Circular Letter

TO: ALL PUBLIC AGENCY EMPLOYERS

SUBJECT: IMPLEMENTATION OF AB 1222: PEPRA EXEMPTION FOR TRANSIT EMPLOYEES

The purpose of this Circular Letter is to provide employers with information on AB 1222 and the necessary steps an agency must take to identify its agency as impacted.

Assembly Bill (AB) 1222 (Chapter 527, Statutes 2013) was signed by Governor Brown on Friday, October 4, 2013. This urgency bill exempts California transit employees of public employers from all of the provisions of the Public Employees’ Pension Reform Act of 2013 (PEPRA), until January 1, 2015, or until a court determines that the provisions of PEPRA do not violate specified federal transit labor laws, whichever is sooner.

Eligible Transit Agencies
This legislation allows for a PEPRA exemption for eligible transit employees from public agencies subject to Section 13(c) of the Federal Transit Act. To provide appropriate myCalPERS modifications and notifications for each impacted agency, the first step is for impacted agencies to self-identify as an employer in receipt of these federal grants and subject to AB 1222.

Employers should submit a letter on your agency’s letterhead to CalPERS identifying your agency as subject to AB 1222. Sample language is provided below:

AB 1222 PEPRA Exemption for Transit Employees

Our agency is a transit agency that receives federal transit funding and is subject to Section 13(c) of the Federal Transit Act located at Section 5333(b) of Title 49 of the U.S. Code (49 U.S.C. § 5333(b)). Further, our agency has transit employees who are compensated through funds received under federal transit grants. Accordingly, we hereby notify CalPERS that our agency is impacted by AB 1222, which exempts public employees whose interests are protected by Section 13(c) from the Public Employees’ Pension Reform Act of 2013 (PEPRA), and request that CalPERS acknowledge our status as such. We will certify those employees who are exempt from PEPRA under AB 1222 on an individual basis.
The letter or fax should be sent to the following address:

California Public Employees’ Retirement System  
PO Box 942709  
Sacramento, CA 94229-2709  
Fax: (916) 795-3005

Once the self-identification letter is received and processed in my|CalPERS by the Retirement Contracts Services Unit, a letter will be mailed to your agency detailing the process of certifying your impacted staff and modifying their enrollment within my|CalPERS to reflect the classic benefit package. We anticipate processing each letter within 30 days of receipt.

**Employer Information Teleconference and Resources**

To aide in understanding the statute and provide specific answers to your questions, CalPERS will be offering a teleconference on December 11, 2013 at 10:00 a.m. To register for this teleconference, please visit the Video & Web Event Center on CalPERS website, select Upcoming Web Events, and then select Assembly Bill (AB) 1222 Teleconference.

In addition, you can find more information on AB 1222 in the Pension Reform Impacts area, including Frequently Asked Questions (FAQs), Circular Letter #200-075-13 with linked resources: Transit Employee Certification Form and AB 1222 my|CalPERS training aid.

The direct link to the Pension Reform Impacts page is included below:

[**Pension Reform Impacts**](#)

Please share this information with your employees impacted by AB 1222 to help answer their questions and provide additional information on the changes for AB 1222.

**Contact Us**

If you have any questions, please call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

KAREN De FRANK, Chief  
Customer Account Services Division