

ATTACHMENT 2

Section 20840 Risk Pools—Creation and Participation

- (a) Notwithstanding Sections 20616, 20618, and 20815, the board may create, combine or eliminate risk pools for local miscellaneous members and local safety members.
- (b) The board shall establish, by regulation, the criteria under which contracting agencies shall participate in a risk pool and the criteria under which contracting agencies, county offices of education, school districts, and community college districts may participate in a risk pool. The criteria shall specify that county offices of education, school districts, and community college districts may only participate in a risk pool if the retirement formula of the risk pool is higher than the retirement formula applicable to school members. In determining the criteria, the board shall consider the expected variability of the employer contribution rate due to demographic events. In no event shall contracting agencies with more than 100 active members in a member classification be required to commence participation in a risk pool for members in that member classification. For the purpose of this subdivision an active member is a member who is an employee of the contracting agency.
- (c) If a contracting agency, county office of education, school district, or community college district participates in a risk pool, the assets and liabilities with respect to the affected member classification shall be combined with those of the risk pool.
- (d) The board shall establish, by regulation, the circumstances under which a contracting agency may cease participation in a risk pool for a member classification.
- (e) All of the following provisions shall apply, without election by the contracting agency participating in a risk pool, to local members included in a risk pool:
 - (1) Sections 20965, 21022, 21026, 21037, 21536, and 21548.
 - (2) Provisions to elect to receive credit for public service pursuant to Article 5 (commencing with Section 21020) of Chapter 11 that require the member to make the contributions as specified in Sections 21050 and 21052.

(Added by Stats. 2002, Ch. 1133.)

Section 20841 Risk Pools—Employer Contribution Rates

- (a) The employer contribution rate for a contracting agency, county office of education, school district, or community college district participating in a risk pool shall be determined by the actuary, taking into account the difference between the assets and liabilities that were brought into the risk pool with respect to the affected member classifications.
- (b) The employer contribution rate for a contracting agency, county office of education, school district, or community college district participating in a risk pool may take into account the differences in the benefits provided by each employer to its members in the classification included in the risk pool.

- (c) If a county office of education, school district, or community college district participates in a risk pool pursuant to this section and pays a contribution rate that differs from the rate established for school employers participating in a single account with respect to school members pursuant to subdivision (b) of Section 20225, the actual rate of employer contributions made to the Public Employees' Retirement System, for purposes of Section 42238.12 of the Education Code, shall be deemed to be the contributions that the county office of education or the district would have paid had the county office of education or the district participated in a single account for school members pursuant to subdivision (b) of Section 20225.

(Added by Stats. 2002, Ch. 1133.)

Section 20842 Risk Pools—Optional Benefits

Within six months after the effective date of any new option available to contracting agencies, the board shall (a) notify all contracting agencies participating in risk pools of the availability and approximate cost of the new option, (b) include the new option in at least one of the risk pools applicable to each member category to which the new option may apply, and (c) notify the contracting agencies of their options if they are participating in a risk pool to which the new option is added and choose not to offer the new option to their employees.

(Added by Stats. 2002, Ch. 1133.)