

Date of Hearing: June 17, 2026

ASSEMBLY COMMITTEE ON INSURANCE

Lisa Calderon, Chair

SB 1444 (Committee on Labor, Public Employment and Retirement) – As Amended April 23, 2026

SENATE VOTE: 36-0

SUBJECT: Employment

SUMMARY: Makes a number of technical, non-substantive, or non-controversial changes to the Government Code, Labor Code, and Unemployment Insurance Code. Specifically, **this bill:**

- 1) Extends the time Public Employees' Retirement System (CalPERS) members have to make a change to their option beneficiary from 30 days to 60 days after the first payment of a retirement allowance.
- 2) Authorizes electronic communications in the Labor Commissioner's wage claims processes.
- 3) Consolidates duplicative reports published by the Employment Development Department (EDD) pertaining to the School Employee Fund.
- 4) Shortens EDD's automation planning horizon from 10 years to three years.
- 5) Removes the requirement that firefighters that provide fire protection to a commercial airport regulated by the Federal Aviation Administration (FAA) must be certified by the State Fire Marshal as meeting the standards of Fire Control 5 in order to qualify for various workers' compensation industrial injury presumptions.
- 6) Makes several technical, clarifying, and conforming changes.

EXISTING LAW:

- 1) Authorizes a member of CalPERS to elect from among several optional settlements for the purpose of structuring the member's retirement allowance; and requires a member to make an election, revocation, or change of election within 30 calendar days after the making of the first payment on account of any retirement allowance or, in the event of a change of retirement status after retirement, within 30 calendar days after making the first payment on account of that change in retirement status. (Government Code Section 21472)
- 2) Establishes, within the Department of Industrial Relations (DIR), the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC to vigorously enforce the state's labor laws. (Labor (Lab.) Code Section 79, *et seq.*)
- 3) Authorizes the LC to investigate employee complaints and provide for a hearing in any action to recover wages, penalties, and other demands for compensation, including liquidated damages if the complaint alleges payment of a wage less than the minimum wage, as specified; requires a party who has received actual notice of a claim before the LC to notify the LC in writing of any changes in that party's business or personal address within 10 days

after the change in address occurs; requires a copy of the complaint to be served on all parties when a hearing is set; and specifies the copy shall be served personally, by certified mail, or pursuant to specified provisions of the Code of Civil Procedure authorizing certain service in lieu of personal delivery. (Lab. Code Sec. 98)

- 4) Prohibits any person or employee from engaging in willful misclassification of an individual as an independent contractor; imposes specified civil penalties and damages for violations of this prohibition; and authorizes the LC or a public prosecutor to recover these penalties and damages under specified circumstances. (Lab. Code Sec. 226.8)
- 5) Establishes a workers' compensation system that provides benefits to an employee who suffers from an injury or illness that arises out of, and in the course of, employment, irrespective of fault. (California Constitution Article XIV, Section 4)
- 6) Establishes presumptions that certain injuries or conditions arose out of employment for specified public safety officers, including:
 - Heart trouble, pneumonia, or hernia; (Lab. Code Secs. 3212, *et seq.*)
 - Cancer; (Lab. Code Sec. 3212.1)
 - Tuberculosis; (Lab. Code Sec. 3212.6)
 - Post-traumatic Stress Disorder (PTSD); (Lab. Code Sec. 3212.15)
 - Blood-borne infectious disease or methicillin-resistant *Staphylococcus aureus* skin infection (MRSA); (Lab. Code Sec. 3212.8)
 - Exposure to a biochemical substance; (Lab. Code Sec. 3212.85)
 - Meningitis. (Lab. Code Sec. 3212.9)
- 7) Provides that the presumptions listed above are rebuttable and may be controverted by evidence. However, unless controverted, the Workers' Compensation Appeals Board must find in accordance with the presumption. (Lab. Code Secs. 3212, *et seq.*)
- 8) Applies the aforementioned presumptions to various categories of firefighters, including active firefighting members of a fire department that provides fire protection to a commercial airport regulated by the FAA, as specified, that are trained and certified by the State Fire Marshal as meeting the standards of Fire Control 5 and specified federal regulations. (Lab. Code Sec. 3212)
- 9) Establishes EDD in the Labor and Workforce Development Agency, and vests it with various duties and responsibilities including the administration of the Unemployment Insurance (UI) program and the School Employees Fund, which finances unemployment claims filed by school employees. (Unemployment Insurance (UI) Code Secs. 301, *et seq.*)
- 10) Requires the Director of EDD to at least annually calculate the experiences of school employers relative to usage of the Unemployment Fund and to provide this information, among other things, to the affected school employer and governing body thereof at least annually. (UI Code Sec. 832)
- 11) Requires the Director of EDD to develop experience relationships on all benefits paid to employees via the School Employees Fund and on school employers' experience related to use and exposure, and to report this to the Legislature each year prior to March 31, including

comments and recommendations on improvement to administration, enforcement and financing of the provisions relative thereto. (UI Code Sec. 832)

