

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held prior to the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.gov.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:30 A.M., WEDNESDAY, APRIL 1, 2026

This meeting will be conducted by the Insurance, Benefits and Legislative Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953.8.3.

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.gov/leadership/board-meetings>.

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

COMMITTEE TRUSTEES:

Les Robbins, Chair
Aleen Langton, Vice Chair
Shawn R. Kehoe, Trustee
Ernesto J. Pantoja, Trustee
Jason E. Green, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707
 - A. Just Cause (Section 54953.8.3)
 - B. Statement of Persons Present at SB 707 Teleconference Locations

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of March 4, 2026

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.gov/leadership/board-meetings> and complete the request [form](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.gov.)

V. NON-CONSENT ITEMS

A. **Assembly Bill 1619--Board Compensation**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer. That the Committee recommend the Board of Retirement adopt a "Support If Amended" position on Assembly Bill 1619, which would authorize a board of retirement to increase the board compensation rate to a maximum of \$320, if this authority is made operative by a board of supervisors. (Memo dated March 17, 2026)

B. **Assembly Bill 2780--Public Employees' Retirement**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Support" position on Assembly Bill 2780, which would provide clarification and technical updates to the County Employees Retirement Law of 1937. (Memo dated March 20, 2026)

VI. REPORTS

- A. **CalSavers Update**
Barry W. Lew, Legislative Affairs Officer
(Presentation) (Memo dated March 18, 2026)
- B. **Engagement Report for March 2026**
Barry W. Lew, Legislative Affairs Officer
(For Information Only)
- C. **Staff Activities Report for March 2026**
Cassandra Smith, Director, Retiree Healthcare
(For Information Only)
- D. **LACERA Claims Experience**
Stephen Murphy, Segal Consulting
(Presentation)
- E. **Federal Legislation**
Stephen Murphy, Segal Consulting
(For Information Only)

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. ADJOURNMENT

The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday *and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).*

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE INSURANCE, BENEFITS &
LEGISLATIVE COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:35 A.M. – 8:50 A.M., WEDNESDAY, MARCH 4, 2026

This meeting was conducted by the Insurance, Benefits & Legislative
Committee both in person and by teleconference under California
Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Aleen Langton, Vice Chair
Shawn R. Kehoe, Trustee
Ernesto J. Pantoja, Trustee (*arrived at 8:40 a.m.*)
Jason E. Green, Alternate Trustee
(*Teleconference Due to Just Cause under Section 54953.8.3*)

ABSENT. Les Robbins, Chair

OTHER BOARD OF RETIREMENT TRUSTEES

JP Harris, Trustee

Wayne Moore, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Cassandra Smith, Director, Retiree Healthcare

Luis A. Lugo, Chief Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Barry W. Lew, Legislative Affairs Officer

Segal Consulting

Stephen Murphy, Sr. Vice President

Michael Szeto, Sr. Actuarial Associate

I. CALL TO ORDER

This meeting was called to order by Vice Chair Langton at 8:35 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)

B. Statement of Persons Present at SB 707 Teleconference Locations

A physical quorum of the Committee was not present at the noticed meeting location until 8:40 a.m. There was one request received from Trustee Green related to a physical condition under Section 54953.8.3(c)(3). Trustee Green confirmed there were no individuals 18 years or older present at the teleconference location.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 4, 2026

Trustee Kehoe made a motion, Trustee Langton seconded, to approve the minutes of the regular meeting of February 4, 2026. The motion passed by the following roll call vote:

Yes: Kehoe, Pantoja, Green, Langton

No: None

(The above item was handled out of order, after Item V-A.)

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Engagement Report for February 2026**

Barry W. Lew, Legislative Affairs Officer
(For Information Only)

The engagement report was discussed. This item was received and filed.

B. **Staff Activities Report for February 2026**

Cassandra Smith, Director, Retiree Healthcare
(For Information Only)

The staff activities report was discussed. This item was received and filed.

C. **LACERA Claims Experience**

Michael Szeto, Segal Consulting
(Presentation)

The LACERA Claims Experience reports through January 2026 were discussed. This item was received and filed.

V. REPORTS (Continued)

D. **Federal Legislation**

Stephen Murphy, Segal Consulting
(For Information Only)

Segal Consulting gave an update on federal legislation. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

There was nothing to report.

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

Trustee Kehoe requested an update on the CalSavers program at a future Committee meeting.

VIII. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 8:50 a.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

March 17, 2026

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Aleen Langton, Vice Chair
Ernesto J. Pantoja
Shawn R. Kehoe
Jason Green, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 1, 2026 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 1619—Board Compensation**

*Author: Valencia [D]
Sponsor: Orange County Employees' Retirement System
Introduced: January 21, 2026
Status: Referred to Committee on Public Employment & Retirement.
(02/02/2026)*

Staff Recommendation: Support If Amended

RECOMMENDATION

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a "Support If Amended" position on Assembly Bill 1619, which would authorize a board of retirement to increase the board compensation rate to a maximum of \$320, if this authority is made operative by a board of supervisors.

LEGISLATIVE POLICY STANDARD

The Board of Retirement's legislative policy standard is to support proposals that provide the BOR with increased flexibility in its administration of retirement plans and operations (page 6). AB 1619 would, if made operative by a board of supervisors, provide the BOR with the flexibility to increase the compensation rate for board meeting attendance.

SUMMARY

AB 1619 would, if made operative by a board of supervisors, authorize a board of retirement to increase the current compensation rate of \$100 per meeting to a rate of not more than \$320.

ANALYSIS

Existing Law

Government Code Section 31521 provides that in counties having a retirement board of nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and

alternate retired members, and in counties having a board of investments, the fifth, sixth, seventh, eighth, and ninth members, shall receive compensation at a rate of not more than \$100 per meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month.

Government Code Section 31521.1 provides for the same rate of compensation as specified in Section 31521. However, Section 31521.1 applies to LACERA only.

This Bill

AB 1619 proposes that the board compensation rate of \$100 may be increased by a board of retirement to a rate of not more than \$320, if the statute is adopted by a board of supervisors.

The current rate of \$100 was established over 40 years ago and has not been subject to adjustment due to inflation. Providing the 20 retirement systems operating under the County Employees Retirement Law of 1937 with the flexibility to adjust the board compensation rate would reflect the wide-ranging diversity of these 20 systems in terms of workload for those members of the board of retirement who are not active employees receiving a salary from the plan sponsor.

Recommended Amendments

- Section 31521.1 should be amended with the same authority provided in Section 31521.
- Since a board of investments is also referenced in Sections 31521 and 31521.1, AB 1619's proposed change should be conformed to reference a board of investments as well.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE recommend that the Board of Retirement adopt a "Support If Amended" position on Assembly Bill 1619, which would authorize a board of retirement to increase the board compensation rate to a maximum of \$320, if this authority is made operative by a board of supervisors.

Reviewed and Approved:

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style and is positioned above a horizontal line.

Luis Lugo, Chief Executive Officer

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 1619 (Valencia) as introduced on January 21, 2026

cc: Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Gabel
Naomi Padron, MKP Government Relations

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 753 (Chapter 320, Statutes of 2007) provided that a board of supervisors may provide compensation to an alternate retired member serving on a board of retirement. It also provided that the fourth, fifth, sixth, eighth, ninth, and alternate retired members of the retirement board may receive compensation for the review of disability retirement cases. The Board of Retirement sponsored AB 753 and adopted a “Support” position.

AB 1619
Attachment 2—Support and Opposition
Insurance, Benefits and Legislative Committee
March 17, 2026
Page 1

SUPPORT

Orange County Employees' Retirement System (*Sponsor*)

OPPOSITION

Unknown.

ASSEMBLY BILL

No. 1619

**Introduced by Assembly Member Valencia
(Coauthor: Assembly Member Chen)**

January 21, 2026

An act to amend Section 31521 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1619, as introduced, Valencia. County employees' retirement: administration.

Existing law, the County Employees Retirement Law of 1937, authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Existing law sets forth the membership composition for boards of retirement and boards of investment, as specified. Existing law authorizes the board of supervisors for counties for which these provisions apply to provide that certain members of these boards shall receive compensation at a rate of not more than \$100 for a meeting or for a meeting of a committee authorized by the entire board.

This bill would authorize the above-described compensation rate to be increased by the board of retirement to not more than \$320 per meeting, and would provide that this provision would not be operative in any county until it is adopted by a majority vote of the board of supervisors.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31521 of the Government Code is
2 amended to read:
3 31521. (a) The board of supervisors may provide that the
4 fourth and fifth members, and in counties having a board consisting
5 of nine members or nine members and an alternate retired member,
6 the fourth, fifth, sixth, eighth, ninth, and alternate retired members,
7 and in counties having a board of investments under Section
8 31520.2, the fifth, sixth, seventh, eighth, and ninth members of
9 the board of investments, shall receive compensation at a rate of
10 not more than one hundred dollars (\$100) for a meeting, or for a
11 meeting of a committee authorized by the board, for not more than
12 five meetings per month, together with actual and necessary
13 expenses for all members of the board.
14 (b) *The compensation rate established by the board of*
15 *supervisors pursuant to subdivision (a) may be increased by the*
16 *board of retirement to a rate of not more than three hundred twenty*
17 *dollars (\$320). This subdivision shall not be operative in any*
18 *county until it is adopted by a majority vote of the board of*
19 *supervisors.*

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March 20, 2026

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Aleen Langton, Vice Chair
Ernesto J. Pantoja
Shawn R. Kehoe
Jason Green, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 1, 2026 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 2780—Public Employees’ Retirement**

Author: Committee on Public Employment and Retirement
Sponsor: State Association of County Retirement Systems
Introduced: March 9, 2026
Status: Referred to Committee on Public Employment & Retirement.
(03/16/2026)

Staff Recommendation: Support

RECOMMENDATION

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on Assembly Bill 2780, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

LEGISLATIVE POLICY STANDARD

The Board of Retirement’s legislative policy standard is to support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees’ Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems (Legislative Policy, page 6).

SUMMARY

AB 2780 is an omnibus bill that provides clarifications, technical updates, and conforming changes to the County Employees Retirement of Law of 1937 (CERL). It also contains amendments to the Public Employees’ Retirement Law and State Teachers’ Retirement Law sponsored by CalPERS and CalSTRS, respectively.

ANALYSIS

Trustee Elections: Active Members (31520, 31520.1, 31520.2)

The second, third, seventh, and alternate seventh members of the Board of Retirement, and the second, third, and fourth members of the Board of Investments are elected by the active members of the retirement association.

There appears to be some ambiguity in the statutes to enable deferred members to elect the aforementioned board members. The proposed amendments will clarify that only active members, i.e., in active service of a county, district, or court, may vote for these board members.

Errors and Omissions (31540.5)

The CERL statutes on errors and omissions with respect to contributions and benefit payments are currently applicable only to LACERA.

The proposal will add a new section on errors and omissions that apply to the other 19 CERL systems. LACERA's statutes will remain unchanged.

The proposed section (31540.5) is identical to LACERA's section (31540) except that it does not contain the limitation of three years, which limits the retirement system's right to collect erroneous payments three years from the date of payment.

Compensation Earnable (31621.7, 31622, 31639.3, 31641, 31641.2, 31641.6, 31641.20, 31641.21)

Various CERL sections refer to "compensation earnable," which are pensionable pay items from which contributions and final compensation are calculated. However, there are several sections that use the term "earnable compensation." The amendments will ensure that the term "compensation earnable" is used consistently throughout CERL.

Burial Benefit (31789.6)

Various CERL sections provide payment of a burial benefit to a member's estate or named beneficiary after the death of the member. If a member has membership in more than one retirement system, generally the last retirement system in which the member rendered service and retired pays the burial benefit. However, the various sections are not consistent in specifying this requirement.

The proposed amendment will clarify for CERL's various sections on burial benefits that if a member retired from reciprocal retirement systems subsequently dies, their

beneficiary is only entitled to a lump-sum death benefit from the retirement system in which the member last rendered employment.

Concurrent Retirement (31835)

For various reasons that do not involve the member working at both reciprocal retirement systems at the same time, a member's retirement date at reciprocal systems might not be concurrent and might be different for a short period of time. The proposed amendment would provide for a difference not to exceed 30 calendar days for purposes of determining concurrent retirement. This would ensure that the member not be disqualified from using the highest final compensation from their reciprocal systems due to administrative technicalities. The proposed amendment is based on the California State Teachers' Retirement System's statute on concurrent retirement.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE recommend that the Board of Retirement adopt a "Support" position on Assembly Bill 2780, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

Reviewed and Approved:



Luis Lugo, Chief Executive Officer

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 2780 (Committee on Public Employment & Retirement) as introduced on March 9, 2026

cc: Luis Lugo Jean Kim
JJ Popowich Naomi Padron, MKP Government Relations
Laura Guglielmo
Steven P. Rice

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

SB 853 (Chapter 239, Statutes of 2025) made various clarifications and technical updates as well as amendments for administrative flexibility to the County Employees Retirement Law of 1937. The Board of Retirement adopted a “Support” position.

AB 2474 (Chapter 108, Statutes of 2024) provided authorization for LACERA to establish a prepaid card program to disburse retirement allowances. The bill also provided for actions that the retirement system can undertake with respect to retired members who are employed after retirement in violation of specified statutes. The Board of Retirement adopted a “Support” position.

AB 2770 (Chapter 117, Statutes of 2024) made various clarifications and technical updates as well as amendments for administrative flexibility to the County Employees Retirement Law of 1937. The Board of Retirement adopted a “Support” position.

AB 1824 (Chapter 231, Statutes of 2022) made various clarifications and technical updates to the County Employees Retirement Law of 1937. The Board of Retirement adopted a “Support” position.

AB 1971 (Chapter 524, Statutes of 2022) made various amendments to the County Employees Retirement Law of 1937 to provide administrative flexibility and more efficient and effective service to members and stakeholders. The Board of Retirement adopted a “Support” position.

AB 2376 (Chapter 134, Statutes of 2016) clarified the definition of Plan D for purposes of a prospective plan transfer and the applicability of the reciprocal provision on nonconcurrent retirement to Plan E members. The Board of Retirement adopted a “Support” position.

AB 992 (Chapter 40, Statutes of 2015) clarified the ability of members to change their retirement option after being granted a disability retirement. The Board of Retirement adopted a “Support” position.

AB 2474 (Chapter 741, Statutes of 2014) made various amendments to the County Employees Retirement Law of 1937 to conform with the California Public Employees’ Pension Reform Act of 2013. The Board of Retirement adopted a “Support” position.

AB 2473 (Chapter 740, Statutes of 2014) made various amendments to the County Employees Retirement Law of 1937 to conform with federal law. The Board of Retirement adopted a “Support” position.

SB 13 (Chapter 528, Statutes 2013) made various technical and clarifying amendments to the County Employees Retirement Law of 1937 and California Public Employees' Pension Reform Act of 2013. The Board of Retirement adopted a "Support" position.

AB 1380 (Chapter 247, Statutes 2013) amended various provisions of the County Employees Retirement Law of 1937 to conform with the California Public Employees' Pension Reform Act of 2013. The Board of Retirement adopted a "Watch" position.

SB 996 (Chapter 792, Statutes of 2012) clarified that for purposes of disability retirement the presumption of heart trouble is a rebuttable presumption. The Board of Retirement adopted a "Support" position.

AB 1902 (Chapter 86, Statutes of 2010) provided technical and clarifying amendments to the provisions of Plan E related to prospective plan transfers and disability retirement, reciprocity, and the crediting of service. The Board of Retirement adopted a "Support" position.

SB 1479 (Chapter 158, Statutes of 2010) provided technical and clarifying amendments to the County Employees Retirement Law of 1937 related to the commencement of membership, exclusion from membership based on monthly compensation rate, advance payments of employer contributions from districts, and compliance with Internal Revenue Service procedures. The Board of Retirement adopted a "Watch" position.

AB 1354 (Chapter 188, Statutes of 2010) amended the County Employees Retirement Law of 1937 to conform with federal law on tax qualification requirements and benefits related to deaths due to military service. The Board of Retirement adopted a "Support" position.

AB 1355 (Chapter 9, Statutes of 2009) updated cross-references related to the calculation of survivor allowances and made other technical changes. The Board of Retirement adopted a "Watch" position.

AB 399 (Chapter 778, Statutes of 2001) codified negotiated benefit enhancements set forth in a Memorandum of Understanding (MOU) between the County of Los Angeles and its labor organizations. The Board of Retirement adopted a "Support" position.

SUPPORT

State Association of County Retirement Systems (*Co-Sponsor*)
California Public Employees' Retirement System (*Co-Sponsor*)
California State Teachers' Retirement System (*Co-Sponsor*)

OPPOSITION

Unknown.

ASSEMBLY BILL

No. 2780

**Introduced by Committee on Public Employment and Retirement
(Assembly Members McKinnor (Chair), Boerner, Garcia, and
Michelle Rodriguez)**

March 9, 2026

An act to amend Sections 22156.07, 22170.5, 22250, 22455.5, 24201.5, 24204, 24209, 24209.3, 24210, 25006, 25009, 26300, and 26606 of, and to amend, repeal, and add Sections 22164.5, 26004, 26113, 26135.7, 26139, and 26139.5 of, the Education Code, and to amend Sections 31520, 31520.1, 31520.2, 31621.7, 31622, 31639.3, 31641, 31641.2, 31641.6, 31641.20, 31641.21, and 31835 of, and to add Sections 31540.5 and 31789.6 to, the Government Code, relating to retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2780, as introduced, Committee on Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. STRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to the system based on the member's creditable compensation. Existing law defines terms for the purposes of STRS.

Existing law defines "position subject to membership" to include, among others, a position at a county office of education or school

district, not including a charter school, that the governing body of the employer has designated in a resolution adopted at a public meeting as a position subject to membership for which the employer requires the holding of a valid credential, license, or certificate authorized by the Commission on Teacher Credentialing or the State Department of Health Care Services.

This bill would revise this definition to also include a position meeting the above-described criteria for which the employer requires the holding of a valid permit authorized by the Commission on Teacher Credentialing or the State Department of Health Care Services.

Existing law requires the board to determine a date based on when the retirement system has the capacity to implement specified statutory changes and requires the board to post that information on its internet website no later than July 1, 2027.

This bill would delete the above-described language and instead would require the above provision to be operative on July 1, 2027.

(2) Existing law defines “retired member activities” to mean one or more of specified identified activities within the California public school system and performed by a member retired for service under STRS, as prescribed.

This bill, commencing July 1, 2027, would redefine “retired member activities” to mean all service performed within the California public school system by a member retired for service under STRS when the member is employed in specified positions, including as an employee or independent contractor.

(3) Existing law defines “sick leave days,” “basic sick leave day,” and “excess sick leave days” for purposes of STRS. For specified standards concerning service credit that are expressed only in terms of hours, existing law requires the number of hours to be divided by 6 to determine the number of sick days.

This bill would delete the above provision on calculating the number of hours. The bill would instead provide that, when determining the number of days, including for those identified standards, one day shall be equivalent to the number of hours of creditable service performed in a day in that position on a full-time basis, but no less than 6 hours.

(4) Existing law requires the retirement board and employees of STRS to discharge their duties with respect to the system and the plan solely in the interest of the members and beneficiaries, as specified. This includes by diversifying the investments of the plan so as to

minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

This bill would revise that provision to instead require diversifying the investments of the plan so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly not prudent to do so.

(5) Existing law requires employers to make available criteria for membership, including optional membership, in a timely manner to all persons employed to perform creditable service subject to coverage by the Defined Benefit Program and to inform part-time and substitute employees, within 30 days of the date of hire, or by March 1, 1995, whichever is later, that they may elect membership in the plan's Defined Benefit Program at any time while employed.

This bill would shorten the above-described timeframe for notifying those employees to within 10 working days of the date of hire.

(6) Existing law establishes the circumstances in which a member who is eligible and applies for a disability allowance or retirement may apply to receive a service retirement allowance pending the determination of their application for disability. Under those provisions, a member who applies for service retirement in these circumstances does not receive service credit for each day of accumulated or unused leave of absence for illness or injury or for education, as specified.

This bill would also provide that a member who applies for retirement under those provisions shall not receive an additional 2 years of service credit granted in specified circumstances.

Existing law requires the retirement board to determine a date based on when the system has the capacity to implement specified changes to the above provisions. Existing law further requires the board to post that date on its website no later than January 1, 2026.

This bill would delete the above-described language.

(7) Existing law provides that a service retirement allowance becomes effective upon any date designated by the member, provided all of specified conditions are met. This includes a requirement that the member file an application for service retirement on a form provided by STRS, executed no earlier than 6 months before the effective date of the member's retirement allowance.

This bill would also require the application for service retirement allowance to be received by STRS within 30 days after the date of the member's signature and, if applicable, the spouse's or registered domestic partner's signature.

Existing law permits a member who files an application for service retirement to change or cancel their retirement application if certain conditions are met. Existing law requires that the form provided by STRS be received by the system no later than 30 days from the date the member's initial benefit payment for the member's most recent retirement under the Defined Benefit Program is paid by the system.

This bill would also require that the form be received by STRS within 30 days after the date of the member's signature and, if applicable, the spouse's or registered domestic partner's signature. The bill would additionally authorize a member to elect to change a retirement annuity from the defined Benefit Supplement Program to a lump-sum payment any time after retirement, subject to using a form provided by the system and meeting other specified requirements.

Existing law requires the retirement board to determine a date based on when the system has the capacity to implement specified changes to these provisions and to post the date on its website no later than January 1, 2026.

This bill would delete the above-described language.

(8) Existing law specifies the amount a member is to receive upon retirement for service following reinstatement, which is based on specified factors. Existing law also specifies circumstances in which a member who reinstates and performs other creditable service is entitled to a service retirement allowance. Existing law also specifies the amount a member is entitled to receive upon retirement for service following a prior disability retirement, as prescribed.

This bill would require benefits calculated pursuant to the above provisions to be modified by an option if elected pursuant to that law.

(9) Existing law authorizes the retirement board to declare an additional earnings credit to be applied to Defined Benefit Supplement accounts for a plan year, subject to certain considerations by the board. Existing law requires the board to specify, for any plan year for which it declares an additional earnings credit, the amount to be added to members' accounts as a percentage increase. Existing law prohibits additional earnings credit from being added to the balance of credits transferred from a member's Defined Benefit Supplement account to the Annuitant Reserve.

This bill would delete the above-described provision prohibiting additional earnings credit from being added to the balance of credits transferred.

(10) Existing law requires a member's retirement benefit under the Defined Benefit Supplement Program to be an amount equal to the balance of credits in the member's Defined Benefit Supplement account on the date the retirement benefit becomes payable. Existing law requires the retirement benefit to be a lump-sum payment or an annuity payable in monthly installments, or a combination thereof.

This bill would establish specified conditions if a member elects to change their retirement annuity from the Defined Benefit Supplement Program to a lump-sum payment, including providing for termination of payment of the annuity based on the balance of credits and making the election irrevocable.

(11) Existing law provides that benefits payable to participants or beneficiaries of STRS are subject to limits imposed by specified provisions of federal law and shall not exceed those limitations.

This bill, commencing July 1, 2027, for a STRS participant subject to the California Public Employees' Pension Reform Act of 2013, would specify those limits for participants whose service is included in federal social security and those whose service is not subject to social security. The bill would make those provisions subject to annual changes in the consumer price index and other conditions. The bill, commencing July 1, 2027, would also redefine various terms applicable to STRS and would make other related changes to those provisions.

(12) Existing law creates the Teachers' Retirement Fund, which is continuously appropriated for specified purposes, into which certain moneys are deposited, including employee contributions.

By expanding the category of positions subject to membership under STRS and affecting the contributions to the retirement fund, the bill would make an appropriation.

(13) Existing law, the County Employees Retirement Law of 1937, authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Existing law sets forth the membership composition for boards of retirement and boards of investment, as specified. Existing law requires specified members of the retirement board to be active members of the association elected by it.

This bill would revise the above provisions to require those board members to be elected by those active members. The bill would also redefine "active member" to specify that it refers to a member in county

service, as otherwise defined, and would make related changes to other definitions under that law.

Existing law, for the County of Los Angeles, establishes certain legal obligations of the retirement system to its members and their beneficiaries. Existing law specifies that, for purposes of payments into or out of the retirement fund for adjustment of errors or omissions, the period of limitation of actions is 3 years. Existing law also establishes a 10-year period of limitation for cases in which payment is erroneous because of the death of the retired member or beneficiary or because of remarriage or due to fraudulent reports of compensation, as specified.

