

## **Board of Retirement Regular Meeting**

## **Sacramento County Employees' Retirement System**

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MEETING DATE: October 20, 2021

SUBJECT: State Association of County Retirement Systems

Legislative Update—October 2021

SUBMITTED FOR: X Consent \_\_\_ and Action \_\_\_ and File

### **RECOMMENDATION**

Staff recommends that the Board receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for October 2021.

### **PURPOSE**

This item complies with the Strategic Management Plan goal of stakeholder communication and outreach by participating in the legislative process to monitor changes in state law affecting public pension plans.

## **DISCUSSION**

The attached report highlights recent legislative activity affecting California public pension plans and is produced by SACRS' legislative advocates at Edelstein Gilbert Robson & Smith, LLC.

SACRS is composed of the 20 systems operating under the County Employees' Retirement Law. The association's mission is to provide education and analysis to trustees and staff so that they can be more effective stewards of their systems' pension plans.

## **ATTACHMENTS**

- Board Order
- SACRS Legislative Update—October 2021

Prepared by:	
/S/	
Eric Stern Chief Executive Officer	



# Retirement Board Order Sacramento County Employees' Retirement System

## Before the Board of Retirement October 20, 2021

MOTION:

## State Association of County Retirement Systems Legislative Update— October 2021

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the State Association of County Retirement Systems Legislative Update.

October 20, 2021 by the following vote of the Board of Retirement, to wit:

I HEREBY CERTIFY that the above order was passed and adopted on

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
ALTERNATES (Present but not voting	<b>j</b> ):
Richard B. Fowler II Board President	Eric Stern Chief Executive Officer and Board Secretary

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate Bridget E. McGowan Associate

#### October 7, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – October 2021

### **General Update**

The Legislature adjourned for interim recess on September 10 after passing roughly 700 bills out of the Legislature and onto the Governor's desk. The Governor has until October 10 to consider these bills. Below is an update on the outcomes of the bills SACRS has been following closely.

## Legislation of Interest

SB 634 (Committee on Labor, Public Employment, and Retirement) - SACRS Sponsored Bill. This bill makes a few clarifying changes to the CERL, including clarifying that a 37 Act Retirement board may contract with a private physician to provide medical advice to the board to process disability claims and changing an obsolete code reference related to when a 37 Act system member may opt to continue as a member of the 37 Act system instead of enrolling in CalSTRS.

The Governor signed this bill into law on September 16.

AB 361 (Rivas) - Virtual Meetings for Declared Emergencies. This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

Recent amendments add an urgency clause so the bill will go into effect immediately after it is signed.

The Governor signed this bill into law on September 16. Because the existing Brown Act Executive Order expired on September 30, the Governor also issued an Executive Order to make the provisions of AB 361 effective October 1, so the two standards do not conflict.

AB 339 (Lee) – Large City Council and Board of Supervisor Public Meetings – This bill would require until December 31, 2023 that city councils and boards of supervisors

in jurisdictions over 250,000 residents provide both in person and teleconference options for the public to attend their meetings.

The bill is currently on the Governor's desk.

**AB 826 (Irwin) - Compensation Earnable**. Late into session, this bill was amended into a bill that prescribes that the definition of compensation earnable in CERL includes any form of remuneration, whether paid in cash or as in-kind benefits, if certain requirements are met.

The bill is co-sponsored by SEIU and the Ventura County Board of Supervisors. They argue that some pay items, like their Flexible Benefit Allowance was not clearly addressed in the *Alameda* decision and should not be excluded, because members receive the full cash value, it is a regular, set amount paid every pay period, and it isn't subject to pension spiking or any other manipulation.

In the final days of session, the bill was amended to clarify that the provisions of the bill only apply to Ventura County.

SACRS does not have a position on the bill.

The bill was moved to the inactive file before the Legislature adjourned, making it a twoyear bill.

AB 498 (Quirk-Silva) – Compensation Earnable. At the end of session, Assemblymember Quirk-Silva amended her AB 498 to attempt to address a difference of opinion regarding compensation earnable, similar to AB 826 (Irwin) discussed above. Because the bill was just amended, it did not move at the end of session and will be considered next year when the Legislature returns in January.

AB 845 (Rodriguez) - COVID-19 Presumption. This bill creates a rebuttable presumption for members that a COVID-19 related illness contracted on the job must be eligible for an in-service disability retirement. The provisions sunset January 1, 2023. The bill is sponsored by SEIU. The co-chairs of the Legislative Committee have been closely engaged with the sponsor and committee staff working on the legislation to ensure smooth implementation in CERL Systems.

This bill was signed into law by the Governor on July 23.