522.48	City councils and county boards of supervisors: no salary reciprocity for service.	County supervisors and city council members first elected on or after 1/1/2013 may not receive a benefit for the elective service based on compensation earned in any other public employment. The retirement benefit for the elective service may only be based on compensation earned for that service. Clarifies that if the elected official's service period is less than 3 years, the entire period of elected service may be used to calculate the benefit.	Those first elected on or after 1/1/2013.
	GC 7522.52	Contributions to a retirement system or plan	Requires the employer and employee contributions, when combined, to be no less than the annually determined normal cost of the plan. Allows a retirement system to suspend contributions if <u>all</u> of the following apply: 1. The plan is funded by more than 120 percent based on actuarial calculations performed in accordance with Governmental Accounting Standards Board requirements; and 2. The retirement system actuary, based on the annual valuation, determines that continuing to	All public retirement systems and employers

			<p>accrue excess earnings could result in disqualification of the plan's tax-exempt status; and</p> <p>3. Continuing to accept contributions could conflict with the fiduciary requirements/oversight of the system.</p>	
	GC 7522.56	Working after retirement: limits	<p>Work as a retiree may not exceed 960 hours per calendar or fiscal year as specified by the system. No extensions of the 960 hour rule would be permitted.</p> <p>Work must be necessary to prevent stoppage of business during an emergency or be of limited duration</p> <p>A retiree is prohibited from working for a public employer for 12 months after receiving unemployment insurance and must certify to the employer that he or she has not received any such payments in the 12 months prior to working as a retiree.</p> <p>Retirees must sit out for 6 months after retiring before returning to work as a retiree unless an exception is approved by the governing body of the employer in an open meeting, or by CalHR if a state retiree, as specified.</p> <p>Exceptions to the 6 month sit-out rule are provided for retirees eligible to participate in the Faculty Early Retirement Program with the California State University and retired public safety officers and firefighters.</p> <p>Retirees must sit out for 6 months following retirement, without exceptions, if they accepted a retirement</p>	All retirees and public retirement systems

			<p>incentive, such as a “golden handshake.”</p> <p>Retirees who are under the CalSTRS system are subject to the limitations specified in that system.</p> <p>Some retirees are exempt from this sections entirely:</p> <ul style="list-style-type: none"> • Subordinate judicial officers whose positions, upon retirement, are converted to judgeships, and the employer is a trial court, and the retiree returns to work in the converted position. • A retiree who is appointed to serve as a judge. 	
	GC 7522.57	Working after retirement: appointments to state boards and commissions	<p>Prohibits a public retiree from serving on a <u>full-time</u> salaried state board or commission without choosing one of the following:</p> <ul style="list-style-type: none"> • Reinstatement from retirement, in which case the retirement allowance is suspended and the appointee may make contributions to, and earn service in, CalPERS for the appointed service. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • The retiree may serve as a non-salaried appointee and continue to receive his or her retirement allowance plus any per diem paid to all members of the board or commission. <p>A <u>part-time</u> state board or commission is defined as one paying a salary of no more than \$60,000 annually, increased in any fiscal year in which a general salary increase is provided to state employees. A retiree</p>	All public employees/retirees first appointed on or after January 1, 2013.

			<p>serving on a part-time state board or commission would not be subject to the requirements of this section.</p> <p>Retiree health care is grandfathered—if the individual was receiving employer sponsored retiree health care, he or she would be eligible to regain that coverage upon re-retirement from the board or commission.</p> <p>Appointees to the State Board of Parole Hearings are exempted from this section.</p>	
	GC 7522.66	Industrial disability for safety members	<p>Allows an industrially disabled safety member of a public retirement system to receive an industrial disability benefit that is the greater of the following:</p> <p>50 percent of final compensation, plus an annuity, as specified.</p> <p>A service retirement allowance if the member is qualified for a service retirement.</p> <p>An actuarially reduced service allowance, if the member is younger than age 50, which is reduced actuarially for each quarter year that the safety member is younger than age 50.</p> <p>Specifies that this section shall only remain in effect until 1/1/2018 unless a later enacted statute extends or deletes that date.</p>	All safety members
	GC 7522.72	Felony forfeiture: current employees	New felony forfeiture provision. Applies to all public employees and elective officers who commit job related felonies, including felonies against or involving	Public employees first hired or elected <u>prior</u> to 1/1/2013