This bill would establish similar obligations applicable for counties other than Los Angeles. The bill would specify that in cases in which payment is erroneous because of the death of the retired member or beneficiary or because of the remarriage of the beneficiary, the period of limitation of actions shall be 10 years. The bill would also provide a 10-year limitation period for cases in which payment has been made as a result of fraudulent reports, as specified. The bill would make various other related and conforming changes to these retirement provisions.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22156.07 of the Education Code is
 2 amended to read:
 3 22156.07. (a) Except as otherwise provided under this part,
 4 “position subject to membership” means the following:
 5 (1) A position at a county office of education or school district,
 6 not including a charter school, that the governing body of the
 7 employer has designated in a resolution adopted at a public meeting
 8 as a position subject to membership for which the employer
 9 requires the holding of a valid credential, license, *permit*, or
 10 certificate authorized by the Commission on Teacher Credentialing
 11 or the State Department of Health Care Services. The resolution
 12 must be in effect on the date of hire in the position or be effective
 13 retroactively to include the position as of the date of hire,
 14 whichever is later, but no earlier than the operative date of this
 15 section as determined by subdivision (c).

1 (2) A position at a county office of education or school district,
2 including a charter school, that is included in a certificated
3 bargaining unit represented by an exclusive representative, whether
4 by agreement between the exclusive representative and the
5 employer as reflected in a collective bargaining agreement or by
6 written decision of the Public Employment Relations Board. The
7 collective bargaining agreement must be in effect on the date of
8 hire in the position or be effective retroactively to include the
9 position as of the date of hire, whichever is later, but no earlier
10 than the operative date of this section as determined by subdivision
11 (c).

12 (3) A position at a charter school eligible to receive state
13 apportionment where the position requires the holding of a
14 Commission on Teacher Credentialing certificate, permit, or other
15 document pursuant to subdivision (l) of Section 47605.

16 (4) A position at a community college district, that is any of the
17 following:

18 (A) A faculty member, as defined in Section 87003, subject to
19 the appropriate minimum standards adopted by the Board of
20 Governors of the California Community Colleges pursuant to
21 Section 87356.

22 (B) An academic position, as defined in subdivision (b) of
23 Section 87001, subject to the appropriate minimum standards
24 adopted by the Board of Governors of the California Community
25 Colleges pursuant to Section 87356.

26 (C) An educational administrator, as defined in subdivision (b)
27 of Section 87002, subject to the appropriate minimum standards
28 adopted by the Board of Governors of the California Community
29 Colleges pursuant to Section 87356.

30 (D) A position pursuant to a contract with the United States
31 Department of Defense to provide vocational training as an
32 employee of a community college employer.

33 (5) A position as a superintendent of a California public school.

34 (6) A position that would otherwise be subject to membership
35 in a different public retirement system when held by a member
36 who has elected coverage by the Defined Benefit Program pursuant
37 to Chapter 10 (commencing with Section 22500).

38 (b) "Position subject to membership" does not mean and shall
39 not include:

1 (1) A position that would otherwise be subject to coverage by
2 the Defined Benefit Program when held by a member of the Public
3 Employees’ Retirement System who has elected coverage in the
4 Public Employees’ Retirement System pursuant to Chapter 10
5 (commencing with Section 22500).

6 (2) A position that is not employed by an employer or employing
7 agency as defined in Section 22131.

8 (3) A position at a county office of education or school district,
9 including a charter school, that is included in a noncertificated
10 bargaining unit represented by an exclusive representative, whether
11 by agreement between the exclusive representative and the
12 employer as reflected in a collective bargaining agreement in effect
13 on the date of hire in the position or by written decision of the
14 Public Employment Relations Board.

15 ~~(e) (1) The board shall determine a date based on when the~~
16 ~~system has the capacity to implement the changes made by the act~~
17 ~~that added this subdivision. The date determined by the board shall~~
18 ~~be posted on the internet website of the system no later than July~~
19 ~~1, 2027.~~

20 ~~(2) This section shall become operative on the date determined~~
21 ~~by the board pursuant to paragraph (1).~~

22 ~~(c) This section shall become operative on July 1, 2027.~~

23 SEC. 2. Section 22164.5 of the Education Code is amended to
24 read:

25 22164.5. (a) “Retired member activities” means one or more
26 activities identified in subdivision (b), (c), or (d) of Section 22119.5
27 or subdivision (b), (c), or (d) of Section 26113 within the California
28 public school system and performed by a member retired for
29 service under this part as one of the following:

- 30 (1) An employee of an employer.
- 31 (2) An employee of a third party, except as specified in
32 subdivision (b).
- 33 (3) An independent contractor.

34 (b) The activities of an employee of a third party shall not be
35 included in the definition of “retired member activities” if all of
36 the following conditions apply:

- 37 (1) The employee performs an assignment of 24 months or less.
- 38 (2) The third-party employer does not participate in a California
39 public pension system.

1 (3) The activities performed by the individual are not normally
2 performed by employees of an employer, as defined in Section
3 22131.

4 (c) *This section shall become inoperative on July 1, 2027, and,*
5 *as of January 1, 2028, is repealed.*

6 SEC. 3. Section 22164.5 is added to the Education Code, to
7 read:

8 22164.5. (a) “Retired member activities” means all service
9 performed within the California public school system by a member
10 retired for service under this part when the member is employed
11 as one of the following:

12 (1) An employee of an employer.

13 (2) An employee of a third party, except as specified in
14 subdivision (b).

15 (3) An independent contractor.

16 (b) Service performed by an employee of a third party shall not
17 be included in the definition of “retired member activities” if all
18 of the following conditions apply:

19 (1) The employee performs an assignment of 24 months or less.

20 (2) The third-party employer does not participate in a California
21 public pension system.

22 (3) The activities performed by the individual are not normally
23 performed by employees of an employer, as defined in Section
24 22131.

25 (c) *This section shall become operative on July 1, 2027.*

26 SEC. 4. Section 22170.5 of the Education Code is amended to
27 read:

28 22170.5. (a) “Sick leave days” means the number of days of
29 accumulated and unused leave of absence for illness or injury
30 granted by each employer.

31 (b) “Basic sick leave day” means the days of paid leave of
32 absence due to illness or injury granted by each employer that are
33 not excess sick leave days.

34 (c) “Excess sick leave days” means the day or total number of
35 days of paid leave of absence due to illness or injury granted by
36 each employer in excess of 12 days per school year.

37 ~~(d) For those standards identified in Section 22138.5 that are~~
38 ~~expressed only in terms of hours, the number of hours shall be~~
39 ~~divided by six to determine the number of days pursuant to this~~
40 ~~section.~~

1 (d) When determining the number of days pursuant to this
 2 section, including for those standards identified in Section 22138.5,
 3 one day shall be equivalent to the number of hours of creditable
 4 service performed in a day in that position on a full-time basis but
 5 shall be no less than six hours.

6 SEC. 5. Section 22250 of the Education Code is amended to
 7 read:

8 22250. The board and its officers and employees of the system
 9 shall discharge their duties with respect to the system and the plan
 10 solely in the interest of the members and beneficiaries of the
 11 Defined Benefit Program as well as the participants and
 12 beneficiaries of the Cash Balance Benefit Program as follows:

13 (a) For the exclusive purpose of the following:

14 (1) Providing benefits to members and beneficiaries of the
 15 Defined Benefit Program as well as the participants and
 16 beneficiaries of the Cash Balance Benefit Program.

17 (2) Defraying reasonable expenses of administering the plan.

18 (b) With the care, skill, prudence, and diligence under the
 19 circumstances then prevailing that a prudent person acting in a
 20 like capacity and familiar with those matters would use in the
 21 conduct of an enterprise of a like character and with like aims.

22 (c) By diversifying the investments of the plan so as to minimize
 23 the risk of ~~large losses~~, *loss and to maximize the rate of return*
 24 unless under the circumstances it is clearly *not prudent* ~~not~~ to do
 25 so.

26 (d) In accordance with the documents and instruments governing
 27 the plan and the system insofar as those documents and instruments
 28 are consistent with this part and Part 14 (commencing with Section
 29 26000).

30 SEC. 6. Section 22455.5 of the Education Code is amended to
 31 read:

32 22455.5. (a) The Legislature finds and declares that the federal
 33 Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)
 34 requires all public employers to provide their employees with either
 35 social security coverage or membership in a qualified retirement
 36 plan.

37 (b) Employers shall make available criteria for membership,
 38 including optional membership, in a timely manner to all persons
 39 employed to perform creditable service subject to coverage by the
 40 Defined Benefit Program, and shall inform part-time and substitute

1 employees, within ~~30~~ 10 *working* days of the date of hire, or by
2 March 1, 1995, whichever is later, that they may elect membership
3 in the plan's Defined Benefit Program at any time while employed.
4 Written acknowledgment by the employee shall be maintained in
5 employer files on a form provided by this system.

6 (c) Employers shall be liable to the plan for employee and
7 employer contributions and interest with respect to the Defined
8 Benefit Program from the date of hire, or March 1, 1995, whichever
9 is later, in addition to system administrative and audit costs, if an
10 audit or a member's complaint reveals noncompliance. However,
11 no employer shall be liable for employee contributions for service
12 performed prior to January 1, 1995.

13 SEC. 7. Section 24201.5 of the Education Code is amended to
14 read:

15 24201.5. (a) A member who is eligible and applies for a
16 disability allowance or retirement pursuant to Section 24001 or
17 24101 may apply to receive a service retirement allowance pending
18 the determination of their application for disability, subject to all
19 of the following:

20 (1) The member is eligible to retire for service under Section
21 24201 or 24203.

22 (2) The member submits the application on a form provided by
23 the system, subject to all of the following:

24 (A) The application is executed no earlier than the date the
25 application for disability benefits is executed and no earlier than
26 six months before the effective date of the retirement allowance.

27 (B) The effective date is no earlier than the first day of the month
28 in which the application for disability benefits is received by the
29 system, unless the application for disability benefits is denied or
30 canceled and the member has indicated an earlier service retirement
31 date on the application to use if denied or canceled. If the
32 application for disability benefits is denied or canceled, the service
33 retirement date of a member who submits an application for
34 retirement pursuant to this section shall be no earlier than 270
35 calendar days prior to when the application for service retirement
36 is received by the system.

37 (C) The effective date is later than the last day the member
38 earned creditable compensation pursuant to Section 22119.2 or
39 22119.3.

1 (D) The effective date is no earlier than one year following the
2 date on which a retirement allowance was terminated pursuant to
3 Section 24208, unless the application for disability benefits is
4 denied or canceled and the member has indicated an earlier service
5 retirement date on the application to use if denied or canceled. If
6 the application for disability benefits is denied or canceled, the
7 service retirement date is no earlier than one day after the date on
8 which a retirement allowance was terminated pursuant to Section
9 24208, provided that the retirement allowance is terminated no
10 earlier than 270 calendar days prior to when the application for
11 service retirement is received by the system.

12 (E) The effective date is no earlier than one year following the
13 date on which a retirement allowance was terminated pursuant to
14 subdivision (a) of Section 24117.

15 (3) The effective date of the service retirement allowance can
16 be no earlier than the date upon and continuously after which the
17 member is determined to the satisfaction of the board to have been
18 mentally incompetent.

19 (4) A member who applies for service retirement under this
20 section is not eligible to receive a lump-sum payment and an
21 actuarially reduced monthly allowance pursuant to Section 24221.

22 (5) A member who applies for service retirement under this
23 section is not eligible to receive an allowance calculated pursuant
24 to Section 24205.

25 (6) A member who applies for service retirement under this
26 section and elects to receive their retirement benefit pursuant to
27 Section 25009 as a lump-sum payment is not eligible to elect a
28 disability benefit pursuant to Section 25016 or 25018.1.

29 (7) (A) Except as described in subparagraph (B), a member who
30 applies for service retirement under this section shall not receive
31 service credit for each day of accumulated and unused leave of
32 absence for illness or injury or for education pursuant to Section
33 22717 or ~~22717.5~~ 22717.5 or *service credit granted pursuant to*
34 *Section 22714.*

35 (B) If the application for disability is denied or canceled, the
36 member's service retirement allowance shall be adjusted to the
37 effective date of the service retirement to include service credited
38 pursuant to Section ~~22717~~ 22714, 22717, or 22717.5.

1 (8) If the application for disability is denied or canceled, a
2 member who applies for a service retirement allowance under this
3 section is subject to all of the following:

4 (A) Unless otherwise provided in this part, a member who, on
5 their application for service retirement, elects an option pursuant
6 to Section 24300.1 or 24307 may not change or revoke that option.

7 (B) If the member receives a modified service retirement
8 allowance based on the election of an option pursuant to Section
9 24300.1 or 24307, that modified service retirement allowance shall
10 continue in effect and unchanged.

11 (C) If the member did not elect an option pursuant to Section
12 24300.1 or 24307 and receives an unmodified service retirement
13 allowance, that unmodified service retirement allowance shall
14 continue in effect and unchanged.

15 (b) A member who applies for service retirement under this
16 section may change or cancel their service retirement application
17 pursuant to Section 24204, or may terminate their service
18 retirement allowance pursuant to Section 24208.

19 (c) A member may not cancel their application for disability
20 prior to a determination of that application unless they submit a
21 written request to the system. If a member elects to cancel their
22 service retirement application or elects to terminate their service
23 retirement allowance as described in subdivision (b), that election
24 shall not cancel the application for disability.

25 (d) (1) Subparagraph (C) of paragraph (1) of subdivision (a) of
26 Section 24001 and paragraph (3) of subdivision (a) of Section
27 24101 shall not apply to a member who cancels an application for
28 service retirement pursuant to Section 24204 or who terminates a
29 service retirement allowance pursuant to Section 24208, if all of
30 the following apply:

31 (A) The member earned at least one year of credited service
32 subsequent to the most recent terminated service retirement
33 allowance.

34 (B) The member's application for disability under this section
35 is pending determination by the board.

36 (2) If the member's application for disability under this section
37 is denied or canceled, subparagraph (C) of paragraph (1) of
38 subdivision (a) of Section 24001 and paragraph (3) of subdivision
39 (a) of Section 24101 shall apply if the member submits a new
40 application for disability.

1 (e) (1) If the board approves the application for disability, and
2 notwithstanding subdivision (f) of Section 24204, the board shall
3 cancel the member's application for service retirement and shall
4 authorize payment of a disability allowance or disability retirement.

5 (2) If the board approves the application for disability and the
6 member has received service retirement allowance payments under
7 this part, the effective date for the disability allowance or disability
8 retirement shall be the same as the effective date of the service
9 retirement allowance.

10 (f) If a member who applies for service retirement under this
11 section dies prior to a determination by the board on the application
12 for disability, the member shall be considered retired for service
13 at the time of death, and any subsequent benefits shall be paid
14 accordingly.

15 (g) If a member who applies for service retirement under this
16 section dies after the board has approved the member's application
17 for disability, the member shall be considered a disabled member,
18 or retired for disability, at the time of death, and any subsequent
19 benefits shall be paid accordingly, even if the member died prior
20 to receiving notification of the approval of their application for
21 disability.

22 (h) If the member changes or cancels their service retirement
23 application or terminates their service retirement allowance as
24 described in subdivision (b), the system shall make appropriate
25 adjustments to the applicable service retirement allowance,
26 disability allowance, or disability retirement allowance, retroactive
27 to the effective date of the disability allowance or disability
28 retirement allowance. Subdivision (a) of Section 24617 shall not
29 apply.

30 (i) The system may recover a service retirement allowance
31 overpayment made to a member by deducting that overpayment
32 from any subsequent disability benefit payable to the member.

33 (j) Nothing in this section shall be construed to allow a member
34 or beneficiary to receive more than one type of retirement or
35 disability allowance for the same period of time.

36 ~~(k) (1) The board shall determine a date based on when the~~
37 ~~system has the capacity to implement the changes made by the act~~
38 ~~that added this subdivision. The date determined by the board shall~~
39 ~~be posted on the website of the system no later than January 1,~~
40 ~~2026.~~

1 ~~(2) This section shall become operative on the date determined~~
2 ~~by the board pursuant to paragraph (1).~~

3 SEC. 8. Section 24204 of the Education Code is amended to
4 read:

5 24204. (a) A service retirement allowance under this part shall
6 become effective upon any date designated by the member,
7 provided all of the following conditions are met:

8 (1) An application for service retirement allowance is filed on
9 a form provided by the system, which is executed no earlier than
10 six months before the effective date of retirement ~~allowance.~~
11 *allowance and received by the system within 30 days after the date*
12 *of the member's signature and, if applicable, the spouse's or*
13 *registered domestic partner's signature.*

14 (2) The effective date of a member who files an application for
15 retirement pursuant to Section 24201 is no earlier than 270 calendar
16 days prior to when the application for service retirement is received
17 by the system.

18 (3) The effective date is later than the last day the member
19 earned creditable compensation pursuant to Section 22119.2 or
20 22119.3.

21 (4) The effective date is no earlier than one day after the date
22 on which the retirement allowance was terminated under Section
23 24208.

24 (5) The effective date is no earlier than one year following the
25 date on which the retirement allowance was terminated under
26 subdivision (a) of Section 24117.

27 (6) The effective date is no earlier than the date upon and
28 continuously after which the member is determined to the
29 satisfaction of the board to have been mentally incompetent.

30 (7) The effective date is no earlier than one day after the date
31 upon which the member completes payment of a service credit
32 purchase pursuant to Section 22801, 22820, or 22826, or payment
33 of a redeposit of contributions pursuant to Section 23200, except
34 as provided in Section 22801 or 22829.

35 (b) A member who files an application for service retirement
36 may change or cancel their retirement application if all of the
37 following are met:

38 (1) The form provided by the system is received by the system
39 no later than 30 days from the date the member's initial benefit
40 payment for the member's most recent retirement under the Defined

1 Benefit Program is paid by the ~~system~~. *system and received by the*
 2 *system within 30 days after the date of the member's signature*
 3 *and, if applicable, the spouse's or registered domestic partner's*
 4 *signature.*

5 (2) The member returns the total gross distribution amount of
 6 all payments for any canceled benefit, including a lump-sum
 7 payment being changed to an annuity, to the system no later than
 8 45 days from the date of the member's initial benefit payment.
 9 The member shall be liable for any adverse tax consequences that
 10 may result from these actions.

11 (c) *A member may elect to change a retirement annuity from*
 12 *the Defined Benefit Supplement Program to a lump-sum payment*
 13 *any time after retirement subject to Section 25009 using a form*
 14 *provided by the system. The form shall be received by the system*
 15 *within 30 days after the date of the member's signature and, if*
 16 *applicable, the spouse's or registered domestic partner's signature.*

17 (e)

18 (d) Nothing in this section shall be construed to allow a member
 19 to receive more than one type of retirement or disability allowance
 20 for the same period of time by virtue of the member's own
 21 membership.

22 (d)

23 ~~(1) The board shall determine a date based on when the system~~
 24 ~~has the capacity to implement the changes made by the act that~~
 25 ~~added this subdivision. The date determined by the board shall be~~
 26 ~~posted on the website of the system no later than January 1, 2026.~~

27 ~~(2) This section shall become operative on the date determined~~
 28 ~~by the board pursuant to paragraph (1).~~

29 SEC. 9. Section 24209 of the Education Code is amended to
 30 read:

31 24209. (a) Upon retirement for service following reinstatement,
 32 the member shall receive a service retirement allowance equal to
 33 the sum of both of the following:

34 (1) An amount equal to the monthly allowance the member was
 35 eligible to receive immediately preceding the most recent
 36 reinstatement, exclusive of any amounts payable pursuant to
 37 Section 22714 or 22715, increased by the improvement factor that
 38 would have been applied to the allowance if the member had not
 39 reinstated.

1 (2) An amount calculated pursuant to Section 24202, 24202.5,
2 24202.6, 24203, 24203.5, or 24206 based on credited service
3 accrued, including any service granted pursuant to Section 22717
4 or 22717.5, subsequent to the most recent reinstatement, the
5 member's age on the last day of the month in which the retirement
6 allowance begins to accrue, and final compensation.

7 (b) If the total amount of credited service accrued, other than
8 that accrued pursuant to Sections 22714, 22715, 22717, 22717.5,
9 and 22826, except as provided in subdivision (c) of Section 22121,
10 is equal to or greater than 30 years, the amounts identified in
11 paragraphs (1), for members who initially retired on or after
12 January 1, 1999, and (2) of subdivision (a) shall be calculated
13 pursuant to Section 24203.5.

14 (c) If the total amount of credited service accrued, other than
15 that accrued pursuant to Sections 22714, 22715, 22717, 22717.5,
16 and 22826, except as provided in subdivision (c) of Section 22121,
17 is equal to or greater than 30 years, upon retirement for service
18 following reinstatement, a member who retired pursuant to Section
19 24213, and received the terminated disability allowance for the
20 prior retirement, shall receive a service retirement allowance equal
21 to the sum of the following:

22 (1) An amount based on the credited service accrued, including
23 any service granted pursuant to Section 22717 or 22717.5, prior
24 to the effective date of the disability allowance, the member's age
25 at the prior retirement increased by the factor provided in Section
26 24203.5, and projected final compensation.

27 (2) An amount calculated pursuant to Section 24202, 24202.5,
28 24202.6, 24203.5, or 24206 based on credited service accrued,
29 including any service granted pursuant to Section 22717 or
30 22717.5, subsequent to the reinstatement, the member's age on
31 the last day of the month in which the retirement allowance begins
32 to accrue, and final compensation using compensation earnable,
33 or projected final compensation, or a combination of both.

34 (d) Benefits calculated pursuant to this section shall not take
35 into consideration the benefit comparison described in Section
36 24203.8.

37 (e) *Benefits calculated pursuant to this section shall be modified*
38 *by an option if elected pursuant to this part.*

39 SEC. 10. Section 24209.3 of the Education Code is amended
40 to read:

1 24209.3. (a) Notwithstanding subdivision (a) of Section 24209,
 2 and exclusive of any amounts payable during the prior retirement
 3 for service pursuant to Section 22714, or 22715:

4 (1) A member who retired, other than pursuant to Section 24210,
 5 24211, 24212, or 24213, and who reinstates and performs creditable
 6 service, as defined in Section 22119.5, after the most recent
 7 reinstatement, in an amount equal to two or more years of credited
 8 service, shall, upon retirement for service on or after the effective
 9 date of this section, receive a service retirement allowance equal
 10 to the sum of the following:

11 (A) An amount calculated pursuant to this chapter based on
 12 credited service accrued, including any service granted pursuant
 13 to Section 22717 or 22717.5, prior to the most recent reinstatement,
 14 using the member's age at the subsequent service retirement, from
 15 which age shall be deducted the total time during which the
 16 member was retired for service, and final compensation.

17 (B) An amount calculated pursuant to this chapter based on
 18 credited service accrued, including any service granted pursuant
 19 to Section 22717 or 22717.5, subsequent to the most recent
 20 reinstatement, using the member's age on the last day of the month
 21 in which the retirement allowance begins to accrue, and final
 22 compensation.

23 (2) A member who retired pursuant to Section 24210 and who
 24 reinstates and performs creditable service, as defined in Section
 25 22119.5, after the most recent reinstatement, in an amount equal
 26 to two or more years of credited service, shall, upon retirement for
 27 service on or after the effective date of this section, receive a
 28 service retirement allowance equal to the sum of the following:

29 (A) An amount calculated pursuant to this chapter based on
 30 credited service accrued, including any service granted pursuant
 31 to Section 22717 or 22717.5, prior to the effective date of the
 32 disability retirement, using the member's age at the subsequent
 33 service retirement, from which age shall be deducted the total time
 34 during which the member was retired for service, and indexed final
 35 compensation to the effective date of the initial service retirement.

36 (B) An amount calculated pursuant to this chapter based on the
 37 credited service accrued, including any service granted pursuant
 38 to Section 22717 or 22717.5, after termination of the disability
 39 retirement, excluding credited service accrued or granted
 40 subsequent to the most recent reinstatement, using the member's

1 age at the subsequent service retirement, from which age shall be
2 deducted the total time during which the member was retired for
3 service, and final compensation.

