

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON PUBLIC EMPLOYMENT AND RETIREMENT

Tina S. McKinnor, Chair

AB 2417 (Zbur) – As Introduced February 20, 2026

**SUBJECT:** Community colleges: part-time faculty: retirement

**SUMMARY:** Requires temporary employees who teach adult or community colleges classes for not more than 67 percent of the hours considered to be a full-time assignment, and who perform creditable service in the California State Teachers' Retirement System (CalSTRS) to be provided with membership option in CalSTRS' Defined Benefit (DB) Program, Cash Balance (CB) Benefit Program, if offered, or social security, among other provisions. Specifically, **this bill:**

- 1) Requires the office of the Chancellor of the California Community Colleges to work with CalSTRS and the California Public Employees' Retirement System (CalPERS) to develop informational material regarding:
  - a) The differences between membership and contributions made to the above-described retirement options.
  - b) Examples covering the amount of time required to vest in benefits offered by those retirement options.
  - c) Examples of the impact of having credits provided to social security.
- 2) Provides that the provisions of this bill do not limit a community college district (CCD) from offering an alternative retirement option in addition to those programs.
- 3) Defines the following terms for these purposes:
  - a) "DB Program" to have the same meaning pursuant to the Teachers' Retirement Law (TRL), as specified.
  - b) "CB Benefit Program" to have the same meaning pursuant to the TRL, as specified.
  - c) "Creditable service" to have the same meaning as defined, with respect to community colleges, pursuant to the TRL, as specified.
  - d) "Social security" to mean the federal social security act, as specified.
- 4) Includes pro forma provisions relating to state mandated costs determined by the Commission on State Mandates and reimbursement to local agencies and schools for those costs.

**EXISTING LAW:****Federal**

Requires public employers, including community colleges, to provide their employees with either social security coverage *or* membership in a qualified retirement plan. (Section 11332, Public Law 101-508 (federal Omnibus Reconciliation Act of 1990.))<sup>1</sup>

**State**

- 1) Requires, consistent with federal law, that public employers provide employees with coverage by social security or a qualified retirement plan and, among other things requires employers make available criteria for membership, including optional membership, in a timely manner to all persons employed to perform creditable service subject to DB Program coverage, and inform part-time and substitute employees, within 30 days of the date of hire, or by March 1, 1995, whichever is later, that they may elect DB Program membership at any time while employed by written acknowledgment maintained by the employer on a form provided by CalSTRS. (Section 22455.5, Educ. Code.)
- 2) Provides, among other things, that a person who is employed to teach adult or community college classes for not more than 67 percent of the hours per week considered a full-time assignment for regular employees having comparable duties, must be classified as a temporary employee. (Section 87482.5(a), Educ. Code.)
- 3) Establishes, among other things, that the boards of a public employee retirement system must discharge their duties with respect to the system solely in the interests of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries must take precedence of any other duty. (Section 17, art. XVI, Cal. Const.)
- 4) Establishes the Public Employees' Pension Reform Act (PEPRA) of 2013 – a comprehensive reform of public employee retirement that, among other things, increased contributions towards retirement, decreased benefit formulas, and increased the age of retirement that apply to new members of the system first hired on or after January 1, 2013, and made changes that apply to all members towards resolving unfunded liabilities, manipulation of compensation for purposes of calculating a retirement allowance (i.e., pensions spiking), double-dipping, and other prescribed best practice measures. (Sections 7522.02 et seq., Gov. Code.)
- 5) Establishes the TRL and CalSTRS to provide a financially sound plan for the retirement, with adequate retirement allowances, of teachers in the public schools of this state, teachers

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<sup>1</sup> Section 11332, Public Law 101-508 (Federal Omnibus Reconciliation Act of 1990). This federal law mandates social security coverage for government employees who are neither members of a qualified retirement system or not covered under a "Section 218 Agreement" (a voluntary agreement between the State and the Social Security Administration to provide Social Security and Hospital Insurance or other specified coverage for state and local employees pursuant to Section 218 of the federal Social Security Act), unless coverage is specifically excluded by law.

in schools supported by this state and persons employed in connection with the schools. (Section 22001, Educ. Code.)

