

Legislative Update

Two SACRS bills! Divestment! Disallowed
Compensation! Brown Act changes!

AB 1824 – Omnibus Bill

- Introduced by the Assembly Committee on Public Employment and Retirement on 2/7/2022
- Technical, non-controversial clean up of CERL and Education Code (STRS)
- PERS did not have any material for this bill

AB 1824 – CERL Changes

- 31452.7 – Allows final benefit payment to corporation, trust, estate upon death of member
- 31641.4 – Brings CERL into conformity with court ruling on military service purchases
- 31663.25 and .26 – Allows for retirement date more than 60 days after application for safety members

AB 1824 – CERL Changes

- 31726 and 31726.5 – Restructured for better clarity. No substantive changes
- 31761, 31762, 31763, 31763 – Adds “natural” to clarify that continuances cannot be paid to an entity with no end (SBCERA idea)
- 31781 – Clarifies calculation of active death benefit when there is an absence before the death (SBCERA idea)

AB 1971 – CERL Specific

- CERL substantive change bill
- Changes presented to SBCERA Board at its 11/4/2021 meeting
- Introduced 2/10/2022 by Assembly Member Cooper (SCERS retired member)
- Some sections removed due to opposition

AB 1971 – CERL Changes

- 31646 (amend) – Clarifies that a member who returns from leave after caring for a family member may purchase service up to one year. Member pays both EE and ER contributions plus interest. Must be adopted by BOS (SBCERA idea)
- 31646.2 (new) – Service credit for furloughs. Board may condition service on receipt of contributions. Up to 25% of normal work hours for up to 2 years

AB 1971 – CERL Changes

- 31680.16 (new) – Retired member can be appointed to board or commission without reinstatement (SBCERA idea)
- 31725.7 and 31760 (amend) – Allows members who retire for service to change option election if subsequently awarded disability retirement

AB 1971 – Removed From Bill


- 31525 – BOR can make regulations without BOS approval.*
- 31730 – Change DR to SR if BOR finds member is no longer incapacitated but employer will not reinstate
- 31838.5 – Allow system to reduce DR when other system does not reduce.*

* May bring back with new language

SB 1328 – Russia Divestment

- Applies to any BOR subject to PEPRA
- VERY BROAD PROHIBITION
 - Engaged in active business operations in Russia or Belarus
 - Engaged in oil-related or energy or power-related operations or contracts with another company in oil, energy, or power sectors of Russia or Belarus
 - Demonstrated complicity
 - Sells military equipment to Russia or Belarus

SB 1328 – Russia Divestment

- Audit provisions – determine those companies that have business operations in aggressors
 - Written notice to company
 - No new or additional investments in company
 - Liquidate within one month
 - Report to Legislature
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SB 1328 – Russia Divestment

- SBCERA sent letter of concern to authors requesting exemption for SBCERA due to substantial compliance
 - SACRS letter of concern focuses on difficulty divesting and plenary authority of CERL boards to manage investments
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AB 2493 – Disallowed Comp.

- BOR determines an element of compensation previously reported as comp. earnable is disallowed under PEPRA
- Employer is required to pay:
 - Full amount of any overpayments – goes to system
 - 20% of actuarial equivalent present value of the difference between monthly allowances for projected life of member – goes to member

AB 2493 – Disallowed Comp.

- Statute silent as to who pays for actuarial calculations
 - Only applies to peace officers and firefighters
 - Mirrors CalPERS law that was passed in 2021 (SB 278)
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AB 1944 – Brown Act

- Allows a board member to participate remotely without identifying the address and having the location open to the public
 - Agenda must state the name of the member participating remotely
 - Board must vote to implement the remote participation section
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AB 1944 – Brown Act

- If board member elects to participate remotely, agency must update and repost the agenda
 - Public meeting must be streamed
 - SACRS sent letter of support for this bill
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