			<p>minors.</p> <p>Forfeiture applies to any benefits earned from the earliest date of a commission of a felony to the date of conviction. Benefits earned prior to the felony commission date shall remain the property of the employee.</p> <p>Any contributions on earnings made to the retirement system after the earliest date of commission of a felony shall be returned to the felon without interest upon occurrence of a distribution event, as defined, unless otherwise ordered by the court.</p> <p>This section includes notification requirements applicable to prosecuting agencies, public employers, and convicted public employees.</p> <p>An exonerated employee may regain rights to forfeited benefits.</p>	
	GC 7522.74	Felony forfeiture: new employees	Identical to 7513 except for applicability date.	<p>Public employees first hired or elected <u>after</u> to 1/1/2013.</p> <p>Two sections are included in case section 7522.72 is found by the courts to be invalid.</p>
16 17 18	GC 9355.4 GC 9355.41 GC 9355.45	Closes Legislators' Retirement System (LRS) to new members	<p>LRS is closed to new members who first become elected state constitutional or legislative statutory officers on or after 1/1/2013.</p> <p>Future constitutional officers and legislative statutory officers could opt into CalPERS.</p>	Those first elected to statewide office or to legislative statutory office on or after 1/1/2013.

19	GC 20281.5	Closes CalPERS Alternate Retirement Plan	<p>Closes Alternate Retirement Plan on and after 7/1/2013.</p> <p>This section is intended to close the Alternate Retirement Plan and is not intended to conflict with the requirements for new state employee members of CalPERS to immediately be eligible for the statewide formulas created by PEPRA on and after 1/1/2013.</p>	New state employees on and after 1/1/2013.
20	GC 20516	Cost sharing for CalPERS contracting employers and local members	<p>Allows a contracting CalPERS employer to amend its contract to provide for increased employee contributions.</p> <p>Allows the cost sharing to differ for employees subject to different levels of benefits or by bargaining unit as agreed to in a MOU.</p> <p>Cannot be imposed through impasse procedures.</p> <p>Allows the CalPERS board to disapprove a cost-sharing arrangement if it is determined by the board to conflict with federal laws governing tax-qualified retirement plans.</p>	All local employees/employers in CalPERS
21	GC 20516.5	Cost sharing for local and school employees and employers in CalPERS	<p>States that it shall be the standard for employees to pay 50% of the normal cost and for employers not to pay the employee contribution.</p> <p><u>Allows</u> an employer, effective on 1/1/2018, to impose a contribution rate on legacy employees of the <u>lesser of</u> 50 percent of normal costs, or:</p> <ul style="list-style-type: none"> • 8% of compensation for miscellaneous members. 	Local and school employers of CalPERS and their legacy employees.

			<ul style="list-style-type: none"> • 11% of compensation for local safety members other than police officers, firefighters, and county peace officers. • 12% of compensation for local police officers, firefighters, and county peace officers. <p>The employer is not required to impose the cost-sharing, and may do so with regard to represented employees only after following applicable laws related to collective bargaining, mediation, and factfinding.</p> <p>This section does not apply if the employees are already paying at least 50% of the normal cost of their pension benefits.</p> <p>This section does not <u>require</u> an employer to enter into a MOU to increase member contributions to levels previously authorized by law for legacy employees.</p>	
22	GC20677.96	State employer and employee cost-sharing: State firefighters	Allows adjustment of the contribution offset for legacy state firefighters (i.e., State BU 8 and related excluded employees/offset = \$238) over a 2-year period to make the firefighter offset consistent with the offset provided to correctional officers in State BU 6 (offset= \$863).	Legacy state firefighters
23	GC 20683.2	State employer and employee cost-sharing	<p>States that it shall be the standard for employees to pay 50% of the normal cost and for employers not to pay the employee contribution.</p> <p>Allows increases to the contribution rates for legacy state employees as follows:</p> <p>State peace officers and safety members in BUs 6, 1, 3, 4, 7, 9, 10, 11, 14, 15, 17, 20: 1% increase effective</p>	Legacy state employees

			<p>7/1/2013 and 7/1/2014 (2% total increase).</p> <p>State peace officers and firefighters in BUs 7 and 8: 1.5% increase effective 7/1/2013 and 7/1/2014 (3% total increase).</p> <p>State industrial members in BUs 1, 3, 4, 6, 9, 10, 11, 14, 15, 17, 20: 1% increase effective 7/1/2013.</p> <p>State miscellaneous and industrial members in Tier 2: 1.5% annually, starting 7/1/2013, until 50% is reached.</p> <p>State safety members in BU 2 and miscellaneous members in BU 5: 1.5% increase effective 7/1/2013.</p> <p>Exempt employees, and officers and employees of the executive, legislative, and judicial branches who are not in civil service: increases consistent with those established for represented state employees identified in this section.</p> <p>Employee contribution rates required by this section will be consistent with other requirements for legacy employee contribution rates established in law with regard to offsets and Social Security inclusion.</p> <p>States that the savings realized by the state employer as a result of the increases required by this section shall be allocated to any unfunded liability, subject to appropriation in the annual Budget Act.</p> <p>Excludes the California State University from the requirements of this section.</p>	
24	GC 20791	Employer liability for	Requires CalPERS to develop a system for monitoring	CalPERS and all employers

