



# BOARD OF RETIREMENT

## Staff Report

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**File #:** 19-608

**Agenda Date:** 11/7/2019

**Agenda #:** 23.

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**FROM:** Debby Cherney, Chief Executive Officer

**SUBJECT:** SACRS Business Meeting

### **RECOMMENDATION:**

Provide direction to SBCERA Trustees appointed as voting delegate and alternate voting delegate for the SACRS Business Meeting to be held at the upcoming SACRS Fall Conference on November 15, 2019; direct staff to take a support position on SB 783 and the as yet unnamed LACERA bill on Government Code Section 31728.

### **BACKGROUND:**

The State Association of California Retirement Systems (SACRS) is hosting its Fall Business Meeting at the conclusion of the 2019 Fall Conference (late morning) on Friday, November 15, 2019. At the October 5, 2019 Board of Retirement meeting, SBCERA's Board Chair appointed Trustee Waner as voting delegate and Trustee Fiorino as alternate voting delegate.

Attached as Exhibit A is the complete SACRS Business Meeting packet which includes informational items primarily, although there are two action items on agenda item 5:

1. Whether to support SB 783, a bill filed on behalf of SACRS by the Senate Committee on Labor, Public Employment and Retirement.
2. Whether to support a bill sponsored by LACERA regarding an updated of Government Code Section 31726 and imtemperate use of alcohol or drugs.

David Lantzer, SBCERA's Senior Staff Counsel, currently sits on the SACRS Legislative Committee, and has been actively involved in the creation of SB 783, which includes elements previously supported by the SBCERA Board. More information about the two items follows:

#### SB 783: Omnibus CERL Clean-up Bill

SB 783 is an omnibus bill sponsored by the Senate Committee on Labor, Public Employment and Retirement. The committee is sponsoring the bill at the request of SACRS. The bill makes corrections to, clarifies, and brings CERL into compliance with federal law. The bill includes two proposals from SBCERA - clarification of military service purchases and age limits for continuation payments to children of deceased members. Specifically, SB 783 makes the following changes:

1. Consolidates military service-credit statues to better conform to federal law (**SBCERA proposal**);
2. Affirms the recent Mijares v. OCERS appellate case regarding an employer's liability and obligation to make contributions for pension benefits;
3. Allows counties to authorize members to purchase parental leave service credit,

- aligning with CalPERS and CalSTRS statutes;
4. Clarifies existing law regarding benefit tier a member rejoins when reinstated to active service after an involuntary separation is overturned;
  5. Allows boards to delegate to staff the authority to finalize retirement applications;
  6. Provides flexibility to Retirement boards to accept retirement applications earlier than the current 60-day limit;
  7. Allows for the lump-sum distribution of contributions when a member reaches mandatory distribution age instead of requiring a pension benefit that may be only a few dollars;
  8. Clarifies the age limits for continuance payments to children of deceased members (**SBCERA proposal**).

**LACERA: Government Code Section 31728 Revisions**

In addition to SB 783, LACERA proposed making changes to section 31728, which allows a board to pay a member his or her contributions in a lump sum if the member is disabled due to “intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law.” The proposal would remove the “intemperate use of alcoholic liquor or drugs” language. This change reflects a changing understanding of addiction as a disability.

Staff has evaluated the proposed language and believes that SBCERA should take a support position on both bills, and that the voting delegate should vote in favor of SACRS supporting both bills.

**BUDGET IMPACT:**

None.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Effective Communications

**STAFF CONTACT:**

Debby Cherney

**ATTACHMENTS:**

Exhibit A: SACRS Fall Business Meeting Packet

Exhibit B: SACRS Email

Exhibit C: SACRS Agenda