- 6) Establishes the Public Employees' Retirement Law and CalPERS to effect economy and efficiency in the public service by providing a means whereby employees who become superannuated or otherwise incapacitated may, without hardship or prejudice, be replaced by more capable employees, and to that end provide a retirement system consisting of retirement compensation and death benefits. (Sections 2000 et seq., Gov. Code.)
- 7) Establishes the CalSTRS Funding Plan to address the insufficiency of current and projected assets to meet the obligations of the DB Program already accrued or projected to be accrued in the future with respect to services credited to members of that program before July 1, 2014, among other provisions. (Section 22002.5, Educ. Code.)
- 8) Creates the CalSTRS DB Program, which provides a pension to DB Program members based on final compensation, credited service, and age at retirement. The DB Program consists of two formulas that apply depending on when the employee was first hired and began performing CalSTRS creditable activities. These formulas are: (i) 2 percent at age 60 (hired on or before December 31, 2012) and, (ii) 2 percent at age 62 (hired on or after January 1, 2013). (Sections 22000 et seq., Educ. Code.)
- 9) Establishes the CB Benefit Program that, among other things, must comply with applicable provisions of federal and state tax laws. (Section 26001, Educ. Code.)
- 10) Establishes CalSTRS' CB Benefit Program for individuals employed by an employer offering this plan, excluding CCDs, to perform creditable service for less than 50 percent of the full-time equivalent for the position, or employed by a CCD offering the CB Benefit Program to perform creditable service on a temporary basis, as prescribed, among other provisions, including related legislative findings and declarations. (Sections 26000 et seq., Educ. Code.)
- 11) Provides for CalSTRS' DB Supplement Program, a hybrid CB plan for DB members, that provides additional savings for retirement. (Sections 25000 et seq., Educ. Code.)
- 12) Requires, with respect to the CB Benefit Program, the employer to make specified information available to the employee within a time certain of the employee's first day of employment, including the employee's right to elect other coverage if offered by the employer in lieu of CB Benefit Program participation; the rights and responsibilities of employer and participation in an alternative retirement plan if offered by the employer, and the benefits payable under an alternative retirement plan if offered by the employer. (Section 26300, Educ. Code.)
- 13) Provides that, any person who is not already a DB Program member who is employed to perform creditable service by an employer that provides the CB Benefit Program must become a participant in the CB Benefit Program, if they are not excluded from DB Program participation because they are employed by an employer, excluding a CCD, to perform creditable service on a part-time basis for less than 50 percent of the time the employer requires for the full-time position, or on substitute, part-time hourly or daily basis, among

other provisions. In addition, if the employer's governing board's action to provide the CB Benefit Program gives employees the right to elect coverage by federal social security or an alternative retirement plan the employer offers in addition to the CB Benefit Program, the employee may elect federal coverage or the ARP in lieu of participating in the CB Benefit Program. (Section 26400, Educ. Code.)

- 14) Governs collective bargaining in the private sector under the federal National Labor Relations Act (NLRA), but leaves it to the states to regulate collective bargaining in their respective public sectors. (Sections 151 *et seq.*, Title 29, United States Code.) While the NLRA and the decisions of its National Labor Relations Board (NLRB) often provide persuasive precedent in interpreting state collective bargaining law, public employees have no collective bargaining rights absent specific statutory authority establishing those rights.
- 15) Provides several statutory frameworks under California law to provide public employees collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours, and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. Among these statutes, the Educational Employment Relations Act governing employment relations for K-12 public schools and community colleges. (Sections 3540 *et seq.*, Gov. Code.)
- 16) Establishes the PERB, a quasi-judicial administrative agency charged with administering various statutory frameworks governing employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers, employees, and employee organizations, but provides the City and County of Los Angeles a local alternative to PERB oversight. (Sections 3541 *et seq.*, Gov. Code.)

**FISCAL EFFECT:** This bill is flagged as fiscal by Legislative Counsel.

**COMMENTS:** *The committee is informed that this bill is also referred to the Assembly Committee on Higher Education. As such, this writing only discusses matters that are germane to the jurisdiction of this committee and defers to the Assembly Committee on Higher Education to discuss matters that are specifically germane to its jurisdiction.*

Among other things, information provided by the author states, “[t]he California Community Colleges have a large reliance on the work of part-time faculty members, who provide educational services to students across the state. Many of these educators are teaching after their lives as private sector workers, bringing that experience with them into the classrooms. As private sector workers, they contributed into their retirement security through the United States Social Security system. Once these workers have accepted employment at a [CCD] they are provided several retirement benefit options, including options through CalSTRS and other retirement products. Not every district offers social security to these new employees as a retirement option, however; and workers who aren’t planning on teaching long enough to vest in a pension or effectively fund another retirement plan may be better served by continuing to fund more credit in their social security benefit.

