

COMMENTS:

- 1) **Background.** Public Employees Retirement Law provides a defined benefit retirement plan for state and public school employees administered through CalPERS, and allows local public employers to contract with CalPERS to provide retirement benefits for local public employees. The Public Employees' Pension Reform Act of 2013 made significant changes to public retirement benefits provided to new members, including defining the categories of pensionable compensation that can be used to calculate a retirement allowance.

CalPERS requires employers to provide accurate and timely payroll information in order to correctly calculate their employees' service credit and final compensation for retirement. Instances have occurred where employers incorrectly reported employees' pensionable compensation to CalPERS. Current law places on the employee all of the penalties for a public employer filing disallowed compensation with CalPERS. This has resulted in the retired member having to pay back to CalPERS the overpayment amount and sustaining a reduction in their future retirement allowances.

- 2) **Prior Legislation.** SB 266 (Leyva), of the 2019-20 Legislative Session, was similar to this bill. The bill died on the Assembly floor.

SB 1124 (Leyva), of the 2018-19 Legislative Session, was similar to this bill. The bill was vetoed by Governor Brown.

Analysis Prepared by: Natasha Collins / APPR. / (916) 319-2081