CONSENT

Bill No: AB 2780
Author: Committee on Public Employment and Retirement
Amended: 6/4/26 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 6/17/26
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 69-1, 5/11/26 - See last page for vote

**SUBJECT:** Public employees' retirement

**SOURCE:** California State Teachers' Retirement System (Co-sponsor)
State Association of County Retirement Systems (Co-Sponsor)

**DIGEST:** This bill is the annual public employment and retirement housekeeping bill that makes various minor, technical, and conforming changes to provisions of the Education Code and Government Code governing the California State Teachers' Retirement System (CalSTRS), the California Public Employees' Retirement System (CalPERS), the California Department of Human Resources (CalHR), and the County Employees Retirement Law (CERL).

**ANALYSIS:**

Existing law:

1) Establishes the following public retirement system segments: CalSTRS, which provides a defined benefit pension plan, a defined benefit supplement program, and a cash balance benefit program to certificated school employees. (Education Code (EC) §26000 et seq.); CalPERS, which provides a defined benefit pension to state employees, classified school employees, and employees of contracting public agencies. (Government Code § 20000 et seq.); and the

twenty separate County Employees Retirement Law (CERL) county retirement systems represented by the State Association of County Retirement Systems (SACRS) (Government Code §31450 et seq.).

This bill:

1) Makes technical, non-substantive, or non-controversial amendments to provisions of the Education Code related to CalSTRS, including:

   a) Conforms the definition of "retired member activities" in the CalSTRS Cash Balance (CB) plan to the CalSTRS Defined Benefit (DB) plan's definition by deleting obsolete references to creditable service activities and instead referencing service subject to CalSTRS membership. (Education Code (EC) §§ 22164.5 and 26135.7)

   b) Clarifies that, for purposes of crediting unused sick leave as service credit, one day of unused sick leave is equivalent to the number of hours of creditable service performed in a day in that position on a full-time basis but no less than six hours. (EC § 22170.5)

   c) Clarifies the board's responsibility to minimize the risk of loss and to maximize the rate of return by conforming statutory language to controlling constitutional language. (EC § 22250)

   d) Standardizes the timeframe for employers to notify employees of their CalSTRS eligibility and provide them with membership election forms to 10 working days within their date of hire. (EC §§ 22455.5 and 26300)

   e) Clarifies that specified service retirement incentives do not apply to a service retirement benefit provided during the evaluation of a disability application unless and until the disability application is denied, thereby avoiding the necessity to reclaim overpayments if the disability retirement is approved. (EC § 24201.5)

   f) Designates SB 327 (Laird, Chapter 708, Statutes of 2023)'s operative date as January 1, 2026, pursuant to the bill's provisions requiring that a member's service retirement effective date can be no more than 270 calendar days before CalSTRS receives their retirement application. (EC §§ 24201.5 and 24204)

g) Specifies that the Service Retirement Application and Service Retirement Application Change Request forms must be received by the system within 30 days of the member's signature date and the spouse's or registered domestic partner's signature date, if applicable, to be considered valid. (EC § 24204)

h) Allows members who service retire and elect to receive their Defined Benefit Supplement (DBS) benefit as an annuity to change that annuity to a lump sum at any time after retirement as long as there is a balance of credits available to distribute. (EC §§ 24204 and 25009)

i) Clarifies that if a member elects a beneficiary option when re-retiring after reinstatement, the entire subsequent service retirement benefit is modified by the appropriate option factor to actuarially offset costs. (EC §§ 24209, 24209.3 and 24210)

j) Clarifies that an additional earnings credit (AEC) is applied to all DBS and CB accounts that have a balance as of June 30, regardless of whether the account balance is transferred to the Annuitant Reserve after June 30. (EC §§ 25006 and 26606)

k) Conforms the CB Benefit Program's definition of "service" to the DB Program's definition of service as amended by AB 1997 and makes conforming changes operative July 1, 2027. (EC §§ 26004, 26113, 26139 and 26139.5)

2) Makes technical, non-substantive, or non-controversial amendments to clarify specified portions of the Government Code related to CalPERS, including:

   a) Adds service in the California Council on Science and Technology fellows program to the list of service organizations including the Peace Corps, AmeriCorps VISTA (Volunteers In Service To America), and AmeriCorps for which a CalPERS member may purchase up to three years of service credit. (Government Code § 21023.5)

   b) Amends the Public Employees' Retirement Law by updating various job classifications to be consistent with CalHR's ongoing efforts to update, eliminate, or consolidate various classifications. (Government Code §§ 20405 et seq.)

