

BILL NUMBER: [SB 634](#) (L,PE&R) as amended June 14, 2021

SUMMARY

SB 634 makes various technical, conforming or minor changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan (plan), which includes the Defined Benefit (DB) Program, the Defined Benefit Supplement (DBS) Program and the Cash Balance (CB) Benefit Program. The bill also makes various technical and conforming changes in the Public Employees' Retirement Law and the County Employees Retirement Law.

BOARD POSITION

Support. This bill will make various technical, conforming or minor amendments necessary for continued effective administration of the California State Teachers' Retirement System.

REASON FOR THE BILL

SB 634 will help ensure continued effective and efficient plan administration for CalSTRS' internal and external customers.

PROGRAM BACKGROUND & ANALYSIS:

Authority to Collect Electronic Signatures

Background

Education Code section 22011 authorizes CalSTRS to accept electronic signatures. However, the statute only applies to Part 13 of the Teachers' Retirement Law, limiting CalSTRS capacity to allow electronic signatures to the DB and DBS programs.

Proposed

This bill extends CalSTRS capability to accept online signatures to the CB Benefit and Medicare Premium Payment programs.

Section affected: 22011

Ombudsperson Name Change

Background

Education Code section 22302 establishes an ombudsman position within CalSTRS to serve as an advocate for the members of the DB Program and participants of the CB Benefit Program.

Proposed

Consistent with references to similar positions elsewhere in statute, this bill changes the term "ombudsman" to the gender neutral term "ombudsperson."

Section affected: 22302

Service Credit Purchase Clarification

Background

Former Education Code section 26402, which allowed full-time DB members to participate in the CB Benefit Program for a different employer, was repealed as of January 1, 2003, but is still referenced in Education Code section 22802. Education Code section 26402 was initially

referenced to prevent members from earning or purchasing more than a full year of service credit in the DB Program for any school year in which service was performed. CalSTRS continues to not allow members to purchase service credit for any school years in which a member has already earned a full year of service credit, but Education Code section 22802 lacks clarity regarding what prior service credit is permitted to be purchased.

Proposed

This bill clarifies administration of service credit purchases by removing the reference to repealed Education Code section 26402 from Education Code section 22802 and detailing that members cannot purchase service credit for service prior to membership in any school year in which the member has already earned a full year of service credit.

Section affected: 22802

Correction of Drafting Errors

Background

Some minor errors were noted in the drafting of CalSTRS' 2020 Housekeeping Bill, AB 2101 (PE&R).

Proposed

This bill corrects those drafting errors to ensure the statute correctly references established terminology.

Sections affected: 24204, 26804

LEGISLATIVE HISTORY

AB 2101 (PE&R, Chapter 275, Statutes of 2020) made various technical, conforming or minor changes to the Teachers' Retirement Law to facilitate efficient administration of the plan.

AB 232 (Hill, Chapter 90, Statutes of 2009) allowed CalSTRS to improve the efficiency of its operations by authorizing it to prescribe the form for accepting electronically signed applications and documents, among other changes.

SB 501 (PE&R, Chapter 803, Statutes of 2001) repealed Education Code section 26402, among other changes.

AB 1453 (Elder, Chapter 88, Statutes of 1984) required the board to establish an ombudsman position within CalSTRS.

FISCAL IMPACT

Program Cost – None.

Administrative Costs/Savings – Minor and absorbable.

SUPPORT

CalSTRS (Sponsor)

OPPOSITION

None known.

LEGISLATIVE STAFF CONTACT

Peter Elliott
Legislative Analyst,
CalSTRS Governmental Relations,
(916) 414-1183
pellott@calstrs.com

John Maradik-Symkowitz
Manager,
CalSTRS Governmental Relations,
(916) 414-1977
jmaradik-symkowitz@calstrs.com

Joycelyn Martinez-Wade
Director,
CalSTRS Governmental Relations,
(916) 414-1980
jmwade@calstrs.com