4 (C) An amount calculated pursuant to this chapter based on
5 credited service accrued, including any service granted pursuant
6 to Section 22717 or 22717.5, subsequent to the most recent
7 reinstatement, using the member's age on the last day of the month
8 in which the retirement allowance begins to accrue, and final
9 compensation.

10 (3) A member who retired pursuant to Section 24211 and who
11 reinstates and performs creditable service, as defined in Section
12 22119.5, after the most recent reinstatement, in an amount equal
13 to two or more years of credited service, shall, upon retirement for
14 service on or after the effective date of this section, receive a
15 service retirement allowance equal to the sum of the following:

16 (A) The greater of (i) the disability allowance the member was
17 eligible to receive immediately prior to termination of that
18 allowance, excluding the children's portion, or (ii) an amount
19 calculated pursuant to this chapter based on credited service
20 accrued prior to the effective date of the disability allowance,
21 excluding credited service accrued or granted pursuant to Section
22 22717 or 22717.5 or Chapter 14 (commencing with Section 22800)
23 or Chapter 14.2 (commencing with Section 22820) or Chapter 19
24 (commencing with Section 23200), using the member's age at the
25 subsequent service retirement, from which age shall be deducted
26 the total time during which the member was retired for service,
27 and final compensation using compensation earnable, or projected
28 final compensation earnable, or a combination of both.

29 (B) An amount equal to either of the following:

30 (i) For a member who was receiving a benefit pursuant to
31 subdivision (a) of Section 24211, an amount calculated pursuant
32 to this chapter based on credited service accrued at the time of the
33 retirement pursuant to Section 24211, excluding credited service
34 accrued or granted prior to the effective date of the disability
35 allowance or pursuant to Section 22717 or 22717.5 or Chapter 14
36 (commencing with Section 22800) or Chapter 14.2 (commencing
37 with Section 22820) or Chapter 19 (commencing with Section
38 23200), the member's age at the subsequent service retirement,
39 from which age shall be deducted the total time during which the
40 member was retired for service, and final compensation using

1 compensation earnable, or projected final compensation, or a
2 combination of both.

3 (ii) For a member who was receiving a benefit pursuant to
4 subdivision (b) of Section 24211, an amount calculated pursuant
5 to this chapter based on projected service at the time of the
6 retirement pursuant to Section 24211, excluding credited service
7 accrued or granted prior to the effective date of the disability
8 allowance or pursuant to Section 22717 or 22717.5 or Chapter 14
9 (commencing with Section 22800) or Chapter 14.2 (commencing
10 with Section 22820) or Chapter 19 (commencing with Section
11 23200), the member's age at the subsequent service retirement,
12 from which age shall be deducted the total time during which the
13 member was retired for service, and final compensation using
14 compensation earnable, or projected final compensation, or a
15 combination of both.

16 (C) An amount based on any credited service accrued or granted
17 pursuant to Section 22717 or 22717.5 or Chapter 14 (commencing
18 with Section 22800) or Chapter 14.2 (commencing with Section
19 22820) or Chapter 19 (commencing with Section 23200), at the
20 time of the retirement pursuant to Section 24211, using the
21 member's age at the subsequent service retirement, from which
22 age shall be deducted the total time during which the member was
23 retired for service, and final compensation using compensation
24 earnable, or projected final compensation, or a combination of
25 both.

26 (D) An amount calculated pursuant to this chapter based on
27 credited service accrued subsequent to the most recent
28 reinstatement, including credited service accrued or granted
29 pursuant to Section 22714, 22715, 22717, or 22717.5 or Chapter
30 14 (commencing with Section 22800) or Chapter 14.2
31 (commencing with Section 22820) or Chapter 19 (commencing
32 with Section 23200), using the member's age on the last day of
33 the month in which the retirement allowance begins to accrue, and
34 final compensation using compensation earnable, or projected final
35 compensation, or a combination of both.

36 (4) A member who retired pursuant to Section 24212 or 24213
37 and who reinstates and performs creditable service, as defined in
38 Section 22119.5, after the most recent reinstatement, in an amount
39 equal to two or more years of credited service, shall, upon
40 retirement for service on or after the effective date of this section,

1 receive a service retirement allowance equal to the sum of the
2 following:

3 (A) An amount calculated pursuant to this chapter based on the
4 member's projected service at the time of the retirement pursuant
5 to Section 24212 or 24213, including credited service accrued or
6 granted pursuant to Section 22717 or 22717.5 or Chapter 14
7 (commencing with Section 22800) or Chapter 14.2 (commencing
8 with Section 22820) or Chapter 19 (commencing with Section
9 23200), using the member's age at the subsequent service
10 retirement, from which age shall be deducted the total time during
11 which the member was retired for service, and final compensation
12 using compensation earnable, or projected final compensation, or
13 a combination of both.

14 (B) An amount calculated pursuant to this chapter based on
15 credited service accrued subsequent to the most recent
16 reinstatement, including credited service accrued or granted
17 pursuant to Section 22714, 22715, 22717, or 22717.5 or Chapter
18 14 (commencing with Section 22800) or Chapter 14.2
19 (commencing with Section 22820) or Chapter 19 (commencing
20 with Section 23200), using the member's age on the last day of
21 the month in which the retirement allowance begins to accrue, and
22 final compensation using compensation earnable, or projected final
23 compensation, or a combination of both.

24 (b) If the total amount of credited service, other than projected
25 service, or service that accrued or was granted pursuant to Sections
26 22714, 22715, 22717, 22717.5, and 22826, except as provided in
27 subdivision (c) of Section 22121, is equal to or greater than the
28 number of years required to be eligible for an increased allowance
29 pursuant to this chapter or Section 22134.5, the amounts identified
30 in this section shall be calculated pursuant to the section authorizing
31 the increased benefit.

32 (c) For members receiving an allowance pursuant to Section
33 24410.5 or 24410.6, the amount payable pursuant to this section
34 shall not be less than the amount payable to the member as of the
35 effective date of reinstatement.

36 (d) The amount payable pursuant to this section shall not be
37 less than the amount that would be payable to the member pursuant
38 to Section 24209.

39 (e) For purposes of determining an allowance increase pursuant
40 to Sections 24415 and 24417, the calendar year of retirement shall

1 be the year of the subsequent retirement if the final compensation
2 used to calculate the allowance pursuant to this section is higher
3 than the final compensation used to calculate the allowance for
4 the prior retirement.

5 (f) The allowance paid pursuant to this section to a member
6 receiving a lump-sum payment pursuant to Section 24221 shall be
7 actuarially reduced to reflect that lump-sum payment.

8 (g) Benefits calculated pursuant to this section shall not take
9 into consideration the benefit comparison described in Section
10 24203.8.

11 *(h) Benefits calculated pursuant to this section shall be modified*
12 *by an option if elected pursuant to this part.*

13 SEC. 11. Section 24210 of the Education Code is amended to
14 read:

15 24210. (a) Upon retirement for service following a prior
16 disability retirement granted pursuant to Chapter 26 (commencing
17 with Section 24100) that was terminated, the member shall receive
18 a service retirement allowance calculated pursuant to Section
19 24202, 24202.5, 24202.6, 24203, 24203.5, 24203.6, or 24206 and
20 equal to the sum of both of the following:

21 (a)

22 (1) An amount based on credited service accrued, including any
23 service granted pursuant to Section 22717 or 22717.5, prior to the
24 effective date of the disability retirement, the member's age on
25 the last day of the month in which the retirement allowance begins
26 to accrue, and indexed final compensation to the effective date of
27 the service retirement.

28 (b)

29 (2) An amount based on the credited service accrued, including
30 any service granted pursuant to Section 22717 or 22717.5, after
31 termination of the disability retirement, the member's age on the
32 last day of the month in which the retirement allowance begins to
33 accrue, and final compensation.

34 *(b) Benefits calculated pursuant to this section shall be modified*
35 *by an option if elected pursuant to this part.*

36 SEC. 12. Section 25006 of the Education Code is amended to
37 read:

38 25006. (a) The board may declare an additional earnings credit
39 to be applied to Defined Benefit Supplement accounts for a plan

1 year. Prior to declaring an additional earnings credit, the board
2 shall consider all of the following:

3 (1) Whether the plan's investment earnings with respect to the
4 Defined Benefit Supplement Program for the plan year exceed the
5 amount required to meet the liabilities identified in paragraphs (2),
6 (3), and (4).

7 (2) The amount required for the plan year to credit interest on
8 members' nominal accounts at the minimum interest rate.

9 (3) The amount of the plan's administrative expenses with
10 respect to the Defined Benefit Supplement Program for the plan
11 year.

12 (4) The sufficiency of the Gain and Loss Reserve and whether
13 any additions must be made to that reserve.

14 (b) For any plan year that the board declares an additional
15 earnings credit, the board shall specify the amount to be added to
16 members' accounts as a percentage increase. The additional
17 earnings credit shall be applied to the balance of credits in each
18 member's nominal account as of the last day of the plan year and
19 shall be applied as of the date specified by the board. ~~The additional
20 earnings credit shall not be added to the balance of credits
21 transferred from a member's Defined Benefit Supplement account
22 to the Annuitant Reserve.~~

23 (c) The declaration of an additional earnings credit shall be
24 made as a plan amendment adopted by the board with respect to
25 the Defined Benefit Supplement Program upon recommendation
26 of the actuary based on the actuarial valuation undertaken following
27 the plan year pursuant to Section 22311.5, but no later than June
28 30 following the end of the plan year.

29 SEC. 13. Section 25009 of the Education Code is amended to
30 read:

31 25009. (a) A member's retirement benefit under the Defined
32 Benefit Supplement Program shall be an amount equal to the
33 balance of credits in the member's Defined Benefit Supplement
34 account on the date the retirement benefit becomes payable.

35 (b) A retirement benefit shall be a lump-sum payment, or an
36 annuity payable in monthly installments, or a combination of both
37 a lump-sum payment and an annuity, as elected by the member on
38 the application for a retirement benefit. Any retirement benefit
39 paid as an annuity under this chapter shall be subject to Section
40 25011 or 25011.1.

1 (c) If a member elects to change their retirement annuity from
 2 the Defined Benefit Supplement Program to a lump-sum payment
 3 pursuant to subdivision (c) of Section 24204, all of the following
 4 shall apply:

5 (1) Payment of the annuity based on the balance of credits that
 6 was transferred from the member's Defined Benefit Supplement
 7 account to the Annuitant Reserve shall terminate.

8 (2) The member's Defined Benefit Supplement account shall be
 9 credited with the balance of credits remaining in the member's
 10 Annuitant Reserve account as of the date the annuity is terminated,
 11 and the Annuitant Reserve shall be reduced by the amount credited
 12 to the member's account.

13 (3) The lump-sum payment based on the remaining balance of
 14 credits in the member's Defined Benefit Supplement account at
 15 the time of the lump-sum payment shall become payable pursuant
 16 to this section, and no additional interest shall be issued.

17 (4) The election is irrevocable.

18 ~~(e)~~

19 (d) Upon distribution of the entire retirement benefit in a
 20 lump-sum payment, no other benefit shall be payable to the
 21 member or the member's beneficiary under the Defined Benefit
 22 Supplement Program.

23 ~~(e)~~

24 (e) A member may not apply a lump-sum payment made to the
 25 member pursuant to this section for any of the following purposes:

26 (1) Purchasing service credit pursuant to Chapter 14
 27 (commencing with Section 22800), Chapter 14.2 (commencing
 28 with Section 22820), or Chapter 14.5 (commencing with Section
 29 22850).

30 (2) Redepositing previously refunded retirement contributions
 31 pursuant to Chapter 19 (commencing with Section 23200).

32 SEC. 14. Section 26004 of the Education Code is amended to
 33 read:

34 26004. Notwithstanding any other provision of law:

35 (a) The benefits payable to any participant or beneficiary under
 36 this part shall be subject to the limitations imposed by Section 415
 37 of Title 26 of the United States Code.

38 (b) The amount of compensation that is taken into account in
 39 computing benefits under this part for a plan year shall not exceed
 40 the annual compensation limit applicable to that plan year in

1 accordance with Section 401(a)(17) of Title 26 of the United States
2 Code as that section read on the effective date of this section and
3 as that section may be amended after that date. The determination
4 of compensation for a 12-month period shall be subject to the
5 annual compensation limit in effect for the calendar year in which
6 the 12-month period begins. In a determination of average
7 compensation over more than one 12-month period, the amount
8 of compensation taken into account for each 12-month period shall
9 be subject to the respective annual compensation limit applicable
10 to that period.

11 (c) Distributions from the plan under this part shall be made in
12 accordance with Section 401(a)(9) of Title 26 of the United States
13 Code, including the incidental death benefit requirements of
14 Section 401(a)(9)(G) and the regulations thereunder. The required
15 beginning date of benefit payments that represent the entire interest
16 of the participant shall be as follows:

17 (1) In the case of a lump-sum distribution of a retirement benefit,
18 disability benefit, or termination benefit, the lump-sum payment
19 shall be made not later than April 1 of the calendar year following
20 the later of (A) the calendar year in which the participant attains
21 the age at which the Internal Revenue Code of 1986 requires a
22 distribution of benefits or (B) the calendar year in which the
23 participant terminates all employment subject to coverage by the
24 plan.

25 (2) In the case of a retirement benefit or disability benefit that
26 is to be paid in the form of an annuity, payment of the annuity
27 shall begin not later than April 1 of the calendar year following
28 the later of (A) the calendar year in which the participant attains
29 the age at which the Internal Revenue Code of 1986 requires a
30 distribution of benefits or (B) the calendar year in which the
31 participant terminates employment in all positions subject to
32 coverage by the plan, with the annuity to continue over the life of
33 the participant or the life of the participant and the participant's
34 option beneficiary, or over a period not to exceed the life
35 expectancy of the participant or the life expectancy of the
36 participant and the participant's option beneficiary.

37 (3) In the case of a death benefit, distributions shall commence
38 as follows:

1 (A) The normal form of the benefit or other lump-sum
 2 distribution shall be paid in accordance with Section 401(a)(9) of
 3 Title 26 of the United States Code and the regulations thereunder.

4 (B) Annuity payments shall commence as follows:

5 (i) If the spouse is the sole beneficiary, not later than December
 6 31 of the later of the calendar year in which the participant would
 7 have attained the age at which the Internal Revenue Code of 1986
 8 requires a distribution of benefits or the calendar year following
 9 the calendar year of the participant’s death.

10 (ii) If the spouse is not the sole beneficiary, not later than
 11 December 31 of the calendar year following the calendar year of
 12 the participant’s death.

13 (d) If a person becomes entitled to a distribution from the plan
 14 under this part that constitutes an eligible rollover distribution
 15 within the meaning of Section 401(a)(31) of Title 26 of the United
 16 States Code, the person may elect under terms and conditions
 17 established by the board to have the distribution or a portion thereof
 18 paid directly to a plan that constitutes an eligible retirement plan
 19 within the meaning of Section 401(a)(31), as specified by that
 20 person. Upon the exercise of the election by a person with respect
 21 to a distribution or a portion thereof, the distribution from the plan
 22 of the amount so designated, once distributable under the terms of
 23 the plan, shall be made in the form of a direct rollover to the
 24 eligible retirement plan so specified.

25 (e) The amount of any benefit from the plan under this part that
 26 is determined on the basis of actuarial assumptions shall be based
 27 on actuarial assumptions adopted by the board pursuant to Section
 28 26213 as a plan amendment with respect to the Cash Balance
 29 Benefit Program and those assumptions shall preclude employer
 30 discretion and comply with Section 401(a)(25) of Title 26 of the
 31 United States Code.

32 (f) *This section shall become inoperative on July 1, 2027, and,*
 33 *as of January 1, 2028, is repealed.*

34 SEC. 15. Section 26004 is added to the Education Code, to
 35 read:

36 26004. Notwithstanding any other provision of law:

37 (a) The benefits payable to any participant or beneficiary under
 38 this part shall be subject to the limitations imposed by Section 415
 39 of Title 26 of the United States Code.

1 (b) The amount of compensation that is taken into account in
2 computing benefits under this part for a plan year shall not exceed
3 the following limitations:

4 (1) The annual compensation limit applicable to that plan year
5 in accordance with Section 401(a)(17) of Title 26 of the United
6 States Code as that section read on the effective date of this section
7 and as that section may be amended after that date. The
8 determination of compensation for a 12-month period shall be
9 subject to the annual compensation limit in effect for the calendar
10 year in which the 12-month period begins. In a determination of
11 average compensation over more than one 12-month period, the
12 amount of compensation taken into account for each 12-month
13 period shall be subject to the respective annual compensation limit
14 applicable to that period.

15 (2) For a participant subject to the California Public Employees’
16 Pension Reform Act of 2013:

17 (A) (i) One hundred twenty percent of the “contribution and
18 benefit base,” as determined under Section 430(b) of the Social
19 Security Act (42 U.S.C. Sec. 430(b)), on January 1, 2013, for a
20 participant whose service is not included in the federal system.

21 (ii) One hundred percent of the “contribution and benefit base,”
22 as determined under Section 430(b) of the Social Security Act (42
23 U.S.C. Sec. 430(b)), on January 1, 2013, for a participant whose
24 service is included in the federal system pursuant to any changes
25 in state or federal law enacted on or after January 1, 2013.

26 (B) The system shall adjust the limit based on the annual
27 changes to the Consumer Price Index for All Urban Consumers:
28 U.S. City Average, calculated by dividing the Consumer Price
29 Index for All Urban Consumers: U.S. City Average for the month
30 of February in the fiscal year preceding the adjustment by the
31 Consumer Price Index for All Urban Consumers: U.S. City
32 Average for the month of February of the previous year rounded
33 to the nearest thousandth. Notwithstanding paragraph (1) of
34 subdivision (d) of Section 7522.10 of the Government Code, the
35 adjustment shall be effective annually on July 1, beginning July
36 1, 2014.

37 (C) The Legislature reserves the right to modify the requirements
38 of this paragraph with regard to all participants subject to this
39 subdivision, except that the Legislature shall not modify these

1 provisions in a manner that would result in a decrease in benefits
2 accrued before the operative date of the modification.

3 (c) Distributions from the plan under this part shall be made in
4 accordance with Section 401(a)(9) of Title 26 of the United States
5 Code, including the incidental death benefit requirements of
6 Section 401(a)(9)(G) and the regulations thereunder. The required
7 beginning date of benefit payments that represent the entire interest
8 of the participant shall be as follows:

9 (1) In the case of a lump-sum distribution of a retirement benefit,
10 disability benefit, or termination benefit, the lump-sum payment
11 shall be made not later than April 1 of the calendar year following
12 the later of (A) the calendar year in which the participant attains
13 the age at which the Internal Revenue Code of 1986 requires a
14 distribution of benefits or (B) the calendar year in which the
15 participant terminates all employment subject to coverage by the
16 plan.

17 (2) In the case of a retirement benefit or disability benefit that
18 is to be paid in the form of an annuity, payment of the annuity
19 shall begin not later than April 1 of the calendar year following
20 the later of (A) the calendar year in which the participant attains
21 the age at which the Internal Revenue Code of 1986 requires a
22 distribution of benefits or (B) the calendar year in which the
23 participant terminates employment in all positions subject to
24 coverage by the plan, with the annuity to continue over the life of
25 the participant or the life of the participant and the participant's
26 option beneficiary, or over a period not to exceed the life
27 expectancy of the participant or the life expectancy of the
28 participant and the participant's option beneficiary.

29 (3) In the case of a death benefit, distributions shall commence
30 as follows:

31 (A) The normal form of the benefit or other lump-sum
32 distribution shall be paid in accordance with Section 401(a)(9) of
33 Title 26 of the United States Code and the regulations thereunder.

34 (B) Annuity payments shall commence as follows:

35 (i) If the spouse is the sole beneficiary, not later than December
36 31 of the later of the calendar year in which the participant would
37 have attained the age at which the Internal Revenue Code of 1986
38 requires a distribution of benefits or the calendar year following
39 the calendar year of the participant's death.

1 (ii) If the spouse is not the sole beneficiary, not later than
2 December 31 of the calendar year following the calendar year of
3 the participant's death.

4 (d) If a person becomes entitled to a distribution from the plan
5 under this part that constitutes an eligible rollover distribution
6 within the meaning of Section 401(a)(31) of Title 26 of the United
7 States Code, the person may elect under terms and conditions
8 established by the board to have the distribution or a portion thereof
9 paid directly to a plan that constitutes an eligible retirement plan
10 within the meaning of Section 401(a)(31), as specified by that
11 person. Upon the exercise of the election by a person with respect
12 to a distribution or a portion thereof, the distribution from the plan
13 of the amount so designated, once distributable under the terms of
14 the plan, shall be made in the form of a direct rollover to the
15 eligible retirement plan so specified.

16 (e) The amount of any benefit from the plan under this part that
17 is determined on the basis of actuarial assumptions shall be based
18 on actuarial assumptions adopted by the board pursuant to Section
19 26213 as a plan amendment with respect to the Cash Balance
20 Benefit Program and those assumptions shall preclude employer
21 discretion and comply with Section 401(a)(25) of Title 26 of the
22 United States Code.

23 (f) This section shall become operative on July 1, 2027.

24 SEC. 16. Section 26113 of the Education Code is amended to
25 read:

26 26113. (a) "Creditable service" means any of the activities
27 described in subdivision (b) performed for any of the following
28 employers:

29 (1) A prekindergarten through grade 12 employer in a position
30 with certification qualifications authorized by the Commission on
31 Teacher Credentialing pursuant to Section 44001.

32 (2) A community college employer by a faculty member, as
33 defined in Section 87003, in an academic position, as defined in
34 subdivision (b) of Section 87001, or by an educational
35 administrator, as defined in subdivision (b) of Section 87002,
36 subject to the appropriate minimum standards adopted by the Board
37 of Governors of the California Community Colleges pursuant to
38 Section 87356, or pursuant to a contract between a community
39 college district and the United States Department of Defense to
40 provide vocational training.

- 1 (3) A charter school employer under the provisions of an
2 approved charter for the operation of a charter school for which
3 the charter school is eligible to receive state apportionment.
- 4 (b) The types of activities are any of the following:
- 5 (1) The work of teachers, instructors, district interns, and
6 academic employees employed in the instructional program for
7 pupils, including special programs such as adult education, regional
8 occupational programs, childcare centers, and prekindergarten
9 programs pursuant to Section 22161.
- 10 (2) Education or vocational counseling, guidance, and placement
11 services.
- 12 (3) The work of employees who plan courses of study to be
13 used in California public schools, or research connected with the
14 evaluation or efficiency of the instructional program.
- 15 (4) The selection, collection, preparation, classification,
16 demonstration, or evaluation of instructional materials of any
17 course of study for use in the development of the instructional
18 program in California public schools, or other services related to
19 California public school curriculum.
- 20 (5) The examination, selection, in-service training, mentoring,
21 or assignment of teachers, principals, or other similar personnel
22 involved in the instructional program.
- 23 (6) The work of nurses, physicians, speech therapists,
24 psychologists, audiologists, and other California public school
25 health professionals.
- 26 (7) Services as a California public school librarian.
- 27 (8) Activities connected with the enforcement of the laws
28 relating to compulsory education, coordination of child welfare
29 activities involving the school and the home, and the school
30 adjustment of pupils.
- 31 (9) The work of employees who are responsible for the
32 supervision of persons or administration of the duties described
33 in this subdivision.
- 34 (c) “Creditable service” also means any of the activities
35 described in subdivision (b) when they are performed for an
36 employer by:
- 37 (1) Superintendents of California public schools, and presidents
38 and chancellors of community college employers.
- 39 (2) Consulting teachers employed by an employer to participate
40 in the California Peer Assistance and Review Program for Teachers

1 pursuant to Article 4.5 (commencing with Section 44500) of
2 Chapter 3 of Part 25 of Division 3 of Title 2.

3 (3) Audiometrists who hold a certificate of registration issued
4 by the State Department of Health Care Services.

5 (d) “Creditable service” also means the performance of
6 California public school activities related to, and an outgrowth of,
7 the instructional and guidance program of the California public
8 school when performed for the same employer for which the
9 member is performing any of the activities described in subdivision
10 (b) or (c).

11 (e) “Creditable service” also means trustee service as defined
12 in Section 26144.5, if eligible pursuant to Section 26403.

13 (f) The board shall have final authority for determining
14 creditable service to cover activities not already specified.

