

**Public Employees' Retirement System
BOARD OF ADMINISTRATION
1999-2000 Legislative Session**

Status as of October 12, 1999

Bill Number	Author	Summary	Board Position	Status
Version				
AB 26	Migden	Domestic Partners Defines domestic partners, provides for registration of domestic partnerships with the Secretary of State, and specifies procedures for termination of domestic partnerships. Specifies group health and disability plan coverage requirements and health facility visitation rights for domestic partners. Provides that, upon election by the employer, "eligible family members" includes domestic partners, as defined, for PEMHCA coverage during the lifetime of the eligible member. The 09/07/99 amendments incorporate clarifications requested by CalPERS to administer enrollment for domestic partners.		Chapter 588, 1999
AB 88	Thomson	Mental Health Parity Requires health plans to cover expanded mental health benefits by removing current benefit limits for certain mental health disorders, as defined.	Support	Chapter 534, 1999
AB 99	Cedillo	Fifth Level 1959 Survivor Benefit Public Agency Option Provides contracting agencies a new, optional pre-retirement death benefit indexed to avoid erosion due to inflation for members not covered by Social Security.	Sponsor	Chapter 801, 1999
AB 107	Knox	Health Benefits for Domestic Partners Provides State and local agencies the option to expand the definition of family members eligible for health plan coverage through the Public Employees' Medical and Hospital Act (PEMHCA) to include domestic partners, as defined.	Support	Senate Appropriations Committee
	As Amended on 05/24/99			
AB 167	Honda	School COLA Increase	Co-Sponsor	Assembly Appropriations Committee

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As Introduced on 01/15/99		Increases from a maximum of 2% to a flat 3% the annual cost-of-living adjustment for School members.		
AB 211	Romero	Health Benefit Coverage For Part-Time Employees of CSU	Support	Assembly Inactive
As Amended on 07/13/99		Expands the eligibility for health benefit coverage to include certain part-time employees of the California State University (CSU), providing coverage is agreed to in a Memorandum of Understanding (MOU), or authorized by the California State University Trustees for excluded employees.		
AB 227	Wildman	Ad Hoc Increase For State Members	Support	Assembly Appropriations
As Amended on 03/15/99		Provides an ad hoc increase of up to 5% to the Committee monthly allowance of State members who retired or died between January 1, 1981 and January 1, 1990. Also increases the base allowance upon which all future annual adjustments will be made.		
AB 232	Alquist	Remarriage Penalty	Sponsor	Chapter 800, 1999
		Provides that survivor continuance allowances and pre-retirement death benefits to surviving spouses of local members not be reduced or eliminated if they remarry and, upon individual inquiry, restores the monthly allowances that were eliminated due to remarriage. The 9/09/99 amendments reduce the State's employer contribution rate for the 1999/2000 fiscal year as specified in the Budget Act if SB 400 becomes operative and clarify that once the Department of Personnel Administration makes the benefits provided by SB 400 applicable to excluded employees, that action is irrevocable.		
AB 345	Vincent	Workforce Investment and Economic Development Act of 1999		Senate Appropriations Committee
As Amended on 09/03/99		Creates the Governor's Council on Workforce Investment and Economic Development and implements the Federal Workforce Investment Act of 1998. (Prior to the 09/03/99 amendments, this bill required local employers to contribute to PEMHCA on behalf of local elected officials.)		
AB 363	Migden	Retired School Members Death Benefit	Support	Vetoed
		Changes the statutory lump-sum death benefit payable to survivors of retired School members to \$5,000.		

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AB 366	Scott	Eligibility for Health Benefits Enrollment Permits CalPERS members who were eligible but not enrolled for health benefits at the time of separation from employment to apply for health coverage at the time of retirement or during any open enrollment period.	Co-Sponsor	Vetoed
AB 419	Firebaugh	Refund on Death of Member and Survivor/Disability Retirement Effective Date Provides, at no cost to the member, the return of unused member contributions (regardless of the option allowance selected) to surviving beneficiaries upon the death of the member and the beneficiary designated to receive a monthly allowance. Also establishes the effective date of disability retirements as the day following the last day of payroll rather than the first of the month in which the application is received, if the application is received within nine months of discontinuation of employment.	Sponsor	Assembly Appropriations Committee
	As Amended on 04/27/99			
AB 428	Correa	Retired State Members Death Benefits Changes the statutory lump-sum death benefit payable to survivors of retired State members to \$5,000.	Support	Vetoed
AB 448	Floyd	Industrial Disability Retirement Cap Repeals the provision that limits the industrial disability allowance to either 50% of final compensation or the service retirement allowance had the member continued to work and then retire based on service, whichever is less. Industrial disability retirements limited in the past will be recalculated and paid prospectively without the prior limitation.	Sponsor	Senate Appropriations Committee
	As Amended on 06/10/99			
AB 553	Strom-Martin	Reclassification of Protective Service Workers to Local Safety Members Permits the reclassification of protective service workers as local safety members, rather than miscellaneous members, by contract amendment of contracting counties.	Neutral	Senate Appropriations Committee
	As Amended on 08/16/99			
AB 596	Honda	Peace Corps, VISTA, and America Corps Service Credit Allows eligible members to elect to purchase credit in CalPERS for up to three years of service as volunteers in the Peace Corps or America Corps:VISTA. This provision would apply to employees of local agencies only if	Neutral	Chapter 834, 1999

