



August 6, 2021

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – August 2021**

General Update

The Legislature adjourned for summer recess on July 16, and legislators returned to their districts to conduct local business.

When the Legislature reconvenes on August 16, legislators will be working towards the fiscal committee deadline, the next major deadline on the legislative calendar. By August 27, all fiscal bills must be heard and pass out of the Appropriations Committee in the second house to continue to remain viable. Just prior to this deadline, the Appropriations Committees in each house will hold a “suspense” hearing, where the Committees dispense with hundreds of bills that meet the fiscal threshold. It is at these hearings where many bills are held and won’t move further or amended significantly to reduce the bill’s costs to the state.

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 bill passed out of the Assembly and awaiting a concurrence vote on the Assembly floor when the Legislature returns from summer recess.

AB 826 (Irwin) - Compensation Earnable. This bill was recently 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.

The SACRS Legislative Committee held a meeting this week to discuss this bill. Ultimately, the Committee did not take any action so SACRS does not have a position on the bill.

The bill passed unanimously out of the Senate Labor, Public Employment and Retirement Committee 4-1 and is awaiting a vote on the Senate Floor. Because it was amended in the Senate, the bill will have to go back to the Assembly for a concurrence vote if passed out of the Senate.

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.