15 (g) *This section shall become inoperative on July 1, 2027, and,*
16 *as of January 1, 2028, is repealed.*

17 SEC. 17. Section 26113 is added to the Education Code, to
18 read:

19 26113. (a) “Creditable service” means service in a position
20 subject to membership as defined in Section 22156.07.

21 (b) “Creditable service” also means trustee service as defined
22 in Section 26144.5, if eligible pursuant to Section 26403.

23 (c) This section shall become operative on July 1, 2027.

24 SEC. 18. Section 26135.7 of the Education Code is amended
25 to read:

26 26135.7. (a) “Retired participant activities” means one or more
27 activities identified in subdivision (b), (c), or (d) of Section 22119.5
28 or (b), (c), or (d) of Section 26113 within the California public
29 school system and performed by a participant retired for service
30 under this part as one of the following:

31 (1) An employee of an employer.

32 (2) An employee of a third party, except as specified in
33 subdivision (b).

34 (3) An independent contractor.

35 (b) The activities of an employee of a third party shall not be
36 included in the definition of “retired participant activities” if all
37 of the following conditions apply:

38 (1) The employee performs an assignment of 24 months or less.

39 (2) The third-party employer does not participate in a California
40 public pension system.

1 (3) The activities performed by the individual are not normally
 2 performed by employees of an employer, as defined in Section
 3 22131.

4 (c) *This section shall become inoperative on July 1, 2027, and,*
 5 *as of January 1, 2028, is repealed.*

6 SEC. 19. Section 26135.7 is added to the Education Code, to
 7 read:

8 26135.7. (a) “Retired participant activities” means all service
 9 performed within the California public school system by a
 10 participant retired for service under this part when the participant
 11 is employed as one of the following:

- 12 (1) An employee of an employer.
- 13 (2) An employee of a third party, except as specified in
 14 subdivision (b).
- 15 (3) An independent contractor.

16 (b) Service performed by an employee of a third party shall not
 17 be included in the definition of “retired participant activities” if
 18 all of the following conditions apply:

- 19 (1) The employee performs an assignment of 24 months or less.
- 20 (2) The third-party employer does not participate in a California
 21 public pension system.

22 (3) The activities performed by the individual are not normally
 23 performed by employees of an employer, as defined in Section
 24 22131.

25 (c) This section shall become operative on July 1, 2027.

26 SEC. 20. Section 26139 of the Education Code is amended to
 27 read:

28 26139. (a) “Salary” means remuneration paid in cash by an
 29 employer to a participant for creditable service performed in that
 30 position subject to coverage under the Cash Balance Benefit
 31 Program. Salary shall include:

32 (1) Money paid in accordance with a publicly available written
 33 contractual agreement, including, but not limited to, a salary
 34 schedule, based on years of training and years of experience as
 35 specified in Section 45028 for creditable service performed.

36 (2) For participants not paid according to a salary schedule,
 37 money paid for creditable service performed in accordance with
 38 a publicly available written contractual agreement, including, but
 39 not limited to, a collective bargaining agreement or an employment
 40 agreement.

1 (3) Money paid for the participant’s absence from performance
2 of creditable service as approved by an employer, except as
3 provided in paragraph (5) of subdivision (b).

4 (4) Employee contributions picked up by an employer pursuant
5 to Section 26502.

6 (5) Amounts deducted by an employer from the participant’s
7 salary, including, but not limited to, deductions for participation
8 in a deferred compensation plan; deductions for the purchase of
9 an annuity contract, tax-deferred retirement plan, or other insurance
10 program; and deductions for participation in a plan that meets the
11 requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or
12 457(f) of Title 26 of the United States Code.

13 (6) Money paid by an employer in addition to salary paid under
14 paragraph (1) or (2) if paid to all employees in a class in the same
15 dollar amount, the same percentage of salary, or the same
16 percentage of the amount being distributed.

17 (7) Any other payments the board determines by plan
18 amendment to be “salary.”

19 (b) “Salary” does not mean and shall not include:

20 (1) Money paid for service that is not creditable service.

21 (2) Money paid by an employer in addition to salary paid under
22 paragraph (1) or (2) if not paid to all employees in a class in the
23 same dollar amount, the same percentage of salary, or the same
24 percentage of the amount being distributed.

25 (3) Fringe benefits provided by an employer.

26 (4) Expenses paid or reimbursed by an employer.

27 (5) Money paid in exchange for the relinquishment of unused
28 accumulated leave.

29 (6) Severance pay, including lump-sum and installment
30 payments, or money paid in excess of salary or wages to a
31 participant as compensatory damages or as a compromise
32 settlement.

33 (7) Payments, including, but not limited to, those for
34 participation in a deferred compensation plan; to purchase an
35 annuity contract, tax-deferred retirement program, or other
36 insurance program; and for participation in a plan that meets the
37 requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or
38 457(f) of Title 26 of the United States Code that are purchased by
39 an employer for a participant.

1 (8) Any payments determined by the system to have been made
2 by an employer to enhance a participant’s benefits.

3 (9) Any other payments the board determines by plan
4 amendment not to be “salary.”

5 (c) Any employer or person who knowingly or willfully reports
6 salary in a manner inconsistent with the provisions of subdivisions
7 (a) or (b) may be subject to prosecution for fraud, theft, or
8 embezzlement in accordance with provisions of the Penal Code.
9 The system may establish procedures to ensure that salary reported
10 by an employer is in compliance with this section.

11 (d) For purposes of this section, remuneration shall be
12 considered paid if distributed to any person in the same class of
13 employees who meets the qualifications or requirements specified
14 in a publicly available written contractual agreement, including,
15 but not limited to, a collective bargaining agreement or an
16 employment agreement, as a condition of receiving the
17 remuneration.

18 (e) This section shall be deemed to have become operative on
19 July 1, 1996.

20 (f) This section shall not apply to a participant subject to the
21 California Public Employees’ Pension Reform Act of 2013.

22 (g) *This section shall become inoperative on July 1, 2027, and,*
23 *as of January 1, 2028, is repealed.*

24 SEC. 21. Section 26139 is added to the Education Code, to
25 read:

26 26139. (a) “Salary” means remuneration paid in cash by an
27 employer to a participant who performs creditable service in a
28 position subject to coverage under the Cash Balance Benefit
29 Program. Salary shall include any compensation except that which
30 is specified in subdivision (c) of Section 22119.3.

31 (b) Salary in any fiscal year shall not exceed the limits described
32 in subdivision (b) of Section 26004.

33 (c) Any employer or person who knowingly or willfully reports
34 salary in a manner inconsistent with the provisions of subdivisions
35 (a) or (b) may be subject to prosecution for fraud, theft, or
36 embezzlement in accordance with provisions of the Penal Code.
37 The system may establish procedures to ensure that salary reported
38 by an employer is in compliance with this section.

39 (d) This section shall become operative on July 1, 2027.

1 SEC. 22. Section 26139.5 of the Education Code is amended
2 to read:

3 26139.5. (a) “Salary,” for participants subject to the California
4 Public Employees’ Pension Reform Act of 2013, means
5 remuneration paid each pay period in cash by an employer to a
6 participant for creditable service performed in that position subject
7 to coverage under the Cash Balance Benefit Program in accordance
8 with a publicly available written contractual agreement, including,
9 but not limited to, a salary schedule or employment agreement,
10 based on years of training and years of experience as specified in
11 Section 45028. Salary shall include:

12 (1) Money paid for the participant’s absence from performance
13 of creditable service as approved by an employer, except as
14 provided in paragraph (5) of subdivision (b).

15 (2) Employee contributions picked up by an employer pursuant
16 to Section 26502.

17 (3) Amounts deducted by an employer from the participant’s
18 salary, including, but not limited to, deductions for participation
19 in a deferred compensation plan; deductions for the purchase of
20 an annuity contract, tax-deferred retirement plan, or other insurance
21 program; and deductions for participation in a plan that meets the
22 requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or
23 457(f) of Title 26 of the United States Code.

24 (4) Any other payments the board determines by plan
25 amendment to be “salary.”

26 (b) “Salary” does not mean and shall not include:

27 (1) Money paid for service that is not creditable service.

28 (2) Money not paid each pay period in which creditable service
29 is performed for that position.

30 (3) Fringe benefits provided by an employer.

31 (4) Expenses paid or reimbursed by an employer.

32 (5) Money paid in exchange for the relinquishment of unused
33 accumulated leave.

34 (6) Severance pay, including lump-sum and installment
35 payments, or money paid in excess of salary to a participant as
36 compensatory damages or as a compromise settlement.

37 (7) Payments, including, but not limited to, those for
38 participation in a deferred compensation plan; to purchase an
39 annuity contract, tax-deferred retirement program, or other
40 insurance program; and for participation in a plan that meets the

1 requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or
2 457(f) of Title 26 of the United States Code that are purchased by
3 an employer for a participant.

4 (8) Any payments determined by the system to have been made
5 by an employer to enhance a participant's benefits under the plan.

6 (9) Money paid to the participant in lieu of benefits provided
7 to the participant by the employer or paid directly by the employer
8 to a third party other than the system for the benefit of the
9 participant.

10 (10) Any one-time or ad hoc payments made to a participant.

11 (11) Any employer-provided allowance, reimbursement, or
12 payment, including, but not limited to, one made for housing,
13 vehicle, or uniform.

14 (12) Any bonus paid in addition to compensation described in
15 subdivision (a).

16 (13) Any other payments the board determines by plan
17 amendment not to be "salary."

18 (c) (1) Salary in any fiscal year shall not exceed:

19 (A) One hundred twenty percent of the "contribution and benefit
20 base," as determined under Section 430(b) of the Social Security
21 Act (42 U.S.C. Sec. 430(b)), on January 1, 2013, for a participant
22 whose service is not included in the federal system.

23 (B) One hundred percent of the "contribution and benefit base,"
24 as determined under Section 430(b) of the Social Security Act (42
25 U.S.C. Sec. 430(b)), on January 1, 2013, for a participant whose
26 service is included in the federal system pursuant to any changes
27 in state or federal law enacted on or after January 1, 2013.

28 (2) The system shall adjust the limit based on the annual changes
29 to the Consumer Price Index for All Urban Consumers: U.S. City
30 Average, calculated by dividing the Consumer Price Index for All
31 Urban Consumers: U.S. City Average for the month of February
32 in the fiscal year preceding the adjustment by the Consumer Price
33 Index for All Urban Consumers: U.S. City Average for the month
34 of February of the previous year rounded to the nearest thousandth.
35 Notwithstanding paragraph (1) of subdivision (d) of Section
36 7522.10 of the Government Code, the adjustment shall be effective
37 annually on July 1, beginning July 1, 2014.

38 (3) The Legislature reserves the right to modify the requirements
39 of this subdivision with regard to all participants subject to this
40 subdivision, except that the Legislature may not modify these

1 provisions in a manner that would result in a decrease in benefits
2 accrued prior to the effective date of the modification.

3 (d) Any employer or person who knowingly or willfully reports
4 salary in a manner inconsistent with the provisions of subdivisions
5 (a) or (b) may be subject to prosecution for fraud, theft, or
6 embezzlement in accordance with provisions of the Penal Code.
7 The system may establish procedures to ensure that salary reported
8 by an employer is in compliance with this section.

9 (e) For purposes of this section, remuneration shall be considered
10 paid if distributed to any person in the same class of employees
11 who meets the qualifications or requirements specified in a publicly
12 available written contractual agreement, including, but not limited
13 to, a collective bargaining agreement or an employment agreement,
14 as a condition of receiving the remuneration.

15 (f) *This section shall become inoperative on July 1, 2027, and,*
16 *as of January 1, 2028, is repealed.*

17 SEC. 23. Section 26139.5 is added to the Education Code, to
18 read:

19 26139.5. (a) “Service” means work performed for
20 compensation, except as otherwise specifically provided in this
21 part.

22 (b) This section shall become operative on July 1, 2027.

23 SEC. 24. Section 26300 of the Education Code is amended to
24 read:

25 26300. (a) Within 10 working days following the later of the
26 first day of employment, the date of the employer’s governing
27 board’s action to provide the Cash Balance Benefit Program, or
28 the effective date of the employer’s governing board’s action to
29 provide the Cash Balance Benefit Program, the employer shall
30 make available to the employee the following information:

31 (1) The employee’s rights and responsibilities as a participant
32 in the program, the employer’s responsibilities under the program,
33 and the benefits payable under the program.

34 (2) The employee’s right to elect membership in the Defined
35 Benefit Program in lieu of participation in the Cash Balance Benefit
36 Program, the rights and responsibilities of a member and the
37 employer under the Defined Benefit Program, and benefits payable
38 under the Defined Benefit Program.

39 (b) Written acknowledgment by the employee that ~~he or she~~
40 ~~has~~ *they have* received the information specified in subdivision

1 (a) shall be retained in the employer’s files on a form prescribed
2 by the system.

3 (c) If an employer’s governing board’s action to provide the
4 Cash Balance Benefit Program gives employees the right to elect
5 other coverage in lieu of the Cash Balance Benefit Program
6 pursuant to Section 26400, the employer shall, within 10 working
7 days following the later of the first day ~~on which creditable service~~
8 ~~is performed~~, *of employment*, the date of the employer’s governing
9 board’s action to provide the program or the effective date of the
10 employer’s governing board’s action to provide the program, notify
11 existing employees of the following:

12 (1) The employee’s right to elect other coverage if offered by
13 the employer in lieu of participation in the Cash Balance Benefit
14 Program.

15 (2) The rights and responsibilities of the employer and a
16 participant in an alternative retirement plan if offered by the
17 employer.

18 (3) The benefits payable under an alternative retirement plan if
19 offered by the employer.

20 SEC. 25. Section 26606 of the Education Code is amended to
21 read:

22 26606. Any additional earnings credit declared shall be
23 determined as a specified percentage increase in the closing balance
24 of each employee account and employer account with respect to
25 the Cash Balance Benefit Program measured as of the last day of
26 the plan year. The additional earnings credit shall be credited to
27 employee account and employer account balances as of the date
28 the board declares the additional earnings credit is to be applied.
29 ~~The additional earnings credit shall not be credited to employee~~
30 ~~accounts and employer accounts that have been transferred to the~~
31 ~~Annuitant Reserve for payment of an annuity under the Cash~~
32 ~~Balance Benefit Program.~~

33 SEC. 26. Section 31520 of the Government Code is amended
34 to read:

35 31520. Except as otherwise delegated to the board of
36 investment and except for the statutory duties of the county
37 treasurer, the management of the retirement system is vested in
38 the board of retirement, consisting of five members, one of whom
39 shall be the county treasurer. The second and third members of
40 the board shall be active members of the association elected by it

1 *those active members* within 30 days after the retirement system
2 becomes operative in a manner determined by the board of
3 supervisors. The fourth and fifth members shall be qualified
4 electors of the county who are not connected with county
5 government in any capacity, except one may be a supervisor and
6 one may be a retired member, and shall be chosen by the board of
7 supervisors. The first persons chosen as the second and fourth
8 members shall serve for two years from the date the system
9 becomes operative and the third and fifth members shall serve for
10 a term of three years from that date. Thereafter the terms of office
11 of the four elected members are three years.

12 As used in this section “active member” means a member in ~~the~~
13 ~~active service of a county, district, or superior court~~ *county service*
14 *pursuant to Section 31640* and a “retired member” means a
15 member, including a member under former Section 31555, retired
16 for service or disability.

17 SEC. 27. Section 31520.1 of the Government Code is amended
18 to read:

19 31520.1. (a) In any county subject to Articles 6.8 (commencing
20 with Section 31639) and 7.5 (commencing with Section 31662.2),
21 the board of retirement shall consist of nine members and one
22 alternate, one of whom shall be the county treasurer. The second
23 and third members of the board shall be *active* members of the
24 association, other than safety members, elected by those *active*
25 members within 30 days after the retirement system becomes
26 operative in a manner determined by the board of supervisors. The
27 fourth, fifth, sixth, and ninth members shall be qualified electors
28 of the county who are not connected with the county government
29 in any capacity, except one may be a supervisor, and shall be
30 appointed by the board of supervisors. A supervisor appointed as
31 a member of the retirement board may not serve beyond ~~his or her~~
32 *their* term of office as supervisor. The seventh member shall be a
33 safety *active* member of the association elected by the safety *active*
34 members. The eighth member shall be a retired member elected
35 by the retired members of the association in a manner to be
36 determined by the board of supervisors. The alternate member
37 shall be that candidate, if any, for the seventh member from the
38 group under Section 31470.2 or 31470.4, or any other eligible
39 safety member in a county if there is no eligible candidate from
40 the groups under Sections 31470.2 and 31470.4, which is not

1 represented by a board member who received the highest number
2 of votes of all candidates in that group, and shall be referred to as
3 the alternate seventh member. If there is no eligible candidate there
4 may not be an alternate seventh member. The first person chosen
5 as the second and fourth members shall serve for a term of two
6 years beginning with the date the system becomes operative, the
7 third and fifth members shall serve for a term of three years
8 beginning with that date, and the sixth, seventh and alternate
9 seventh members shall serve for a term of two years beginning on
10 the date on which a retirement system established by this chapter
11 becomes operative. The eighth and ninth members shall take office
12 as soon as practicable for an initial term to expire concurrent with
13 the expiration of the longest remaining term of an elected member.
14 Thereafter, the terms of office of the elected, appointed, and
15 alternate seventh members are three years, except as provided in
16 Section 31523.

17 (b) The alternate seventh member provided for by this section
18 shall vote as a member of the board only if the second, third,
19 seventh, or eighth member is absent from a board meeting for any
20 cause, or if there is a vacancy with respect to the second, third,
21 seventh, or eighth member, the alternate seventh member shall fill
22 the vacancy until a successor qualifies. The alternate seventh
23 member shall sit on the board in place of the seventh member if a
24 member of the same service is before the board for determination
25 of ~~his or her~~ *their* retirement.

26 (c) The alternate seventh member shall be entitled to both of
27 the following:

28 (1) The alternate seventh member shall have the same rights,
29 privileges, responsibilities, and access to closed sessions as the
30 second, third, seventh, and eighth member.

31 (2) The alternate seventh member may hold positions on
32 committees of the board independent of the second, third, seventh,
33 or eighth member and may participate in the deliberations of the
34 board or any of its committees to which the alternate seventh
35 member has been appointed whether or not the second, third,
36 seventh, or eighth member is present.

37 (d) *As used in this section, “active member” means a member*
38 *in county service pursuant to Section 31640 and a “retired*
39 *member” means a member, including a member under former*
40 *Section 31555, retired for service or disability.*

1 SEC. 28. Section 31520.2 of the Government Code is amended
2 to read:

3 31520.2. (a) In any county in which the assets of the
4 retirement system exceed eight hundred million dollars
5 (\$800,000,000), the board of supervisors may, by resolution,
6 establish a board of investments. The board shall consist of nine
7 members, one of whom shall be the county treasurer. The second
8 and third members shall be general *active* members of the
9 association elected by the general membership of the association
10 for a three-year term. The fourth member shall be a safety *active*
11 member elected by the safety membership of the association for
12 a three-year term. The eighth member shall be a retired member
13 of the association elected by the retired membership of the
14 association for a three-year term. The fifth, sixth, seventh, and
15 ninth members shall be qualified electors of the county who are
16 not connected with county government in any capacity, and shall
17 be appointed by the board of supervisors. They shall also have had
18 significant experience in institutional investing, either as investment
19 officer of a bank, or trust company; or as investment officer of an
20 insurance company, or in an active, or advisory, capacity as to
21 investments of institutional or endowment funds. The first person
22 chosen as a fifth, sixth, or seventh member shall serve for a
23 three-year term, the second person chosen shall serve a four-year
24 term, and the third person chosen shall serve a two-year term. The
25 first person appointed as the ninth member shall serve a one-year
26 term. Thereafter, all terms of all appointed members shall be three
27 years.

28 (b) The board of investments shall be responsible for all
29 investments of the retirement system.

30 (c) *As used in this section, "active member" means a member*
31 *in county service pursuant to Section 31640 and a "retired*
32 *member" means a member, including a member under former*
33 *Section 31555, retired for service or disability.*

34 SEC. 29. Section 31540.5 is added to the Government Code,
35 to read:

36 31540.5. (a) The obligations of the retirement system to its
37 members continue throughout their respective memberships, and
38 the obligations of the retirement system to, and in respect to, retired
39 members continue throughout the lives of the retired members,
40 and thereafter until all obligations to the members' beneficiaries

1 under optional settlements have been discharged. The obligations
 2 of the county or district to the retirement system with respect to
 3 members employed by them, respectively, continue throughout
 4 the memberships of the members, and the obligations of the county
 5 or district to the retirement system with respect to retired members
 6 formerly employed by them, respectively, continue until all of the
 7 obligations of the retirement system to those retired members have
 8 been discharged. The obligations of any member to the retirement
 9 system continue throughout their membership, and thereafter until
 10 all of the obligations of the retirement system to that member have
 11 been discharged.

12 (b) In cases in which payment is erroneous because of the death
 13 of the retired member or beneficiary or because of the remarriage
 14 of the beneficiary, the period of limitation of actions shall be 10
 15 years and that period shall commence with the discovery of the
 16 erroneous payment.

17 (c) If any payment has been made as a result of fraudulent
 18 reports for compensation made, or caused to be made, by a member
 19 for their own benefit, the period of limitation of actions shall be
 20 10 years and that period shall commence either from the date of
 21 payment or upon discovery of the fraudulent reporting, whichever
 22 date is later.

23 (d) The board shall determine the applicability of the period of
 24 limitation in any case, and its determination with respect to the
 25 running of any period of limitation shall be conclusive and binding
 26 for purposes of correcting the error or omission.

27 (e) This section does not apply to a county of the first class.

28 SEC. 30. Section 31621.7 of the Government Code is amended
 29 to read:

30 31621.7. The normal rates of contribution for members covered
 31 by Section 31751 shall be such as will provide an average annuity
 32 at age 55 equal to one-three hundredth of the member's final
 33 compensation, according to the tables adopted by the board of
 34 supervisors, for each year of service rendered after entering the
 35 system.

36 Until revised pursuant to Sections 31453 and 31454, the normal
 37 rate of contribution of each member is that percentage of the
 38 member's ~~earnable compensation~~, *compensation earnable*, shown
 39 in the following table according to the member's age at the time
 40 of entry into the retirement system:

	Age of entry into system	Percentage of contribution
1	16	2.93
2	17	2.93
3	18	2.93
4	19	2.93
5	20	2.93
6	21	2.93
7	22	2.93
8	23	2.94
9	24	2.94
10	25	2.95
11	26	2.96
12	27	2.97
13	28	2.98
14	29	3.00
15	30	3.02
16	31	3.04
17	32	3.06
18	33	3.08
19	34	3.10
20	35	3.12
21	36	3.15
22	37	3.17
23	38	3.20
24	39	3.22
25	40	3.25
26	41	3.28
27	42	3.31
28	43	3.34
29	44	3.37
30	45	3.40
31	46	3.43
32	47	3.46
33	48	3.50
34	49	3.54
35	50	3.57
36	51	3.61
37	52	3.65
38	53	3.69
39		
40		

1 54 and over 3.72

2

3 SEC. 31. Section 31622 of the Government Code is amended
4 to read:

5 31622. Until revised pursuant to Sections 31453 and 31454,
6 the rate of contribution of each member not covered by Article 6.8
7 is that percentage of ~~his earnable compensation~~ *the member's*
8 *compensation earnable* shown in the following tables according
9 to age and sex at the time of entry into the retirement system:

10

Age of entry into system	Percentage	
	of con- tribution, Male	of con- tribution, Female
	16	6.55
17	6.59	7.07
18	6.63	7.13
19	6.67	7.19
20	6.71	7.25
21	6.75	7.31
22	6.80	7.38
23	6.85	7.45
24	6.90	7.52
25	6.96	7.61
26	7.01	7.69
27	7.07	7.78
28	7.14	7.87
29	7.20	7.96
30	7.27	8.06
31	7.34	8.16
32	7.42	8.26
33	7.49	8.37
34	7.58	8.48
35	7.66	8.58
36	7.75	8.69
37	7.84	8.80
38	7.93	8.92
39	8.02	9.03
40	8.12	9.15
41	8.22	9.27

1	42	8.33	9.38
2	43	8.43	9.51
3	44	8.54	9.63
4	45	8.64	9.75
5	46	8.75	9.88
6	47	8.86	10.00
7	48	8.97	10.13
8	49	9.08	10.26
9	50	9.20	10.39
10	51	9.31	10.52
11	52	9.42	10.65
12	53	9.54	10.79
13	54	9.65	10.93
14	55	9.76	11.07
15	56	9.88	11.21
16	57	10.00	11.35
17	58	10.12	11.49
18	59	10.25	11.64
19	60	_____	_____

21 SEC. 32. Section 31639.3 of the Government Code is amended
 22 to read:

23 31639.3. Until revised pursuant to Sections 31453 and 31454,
 24 the rate of contribution of each safety member is that percentage
 25 of ~~his or her earnable compensation~~ *the member's compensation*
 26 *earnable* shown in the following tables according to age at the
 27 time of entry into the retirement system:

29	Age	Percentage
30	18	9.27
31	19	9.29
32	20	9.32
33	21	9.34
34	22	9.43
35	23	9.53
36	24	9.63
37	25	9.73
38	26	9.83
39	27	9.94
40	28	10.04

1	29	10.15
2	30	10.25
3	31	10.36
4	32	10.48
5	33	10.59
6	34	10.71
7	35	10.82
8	36	10.94
9	37	11.06
10	38	11.17
11	39	11.30
12	40	11.42
13	41	11.55
14	42	11.66
15	43	11.79
16	44	11.92
17	45	12.04
18	46	12.17
19	47	12.30
20	48	12.43
21	49 and over	12.56

22
 23 SEC. 33. Section 31641 of the Government Code is amended
 24 to read:

25 31641. "Service" means uninterrupted employment of any
 26 person appointed or elected for that period of time:

27 (a) For which deductions are made from ~~his~~ ~~earnable~~
 28 ~~compensation~~ *the person's compensation earnable* from the county
 29 or district for such service while ~~he~~ *the person* is a member of the
 30 retirement association.