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		added through contract amendment.		
AB 738	Davis	Memoranda of Understanding - Units 20 & 21		Chapter 770, 1999
		Provisions related to CalPERS programs provide additional service credit at retirement for unused educational leave for State members, as specified. Urgency measure. (Prior to the 9/8/99 amendments, this bill, supported by CalPERS, provided a new pre-retirement death benefit to survivors of State and Local members based upon the member's length of service regardless of the member's age at death.)		
AB 799	Keeley	Monterey County "Peace Officer" Retirement Formula	Neutral	Chapter 259, 1999
		Permits the County of Monterey to amend its contract with CalPERS to establish different pension benefits for some county peace officer member classifications. Sunsets January 1, 2002.		
AB 813	A PER & SS Committee	Public Employees' Retirement System	Sponsor	Chapter 785, 1999
		Makes a number of minor and technical revisions to the law administered by the Public Employees' Retirement System.		
AB 817	A PER & SS Committee	Legislators' Retirement System Funding	Sponsor	Chapter 897, 1999
		Eliminates the statutory 18.81% State contribution to the Legislators' Retirement System, and instead provides that the rate shall be annually established in the same manner rates are set for the Public Employees' Retirement Fund. The CalPERS Board of Administration would be authorized to reduce the statutory rate paid by members for any year in which the State contribution rate is zero.		
AB 821	Assembly PER & SS Committee	One Year Final Compensation For School Members	Support	Senate Appropriations Committee
As Amended on 06/14/99		Reduces the final compensation period from 36 months to 12 months for School members. This provision is also included in SB 400.		
AB 1323	Floyd	One-Year Final Compensation for Specified Retired Legislative Employees	Neutral	Chapter 296, 1999
		Provides one-year final compensation calculation for legislative employees who retired between January 1 and March 31, 1991. The enhancement would be for prospective		

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		payments, only.		
AB 1639	A PER & SS Committee	Memorandum of Understanding - Unit 8 Includes provisions concerning salary determinations and continues health, dental, and vision benefits to survivors for 120 days following the member's death. Urgency measure. (Prior to the 09/09/99 amendments, this CalPERS-sponsored bill contained provisions for funding the Judges Retirement System over a 30 year period.)		Chapter 926, 1999
ACA 12	Papan As Amended on 06/28/99	Permit Legislators to Elect CalPERS Membership The California Constitution currently prohibits Legislators' participation in any retirement system except Social Security. This bill would allow any Legislator serving on or after November 1, 1990, to elect to participate in CalPERS. The State would pay only the employer contributions to the plan.	Support	Senate Appropriations Committee
AJR 9	Correa	Mandatory Social Security Coverage Memorializes the President and Congress not to include mandatory Social Security coverage for noncovered state and local government employees in any Social Security reform legislation.		Chapter 40, 1999
SB 64	Solis	Enhanced Coverage For Diabetic Benefits Requires health plans to cover specific equipment and supplies for the management and treatment of diabetes, providing it is medically necessary.	Support	Chapter 540, 1999
SB 73	Murray	Small Business Participation Goals Establishes an additional participation goal of 30% for small businesses, for bond services and in State contracting. The bill defines Small Business Enterprise, and defines how goals are to be determined by awarding departments.	Neutral	Vetoed
SB 105	Burton	State Retirement System Investments; Northern Ireland Requires the Public Employees' Retirement System (CalPERS) and the State Teachers' Retirement System (STRS) to annually investigate the extent to which U.S. corporations operating in Northern Ireland, in which they have	Neutral	Chapter 341, 1999