“Current law requires districts to offer the CalSTRS defined benefit plan, and permissively offer other CalSTRS options or other retirement benefits like the [Accumulation Program for Part-time and Limited-service Employees (APPLE)] plan, which is a 401(a) retirement alternative to social security. Social security itself however is not mandated to be offered. Educators have been among the people most profoundly affected by [the] WEP. [The] WEP has historically dissuaded career changers from considering teaching if their previous job did pay into social security, because those individuals could lose up to 50 percent of the social security benefit they earned in their first line of work. The repeal of [the] WEP in 2025 returned power to plan financially for retirement to those also interested in becoming educators. Given the recent federal changes, teachers – particularly part-time faculty – may or may not be aware of exactly what retirement benefits they are owed and can choose between. [This bill] moves the needle, ensuring educators both have the option of Social Security; and understand exactly what options they have, including social security, for retirement planning.”

### **Federal Action Regarding Social Security: The Federal Social Security Fairness Act of 2023**

Public Law 118-273 (H.R. 82), also known as the federal Social Security Fairness Act of 2023, repealed the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) that reduced or eliminated social security benefits for individuals who receive a pension based on work that was not covered by social security because they did not pay Social Security taxes. Among other workers, the Social Security Fairness Act benefits certain types of employees, including teachers, firefighters, and police officers in many states.

This reform was aimed at providing equitable benefits to public employees who, historically, have been disadvantaged by working in certain public employment careers, but have contributed to their communities throughout their careers. The elimination of the WEP and GPO ensures that these workers receive full benefits upon retirement.

### **CalSTRS Retirement Plans**

CalSTRS administers a hybrid retirement system consisting of traditional DB benefits, cash balance, and a voluntary defined contribution plan, as discussed below.

CalSTRS administers a DB Program that provides a lifetime monthly benefit upon attaining a combination of the requisite minimum years of age and service for retirement, commonly referred to as “vesting” or “vested.” Consisting of a combination of contributions from the State, employer, and employee, this benefit has varying formulas depending on when the employee began performing CalSTRS creditable service activities. The varying formulas, consisting of two, are a result of legislative enactment of the PEPRA. Regarding DB contribution rates, the employer contributes an amount equal to approximately 19.10 percent of the employee’s creditable compensation, and the State contributes approximately 8.328 percent of CalSTRS members’ annual creditable compensation, as well as approximately 2.5 percent of CalSTRS members’ earnings to pay for purchasing power protection.<sup>2</sup> Depending on what formula applies to the employee, employees contribute approximately 10.25 percent (for the 2 percent at 60 formula), or 10.205 percent (for the 2 percent at 62 formula) of their creditable earnings.

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<sup>2</sup> Purchasing power protection is a built-in protection against inflation, also referred to as inflation protection, to help ensure quality of living during retirement.

Mandatory DB Program membership depends on the employee's status, the type of employer and, in some cases, whether the employer offers the CB Benefit Program. However, temporary and adjunct employees are excluded from *mandatory* membership.

CalSTRS' CB Program is a DB Supplement (DBS) where the employer's and employee's contributions on eligible earnings are credited to the employee's DBS account. This account accrues guaranteed interest and, when the CalSTRS Board declares, additional earnings credits. When the employee retires, they are eligible to receive a lump-sum payment or annuity based on the total account balance. This DBS Program is a cash balance plan for DB Program members for earnings in excess of one year in a school year and other specific compensation. CalSTRS' Cash Balance CB Program also is a retirement plan that employers can offer part-time educators, or another eligible retirement plan, as an alternative to the DB Program or social security.

CalSTRS' Defined Contribution (DC) Plan, also called "Pension2," offers 403(b), 457(b), Roth 403(b), and Roth 457(b) investment plans for additional income in retirement. Open to all school employees, the amount an employee has at retirement depends on their contributions, investment gains and losses, and expenses. Typically, employees contribute 4 percent of their salary, and the employer must contribute an amount equal to at least 4 percent of the employee's salary.

### **CalSTRS and Social Security**

Historically, California public educators who contribute to CalSTRS (and more specifically, it DB Program) do not pay into social security. When they retire, they will not receive social security benefits for their CalSTRS-covered employment. However, they may be eligible to receive a benefit through other employment or their spouse. A district must offer social security to its part-time or temporary employees if it does not offer an alternative eligible retirement plan. As previously discussed, the federal Social Security Fairness Act became law on January 5, 2025. However, neither CalSTRS nor the state have control over eligibility requirements or social security benefit calculations.