31 (b) In military service for which the county or district or member
 32 is authorized by other provisions of this chapter to make, and does
 33 make, contributions.

34 (c) For which ~~he~~ *the member* receives credit for county service
 35 or for public service or for both pursuant to the provisions of this
 36 article.

37 (d) Allowed for prior service.

38 SEC. 34. Section 31641.2 of the Government Code is amended
 39 to read:

1 31641.2. Any member of the retirement system who elects
2 pursuant to Section 31641.1 to make contributions and receive
3 credit as service for time for which ~~he or she~~ *the member* claims
4 credit because of public service shall contribute to the retirement
5 fund, prior to the effective date of ~~his or her~~ *their* retirement, by
6 lump sum payment or by installment payments over a period not
7 to exceed five years, an amount equal to the sum of:

8 (a) Twice the contributions ~~he or she~~ *the member* would have
9 made to the retirement fund if ~~he or she~~ *they* had been a member
10 during the same length of time as that for which ~~he or she~~ *has they*
11 elected to receive credit as service, computed by applying the rate
12 of contribution first applicable to ~~him or her~~ *them* upon
13 commencement of ~~his or her~~ *their* membership in this system to
14 the monthly compensation first earnable by ~~him or her~~ *them* at the
15 time as provided in Section 31641.3, multiplied by the number of
16 months for which ~~he or she~~ *has they* elected to receive credit for
17 county service, including time, if any, prior to the establishment
18 of the system, and which will constitute current service under this
19 system.

20 (b) The “regular interest” that would have accrued to the member
21 contributions if they had been made on the date used to determine
22 on what ~~earnable~~ compensation *earnable* contributions pursuant
23 to this section shall be based, from that date until the completion
24 of payment of those contributions, computed at the current interest
25 rate.

26 (c) Except as prohibited by Section 31640.7, the governing body
27 by a four-fifths vote may provide that it shall make on behalf of
28 officers and employees eligible to receive credit for prior service
29 under this chapter, and who so elect prior to filing an application
30 for retirement, part of the contributions specified in paragraphs (a)
31 and (b) of this section. The contributions made by a governmental
32 agency pursuant to this section shall be available only for purposes
33 of retirement for service or for disability and a member resigning
34 from county service shall be entitled to withdraw only that portion
35 of ~~his or her~~ *their* accumulated contributions ~~made by him or her~~.
36 *made.*

37 SEC. 35. Section 31641.6 of the Government Code is amended
38 to read:

39 31641.6. An employee of a city who has become a county
40 employee upon the assumption by the county of the functions of

1 the city department in which ~~he was~~ *they were* employed, may, if
 2 ~~he~~ *the employee* is not covered by the city under a contract with
 3 the Public Employees' Retirement System, elect to receive credit
 4 in the county retirement system for service for the city prior to the
 5 cessation of ~~his~~ *their* employment by the city. When such person
 6 elects to receive credit, membership in the retirement system shall
 7 commence with the first day of the month in which credit is
 8 granted.

9 Any such person shall be entitled to credit in the county
 10 retirement system for service performed for the city when and if
 11 (a) the board of retirement receives certification from the city of
 12 the city service and ~~earnable compensation~~ *compensation earnable*
 13 of the employee; and (b) the employee deposits into the employees'
 14 retirement system the amount of contributions ~~he~~ *they* would have
 15 made had ~~he~~ *they* been a county employee during ~~his~~ *their* city
 16 employment; and (c) there is also deposited in the employees'
 17 retirement system by the city, the employee, or both, the amount
 18 that the county would have been required to deposit to the
 19 employees' retirement fund based on the city salary paid to such
 20 employee.

21 Upon deposit of such funds, the employee's age at entry shall
 22 be considered to be ~~his~~ *their* age at time of employment with the
 23 city or at the time this chapter was effective in the county
 24 whichever is later. Such money deposited under (b) above shall
 25 be considered as accumulated normal contributions of the employee
 26 and any such money deposited under (c) above shall be considered
 27 as contributions of the employer county.

28 If all of the money called for under (b) above is not paid within
 29 90 days after employment by the county, only the part of city
 30 employment latest in date covered by such deposit shall be credited
 31 and the age at entry and the amount under (c) above shall be
 32 adjusted accordingly.

33 An employee shall receive credit for city employment prior to
 34 ~~his~~ *their* employment by the county only for such service for which
 35 ~~he is~~ *they are* not entitled to receive a pension or retirement from
 36 such city.

37 This section shall become operative in any county on the first
 38 day of the calendar month after the board of supervisors adopts
 39 by four-fifths vote a resolution making it operative in the county.

1 SEC. 36. Section 31641.20 of the Government Code is amended
2 to read:

3 31641.20. Any member of the retirement system who elects
4 pursuant to Section 31641.1 to make contributions and receive
5 credit as service for time for which ~~he or she claims~~ *they claim*
6 credit because of public service shall contribute to the retirement
7 fund, prior to the effective date of ~~his or her~~ *their* retirement, by
8 lump-sum payment or by installment payments over a period not
9 to exceed five years, an amount equal to the sum of:

10 (a) Twice the contributions ~~he or she~~ *they* would have made to
11 the retirement fund if ~~he or she~~ *they* had been a member during
12 the same length of time as that for which ~~he or she has~~ *they have*
13 elected to receive credit as service, computed by applying the rate
14 of contribution at the time of the election to the monthly
15 compensation earnable by ~~him or her~~ *them* at the time of the
16 election pursuant to Section 31641.1, multiplied by the number of
17 months for which ~~he or she has~~ *they have* elected to receive credit
18 for county service, including time, if any, prior to the establishment
19 of the system, and which will constitute current service under this
20 system.

21 (b) The “regular interest” which would have accrued to the
22 member contributions if they had been made on the date used to
23 determine on what ~~earnable compensation~~ *compensation earnable*
24 contributions pursuant to this section shall be based, from that date
25 until the completion of payment of those contributions, computed
26 at the current interest rate.

27 (c) The governing body by a four-fifths vote may provide that
28 it shall make on behalf of officers and employees eligible to receive
29 credit for prior service under this chapter, and who so elect prior
30 to filing an application for retirement, part of the contributions
31 specified in paragraphs (a) and (b) of this section. The contributions
32 made by a governmental agency pursuant to this section shall be
33 available only for purposes of retirement for service or for disability
34 and a member resigning from county service shall be entitled to
35 withdraw only that portion of ~~his or her~~ *their* accumulated
36 contributions made by ~~him or her~~ *them*.

37 (d) This section shall only apply in counties of the third class,
38 as established by Sections 28020 and 28024, as amended by
39 Chapter 1204 of the Statutes of 1971, but it shall not apply in those

1 counties unless and until it is adopted by a majority vote of the
2 board of supervisors.

3 SEC. 37. Section 31641.21 of the Government Code is amended
4 to read:

5 31641.21. Regular interest computed at the current interest rate
6 as used in subdivision (b) of Section 31641.2 shall mean that
7 amount of interest which would have been credited to the account
8 of the member on the amount to be deposited at the interest rates
9 established for the system if the contribution required by that
10 section had been on deposit from the date used to determine the
11 ~~earnable compensation~~ *compensation earnable* on which such
12 contributions are based until the amount required to be deposited
13 has been paid.

14 SEC. 38. Section 31789.6 is added to the Government Code,
15 to read:

16 31789.6. If the beneficiary of a member retired under this
17 chapter or the California Public Employees' Pension Reform Act
18 of 2013 established reciprocity and is entitled to receive a
19 lump-sum death benefit from the reciprocal retirement system in
20 which the person was a member in employment subsequent to
21 their last employment in which the person was a member of a
22 retirement system established under this chapter, no payment shall
23 be made under Section 31789, 31789.01, 31789.1, 31789.12,
24 31789.13, 31789.2, 31789.3, 31789.5, or 31790 providing for
25 payment of a lump-sum death benefit to a member's designated
26 beneficiary.

27 SEC. 39. Section 31835 of the Government Code is amended
28 to read:

29 31835. The average compensation during any period of service
30 as a member of the Public Employees' Retirement System, a
31 member of the Judges' Retirement System or Judges' Retirement
32 System II, a member of a retirement system established under this
33 chapter in another county, a member of the State Teachers'
34 Retirement System, or a member of a retirement system of any
35 other public agency of the state that has established reciprocity
36 with the Public Employees' Retirement System subject to the
37 conditions of Section 31840.2, shall be considered compensation
38 *earnable or pensionable compensation* pursuant to Section 7522.34,
39 whichever is applicable, by a member for purposes of computing
40 final compensation for that member provided:

1 (a) The period intervening between active memberships in the
2 respective systems does not exceed 90 days, or 6 months if Section
3 31840.4 applies. That period shall not include any time during
4 which the member was prohibited by law from becoming a member
5 of the system of another county.

6 Notwithstanding anything in this chapter to the contrary, the
7 90-day or 6-month restriction referred to in this section or any
8 other provision of this chapter affecting deferred retirement shall
9 not be applicable to any members who left county or district service
10 prior to October 1, 1949, and subsequently redeposited.

11 (b) ~~He or she~~ *The member* retires concurrently under both
12 systems and is credited with the period of service under that other
13 system at the time of retirement.

14 (c) *For the purposes of this section and Section 31835.02,*
15 *“concurrently” means retiring on the same date or on different*
16 *dates, not to exceed a difference of 30 calendar days, provided*
17 *that the member does not perform service subject to coverage*
18 *under the other system between the two retirement dates.*

19 The provisions of this section shall be applicable to all members
20 and beneficiaries of the system.

FOR INFORMATION ONLY

March 18, 2026

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Aleen Langton, Vice Chair
Ernesto J. Pantoja
Shawn R. Kehoe
Jason Green, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 1, 2026 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **CalSavers Update**

As requested by Trustee Kehoe at the Insurance, Benefits and Legislative Committee meeting on March 4, 2026, staff is providing an update on the CalSavers program to this Committee.

Reviewed and Approved:



Luis Lugo
Chief Executive Officer

Attachment

Presentation – CalSavers Update

cc: Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice

CalSavers Update

Insurance, Benefits, and Legislative
Committee Meeting
April 1, 2026



- Access to Retirement Savings Programs in California
- History of CalSavers
- CalSavers Statistics
- State-Run IRAs Nationwide
- Trump Retirement Accounts

Access to Retirement Savings: CA

- 14.89 million full- and part-time private sector employees (2023)
- Total Employees with Access to Retirement Savings Programs: 7,368,000 (49%)
 - Traditional Coverage: 5,826,000
 - Induced New Plan Coverage: 629,000
 - New Auto-IRA Coverage: 913,000
- LACK ACCESS
 - Total Employees who Lack Access: 7,525,000 (51%)
 - Gig Economy Workers who Lack Access: 2,750,000

(Source: Georgetown University Center for Retirement Initiatives)

History of CalSavers



- 2011: Assessment study from UC Berkeley Labor Center
- SB 1234 (De Leon, 2012): Established program and 7-member board
- SB 923 (De Leon, 2012): Increase board membership to 9 members
- 2013-2016
 - Solicit public input of advice and expertise on program design
 - Stakeholder engagement with business and community leaders
 - Conduct market analysis, program design, and financial feasibility study
 - SB 1234 (De Leon, 2016): Enact implementation of program
- Implementation
 - Pilot program in 2018
 - Program launch in 2019
 - 2020-2023: Phase-in Waves: 100+, 50+, 5+, 1-4 Employees

CalSavers Plan Design



- Payroll Deductions (After-tax)
- Automatic Enrollment with Opt-Out
- Auto-Escalation of Contributions
 - Default rate of 5%
 - Annual increases of 1% up to 8%, and participants can adjust rate at any time
- Minimal Employer Responsibility: no requirement for matching contributions, fiduciary responsibility, or program fees
- State Mandate for Employer: Goal of participation, although there are penalties for noncompliance

CalSavers: Statistics



As of December 31, 2025

- 255,000+ Employers Participating
- 599,000+ Employees Participating
- \$1.58 Billion in Assets

(Source: CalSavers Participation and Funding Snapshot 12/31/2025)

State-Run IRAs Nationwide



- Since 2012, 49 states have implemented a program, studied program options, or considered legislation to establish a program
- As of January 2026, 20 states and 2 cities have enacted programs for private sector workers
 - 15 states use auto-IRA programs: CA, CO, CT, DE, IL, ME, MD, MN, NJ, NV, NY, OR, RI, VT, VA.
 - 2 cities use auto-IRA programs: Seattle and New York City
 - MA: Multiple Employer 401(k) Plan for nonprofit sector
 - WA: Marketplace for individuals and small businesses to compare and find low-cost retirement plans
- Key Statistics (as of February 2026)
 - \$2.96 Billion in Assets
 - 382,045 Registered Employers
 - 1,197,054 Funded Accounts

(Source: Georgetown University Center for Retirement Initiatives)

Trump Retirement Plan



- Proposal announced at 2026 State of the Union address
- Targets workers whose employers do not offer retirement benefits
- Portability: accounts are tied to the individual, not the employer
- Provides for matching contributions up to \$1,000 from federal government (“Saver’s Match”)
- Details to be determined
 - Taxation of contributions (pretax as in federal Thrift Savings Plan?)
 - State-run IRA coverage



Questions

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
ENGAGEMENT REPORT
MARCH 2026
FOR INFORMATION ONLY**

Baltimore County Pension Bill Repealed After Public Outcry

Due to fierce public backlash and accusations of self-dealing, the Baltimore County Council (Maryland) recently repealed a 2024 law that linked pension benefits to future salary increases. The outcry was triggered by a current recommendation by the Personnel and Salary Advisory Board to increase council member salaries from \$69,000 to \$140,000 per year (\$77,000 to \$150,000 for the council chair). Some critics warned that the salary increases could nearly double taxpayer-funded pensions for sitting council members. Under the 2024 law, retired council members would receive pension increases each time there is a pay increase for current council members. [\(Source\)](#) [\(Source\)](#)

NASRA Issue Brief: State and Local Government Contributions to Statewide Pension Plans: FY 24

An issue brief by the National Association of State Retirement Administrators (NASRA) examines employer contributions to state and local government pension plans, emphasizing their critical role in funding promised benefits. According to the US Census Bureau, employer contributions (state and local) on a national level in 2024 accounted for 76 percent of contributions to public pension plans with remaining contributions paid by employees. NASRA found that these employer contributions accounted for 5.1 percent of all non-federal spending.

Contributions, combined with investment earnings, are the foundation of pension financing, with investment returns providing the majority of long-term revenue. NASRA outlined the following breakdown of public pension revenue during 1995-2024:

- Employee contributions: 12% (\$1.2 trillion)
- Employer contributions: 30% (\$3.1 trillion)
- Investment earnings: 59% (\$6.2 trillion)

The brief traces the evolution from historically underfunded or pay-as-you-go practices to actuarially based funding standards. It explains the transition from the GASB “Annual Required Contribution” (ARC) to the “Actuarially Determined Contribution” (ADC), underscoring the shift from accounting rules to actuarial standards.

Recent experience shows employer contribution effort at historic highs. In FY 2024, aggregate employer contributions rose to \$168 billion, and the median plan received 100 percent of its ADC, with a weighted average of 102 percent—above full funding for the third consecutive year. Many plans benefit from supplemental or dedicated funding sources, including surplus revenues and constitutionally or statutorily required contributions.

The brief concludes that governance structures matter: plans with statutory requirements to pay the ADC are more likely to receive full contributions. Overall, employer funding discipline has strengthened significantly, though experiences still vary widely across plans. [\(Source\)](#)

PPIC Statewide Survey: Californians and Their Government

The Public Policy Institute of California conducted its latest statewide survey after unprecedented events on the national and world stage. The following are key findings of the survey on the 2026 election, state budgets, taxes, state issues, and national issues.

2026 Elections

- Gubernatorial primary: Likely voters are divided between five candidates in the primary: Chad Bianco (R), Steve Hilton (R), Katie Porter (D), Eric Swalwell (D), and Tom Steyer (D), and other candidates each have 5 percent or less support. Support is divided along party lines, and independents divide support among Porter (15%), Hilton (11%), Steyer (11%), Bianco (9%), and Swalwell (8%).
- Likely voters say that candidates' stands on issue (66%) is the most important qualification along with affordability and cost of living (61%). Other qualifications include character (17%), experience (11%), or political party (6%).
- In US House races, likely voters would choose the Democratic candidate over the Republican candidate by a margin of 62% to 36%.
- Although there are no state propositions on the June ballot, the November ballot will contain propositions on a "billionaires' tax," a \$10 billion state housing bond, and a raising of the voter threshold to pass taxes.

State Budget and Taxes

- Likely voters prefer paying lower taxes and having a state government that provides fewer services (55% to 44%).
- Six in ten likely voters (62% to 36%) favor Governor Newsom's proposed budget for the next fiscal year with a partisan divide and a majority of independents in favor.
- A majority of voters (59% to 40%) favor raising state taxes paid by the wealthiest Californians.

State of the State

- Majority of Californians (54%) and likely voters (52%) think the state is headed in the wrong direction. However, along party lines--

- Seven in ten Democrats (70%) say the state is headed in the right direction.
- Nine in ten Republican (90%) and six in ten independents (62%) say it is heading in the wrong direction.
- The top issue across parties, regions, and demographic groups is the cost of living, the economy, or inflation.
- Seven in ten Californians (71%) feel their income is not keeping up with inflation.
- More Californians (51%) approve of Governor Newsom than the state legislature (46%), but most (56%) feel they will be able to work together and accomplish a lot over the next year.

State of the Nation

- Californians rank the following issues as the most important facing the US: political extremism or threats to democracy (37%), jobs and the economy (18%), and immigration (14%).
- Three in four Californians (77%) and likely voters (73%) say the country is headed in the wrong direction, and Californians (61%) are more likely than adults nationwide to have this pessimistic outlook.
- Most (72% adults, 69% likely voters) say the US will face bad financial times in the next 12 months, although Republican (61%) expected good times financially over the next year.
- Majorities (56% adults, 55% likely voters) expect health care costs to be less affordable for them and their families next year.
- Most (61% of adults and likely voters) say Immigration and Customs Enforcement makes communities less safe where it conducts its operations.
- The President's approval ratings remain low with a quarter of Californians and three in ten likely voters approving. Californians are less likely than adults nationwide to approve of the President.
- About two in ten adults and likely voters approve of the US Congress, and about a quarter believe the President and Congress will be able to work together and accomplish a lot in the next year.

[\(Source\)](#)

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
MARCH 2026
FOR INFORMATION ONLY**

LACERA Retiree Healthcare Wellness Program Called Staying Healthy Together – Spring Workshop

The half-day retiree wellness workshop is scheduled for April 28, 2026, at the Carson Event Center, 801 E. Carson St. Carson, 8:15 a.m. – 1:00 p.m., with a focus on the financial aspects of estate planning. Member survey results from the prior event indicate a high level of interest in this topic.

We are pleased to present the following speakers:

- Welcome Remarks – Luis Lugo, Chief Executive Officer
- Estate Planning – Willow Mc Jilton, Guest Speaker (Willow Law Group Estate Planning, Trust & Probate Law Attorney)
- LACERA Power of Attorney - Edwin Tom and John Slattery (LACERA Member Services Center)

Invitations were mailed to members on March 23.

Event sponsors: Anthem Blue Cross, Cigna, CVS Caremark, Kaiser Permanente, SCAN Health Plan, UnitedHealthcare, and RELAC.

We invite you to join this fun-filled event.

C: Copy of invitation



FINANCIAL ASPECTS OF ESTATE PLANNING



PROTECTING YOUR ASSETS AND FINANCIAL FUTURE

Tuesday, April 28, 2026
8:15 a.m.-1:00 p.m.
Carson Event Center

(See other side for details.)

LACERA Retiree Wellness Program Staying Healthy Together

SPRING 2026 WORKSHOP

Staying healthy means focusing on your financial health, too.

Join us to:

- Learn about estate planning, including what's myth vs. reality
- Learn about the importance of designating a Power of Attorney for your pension and healthcare benefits
- Visit with LACERA's healthcare vendors
- Enjoy fun activities, healthy snacks, win raffle prizes, and reconnect with fellow retirees!

PRESENTERS

- **Luis Lugo:** Chief Executive Officer, LACERA
- **Willow Mc Jilton, Guest Speaker:** Willow Law Group Estate Planning, Trust & Probate Law Attorney
- **Edwin Tom and John Slattery:** LACERA Member Services Team

LACERA does not provide legal, tax, or other financial advice. Always consult an attorney or financial professional for specific advice.

FOCUS ON FINANCIAL HEALTH

PROTECTING YOUR ASSETS & FINANCIAL FUTURE

EVENT SPONSORS

AccordantCare, Anthem Blue Cross, Cigna, CVS Health, Kaiser Permanente, RELAC, SCAN Health Plan, and UnitedHealthcare

Tuesday, April 28, 2026

8:15 a.m.-1 p.m.

Carson Event Center

801 E. Carson St., Carson, CA 90745

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I-710: Take I-710 South. Merge onto I-405 North. Exit Avalon Blvd. S. and merge onto E. Carson St.