		excessive salaries	excessive increases to salaries that create significant liabilities for former employers due to reciprocity, and for requiring the employer that caused the significant liability to be responsible for it.	
25	GC 21076	Legacy State Tier 2 Formula	Closes legacy Tier 2 formula to new state employee members of CalPERS	New state miscellaneous and industrial members of CalPERS
26	GC 21076.5	New State Tier 2 formula	Creates a new Tier 2 formula for new state employee members of CalPERS. Formula starts at 0.65 at age 52 and increases to 1.25% at age 67.	New state miscellaneous and industrial members of CalPERS who choose Tier 2
27	GC 21400	Industrial disability for safety members: CalPERS	Allows a legacy safety member who retires for industrial disability on or after January 1, 2013 to receive an industrial disability benefit that is the greater of the following: 50 percent of final compensation, plus an annuity, as specified A service retirement allowance if the member is qualified for a service retirement. An actuarially reduced service allowance, if the member is younger than age 50, which is reduced actuarially for each quarter year that the safety member is younger than age 50. States that this section shall not require any employee to receive a benefit lower than he or she would have otherwise received prior to 1/1/2013, as the law provided prior to that date.	All legacy safety members in CalPERS (New members have similar section in PEPRA)

			Specifies that this section shall only remain in effect until 1/1/2018 unless a later enacted statute extends or deletes that date.	
28	GC 31461	Compensation Earnable: 1937 Act County Retirement System	Clearly defines which types of pay count toward compensation for determining a pension in the DB plan. Curtails spiking in '37 Act with regard to certain types of pay that <u>may not</u> be credited to the DB plan, including compensation determined to have been paid to enhance a member's retirement benefit.	All legacy members covered by a '37 Act County Retirement System
29	GC 31542	Board authority: 1937 Act County Retirement System	Provides retirement boards with express authority to make determinations as to whether compensation was paid to enhance a retirement benefit.	1937 Act County Retirement Boards and employers
30	GC 31542.5	Employer accountability: 1937 Act County Retirement System	Requires employers to report compensation in accordance with section 31461 and provides retirement boards with more ability to perform audits and assess costs and penalties for misreporting. County employers are prohibited from passing on any costs of penalties to employees.	1937 Act County Retirement Boards and employers
31	GC 31543	Board authority: 1937 Act County Retirement System	Gives retirement boards express authority to audit county and district employers for correctly administering retirement programs and to examine documents and information in the possession of employers.	1937 Act County Retirement Boards and employers
32	GC 31631	Cost sharing for '37 Act employers/members	Allows more flexibility for bargaining increased cost sharing with legacy employees in a '37 Act system. Employees may pay all or part of the contributions of the member or employer, and all such contributions are designated as employee contributions. Contributions must be uniform for all members in a group, but can differ by bargaining unit, retirement	All employees/employers in '37 Act county retirement systems

			<p>class, or PEPRA benefit formula.</p> <p>For represented employees, this must be agreed to in a MOU.</p> <p>Specifies that this does not change an employer's authority, as it existed on December 31, 2012, including restrictions on that authority, to change the amount of member contributions.</p>	
33	GC 31631.5	Cost sharing for '37 Act employers/members	<p><u>Allows</u> an employer, effective on 1/1/2018, to impose a contribution rate on legacy employees of the <u>lesser of</u> 50 percent of normal costs, or:</p> <ul style="list-style-type: none"> • No more that 14% above the applicable normal rate of contribution for general members. • No more that 37% above the applicable normal rate of contribution for local safety members other than police officers, firefighters, and county peace officers. • No more that 33% above the applicable normal rate of contribution for local police officers, firefighters, and county peace officers. <p>"Applicable normal rate" is defined as the rate applicable as the statutes read on 12/31/2012.</p> <p>The employer is not required to impose the cost-sharing, and may do so with regard to represented employees only after following applicable laws related to collective bargaining, mediation, and factfinding.</p> <p>This section does not apply if the employees are</p>	1937 Act employers and their legacy employees

			<p>already paying at least 50% of the normal cost of their pension benefits.</p> <p>Specifies that this does not change an employer's authority, as it existed on December 31, 2012, including restrictions on that authority, to change the amount of member contributions.</p>	
34	Non-codified	Severability language.	If any provision of this bill is held invalid, the rest may still be given effect.	