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		invested, adhere, in compliance with the law applicable in Northern Ireland, to the principles of nondiscrimination in employment and freedom of work place opportunity.		
SB 138	O'Connell	Memorandum of Understanding - Unit 5	Neutral	Chapter 3, 1999
		Approves the MOU between the State and the Association of Highway Patrolmen. Increases service retirement cap to 85%, permits partial lump sum distribution of retirement assets, increases 1959 Survivor Benefit, affects dental coverage vesting requirements, and provides co-ben. Urgency measure.		
SB 169	Speier	CalPERS Health Plan Contracts	Oppose	Assembly Policy Committee
	As Amended on 03/15/99	Prohibits CalPERS and other State programs from contracting with HMO's that have reduced their Medicare managed care service area, unless the contract is for a reduced service area, which would also exclude the areas in which supplement to Medicare coverage is offered.		
SB 234	Hughes	Purchase Power Protection	Support	Vetoed
		Increases the purchasing power guarantee to 80% for local retiree allowances and 75% for State and School retiree allowances. Specifies that the cost of these payments to retirees of an employer shall be paid from the assets of that employer. Provides an additional 4 years of age and 4 years of service credit retirement enhancement for members meeting certain eligibility criteria. Increases service credit purchase limit to 5 years for approved leave of absence for time with a university, college, governmental agency, or nonprofit organization.		
SB 276	Polanco	Healthy Californians Act of 1999	Oppose, unless amended	Senate Appropriations Committee
	As Amended on 04/21/99	Would develop, through a public-private partnership, a seamless, user-friendly universal health care delivery system for all California residents, no later than January 1, 2005. This bill establishes specific health care goals and, as a pilot program, mandates the enrollment of 10,000 private families with children with the least acceptable health status into the PEMHCA program, to be funded with tobacco settlement monies.		
SB 311	Perata	State Tier One Cost-of-Living Adjustment	Co-Sponsor	Senate Appropriations Committee
	As Introduced on 02/04/99	Increases from a maximum of 2% to a flat 3% the annual cost of living adjustment for State		

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		First Tier members.		
SB 325	Brulte	Retirement Plan Participation for Exempt Employees		Assembly Appropriations Committee
As Amended on 06/14/99		Allows exempt employees appointed by the Governor on or after January 1, 1999, to elect to participate in a defined contribution plan established and administered by CalPERS in lieu of participating in the CalPERS defined benefit plan for State employees.		
SB 339	Burton	Augmentation of Budget Act Appropriations - State Employee Compensation		Chapter 776, 1999
		Appropriates \$601,220,000, as scheduled, in augmentation of 1999/2000 Budget Act appropriations related to State employee compensation. Urgency measure. (Prior to the 9/10/99 amendments, this bill (then authored by Senator Baca) increased the local safety retirement benefit cap to 85%. The safety cap provisions were amended into SB-800 (Dunn) on 9/09/99.)		
SB 396	Ortiz	Deferred Retirement Option Plan (DROP)	Sponsor	Senate Policy Committee
As Introduced on 02/12/99		Spot bill for use to enact a deferred retirement option plan.		
SB 397	Ortiz	Local Agency "Golden Handshake"	Co-Sponsor	Chapter 684, 1999
		Restores the authority of public agencies to contract with CalPERS for two years of additional service credit for their employees. Also requires the local agencies to provide for public disclosure prior to the contract amendment.		
SB 399	Ortiz	Memoranda of Understanding - Units 1, 3, 4, 11 & 15		Chapter 630, 1999
		Approves the MOU between the State and specified bargaining units. Urgency measure. (Prior to the 9/10/99 amendments, this CalPERS-sponsored bill closed Second Tier to State employees hired on or after January 1, 2000.)		
SB 400	Ortiz	CalPERS Benefit Equity - State and School Members	Sponsor	Chapter 555, 1999
		Provides one-year final compensation to School members; establishes the improved State miscellaneous formula as the primary formula for		

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		State employees hired on or after January 1, 2000; allows current Second Tier members to elect First Tier for future service and purchase past Second Tier service under First Tier; provides a 2% at 55 benefit formula to State and School members, 3% at 50 for patrol, 3% at 55 for State Peace Officers/Firefighters, and 2.5% at 55 for State Safety members; provides an ad hoc increase of up to 6% to current State and School retirees, provides State and School members not covered by Social Security a new, higher pre-retirement death benefit, and adds Sergeants-at-Arms of the Legislature to the State Peace Officer/Firefighter membership category.		
SB 401	Karnette	Memoranda of Understanding - Units 2, 9, 10, 12 & 13		Chapter 457, 1999
		Provisions related to CalPERS programs clarify and/or establish State safety classifications, change death benefit provisions, modify definitions of "employee" and "family member" for health benefits, give certain survivors the employer contribution for health and dental coverage, and establish vesting requirements for dental coverage. Urgency measure.		
		(Prior to the 9/09/99 amendments, this bill by Senator Ortiz would have established a Supplemental Contribution Program for State, School, and contracting agency members and directed school member contributions which exceed those needed to fund the defined benefit plan to the Supplemental Contribution Program.)		
SB 468	Polanco	Mental Health Parity	Support	Assembly Appropriations Committee
	As Amended on 07/12/99	Requires health plans to provide comprehensive coverage for the treatment of most types of mental illnesses, excluding substance abuse disorders.		
SB 498	Schiff	Increase In Local Safety Retirement Benefit Cap to 90%	Neutral	Senate Appropriations Committee
	As Introduced on 02/18/99	Mandates an increase in the retirement benefit cap from 75% to 90% for local safety members under the 2% @ 50 formula, 2% @ 55 formula, 2.5% @ 55 formula and the 2.35 @ 56 formula. (Similar provisions were amended into SB-339 (Baca) on 7/08/99 and SB 800 (Dunn) on 9/09/99.)		
SB 514	Chesbro	Rural Health Care Equity Trust Fund	Sponsor	Chapter 743, 1999
		Establishes the Rural Health Care Equity Trust		