3) Makes technical, non-substantive, non-controversial amendments to clarify specified portions of the Government Code related to the County Employees Retirement Law including:

   a) Conforms CERL system board elections to similar laws applicable to CalPERS and CalSTRS board elections, clarifies "active member" means a member in county service, and makes related conforming changes. (Government Code §§ 31520 et seq.)

   b) Conforms the CERL statute of limitations for recovery of overpayments relating to fraud or erroneous payments of death benefits, to the 10-year period applicable to CalPERS and the Los Angeles County Employees Retirement Association (LACERA). (Government Code §§c31540.5)

   c) Replaces obsolete references to "earnable compensation" with the contemporary term "compensation earnable" and makes conforming changes. (Government Code §§ 31621.7, 31622, 31639.3, 31641, 31641.2, 31641.6, 31641.20, and Section 31641.21)

   d) Clarifies that a CERL member who has reciprocity with one or more other systems, only receives one burial allowance, and only from the last system in which they are a member. (Government Code § 31789.6)

   e) Clarifies that retiring "concurrently" from two or more retirement systems means retiring on the same date or on different dates, not to exceed a difference of 30 calendar days, provided that the member does not perform service subject to coverage under the other system between the two retirement dates. (Government Code § 31835.02)

**Comments**

*Need for this bill?* According to the author: "Each year, the various public employee retirement system segments may propose minor, technical, clarifying, or conforming changes to the various laws within their respective administrative jurisdictions to support and continue the efficient and effective administration of those laws. This bill represents those ongoing efforts."

**Related/Prior Legislation**

SB 853 (Committee on Labor, Public Employment and Retirement, Chapter 239, Statutes of 2025), made technical, conforming, clarifying, and noncontroversial changes to TRL, CERL, and PERL, for purposes of continued efficient and effective administration by the respective public employee retirement systems.

AB 2770 (Committee on Public Employment and Retirement, Chapter 117, Statutes of 2024), made technical, conforming, clarifying, and noncontroversial changes to TRL, CERL, and PERL, for purposes of continued efficient and effective administration by the respective public employee retirement systems.

AB 1997 (McKinnor, Chapter 690, Statutes of 2024), addressed compensation reporting challenges and other concerns encountered by employers, members and CalSTRS staff by simplifying sections of the Teachers' Retirement Law relating to creditable compensation and creditable service.

SB 885 (Committee on Labor, Public Employment and Retirement, Chapter 885, Statutes of 2023), made technical, conforming, clarifying, and noncontroversial changes to TRL, CERL, and PERL, for purposes of continued efficient and effective administration by the respective public employee retirement systems.

SB 327 (Laird, Chapter 708, Statutes of 2023), required a member's service retirement effective date to be no earlier than 270 calendar days prior to when CalSTRS receives their application.

**FISCAL EFFECT:** Appropriation: Yes Fiscal Com.: Yes Local: No

**SUPPORT:** (Verified 06/29/26)

California State Teachers' Retirement System (Co-sponsor)
State Association of County Retirement Systems (Co-Sponsor)
Los Angeles County Employees Retirement Association

**OPPOSITION:** (Verified 06/29/26)

None received

**ARGUMENTS IN SUPPORT:**

According to California State Teachers' Retirement System (CalSTRS):

"This measure contains the annual provisions that make various minor, technical and conforming changes to the Teachers' Retirement Law for the California State Teachers' Retirement System (CalSTRS), alongside minor, technical and conforming changes in the County Employees Retirement Law.

"This bill is necessary to permit continued effective administration of CalSTRS. Any administrative costs associated with these provisions are minor and absorbable, and there are
no program costs resulting from them."

According to the State Association of California Retirement Systems (SACRS):

"This bill is necessary to make various technical, conforming, and minor changes to the Education and Government codes necessary for the efficient administration of the state's public retirement systems. Specifically, this measure includes SACRS-sponsored provisions to clarify and improve administration within County Employees Retirement Law (CERL) systems. These changes include clarifying that deferred members are not eligible to vote in or run for active member Miscellaneous and Safety trustee elections; establishing a 10-year statute of limitations for the recovery of overpayments due to fraudulent death benefit reporting; codifying that only the final system is responsible for payment of a lump-sum burial allowance for reciprocal members; and defining "concurrent retirement" to allow reciprocal members to retire within 30 days of one another without overlapping service. Collectively, these provisions promote consistency, reduce administrative ambiguity, and strengthen program integrity across CERL systems."

According to the Los Angeles County Employees Retirement Association (LACERA):

"These provisions are precisely the kind of clarifying and conforming changes that provide efficient and effective administration of CERL for LACERA and our fellow systems, consistent with our Board's legislative policy of supporting technical and clarifying updates."

ASSEMBLY FLOOR: 69-1, 5/11/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart,

Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Ramos, Ransom, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio
NO VOTE RECORDED: Arambula, Gallagher, Gipson, Lowenthal, Quirk-Silva, Celeste Rodriguez, Michelle Rodriguez, Sanchez, Solache, Soria

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