Under current law, a person who is a temporary employee at a community college is not mandated to participate in CalSTRS' DB Program. Instead, they can permissively elect to join the DB Program or choose to participate in an alternative retirement plan, including the CB Benefit Program, if offered by the employer. To offer the CB Benefit Program, an employer's governing board must elect to do so. Some, but not all, CCDs offer as an alternative retirement plan. Further, under existing law,<sup>3</sup> employers must notify an employee who has a right to make a retirement system election of their right to make such an election within 10 working days of the date of hire, including providing written information provided by each retirement system concerning the benefits provided under that retirement system to assist the employee in making an election. Further, employers that offer the CB Benefit Program must make information regarding the DB and CB Benefit programs available within 10 working days of specified dates.<sup>4</sup>

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<sup>3</sup> Section 22509, Educ. Code.

<sup>4</sup> Section 26300, Educ. Code.

## CalSTRS and CalPERS

Generally, a CalSTRS DB Program member who became employed by the same or a different school district, CCD, county office of education or certain employment by the State to perform services that requires membership in CalPERS, may elect to continue CalSTRS coverage, and service in the new position will be treated as creditable service under the CalSTRS DB Program. Making this election is subject to: (i) being completed with 60 days of the date of hire in the new position; (ii) being done on the appropriate CalSTRS form provided by the employer and received by CalSTRS within 60 days of the signature date; (iii) being effective as of the date of hire into the new position, and (iv) being irrevocable and applies to all service for that position.

Certain CalPERS members who subsequently are employed in a position that requires CalSTRS membership can elect to continue CalPERS coverage for all subsequent CalSTRS-creditable service. This applies to CalPERS members employed by one or more of the following: (i) a school district; (ii) California Community College Board of Governors; (iii) California Department of Education (as of January 1, 2002), and (iv) a CalPERS and CalSTRS participating charter school.

CalPERS members who are employed full-time and accept part-time, temporary employment to perform creditable service covered by CalSTRS' DB Program can permissively elect membership in CalSTRS and have their part-time service reported to CalSTRS.

### **This Bill**

Recall that under federal law, public employers, including community colleges, must provide their employees with either social security coverage *or* membership in a qualified retirement plan. The Teachers' Retirement Law also is consistent with that federal law in this regard. (Section 22455.5, Educ. Code.) Further, as previously discussed, CalSTRS administers several qualified retirement plans for its members, and participation in any of those plans is subject to certain specified requirements consistent with state and federal laws. However, since CalSTRS administers the various retirement plan options, and a CCD is already required to avail its employees with either social security coverage or membership in a CalSTRS qualified retirement plan, this bill proposes to bridge the information gap following recent changes in federal law regarding social security.

### **Author's Statement**

“Part-time community college faculty, who bring real-world experience and in-field expertise into the classroom, face significant inequities compared to their full-time counterparts. One of the most consequential gaps is in retirement information and options. Many part-time faculty who have spent decades contributing to social security are not informed about how to continue or strengthen those benefits, or how those benefits compare to enrolling in a different retirement system. Compounding the issue, not all community college districts even offer social security as an option, nor do they consistently provide clear, side-by-side information about available retirement choices. This bill ensures that every part-time faculty member is given complete, transparent information about their retirement options—and the opportunity to continue contributing to social security if they choose. Workers deserve the information they need to make the best financial decisions for themselves and their families. Providing that clarity empowers educators to plan for a secure and stable future.”

### **Comments by Supporters**

Among other things, the several supporters express, “[p]art-time community college faculty are often individuals who have chosen to give back to their communities by becoming educators in their local community college districts after long careers in the private sector. Most private sector jobs accumulate credit in the social security system. Upon the start of employment with a community college district, the new educator will be provided with several options for their retirement plan, including the [CalSTRS] pension, CalSTRS [CB Benefit Program] if offered, and several other options that may be offered by districts. However, while current law also allows the option of social security, this option is often not as apparent, nor always offered as the other retirement options. New part-time faculty may not be aware of the long-term requirements, benefits, and drawbacks of the retirement benefits they can choose between. In many instances, these workers have accumulated decades of service credit in social security, and may not work as a part-time faculty member long enough so that starting over in a new pension system makes financial sense. [This bill] brings clarity, ensuring part-timers both have the option of social security and a basic understanding of what options they have for retirement planning.”

### **Comments by Opponents**

None on file.

### **REGISTERED SUPPORT / OPPOSITION:**

#### **Support**

California Federation of Teachers – a Union of Educators & Classified Professionals, AFT,  
AFL-CIO (*Sponsor*)  
California Community College Independent  
California School Employees Association  
California State Council of Service Employees International Union

#### **Opposition**

None on file.

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