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UNFINISHED BUSINESS

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Bill No: SB 853  
Author: Committee on Labor, Public Employment and Retirement  
Amended: 7/15/25  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/9/25  
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 37-0, 5/1/25 (Consent)  
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener  
NO VOTE RECORDED: Alvarado-Gil, Reyes, Rubio

ASSEMBLY FLOOR: 77-1, 9/2/25 – Roll call not available.

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**SUBJECT:** Public employees' retirement

**SOURCE:** Author

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**DIGEST:** This bill makes technical, non-substantive amendments to clean up and clarify specified portions of the Education and Government Codes regulating the California State Teachers' Retirement System (CalSTRS), the California Public Employees' Retirement System (CalPERS), and the County Employees Retirement Law of 1937 (37 Act or CERL) retirement systems.

*Assembly Amendments* add language to avoid conflicting provisions of SB 853 with SB 443 (Rubio) should both bills be passed and chaptered.

**ANALYSIS:**

Existing law:

- 1) Establishes the following public retirement system segments:
  - a) 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 §26000 et seq.)
  - b) CalPERS, which provides a defined benefit pension to state employees, classified school employees, and employees of contracting public agencies. (Government Code § 20000 et seq.)
  - c) Twenty county retirement systems organized under the 37 Act and represented by the State Association of County Retirement Systems (SACRS) (Government Code §31450 et seq.).

This bill:

- 1) Makes technical, non-substantive amendments to clarify specified portions of the Education Code related to CalSTRS, including:
  - a) Clarifies that CalSTRS members' "annual pay rate" is salary, as defined, that the member could earn from each position the member holds during the school term, not from only one position the member holds during the term.
  - b) States explicitly in statute the existing law under the constitution that the CalSTRS board has final authority for determining who is an employer for purposes of CalSTRS programs and whom the board may admit into CalSTRS membership.
  - c) Makes technical changes to a program that allows CalSTRS members who have reduced workloads to earn full year service credit by measuring earnings of annualized pay rates instead of days or hours worked.
  - d) Clarifies that specified transfers or payments from the General Fund to the Teachers' Retirement Fund that fall on a weekend or holiday shall be transferred the next business day.
- 2) Makes technical, non-substantive amendments to clarify specified portions of the Government Code related to CalPERS, including:
  - a) Adds clarifying language referencing pensionable compensation in various sections to conform to the Public Employees' Pension Reform Act (PEPRA).
  - b) Makes a technical drafting amendment to create a separate subsection in PEPRA for existing safe harbor exemptions for trial court classic members

currently lumped in with the safe harbor subsection for Joint Power Authority classic members.

- c) Corrects a technical drafting error treating compensation in the Judges' Retirement System (JRS) I, JRS II, the Legislators Retirement System, and CalSTRS as compensation earnable or pensionable compensation, as applicable, in CalPERS when the member retires concurrently from one of those systems and from CalPERS.
- 3) Makes technical, non-substantive amendments to clarify specified portions of the Government Code related to the County Employees Retirement Law including:
- a) Clarifies that for members subject to PEPRA, the retirement association shall compute absences using the member's pensionable compensation at the beginning of the member's absence.
  - b) Clarifies that where a member's service through reclassification, has been converted from general to safety member service, service converted after PEPRA's effective date is subject to PEPRA's prohibition of retroactive benefits. Thus, clarifies that conversion shall apply only to service after the operative date of the reclassification and not to all prior service.
  - c) Clarifies how CERL employers should report retired annuitants to their retirement association.
- 4) Contains provisions from SB 443 (Rubio) amending the same provision of the Government Code to avoid chaptering out conflicts if both bills pass and become law.

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

According to the Assembly Appropriations Committee:

"No fiscal effect."

**SUPPORT:** (Verified 9/2/25)

California Public Employees' Retirement System  
California State Teachers' Retirement System  
State Association of County Retirement Systems

**OPPOSITION:** (Verified 9/2/25)

None received.

**ARGUMENTS IN SUPPORT:** Click or tap here to enter text.

According to CalSTRS:

“This measure contains the annual provisions that make various minor, technical and conforming changes to the Teachers’ Retirement Law (TRL) for the California State Teachers’ Retirement System (CalSTRS), alongside minor, technical and conforming changes in the Public Employees’ Retirement Law and 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 CalPERS:

“This CalPERS co-sponsored bill makes minor policy and technical changes to the Public Employees’ Retirement Law (PERL), the Teachers’ Retirement Law, and to the County Employees Retirement Law of 1937.

As it pertains to CalPERS, SB 853 clarifies that several final compensation-related provisions in the PERL apply to both classic members and members subject to the Public Employees’ Pension Reform Act of 2013 to provide consistency in the administration of benefits and streamline processes.”

According to 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.”

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9/3/25 18:38:19

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