- 12) Requires the Director of EDD to transmit a report on or before February 1 of each even-numbered year to the Legislative Analyst, the Assembly Committees on Insurance, Labor and Employment, and Budget, the Senate Committees on Industrial Relations and Budget and Fiscal Review, the Department of Finance, and the Governor, providing a strategic information technology plan that describes the long-term goals and strategies that shall be undertaken by EDD covering a 10-year planning horizon, as specified. (UI Code Sec. 4902)

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) *Purpose.* According to the Senate Committee on Labor, Public Employment and Retirement:

This omnibus bill makes statutory updates to improve efficiency, clarity, and modernization across several state programs. Specifically, the bill:

- Provides CalPERS members an *additional* 30 days to modify their post-retirement option beneficiary designation to ensure they can make informed decisions about the long-term impact on their pension benefits.
 - Streamlines the Labor Commissioner’s Office (LCO) wage claim process by allowing first-class mail in addition to certified mail, permitting email service with consent, and requiring represented parties to accept electronic service and maintain current email addresses with the LCO. These changes will reduce administrative workload and help address wage theft backlogs.
 - Corrects a drafting error in Labor Code Section 226.8(g)(2) to ensure workers may recover consistent misclassification penalties in all proceedings, restoring the intended goal of AB 594 (2024).
 - Consolidates duplicative School Employee Fund reports, shortens EDD’s automation planning horizon from 10 years to 3 years, and
 - Removes an outdated firefighter training reference while preserving existing workers’ compensation presumptions.
- 2) *CalPERS Option Beneficiary and double referral.* CalPERS members have the option of providing a lifetime allowance to a designated beneficiary upon the member’s death by authorizing a reduction from their unmodified pension allowance. Under existing law, an election, revocation, or change of election for this option must be made within 30 days after the first payment on account of any retirement allowance or within 30 days after the first payment following a change in retirement status. This bill would provide an additional 30 days to make such an election, revocation, or change of election.

The California State Retirees, who support the bill, argue that “SB 1444 will provide CalPERS members with ample time to consider their post-retirement beneficiary designation to ensure they can make an informed decision.”

This bill is double-referred to the Assembly Committee on Public Employment and Retirement. Should the bill pass out of this committee, that committee will evaluate the implications of this provision for public employment and retirement pursuant to its jurisdiction.

- 3) *EDD reports on the School Employee Fund and automated planning horizon.* EDD is responsible for administering the School Employee Fund, which finances unemployment claims filed by school employees. Under existing law, EDD is required to publish annual reports regarding the School Employee Fund to the Legislature and to affected school employers. The former report requires EDD to develop experience relationships on all benefits paid to employees through the School Employees Fund and on school employers' experience related to use and exposure. The latter report requires EDD to calculate the experiences of school employers relative to usage of the Unemployment Fund, including the experience of each school employer in relation to the expenditures from and the income to the School Employees Fund from the wages paid by the employer. This bill would combine both reports into a single report issued to both the Legislature and the affected school employers.

EDD is also required to submit a report every other year providing a strategic information technology plan that "describes long-term goals and strategies which shall be undertaken by [EDD] to create an information technology environment that will not only support the achievement of [EDD's] strategic business mission and goals but to set the foundation for using information technology to make substantial and sustainable improvements in how it conducts business." This report is transmitted to the Legislative Analyst, the Assembly Committees on Insurance, Labor and Employment, and Budget, the Senate Committees on Industrial Relations and Budget and Fiscal Review, the Department of Finance, and the Governor.

Under existing law, the plan detailed in this report must cover a 10-year planning horizon. However, considering the rate of technological advancement, it is challenging to meaningfully project IT objectives over such a long planning horizon. This bill would shorten the planning horizon included in this report from 10 years to three years.

- 4) *Fire Control 5 certification requirement.* The workers' compensation system provides a no-fault system for workers to receive medical treatment and/or indemnity for injuries suffered in the workplace. In typical workers' compensation claims, the worker must demonstrate that the injury was industrial in nature in order to qualify for benefits. For certain first responders whose professions require exposure to injury risks, however, the industrial nature of the injury can nonetheless be difficult to prove, California has adopted industrial injury presumptions, where the specified injury is presumed to arise out of employment unless rebutted.

Firefighters in California maintain industrial injury presumptions for cancer, PTSD, tuberculosis, blood-borne infectious disease or MRSA, illness or death resulting from exposure to a biochemical substance, and meningitis. These presumptions apply to all state and local firefighters, as well as specified federally contracted firefighters. The latter include active firefighting members of a fire department that provides fire protection to a commercial airport regulated by the FAA, provided they are trained in accordance with specified

federal regulations, *and are certified by the State Fire Marshal as meeting the standards of Fire Control 5.*

The California Professional Firefighters explain in support of the bill:

The statute enacted by SB 230 contained language defining professional firefighters employed at airports as those who were trained and certified by the State Fire Marshal as meeting the standards of Fire Control 5. However, following the passage of this legislation, the State Fire Marshal's office began the process of retiring Fire Control 5 in order to implement updated, modern training. Without an update to the statute to remove references to the retired training, these firefighters may be blocked from accessing these critical protections when they are needed most.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California State Supervisors
California Professional Firefighters
California State Retirees

Opposition

None on file.

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