

BILL NUMBER: [AB 2417](#) (Zbur) as introduced February 20, 2026

SUMMARY

AB 2417 requires temporary employees at community college districts to be provided with the option of membership in the Defined Benefit (DB) Program, the Cash Balance (CB) Benefit Program, if offered, or Social Security (SSA). The bill also requires the office of the Chancellor of the California Community Colleges to work with CalSTRS and CalPERS to develop informational materials regarding the DB Program, the CB Benefit Program and SSA.

RECOMMENDATION

Neutral. The board's policy is to adopt a neutral position on legislation that does not significantly or adversely impact the benefits or services provided through the funds administered by CalSTRS or the administration of the retirement plans.

REASON FOR THE BILL

According to the author, this bill ensures the option of SSA as a retirement benefit is provided to community college faculty and ensures that these faculty are given information about the three most common retirement options, so they are equipped and empowered to make the best-informed retirement plan decisions.

ANALYSIS

Existing Law:

Under current law, a person who is a temporary employee at a community college is not mandated to participate in the DB Program. Instead, they can permissively elect to join the DB Program or choose to participate in an alternative retirement plan, including the CB Benefit Program, if offered by the employer. To offer the CB Benefit Program, an employer's governing board must elect to do so. Currently, 22 community college districts offer the CB Benefit Program as an option, out of a total of 73 community college districts statewide. Some, but not all, community college districts offer SSA as an alternative retirement plan.

Pursuant to Education Code section 22509, employers must notify an employee who has a right to make a retirement system election of their right to make such an election within 10 working days of the date of hire, including providing written information provided by each retirement system concerning the benefits provided under that retirement system to assist the employee in making an election. In addition, pursuant to Education Code section 26300, employers that offer the CB Benefit Program must make information regarding the DB and CB Benefit programs available within 10 working days of specified dates.

This Bill:

AB 2417 requires that a temporary employee at a community college district employed to perform creditable service to be provided with the option of membership in the DB Program, CB Benefit Program, if offered or SSA. The bill specifies this requirement does not limit a community college from offering other alternative retirement options.

Additionally, this bill requires the office of the Chancellor of the California Community Colleges to work with CalSTRS and CalPERS to develop informational materials regarding the DB and CB Benefit programs and SSA. This material must include the following on the three programs:

- The differences between membership and contributions.
- Examples covering the amount of time required to vest benefits.
- Examples of the impact of having credits provided in SSA.

Discussion

CalSTRS provides various publications to explain the differences between the DB and CB Benefit programs. CalPERS and the Social Security Administration similarly provide various materials explaining considerations around the plans they administer. This bill requires the Chancellor's office to develop materials that provide a side-by-side comparison of CalSTRS' two plans and SSA with assistance from CalSTRS and CalPERS, which employs a Social Security Administrator. The bill does not require these materials to be presented to employees in a specific timeframe.

PROGRAM BACKGROUND

Members and participants of CalSTRS' DB and CB Benefit Programs do not contribute to SSA for their CalSTRS-covered employment. Under current law, to retain an exemption from mandatory SSA coverage, a state must offer a retirement plan with commensurate benefits to SSA, known as a FICA-replacement plan. CalSTRS' DB and CB Benefit programs both serve as suitable FICA-replacement plans.

Generally, an individual contributing to SSA can earn up to four credits a year and must earn a minimum of 40 credits to be eligible for an SSA retirement benefit. A person's benefit is calculated based on their highest 35 years of SSA-covered earnings. For those with less than 35 years of earnings, SSA fills the remaining years with zeros, which lowers the average benefit. This means that working a career with some covered and some non-covered employment could dilute an individual's average earnings, resulting in a lower SSA benefit. The Social Security Administration estimates SSA benefits replace about 40% of annual pre-retirement earnings for career SSA contributors. By comparison, a career educator in CalSTRS' DB Program receives an average DB benefit replacing between 50% and 60% of salary. Still, an individual whose primary career was in non-SSA-covered employment might choose to contribute to SSA on a part-time basis to earn sufficient credits to qualify for a modest SSA benefit.

Prior to 2025, CalSTRS members seeking to claim an SSA benefit were subject to two provisions that could negatively impact their benefit—the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). The WEP reduced SSA benefits for individuals who also received a pension for non-SSA covered work via a modified formula for calculating an individual's own SSA benefit. The GPO similarly reduced spousal and survivor SSA benefits payable to those receiving a government pension, such as through CalSTRS. On January 5, 2025, President Biden signed the Social Security Fairness Act, which repealed these two provisions. In a report from December 2024, the Congressional Budget Office estimated that eliminating the WEP would increase monthly benefits in December 2025 by \$360 on average for 2.1 million SSA beneficiaries. The same report estimated that eliminating the GPO would increase December monthly benefits by an average of \$700 for 380,000 spouses and by an average of \$1,190 for 390,000 surviving spouses. The repeal of these provisions eliminated potential reductions in SSA

benefits for workers whose career included a mix of SSA-covered employment and non-covered work that made them eligible for a government pension.

FISCAL IMPACT

Program Cost – None known.

Administrative Costs/Savings – Minor and absorbable.

SUPPORT

California Federation of Teachers (sponsor)
California Community College Independents
California School Employees Association
California State Council of Service Employees International Union
Faculty Association of California Community Colleges

OPPOSITION

None known.

ARGUMENTS

- Pro: Provides additional resources for part-time faculty to make informed decisions.
Creates statewide consistency in offering SSA coverage and benefits for part-time community college faculty.
- Con: Increases administrative workload for community college districts, the Chancellor's office, CalSTRS and CalPERS.