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An act to add Section 20825.1 to the Government Code, relating to public employees' retirement, and making an appropriation therefor.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 20825.1 is added to the Government Code, to read:
20825.1. (a) (1) In addition to the appropriation required pursuant to Section 20814, the Legislature hereby appropriates \$3 billion (\$3,000,000,000) from the General Fund for fiscal year 2018–19 to be transferred to the Public Employees' Retirement Fund, consistent with the requirements of this section and at the direction of the Department of Finance. The Department of Finance shall provide the Controller a schedule establishing the timing of specific transfers to be used for these purposes.

(2) The supplemental payment to the Public Employees' Retirement Fund described in paragraph (1) shall be apportioned to the following state employee member categories, as directed by the Department of Finance, not to exceed the following amounts:

(A) One billion three hundred seventy-seven million seven hundred eighty-two thousand dollars (\$1,377,782,000) to the state miscellaneous member category.

(B) Eighty-one million four hundred ninety-nine thousand dollars (\$81,499,000) to the state industrial member category.

(C) One hundred seventy-eight million three hundred sixteen thousand dollars (\$178,316,000) to the safety member category.

(D) One billion three hundred sixty-two million four hundred three thousand dollars (\$1,362,403,000) to the state peace officer/firefighter member category.

(b) The supplemental payment to the Public Employees' Retirement Fund described in subdivision (a) shall be applied to the unfunded state liabilities for the state employee member categories described in paragraph (2) of subdivision (a).



LEGISLATIVE COUNSEL'S DIGEST

Bill No. _____
as introduced, _____
General Subject: State public employees' retirement: supplemental payment.

The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS) for the purpose of providing pension and benefits to state employees and their beneficiaries and prescribes the rights and duties of employers participating in the system. Under PERL, benefits are funded by investment income and employer and employee contributions, which are deposited into the Public Employees' Retirement Fund, a continuously appropriated trust fund administered by the system's board of administration. PERL prescribes methods for the calculation and payment of the state employer contribution for its employees who are PERS members. PERL provides for an annual adjustment of the state's contribution in the budget and quarterly appropriations to the Public Employees' Retirement Fund from the General Fund and other funds that are responsible for payment of the employer contribution.

The bill would appropriate \$3,000,000,000 from the General Fund for fiscal year 2018-19 to be transferred to the Public Employees' Retirement Fund, consistent with a schedule of payments that the Department of Finance would provide to the Controller to establish the timing of specific transfers. The bill would require that this payment be applied to unfunded state liabilities for enumerated state employee member categories.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



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