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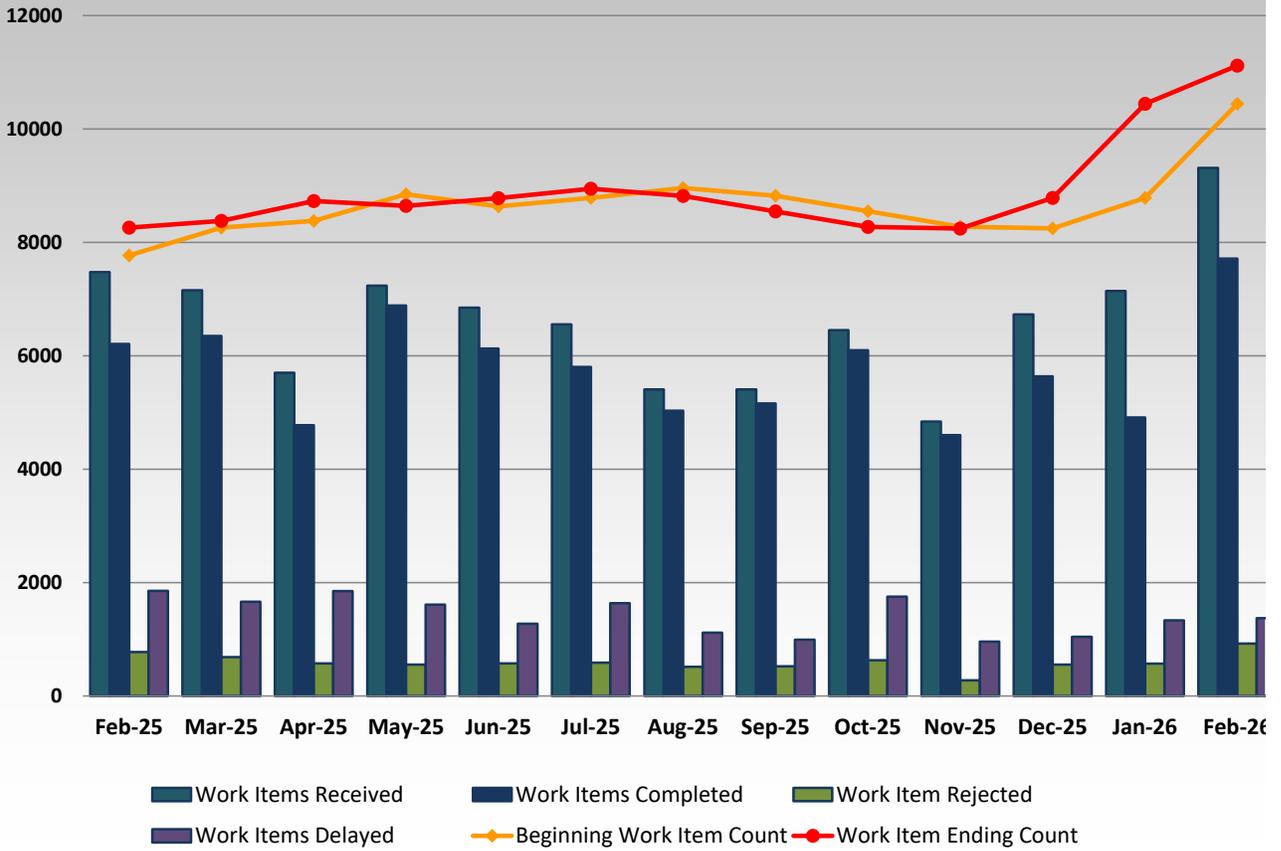


Retiree Healthcare Division

Trend Report

FEBRUARY 2025 - FEBRUARY 2026

Updated: 3/19/2026

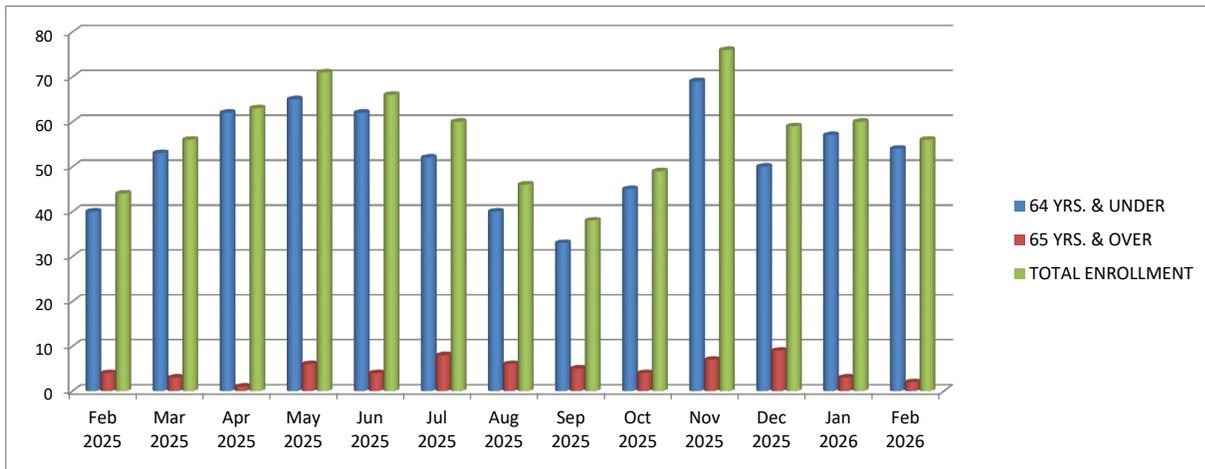


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Feb-25	7770	7474	6208	775	1854	8261
Mar-25	8261	7153	6349	687	1660	8378
Apr-25	8378	5702	4776	574	1849	8730
May-25	8849	7237	6888	553	1612	8645
Jun-25	8633	6847	6128	574	1272	8778
Jul-25	8783	6552	5803	586	1635	8946
Aug-25	8960	5405	5030	515	1116	8820
Sep-25	8821	5408	5161	524	992	8544
Oct-25	8550	6452	6098	630	1751	8274
Nov-25	8278	4840	4600	274	959	8244
Dec-25	8245	6729	5637	552	1045	8785
Jan-26	8785	7142	4912	571	1332	10444
Feb-26	10444	9315	7715	926	1370	11118

Retirees Monthly Age Breakdown FEBRUARY 2025 - FEBRUARY 2026

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Feb 2025	40	4	44
Mar 2025	53	3	56
Apr 2025	62	1	63
May 2025	65	6	71
Jun 2025	62	4	66
Jul 2025	52	8	60
Aug 2025	40	6	46
Sep 2025	33	5	38
Oct 2025	45	4	49
Nov 2025	69	7	76
Dec 2025	50	9	59
Jan 2026	57	3	60
Feb 2026	54	2	56

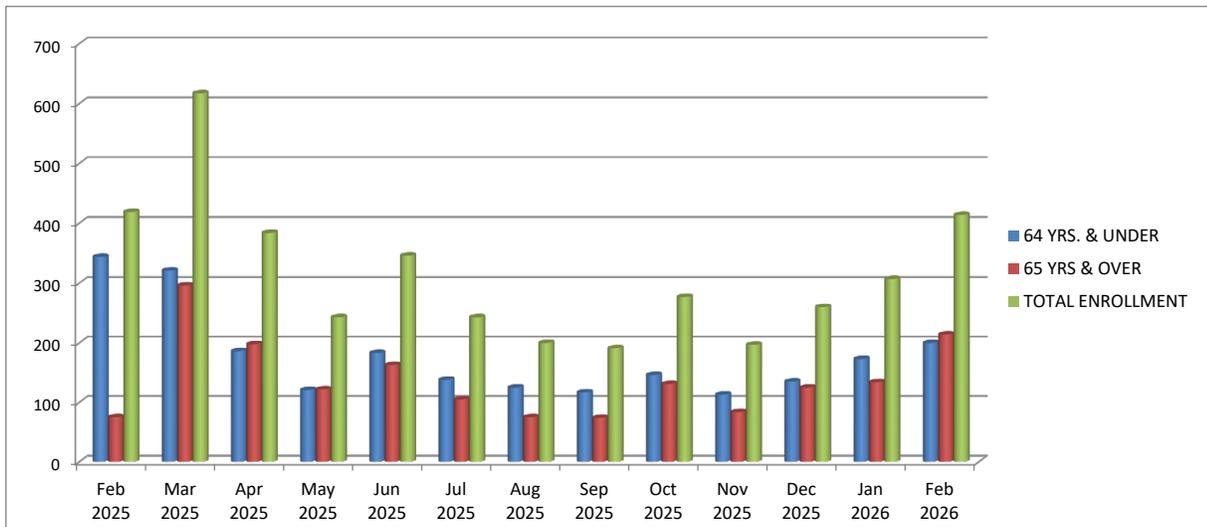


PLEASE NOTE: Next Report will include the following dates: March 1, 2025, through March 31, 2026.

Retirees Monthly Age Breakdown FEBRUARY 2025 - FEBRUARY 2026

Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Feb 2025	344	75	419
Mar 2025	321	296	617
Apr 2025	186	198	384
May 2025	121	122	243
Jun 2025	183	163	346
Jul 2025	138	105	243
Aug 2025	125	75	200
Sep 2025	117	74	191
Oct 2025	146	131	277
Nov 2025	113	84	197
Dec 2025	135	125	260
Jan 2026	173	134	307
Feb 2026	200	214	414



PLEASE NOTE: Next Report will include the following dates: March 1, 2025, through March 31, 2026.

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 3/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	7966	\$1,474,575.70	0	\$0.00
241	131	\$24,452.50	0	\$0.00
242	1034	\$201,298.90	0	\$0.00
243	4855	\$1,841,089.96	0	\$0.00
244	13	\$2,319.90	0	\$0.00
245	63	\$13,028.90	0	\$0.00
246	14	\$2,563.50	0	\$0.00
247	187	\$37,796.40	0	\$0.00
248	11	\$3,487.40	0	\$0.00
249	93	\$39,323.20	0	\$0.00
250	17	\$6,663.20	0	\$0.00
Plan Total:	14,384	\$3,646,599.56	0	\$0.00
KAISER SR. ADVANTAGE				
394	22	\$4,026.80	0	\$0.00
397	2	\$753.30	0	\$0.00
398	14	\$5,681.20	0	\$0.00
403	12490	\$2,278,647.98	0	\$0.00
413	1573	\$303,933.90	0	\$0.00
418	6555	\$2,454,128.57	1	\$51.50
419	204	\$33,439.80	0	\$0.00
426	256	\$46,902.80	0	\$0.00
445	2	\$405.80	0	\$0.00
451	38	\$6,903.70	0	\$0.00
455	7	\$1,623.20	0	\$0.00
457	18	\$7,419.50	0	\$0.00
459	2	\$811.60	0	\$0.00
462	89	\$16,739.60	0	\$0.00
465	2	\$405.80	0	\$0.00
466	27	\$10,198.70	0	\$0.00
472	27	\$5,129.90	0	\$0.00
476	3	\$608.70	0	\$0.00
478	15	\$5,860.10	0	\$0.00
479	1	\$144.60	0	\$0.00
482	76	\$13,449.20	0	\$0.00
486	3	\$608.70	0	\$0.00
488	31	\$11,682.50	0	\$0.00
491	1	\$148.50	0	\$0.00
492	1	\$202.90	0	\$0.00
493	1	\$202.90	0	\$0.00
Plan Total:	21,460	\$5,210,060.25	1	\$51.50

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 3/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	351	\$67,729.30	0	\$0.00
613	145	\$58,730.20	0	\$0.00
620	29	\$5,226.10	0	\$0.00
621	13	\$5,158.80	0	\$0.00
622	29	\$4,694.50	0	\$0.00
623	9	\$3,628.80	0	\$0.00
Plan Total:	576	\$145,167.70	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2242	\$421,426.00	0	\$0.00
702	403	\$78,573.70	0	\$0.00
703	1413	\$539,317.60	0	\$0.00
704	108	\$22,029.20	0	\$0.00
705	54	\$20,064.20	0	\$0.00
Plan Total:	4,220	\$1,081,410.70	0	\$0.00
Grand Total:	40,640	\$10,083,238.21	1	\$51.50

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 3/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	7966	\$1,474,575.70	0	\$0.00
241	131	\$24,452.50	0	\$0.00
242	1034	\$201,298.90	0	\$0.00
243	4855	\$1,841,089.96	0	\$0.00
244	13	\$2,319.90	0	\$0.00
245	63	\$13,028.90	0	\$0.00
246	14	\$2,563.50	0	\$0.00
247	187	\$37,796.40	0	\$0.00
248	11	\$3,487.40	0	\$0.00
249	93	\$39,323.20	0	\$0.00
250	17	\$6,663.20	0	\$0.00
Plan Total:	14,384	\$3,646,599.56	0	\$0.00
KAISER SR. ADVANTAGE				
394	22	\$4,026.80	0	\$0.00
397	2	\$753.30	0	\$0.00
398	14	\$5,681.20	0	\$0.00
403	12490	\$2,278,647.98	0	\$0.00
413	1573	\$303,933.90	0	\$0.00
418	6555	\$2,454,128.57	1	\$51.50
419	204	\$33,439.80	0	\$0.00
426	256	\$46,902.80	0	\$0.00
445	2	\$405.80	0	\$0.00
451	38	\$6,903.70	0	\$0.00
455	7	\$1,623.20	0	\$0.00
457	18	\$7,419.50	0	\$0.00
459	2	\$811.60	0	\$0.00
462	89	\$16,739.60	0	\$0.00
465	2	\$405.80	0	\$0.00
466	27	\$10,198.70	0	\$0.00
472	27	\$5,129.90	0	\$0.00
476	3	\$608.70	0	\$0.00
478	15	\$5,860.10	0	\$0.00
479	1	\$144.60	0	\$0.00
482	76	\$13,449.20	0	\$0.00
486	3	\$608.70	0	\$0.00
488	31	\$11,682.50	0	\$0.00
491	1	\$148.50	0	\$0.00
492	1	\$202.90	0	\$0.00
493	1	\$202.90	0	\$0.00
Plan Total:	21,460	\$5,210,060.25	1	\$51.50

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 3/31/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	351	\$67,729.30	0	\$0.00
613	145	\$58,730.20	0	\$0.00
620	29	\$5,226.10	0	\$0.00
621	13	\$5,158.80	0	\$0.00
622	29	\$4,694.50	0	\$0.00
623	9	\$3,628.80	0	\$0.00
Plan Total:	576	\$145,167.70	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2242	\$421,426.00	0	\$0.00
702	403	\$78,573.70	0	\$0.00
703	1413	\$539,317.60	0	\$0.00
704	108	\$22,029.20	0	\$0.00
705	54	\$20,064.20	0	\$0.00
Plan Total:	4,220	\$1,081,410.70	0	\$0.00
LOCAL 1014				
804	212	\$59,509.70	0	\$0.00
805	247	\$58,921.60	0	\$0.00
806	790	\$356,049.20	0	\$0.00
807	65	\$14,081.30	0	\$0.00
808	23	\$11,524.80	0	\$0.00
812	264	\$59,490.25	0	\$0.00
813	2	\$405.80	0	\$0.00
814	1	\$202.90	0	\$0.00
Plan Total:	1,604	560,186	0	0
Grand Total:	42,244	\$10,643,423.76	1	\$51.50

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	390	\$475,948.20	\$66,901.35	\$412,707.99	\$479,609.34	\$1,220.38	\$480,829.72
202	203	\$492,500.20	\$41,754.46	\$431,526.22	\$473,280.68	\$0.00	\$473,280.68
203	77	\$211,494.66	\$27,765.45	\$178,306.27	\$206,071.72	\$2,711.47	\$208,783.19
204	25	\$39,223.00	\$9,287.99	\$28,366.09	\$37,654.08	\$1,568.92	\$39,223.00
SUBTOTAL	695	\$1,219,166.06	\$145,709.25	\$1,050,906.57	\$1,196,615.82	\$5,500.77	\$1,202,116.59
Anthem Blue Cross I							
211	496	\$792,400.00	\$47,163.67	\$730,973.13	\$778,136.80	(\$4,754.40)	\$773,382.40
212	207	\$591,585.30	\$34,923.54	\$562,377.56	\$597,301.10	(\$2,857.90)	\$594,443.20
213	77	\$259,590.10	\$21,104.34	\$248,599.66	\$269,704.00	\$0.00	\$269,704.00
214	27	\$56,622.24	\$4,613.64	\$52,008.60	\$56,622.24	\$0.00	\$56,622.24
215	2	\$1,069.92	\$171.19	\$898.73	\$1,069.92	\$0.00	\$1,069.92
SUBTOTAL	809	\$1,701,267.56	\$107,976.38	\$1,594,857.68	\$1,702,834.06	(\$7,612.30)	\$1,695,221.76
Anthem Blue Cross II							
221	2,499	\$3,984,187.20	\$192,616.30	\$3,784,010.18	\$3,976,626.48	\$7,924.00	\$3,984,550.48
222	2,056	\$5,912,995.10	\$136,550.57	\$5,681,027.60	\$5,817,578.17	(\$5,715.80)	\$5,811,862.37
223	962	\$3,270,161.00	\$131,817.74	\$3,131,352.38	\$3,263,170.12	\$13,485.20	\$3,276,655.32
224	267	\$568,319.52	\$49,748.06	\$493,406.02	\$543,154.08	\$0.00	\$543,154.08
225	1	\$534.96	\$0.00	\$1,069.92	\$1,069.92	\$0.00	\$1,069.92
SUBTOTAL	5,785	\$13,736,197.78	\$510,732.67	\$13,090,866.10	\$13,601,598.77	\$15,693.40	\$13,617,292.17

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	8,005	\$5,151,557.70	\$641,498.34	\$4,542,888.79	\$5,184,387.13	(\$13,500.90)	\$5,170,886.23
241	131	\$269,504.99	\$18,968.16	\$252,594.12	\$271,562.28	\$0.00	\$271,562.28
242	1,033	\$2,139,581.60	\$118,386.50	\$2,017,080.52	\$2,135,467.02	\$4,114.58	\$2,139,581.60
243	4,865	\$6,250,961.62	\$625,935.36	\$5,594,230.42	\$6,220,165.78	(\$10,243.28)	\$6,209,922.50
244	13	\$14,973.79	\$1,336.13	\$13,637.66	\$14,973.79	\$0.00	\$14,973.79
245	64	\$73,717.12	\$5,690.03	\$72,634.41	\$78,324.44	\$0.00	\$78,324.44
246	15	\$38,490.75	\$3,284.54	\$32,640.16	\$35,924.70	\$0.00	\$35,924.70
247	191	\$500,379.75	\$18,834.82	\$476,412.83	\$495,247.65	\$0.00	\$495,247.65
248	11	\$19,679.88	\$1,395.49	\$18,284.39	\$19,679.88	\$0.00	\$19,679.88
249	93	\$168,173.52	\$14,527.37	\$160,802.47	\$175,329.84	\$0.00	\$175,329.84
250	17	\$34,087.04	\$2,606.65	\$33,485.51	\$36,092.16	(\$2,005.12)	\$34,087.04
SUBTOTAL	14,438	\$14,661,107.76	\$1,452,463.39	\$13,214,691.28	\$14,667,154.67	(\$21,634.72)	\$14,645,519.95
CIGNA Network Model Plan							
301	202	\$409,508.54	\$100,947.95	\$308,560.59	\$409,508.54	\$0.00	\$409,508.54
302	51	\$186,716.10	\$44,335.52	\$142,380.58	\$186,716.10	\$0.00	\$186,716.10
303	5	\$21,615.35	\$4,751.05	\$12,541.23	\$17,292.28	\$0.00	\$17,292.28
304	11	\$29,592.09	\$10,550.23	\$19,041.86	\$29,592.09	\$0.00	\$29,592.09
SUBTOTAL	269	\$647,432.08	\$160,584.75	\$482,524.26	\$643,109.01	\$0.00	\$643,109.01

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,619	\$2,333,413.58	\$156,933.46	\$2,099,173.03	\$2,256,106.49	\$11,286.16	\$2,267,392.65
403	12,476	\$3,664,124.58	\$313,546.61	\$3,360,776.81	\$3,674,323.42	(\$7,573.90)	\$3,666,749.52
404	439	\$600,126.17	\$9,077.04	\$589,682.10	\$598,759.14	(\$2,734.06)	\$596,025.08
405	1,484	\$2,098,865.72	\$17,509.41	\$2,098,328.27	\$2,115,837.68	\$0.00	\$2,115,837.68
411	1,972	\$5,632,707.08	\$227,295.36	\$5,298,497.20	\$5,525,792.56	\$30,948.94	\$5,556,741.50
413	1,552	\$2,682,282.69	\$122,720.74	\$2,520,590.06	\$2,643,310.80	\$1,694.43	\$2,645,005.23
414	44	\$121,871.20	\$332.37	\$118,769.03	\$119,101.40	\$0.00	\$119,101.40
418	6,508	\$3,771,797.92	\$258,571.99	\$3,499,993.09	\$3,758,565.08	(\$7,479.16)	\$3,751,085.92
419	205	\$344,994.21	\$4,687.99	\$320,497.94	\$325,185.93	\$0.00	\$325,185.93
420	91	\$248,071.46	\$1,308.50	\$246,762.96	\$248,071.46	\$0.00	\$248,071.46
421	8	\$11,286.16	\$1,128.60	\$15,800.64	\$16,929.24	\$0.00	\$16,929.24
422	279	\$794,422.20	\$2,929.78	\$768,955.62	\$771,885.40	\$0.00	\$771,885.40
426	254	\$436,383.43	\$3,803.52	\$424,089.96	\$427,893.48	(\$3,395.98)	\$424,497.50
428	38	\$105,387.68	\$554.67	\$104,833.01	\$105,387.68	\$0.00	\$105,387.68
430	138	\$394,892.40	\$1,748.81	\$362,116.33	\$363,865.14	(\$2,820.66)	\$361,044.48
SUBTOTAL	27,107	\$23,240,626.48	\$1,122,148.85	\$21,828,866.05	\$22,951,014.90	\$19,925.77	\$22,970,940.67
Kaiser - Colorado							
450	4	\$5,687.20	\$853.08	\$7,677.72	\$8,530.80	\$0.00	\$8,530.80
451	39	\$11,618.10	\$1,483.54	\$10,134.56	\$11,618.10	\$0.00	\$11,618.10
453	9	\$31,467.90	\$2,076.29	\$16,804.45	\$18,880.74	\$0.00	\$18,880.74
455	6	\$11,981.90	\$924.32	\$12,769.28	\$13,693.60	\$0.00	\$13,693.60
457	18	\$10,580.40	\$1,034.53	\$10,133.67	\$11,168.20	\$0.00	\$11,168.20
459	2	\$4,003.20	\$80.06	\$3,923.14	\$4,003.20	\$0.00	\$4,003.20
SUBTOTAL	78	\$75,338.70	\$6,451.82	\$61,442.82	\$67,894.64	\$0.00	\$67,894.64

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Georgia							
440	1	\$1,780.87	\$196.07	\$1,584.80	\$1,780.87	\$0.00	\$1,780.87
441	3	\$5,342.61	\$588.21	\$4,754.40	\$5,342.61	\$0.00	\$5,342.61
442	6	\$10,685.22	\$1,176.42	\$9,508.80	\$10,685.22	\$0.00	\$10,685.22
445	2	\$4,373.48	\$0.00	\$4,373.48	\$4,373.48	\$0.00	\$4,373.48
461	15	\$26,713.05	\$4,430.76	\$22,282.29	\$26,713.05	\$0.00	\$26,713.05
462	89	\$36,834.43	\$5,289.21	\$33,614.57	\$38,903.78	\$0.00	\$38,903.78
463	3	\$10,661.22	\$3,516.47	\$7,144.75	\$10,661.22	\$0.00	\$10,661.22
465	2	\$6,560.22	(\$1,749.40)	(\$4,810.82)	(\$6,560.22)	\$0.00	(\$6,560.22)
466	27	\$22,132.98	\$1,327.98	\$20,805.00	\$22,132.98	\$0.00	\$22,132.98
SUBTOTAL	148	\$125,084.08	\$14,775.72	\$99,257.27	\$114,032.99	\$0.00	\$114,032.99
Kaiser - Hawaii							
471	5	\$4,814.20	\$577.71	\$4,236.49	\$4,814.20	\$0.00	\$4,814.20
472	27	\$12,075.75	\$1,806.89	\$10,268.86	\$12,075.75	\$0.00	\$12,075.75
473	2	\$4,445.00	\$1,275.40	\$3,169.60	\$4,445.00	\$0.00	\$4,445.00
474	4	\$7,670.72	\$0.00	\$7,670.72	\$7,670.72	\$0.00	\$7,670.72
475	2	\$5,745.04	\$0.00	\$5,745.04	\$5,745.04	\$0.00	\$5,745.04
476	3	\$4,206.27	\$616.92	\$3,589.35	\$4,206.27	\$0.00	\$4,206.27
478	15	\$13,297.50	\$992.88	\$12,304.62	\$13,297.50	\$0.00	\$13,297.50
479	1	\$2,661.75	\$0.00	\$2,661.75	\$2,661.75	\$0.00	\$2,661.75
SUBTOTAL	59	\$54,916.23	\$5,269.80	\$49,646.43	\$54,916.23	\$0.00	\$54,916.23

