

ASSEMBLY BILL

No. 569

Introduced by Assembly Member Stefani

February 12, 2025

An act to amend Section 7522.18 of the Government Code, relating to retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 569, as introduced, Stefani. California Public Employees' Pension Reform Act of 2013: exceptions: supplemental defined benefit plans.

Existing law, the California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with PEPRA, as specified. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas, requires new members of public retirement systems to contribute at least a specified amount of the normal cost, as defined, for their defined benefit plans, and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement.

PEPRA prohibits a public employer from offering a supplemental defined benefit plan if the public employer did not do so before January 1, 2013, or, if it did, from offering that plan to an additional employee group after that date.

This bill would, notwithstanding that prohibition, authorize a public employer, as defined, to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive

bargaining representative of one or more of the public employer's bargaining units.

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 7522.18 of the Government Code is
2 amended to read:
3 7522.18. (a) A public employer that does not offer a
4 supplemental defined benefit plan before January 1, 2013, shall
5 not offer a supplemental defined benefit plan for any employee on
6 or after January 1, 2013.
7 (b) A public employer that provides a supplemental defined
8 benefit plan, including a defined benefit plan offered by a private
9 provider, before January 1, 2013, shall not offer a supplemental
10 defined benefit plan to any additional employee group to which
11 the plan was not provided before January 1, 2013.
12 (c) Except as provided in Chapter 38 (commencing with Section
13 25000) of Article 1 of Part 13 of Title 1 of the Education Code, a
14 public employer shall not offer or provide a supplemental defined
15 benefit plan, including a defined benefit plan offered by a private
16 provider, to any employee hired on or after January 1, 2013.
17 (d) *Notwithstanding subdivisions (a) and (b), a public employer;*
18 *as defined in paragraph (2) of subdivision (i) of Section 7522.04,*
19 *may bargain over contributions for supplemental retirement*
20 *benefits administered by, or on behalf of, an exclusive bargaining*
21 *representative of one or more of the public employer's bargaining*
22 *units.*