Bill Number	Author	Summary	Board Position	Status
		Fund, to be administered by the Department of Personnel Administration, to subsidize health care costs incurred by State employees and retirees in rural areas where there is no access to an HMO. Specifies the methods for determining amounts to be contributed for represented, excluded, and retired State employees. Provisions become inoperative no later than January 1, 2005.		
SB 522	Wright, C.	Supplemental Contribution Program	Sponsor	Chapter 307, 1999
		Makes technical and clarifying changes to the CalPERS Supplemental Contribution Program.		
SB 583	Baca	Supplemental Defined Benefit Plans; Risk Pools	Sponsor	Chapter 474, 1999
		Permits participation in a publicly funded supplemental defined benefit plan, in addition to the CalPERS plan, under specified circumstances. If the combined benefits exceed the limits in federal law, the benefits payable under the supplemental plan would be reduced.		
		Permits CalPERS to establish "retirement pools" so that contracting local agencies and school districts can share experience and risk under the retirement plan. Allows CalPERS to combine both the assets and liabilities for employers within their respective pool in order to establish a uniform contribution rate. (Prior to 7/7/99, similar provisions were contained in SB-339, Baca.)		
SB 800	Dunn	Increase In Local Safety Retirement Benefit Cap to 85%		Chapter 633, 1999
		Mandates an increase in the retirement benefit cap from 75% to 85% for local Safety members under the 2% @ 50 formula, 2% @ 55 formula, 2.5% @ 55 formula and the 2.35% @ 56 formula. (Prior to the 9/09/99 amendments, these provisions were contained in SB-339 (Baca).)		
SB 857	Peace	Judges' Retirement System: Benefits	No Position	Assembly Appropriations Committee
		Provides that former spouses of retired judges, whose divorce occurred after the judge retired, may elect an actuarially adjusted lifetime benefit, as currently available to former spouses in pre-retirement divorce situations. Also makes this election available to former spouses of judges who (1) divorced and retired before the current pre-retirement divorce option became law, or (2) are now deceased.		

As Amended on 07/15/99

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Version				
SB 976	Perata	Judges' Survivor Benefits Enables the surviving spouse of a judge who was retired for disability under JRS II to receive an allowance equal to 50% of the deceased judge's allowance. Permits active judges under JRS and JRS II to make an irrevocable election to provide an Option 2 benefit to a survivor in the event of the judge's pre-retirement death. Permits judges on disability retirement to hold public office without loss of pension benefits.	Support	Chapter 671, 1999
SB 1073	Senate PE & R Committee	Disability Retirement; Temporary Disability Allowance Advances Provides that State employers will pay temporary disability allowance to employees that they place on involuntary leave status pending an agency requested disability retirement determination.	Neutral	Chapter 310, 1999
SB 1245	Hayden	Compensation: World War II Slave and Forced Labor Provides that any slave or forced labor victim of WWII, or heir of the victim, may bring an action to recover compensation against any entity for whom that labor was performed. Extends the statute of limitations for these actions until December 31, 2010. Also requires the State Treasurer, CalPERS, and CalSTRS to monitor and report on investments in companies and affiliates doing business in California that owe compensation to victims of slave and forced labor during WWII.		Chapter 216, 1999
SB 1312	Baca	Deferred Retirement Option Program (DROP) Establishes a backward DROP for State and School members and for local members employed by agencies that elect to be subject to the program. At the time of retirement, eligible members may elect DROP for a period between one and five years. Directs CalPERS to implement the program no later than January 1, 2001. The Board may extend the implementation date, if necessary, but not beyond January 1, 2002.	Support	Senate Inactive

As Amended on 09/03/99