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Oregon							
481	3	\$4,244.88	\$707.48	\$3,537.40	\$4,244.88	\$0.00	\$4,244.88
482	77	\$43,520.40	\$5,414.62	\$38,105.78	\$43,520.40	(\$565.20)	\$42,955.20
483	5	\$8,661.05	\$1,117.40	\$7,543.65	\$8,661.05	\$0.00	\$8,661.05
484	3	\$8,465.76	\$0.00	\$11,287.68	\$11,287.68	\$0.00	\$11,287.68
486	3	\$5,916.48	\$0.00	\$5,916.48	\$5,916.48	\$0.00	\$5,916.48
488	31	\$34,794.40	\$4,803.86	\$29,990.54	\$34,794.40	\$0.00	\$34,794.40
491	1	\$1,930.86	\$0.00	\$1,930.86	\$1,930.86	\$0.00	\$1,930.86
492	1	\$2,289.41	\$0.00	\$2,289.41	\$2,289.41	\$0.00	\$2,289.41
493	1	\$3,379.12	\$7.82	\$3,371.30	\$3,379.12	\$0.00	\$3,379.12
SUBTOTAL	125	\$113,202.36	\$12,051.18	\$103,973.10	\$116,024.28	(\$565.20)	\$115,459.08
SCAN Health Plan							
611	354	\$101,995.05	\$18,473.83	\$86,394.32	\$104,868.15	\$0.00	\$104,868.15
613	144	\$82,159.90	\$13,236.18	\$72,890.06	\$86,126.24	\$0.00	\$86,126.24
SUBTOTAL	498	\$184,154.95	\$31,710.01	\$159,284.38	\$190,994.39	\$0.00	\$190,994.39
SCAN Health Plan, AZ							
620	29	\$8,331.99	\$1,154.98	\$7,177.01	\$8,331.99	\$0.00	\$8,331.99
621	13	\$7,366.06	\$1,371.22	\$5,994.84	\$7,366.06	\$0.00	\$7,366.06
SUBTOTAL	42	\$15,698.05	\$2,526.20	\$13,171.85	\$15,698.05	\$0.00	\$15,698.05
SCAN Health Plan, NV							
622	28	\$8,619.30	\$1,051.55	\$6,131.20	\$7,182.75	\$0.00	\$7,182.75
623	9	\$5,099.58	\$747.93	\$4,918.27	\$5,666.20	\$0.00	\$5,666.20
SUBTOTAL	37	\$13,718.88	\$1,799.48	\$11,049.47	\$12,848.95	\$0.00	\$12,848.95

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	2,236	\$870,987.60	\$94,863.20	\$779,611.45	\$874,474.65	(\$2,324.70)	\$872,149.95
702	396	\$838,764.60	\$40,360.33	\$790,099.67	\$830,460.00	\$0.00	\$830,460.00
703	1,401	\$1,084,396.60	\$103,326.15	\$972,634.55	\$1,075,960.70	(\$3,067.60)	\$1,072,893.10
704	108	\$260,375.50	\$4,166.02	\$260,943.58	\$265,109.60	\$0.00	\$265,109.60
705	53	\$57,121.20	\$3,236.87	\$51,768.73	\$55,005.60	\$0.00	\$55,005.60
706	2	\$967.32	\$135.42	\$1,799.22	\$1,934.64	\$0.00	\$1,934.64
SUBTOTAL	4,196	\$3,112,612.82	\$246,087.99	\$2,856,857.20	\$3,102,945.19	(\$5,392.30)	\$3,097,552.89
United Healthcare							
707	527	\$911,127.90	\$111,679.80	\$779,087.70	\$890,767.50	\$0.00	\$890,767.50
708	439	\$1,385,820.69	\$153,275.45	\$1,274,963.41	\$1,428,238.86	\$0.00	\$1,428,238.86
709	340	\$1,264,647.20	\$145,317.01	\$997,148.32	\$1,142,465.33	\$0.00	\$1,142,465.33
SUBTOTAL	1,306	\$3,561,595.79	\$410,272.26	\$3,051,199.43	\$3,461,471.69	\$0.00	\$3,461,471.69

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	81	\$117,592.56	\$6,765.17	\$107,923.87	\$114,689.04	\$0.00	\$114,689.04
802	343	\$897,847.09	\$29,788.69	\$873,293.66	\$903,082.35	\$0.00	\$903,082.35
803	412	\$1,272,148.88	\$44,648.84	\$1,230,587.78	\$1,275,236.62	\$6,175.48	\$1,281,412.10
804	213	\$309,224.88	\$9,959.03	\$299,265.85	\$309,224.88	(\$59,509.70)	\$249,715.18
805	249	\$651,789.87	\$16,386.38	\$640,638.75	\$657,025.13	(\$58,921.60)	\$598,103.53
806	790	\$2,067,927.70	\$43,609.71	\$2,024,317.99	\$2,067,927.70	(\$358,666.83)	\$1,709,260.87
807	66	\$203,790.84	\$2,223.18	\$186,128.96	\$188,352.14	(\$14,081.30)	\$174,270.84
808	23	\$71,018.02	\$1,729.14	\$69,288.88	\$71,018.02	(\$11,524.80)	\$59,493.22
809	16	\$23,228.16	\$1,509.82	\$21,718.34	\$23,228.16	\$0.00	\$23,228.16
810	9	\$23,558.67	\$3,088.80	\$20,469.87	\$23,558.67	\$0.00	\$23,558.67
811	5	\$15,438.70	\$1,852.65	\$13,586.05	\$15,438.70	\$0.00	\$15,438.70
812	266	\$386,168.16	\$21,747.28	\$365,872.64	\$387,619.92	(\$59,490.25)	\$328,129.67
813	2	\$5,235.26	\$0.00	\$5,235.26	\$5,235.26	(\$405.80)	\$4,829.46
814	1	\$3,087.74	\$988.08	\$2,099.66	\$3,087.74	(\$202.90)	\$2,884.84
SUBTOTAL	2,476	\$6,048,056.53	\$184,296.77	\$5,860,427.56	\$6,044,724.33	(\$556,627.70)	\$5,488,096.63
Kaiser - Washington							
393	5	\$10,062.65	\$2,138.65	\$7,924.00	\$10,062.65	\$0.00	\$10,062.65
394	22	\$9,194.02	\$1,078.20	\$8,115.82	\$9,194.02	\$0.00	\$9,194.02
395	1	\$7,502.52	(\$893.36)	(\$2,857.90)	(\$3,751.26)	\$0.00	(\$3,751.26)
397	2	\$4,313.28	\$0.00	\$8,626.56	\$8,626.56	\$0.00	\$8,626.56
398	14	\$11,589.48	\$1,192.07	\$10,397.41	\$11,589.48	\$0.00	\$11,589.48
SUBTOTAL	44	\$42,661.95	\$3,515.56	\$32,205.89	\$35,721.45	\$0.00	\$35,721.45
Medical Plan Total	58,112	\$68,552,838.06	\$4,418,372.08	\$63,561,227.34	\$67,979,599.42	(\$550,712.28)	\$67,428,887.14

Medical and Dental Vision Insurance Premiums

April 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	27,580	\$1,550,670.40	\$152,315.79	\$1,414,451.18	\$1,566,766.97	(\$1,683.91)	\$1,565,083.06
502	25,205	\$2,976,318.58	\$217,626.88	\$2,751,451.09	\$2,969,077.97	(\$2,730.61)	\$2,966,347.36
503	12	\$831.60	\$60.97	\$1,117.13	\$1,178.10	\$0.00	\$1,178.10
SUBTOTAL	52,797	\$4,527,820.58	\$370,003.64	\$4,167,019.40	\$4,537,023.04	(\$4,414.52)	\$4,532,608.52
CIGNA Dental HMO/Vision							
901	4,459	\$208,162.20	\$21,152.70	\$187,615.30	\$208,768.00	(\$466.00)	\$208,302.00
902	3,363	\$321,761.95	\$22,472.03	\$300,626.22	\$323,098.25	(\$190.90)	\$322,907.35
903	2	\$94.42	\$24.56	\$164.28	\$188.84	\$0.00	\$188.84
SUBTOTAL	7,824	\$530,018.57	\$43,649.29	\$488,405.80	\$532,055.09	(\$656.90)	\$531,398.19
Dental/Vision Plan Total	60,621	\$5,057,839.15	\$413,652.93	\$4,655,425.20	\$5,069,078.13	(\$5,071.42)	\$5,064,006.71
GRAND TOTALS	118,733	\$73,610,677.21	\$4,832,025.01	\$68,216,652.54	\$73,048,677.55	(\$555,783.70)	\$72,492,893.85

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>Anthem Blue Cross Prudent Buyer Plan</u>		
\$1,220.38	201	Retiree Only
\$2,402.44	202	Retiree and Spouse/Domestic Partner
\$2,711.47	203	Retiree, Spouse/Domestic Partner and Children
\$1,568.92	204	Retiree and Children
\$331.92	205	Survivor Children Only Rates
<u>Anthem Blue Cross Plan I</u>		
\$1,584.80	211	Retiree Only
\$2,857.90	212	Retiree and Spouse/Domestic Partner
\$3,371.30	213	Retiree, Spouse/Domestic Partner and Children
\$2,097.12	214	Retiree and Children
\$534.96	215	Survivor Children Only Rates
<u>Anthem Blue Cross Plan II</u>		
\$1,584.80	221	Retiree Only
\$2,857.90	222	Retiree and Spouse/Domestic Partner
\$3,371.30	223	Retiree, Spouse/Domestic Partner and Children
\$2,097.12	224	Retiree and Children
\$534.96	225	Survivor Children Only Rates
<u>Anthem Blue Cross Plan III</u>		
\$642.90	240	Retiree Only with Medicare
\$2,057.29	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$2,057.29	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,280.41	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$1,151.83	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$1,151.83	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$2,566.05	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$2,566.05	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,789.08	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,789.08	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$2,005.12	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<u>CIGNA Network Model Plan</u>		
\$2,027.27	301	Retiree Only
\$3,661.10	302	Retiree and Spouse/Domestic Partner
\$4,323.07	303	Retiree, Spouse/Domestic Partner and Children
\$2,690.19	304	Retiree and Children
\$670.42	305	Survivor Children Only Rates
<u>Kaiser</u>		
\$1,410.77	401	Retiree Only ("Basic")
\$291.66	403	Retiree Only ("Senior Advantage")
\$1,367.03	404	Retiree Only ("Excess I") <i>"Closed to New Entrants"</i>
\$1,414.33	405	Retiree Only - ("Excess II")
\$2,813.54	411	Retiree and Family (All family members are "Basic")
\$1,694.43	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$2,769.80	414	Retiree and Family (One family member is "Excess I"; others are "Basic") <i>"Closed to New Entrants"</i>
\$575.32	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,650.69	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage") <i>"Closed to New Entrants"</i>
\$2,726.06	420	Retiree and Family (Two or more family members are "Excess I") <i>"Closed to New Entrants"</i>
N/A	421	Survivor Children Only Rates
\$2,817.10	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$1,697.99	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$2,773.36	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,820.66	430	Retiree and Family (Two or more family members are "Excess II")
<u>Kaiser Colorado</u>		
\$1,421.80	450	Retiree Only ("Basic" under age 65)
\$297.90	451	Retiree Only ("Senior Advantage")
\$3,146.79	453	Retiree and Family (Two family members are "Basic")
\$4,249.55	454	Retiree and Family (Three or more family members are "Basic")
\$1,711.70	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$587.80	457	Retiree and Family (Two family members are "Senior Advantage")
\$3,043.28	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,001.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Georgia</u>		
\$1,780.87	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$1,780.87	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$1,780.87	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$413.87	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$2,186.74	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$2,186.74	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$2,186.74	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$1,780.87	461	Retiree Only ("Basic" under age 65)
\$413.87	462	Retiree Only ("Senior Advantage")
\$3,553.74	463	Retiree and Family (Two family members are "Basic")
\$5,326.61	464	Retiree and Family (Three or more family members are "Basic")
\$2,186.74	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$819.74	466	Retiree and Family (Two family members are "Senior Advantage")
\$3,959.61	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,592.61	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,225.61	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$3,959.61	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")
<u>Kaiser Hawaii</u>		
\$962.84	471	Retiree Only ("Basic" under age 65)
\$447.25	472	Retiree Only ("Senior Advantage")
\$2,222.50	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,917.68	474	Retiree and Family (Two family members are "Basic")
\$2,872.52	475	Retiree and Family (Three or more family members are "Basic")
\$1,402.09	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$3,177.34	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
\$886.50	478	Retiree and Family (Two family members are "Senior Advantage")
\$2,661.75	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Oregon</u>		
\$1,414.96	481	Retiree Only ("Basic" under age 65)
\$565.20	482	Retiree Only ("Senior Advantage")
\$1,732.21	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$2,821.92	484	Retiree and Family (Two family members are "Basic")
\$4,228.88	485	Retiree and Family (Three or more family members are "Basic")
\$1,972.16	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$1,122.40	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,732.21	490	Retiree Only (Over age 65 with Medicare Part B only)
\$1,930.86	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Part A only)
\$2,289.41	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$3,379.12	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,529.36	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$3,456.42	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,739.32	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,780.62	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$3,139.17	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)
<u>Kaiser Washington</u>		
\$2,012.53	393	Retiree and Family ("Basic" under age 65)
\$417.92	394	Retiree Only ("Senior Advantage")
\$3,751.26	395	Retiree and Family (Two family members are "Basic")
\$6,275.96	396	Retiree and Family (Three or more family members are "Basic")
\$2,156.64	397	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$827.82	398	Retiree and Family (Two family members are "Senior Advantage")
\$4,681.34	399	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$3,352.52	400	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
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Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

"Senior Advantage"

-Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

"Excess II"

-Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
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SCAN Health Plan

\$287.31	611	Retiree Only with SCAN
\$566.62	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)

SCAN Health Plan – Arizona (Maricopa, Pima, Pinal Counties)

\$287.31	620	Retiree Only
\$566.62	621	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B.

SCAN Health Plan – Nevada (Nye and Clark Counties)

\$287.31	622	Retiree Only
\$566.82	623	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B

United Healthcare Medicare Advantage (UHCMA)

(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)

\$387.45	701	Retiree Only with Secure Horizons
\$2,076.15	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$766.90	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$2,367.05	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$1,057.80	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$483.66	706	Survivor Children Only Rates

*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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United Healthcare (UHC)

(For members and dependents under age 65 [no Medicare])

\$1,696.70	707	Retiree Only
\$3,100.27	708	Retiree and 1 Dependent
\$3,676.30	709	Retiree and 2 Or More Dependents

Local 1014 Firefighters

\$1,451.76	801	Member Under 65
\$2,617.63	802	Member + 1 Under 65
\$3,087.74	803	Member + 2 Under 65
\$1,451.76	804	Member with Medicare
\$2,617.63	805	Member + 1; 1 Medicare
\$2,617.63	806	Member + 1; 2 Medicare
\$3,087.74	807	Member + 2; 1 Medicare
\$3,087.74	808	Member + 2; 2 Medicare
\$1,451.76	809	Surviving Spouse Under 65
\$2,617.63	810	Surviving Spouse + 1; Under 65
\$3,087.74	811	Surviving Spouse + 2 Under 65
\$1,451.76	812	Surviving Spouse with Medicare
\$2,617.63	813	Surviving Spouse + 1; 1 Medicare
\$3,087.74	814	Spouse + 1; 1 Medicare
\$2,617.63	815	Surviving Spouse + 1; 2 Medicare

CIGNA Indemnity - Dental/Vision

\$56.20	501	Retiree Only
\$117.86	502	Retiree and Dependent(s)
\$69.30	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

\$46.60	901	Retiree Only
\$95.45	902	Retiree and Dependent(s)
\$47.21	903	Survivor Children Only Rates

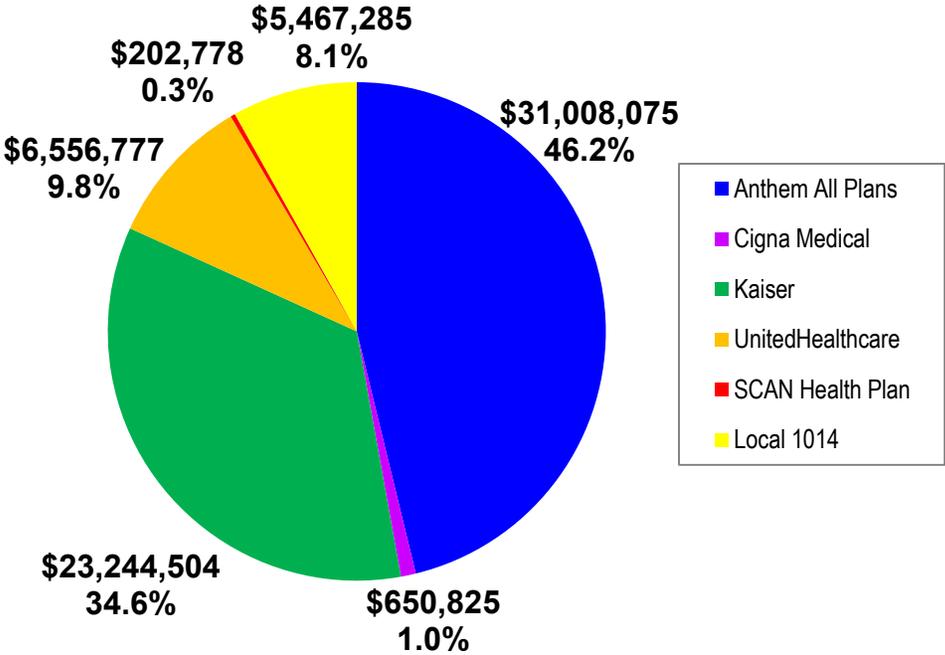
*Benchmark premiums are bolded.

Los Angeles County Employees Retirement Association
Premium & Enrollment
Coverage Month Ending February 2026

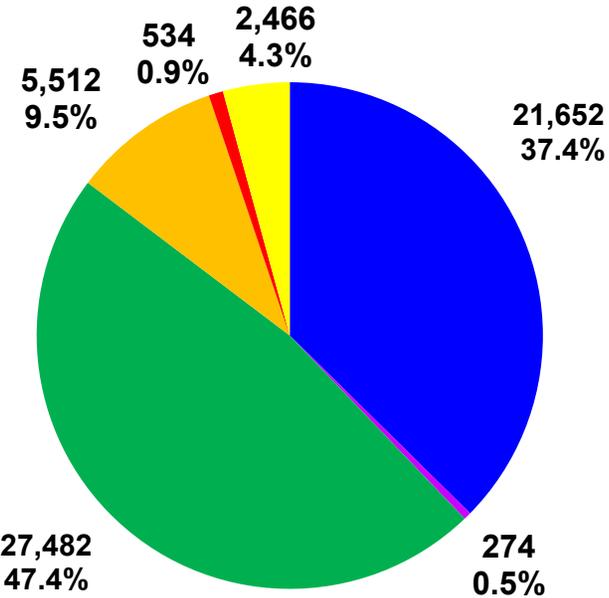
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$31,008,075	46.2%	21,652	37.4%
Cigna Medical	\$650,825	1.0%	274	0.5%
Kaiser	\$23,244,504	34.6%	27,482	47.4%
UnitedHealthcare	\$6,556,777	9.8%	5,512	9.5%
SCAN Health Plan	\$202,778	0.3%	534	0.9%
Local 1014	\$5,467,285	8.1%	2,466	4.3%
Combined Medical	\$67,130,245	100.0%	57,920	100.0%

Cigna Dental & Vision (PPO and HMO)	\$5,038,430	60,382
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Monthly Premium

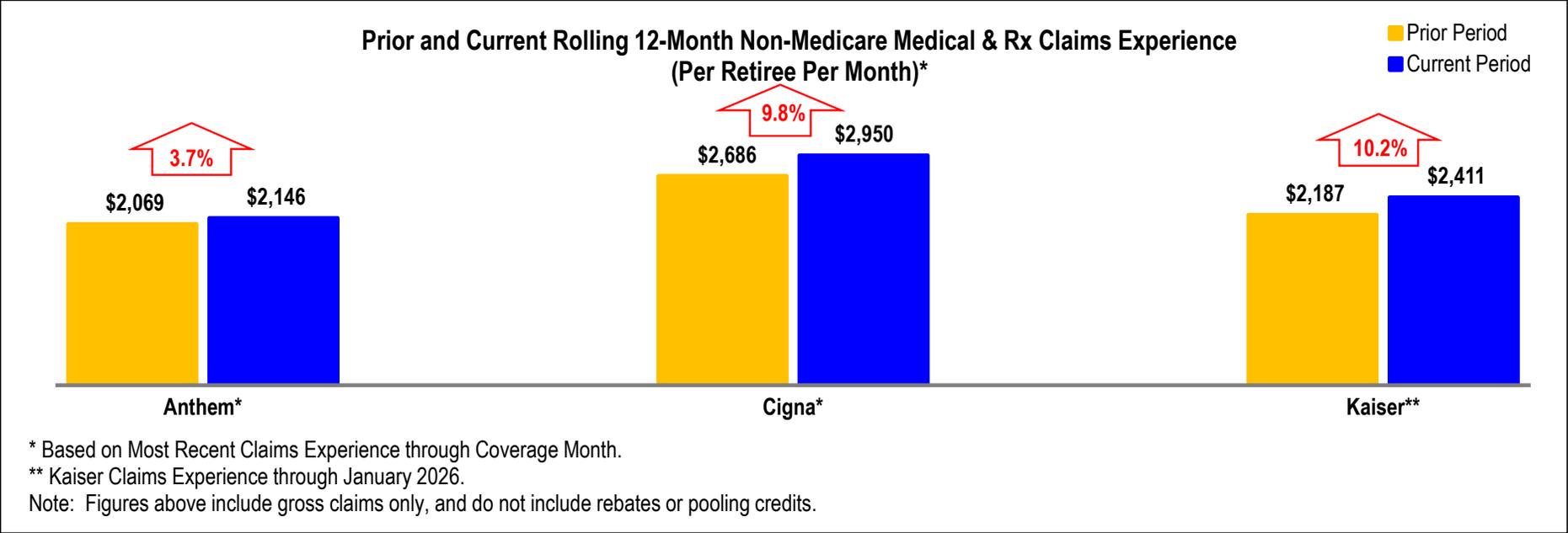
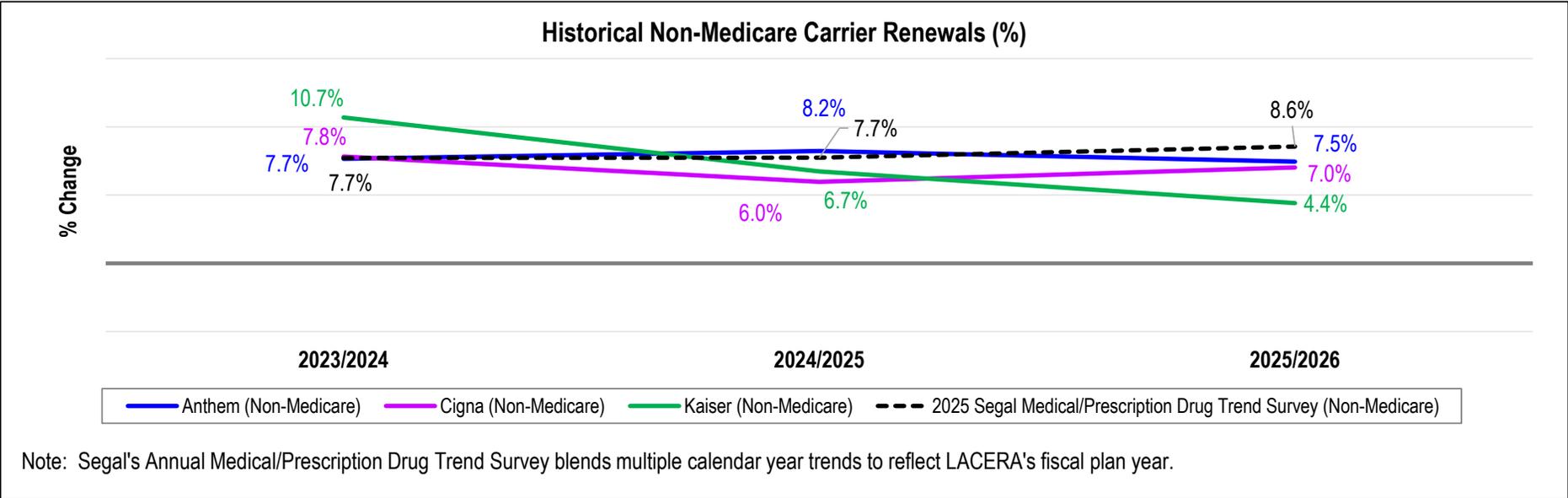


Retirees



Note: Premiums **include** LACERA's Administrative Fee of \$8.00 per member, per plan, per month.

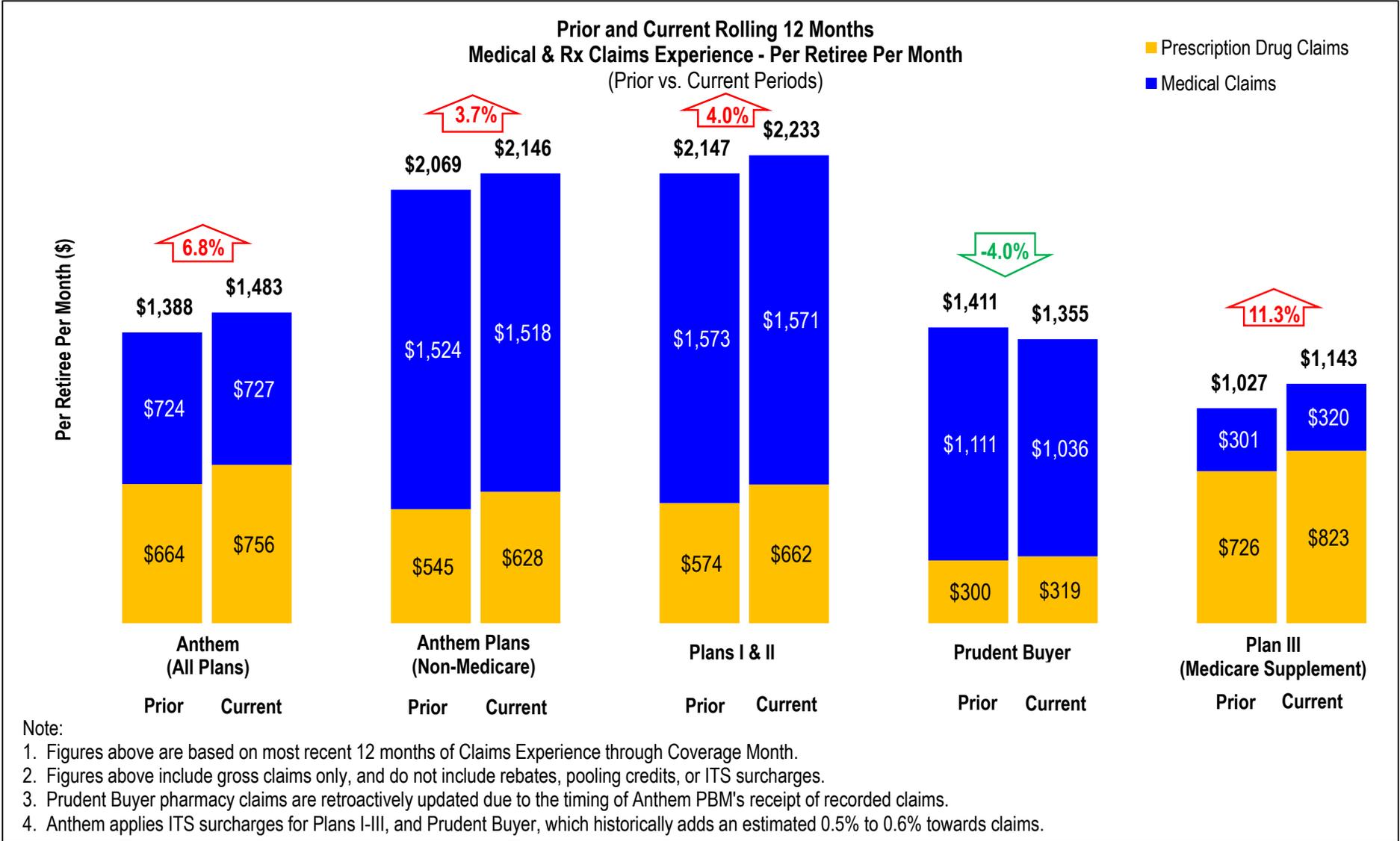
Los Angeles County Employees Retirement Association
Claims Experience by Carrier
Coverage Month Ending February 2026



Los Angeles County Employees Retirement Association

Anthem Claims Experience By Plan

Coverage Month Ending February 2026



Blended (Medical & Rx) Trend	2023/2024	2024/2025	2025/2026
Non-Medicare (80% Medical / 20% Rx)	7.7%	7.7%	8.6%
Medicare (20% Medical / 80% Rx)	6.9%	6.2%	8.1%

Los Angeles County Employees Retirement Association

Kaiser Utilization

Coverage Month Ending February 2026

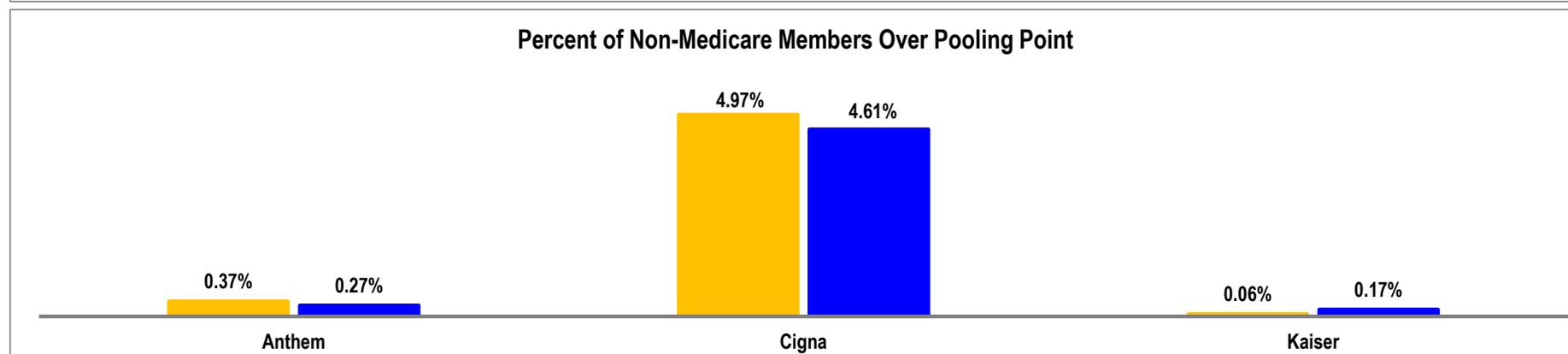
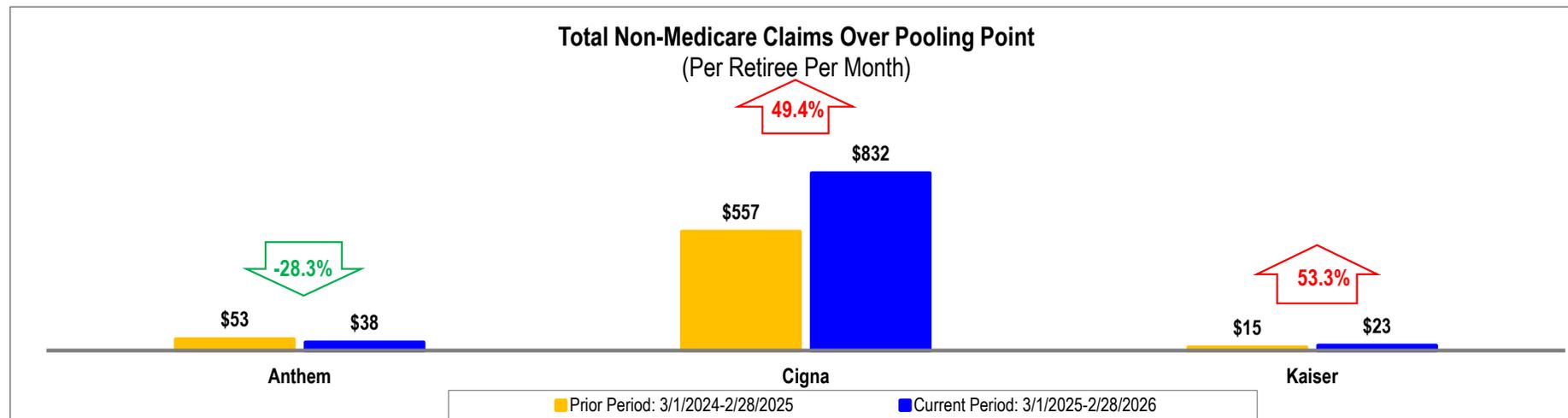
- Kaiser insures approximately 27,000 LACERA retirees with the majority enrolled in Medicare Advantage plans.
- Kaiser's Periodic Utilization Report (PUR) monitors utilization patterns of LACERA's non-Medicare population in California.

Category	Current Period 2/1/2025 - 1/31/2026	Prior Period 2/1/2024 - 1/31/2025	Change
Average Contract Size	1.83	1.82	0.55%
Average Members	12,747	12,560	1.49%
Inpatient Claims Per Member Per Month	\$333.87	\$301.17	10.86%
Outpatient Claims Per Member Per Month	\$578.82	\$534.42	8.31%
Pharmacy Per Member Per Month	\$181.74	\$165.37	9.90%
Other Per Member Per Month	\$225.02	\$201.87	11.47%
Total Claims Per Member Per Month	\$1,319.45	\$1,202.83	9.70%
Total Paid Claims	\$201,819,914	\$181,293,893	11.32%
Large Claims over \$600,000 Pooling Point			
Number of Claims over Pooling Point	12	4	
Amount over Pooling Point	\$1,885,385	\$1,206,225	56.30%
% of Total Paid Claims	0.93%	0.67%	
Inpatient Days / 1000	906.0	642.1	41.10%
Inpatient Admits / 1000	98.5	92.1	6.95%
Outpatient Visits / 1000	16,901.0	16,289.8	3.75%
Pharmacy Scripts Per Member Per Year	14.2	14.0	1.43%

Los Angeles County Employees Retirement Association

High Cost Claimants (Anthem, Cigna, & Kaiser)

Coverage Month Ending February 2026



Stop-Loss & Pooling Points Overview:

Plan sponsors mitigate the financial risk associated with individual large claimants through reinsurance. Claims exceeding the specified individual pooling threshold are deducted from the carrier's renewal calculation. The pooling credit is offset by the carrier's pooling expense, which is applied to all policyholders.

Anthem and Cigna figures are based on the most recent Claims Experience through Coverage Month. Kaiser's figures are based on Claims Experience period between February through January.

Pooling Points by Carrier:

1. Anthem's pooling points are \$400,000 for Plans I & II, and \$300,000 for Prudent Buyer.
2. Cigna's pooling point is \$100,000.
3. Kaiser's pooling point is \$600,000.

Los Angeles County Employees Retirement Association

Anthem Lifetime Max Accumulation Status By Plan

Coverage Month Ending February 2026

Lifetime Claim Amount ⁵	Prior Calendar Year: December 2024 ^{1,2}			Current Calendar Year: December 2025 ^{3,4}		
	Plans I & II	Prudent Buyer	Combined	Plans I & II	Prudent Buyer	Combined
\$1.4M-\$1.5M	0	0	0	0	0	0
\$1.3M-\$1.4M	0	0	0	0	0	0
\$1.2M-\$1.3M	0	0	0	0	0	0
\$1.1M-\$1.2M	0	0	0	1	0	1
\$1.0M-\$1.1M	7	0	7	7	1	8
\$900K-\$999K	15	1	16	9	0	9
\$800K-\$899K	18	1	19	20	3	23
Total	40	2	42	37	4	41

Lifetime Claim Amount ⁵	Prior Month: January 2026 ^{3,6}			Most Recent Month: February 2026 ^{3,7}		
	Plans I & II	Prudent Buyer	Combined	Plans I & II	Prudent Buyer	Combined
\$1.4M-\$1.5M	0	0	0	1	0	1
\$1.3M-\$1.4M	0	0	0	0	0	0
\$1.2M-\$1.3M	1	0	1	0	0	0
\$1.1M-\$1.2M	0	0	0	0	0	0
\$1.0M-\$1.1M	8	0	8	7	0	7
\$900K-\$999K	9	0	9	11	0	11
\$800K-\$899K	21	4	25	19	4	23
Total	39	4	43	38	4	42

The number of members reported will fluctuate period to period due to multiple factors including migration from an Anthem plan to another LACERA-administered plan or members passing away.

¹ Includes two years of historical data.

² Based on data provided by Anthem on January 22, 2025.

³ Includes two months of historical data.

⁴ Based on data provided by Anthem on January 14, 2026.

⁵ Members identified by Anthem as terminated were excluded from the counts above.

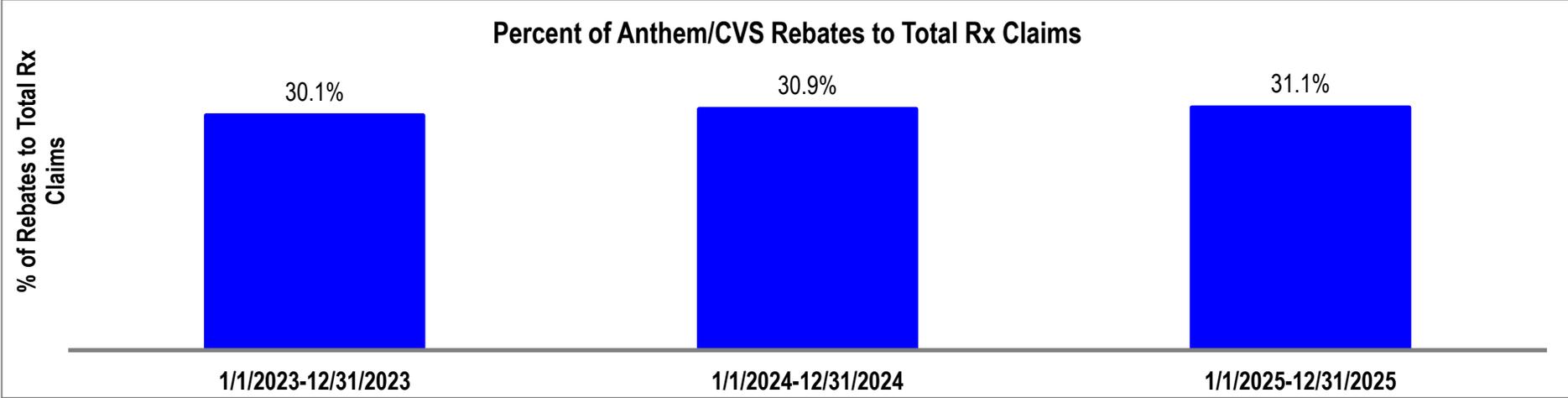
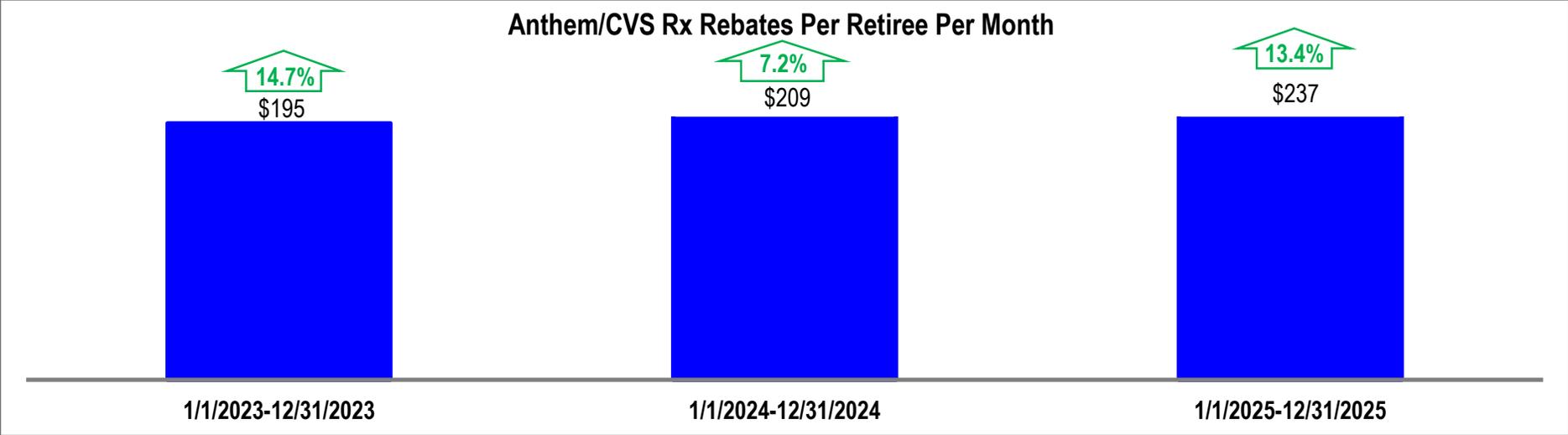
⁶ Based on data provided by Anthem on February 17, 2026.

⁷ Based on data provided by Anthem on March 16, 2026.

Los Angeles County Employees Retirement Association

Prescription Drug Rebates (Anthem)

Coverage Month Ending February 2026



Rebates Overview:

Pharmacy Benefit Managers negotiate volume-based rebates with drug manufacturers of brand medications. Manufacturer rebates are passed on to plan sponsors and are used to offset pharmaceutical claims expenses.

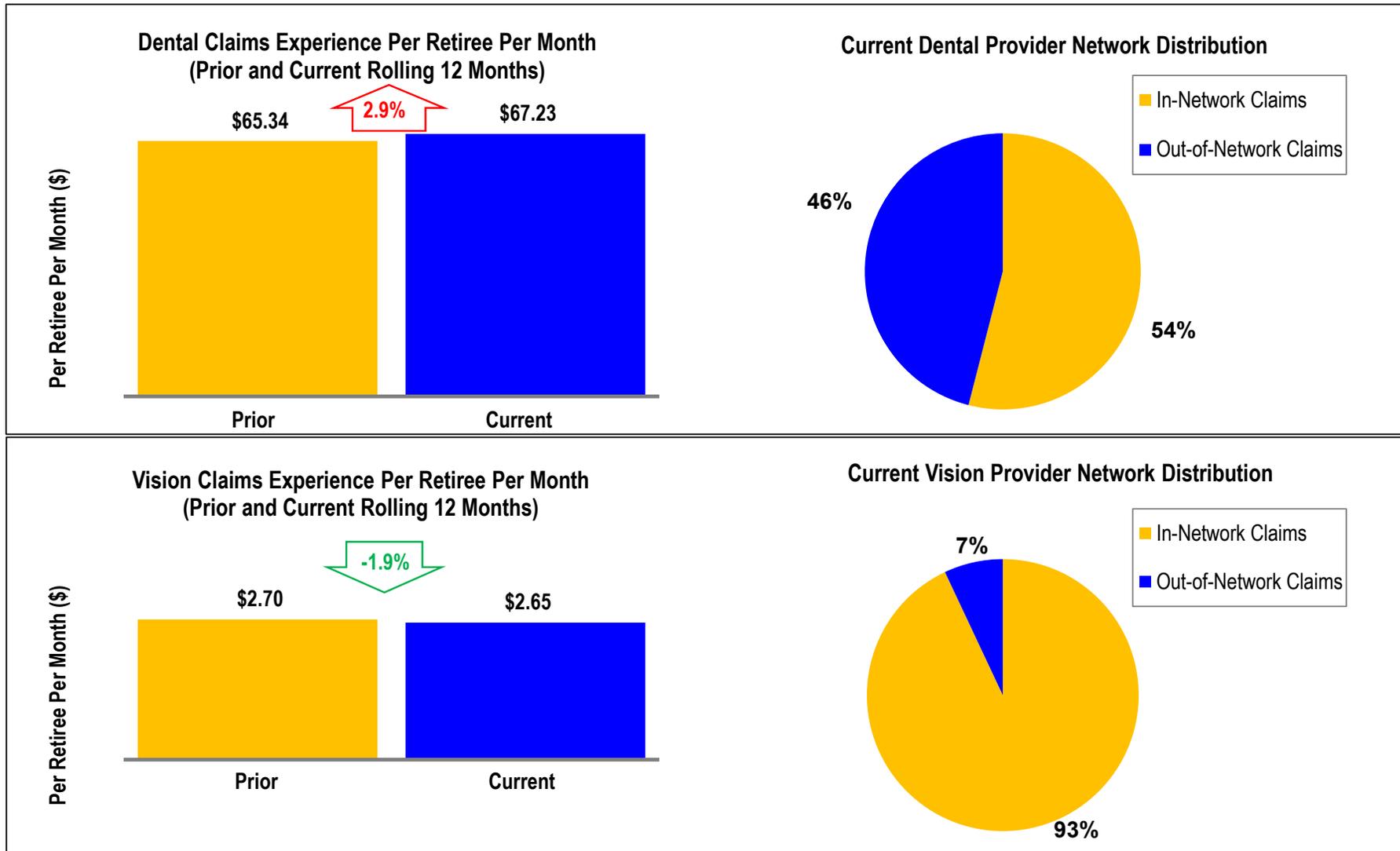
Note:

- 1. Prescription Claims and Rebates Data were provided by CVS.
- 2. Anthem Prudent Buyer prescription drugs are provided by CarelonRx and are not included in the charts above.

Los Angeles County Employees Retirement Association

Cigna Dental & Vision Claims Experience

Coverage Month Ending February 2026



Notes:

1. Figures above are based on most recent 12 months of Claims Experience through Coverage Month.
2. Dental Claims Experience reflects passive use of Cigna's PPO Dental Network.

HHS Updates Model HIPAA Privacy Notices and Complaint Portal

The Department of Health and Human Services (HHS) issued updated model HIPAA privacy notices, including regarding confidentiality of certain substance use disorder (SUD) records. HHS issued these notices aimed to support compliance in tandem with HHS's Office of Civil Rights (OCR) announcing plans to advance enforcement efforts related to federal laws protecting SUD records. Additionally, HHS updated its online portal for filing privacy complaints to include complaints or report breaches related to SUD records that were shared unlawfully.



HHS's models, which provide a framework to help individuals better understand their protections, can be customized. The model notices are limited to one text-only format instead of multiple formats.

Background on HIPAA Privacy Notices and SUD PHI protections

Under HIPAA's Privacy Rule, covered entities (i.e., health plans, healthcare providers and clearinghouses) must provide participants/patients with a Health Plan Notice of Privacy Practices (Privacy Notice) that describes both their rights related to their Protected Health Information (PHI) and the entity's privacy practices. Self-insured group health plans must provide their Privacy Notices at enrollment time as well as whenever there is a material change to the notice and upon request. Fully insured group health plans that don't have access to PHI are exempt from the notice requirement and may ask their insurer to provide Privacy Notices.

In 2024, HHS issued a final rule that strengthened privacy protections. This final rule requires covered entities that receive Part 2 records to update their HIPAA Privacy Notices to include information about the confidentiality protections that apply to those records. This requirement applies to plans as of February 16, 2026. We discussed this guidance in our May 16, 2024 insight, "[New HIPAA Rule Will Require Updates to Policies and Notices.](#)"

[Part 2](#) is a federal law that protects the confidentiality of records for patients receiving services for SUDs from federally assisted Part 2 programs that provide SUD-related services. The Part 2 rules describe the confidentiality protections that apply to the use and disclosure of Part 2 SUD patient records.

The updated Model HIPAA Privacy Notices

On February 13, 2026, HHS released updated model notices to incorporate the new protections for Part 2 records:

- [Model Notice of Privacy Practices for HIPAA Health Plan](#)
- [Model Notice of Privacy Practices for HIPAA Covered Health Care Provider](#) (for healthcare providers)
- [Part 2 Patient Notice](#) (for federally assisted SUD treatment programs)

These model notices can be used immediately.

The updated online portal for filing privacy complaints

The HHS online portal for complaints is accessed via the [Complaint Portal Assistant](#). The HHS website includes details on how to [file a health information privacy complaint](#).

The OCR's announcement about enforcing federal laws protecting SUD records

The OCR's [announcement](#) of this new program refers to its intention to "aggressively" enforce federal safeguards to protect SUD patient records.

Under the program, the OCR is accepting complaints alleging violations of the regulation that protect the confidentiality of SUD patient records and notification of breaches of SUD patient records.

Implications for plan sponsors

Sponsors of health plans that use the HHS model notices can start using the updated models now.

Sponsors of health plans that have developed their own HIPAA Privacy Notices should be sure to update them to include the new information regarding SUD-related privacy rights.

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