

**Section 24602 of the Education Code is amended to read:**

The board may establish a special account and procedures to pay, on an emergency basis, allowances, ~~and death payments,~~ and up to 75 percent of the return of the balance of the accumulated retirement contributions as a result of termination of employment or death. Disbursements under the special account shall be by checks issued by the system and subject to the auditing requirements of the Controller. Payments under the special account shall be deducted from allowances, death benefits, and payment of accumulated retirement contributions, otherwise due.

**Commented [PE1]: Emergency Revolving Fund Payments.** Clarifies the modifier "as a result of termination of employment or death," only applies to "up to 75 percent of the balance of the accumulated retirement contributions," and not to "allowances and death payments."

**Section 26113 of the Education Code is amended to read:**

- (a) "Creditable service" means any of the activities described in subdivision (b) performed for any of the following employers:
- (1) A prekindergarten through grade 12 employer in a position with certification qualifications authorized by the Commission on Teacher Credentialing pursuant to Section 44001.
  - (2) A community college employer by a faculty member, as defined in Section 87003, in an academic position, as defined in subdivision (b) of Section 87001, or by an educational administrator, as defined in subdivision (b) of Section 87002, subject to the appropriate minimum standards adopted by the Board of Governors of the California Community Colleges pursuant to Section 87356, or pursuant to a contract between a community college district and the United States Department of Defense to provide vocational training.
  - (3) A charter school employer under the provisions of an approved charter for the operation of a charter school for which the charter school is eligible to receive state apportionment.
- (b) The types of activities are any of the following:
- (1) The work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils, including special programs such as adult education, regional occupational programs, child care centers, and prekindergarten programs pursuant to Section 22161.
  - (2) Education or vocational counseling, guidance, and placement services.
  - (3) The work of employees who plan courses of study to be used in California public schools, or research connected with the evaluation or efficiency of the instructional program.
  - (4) The selection, collection, preparation, classification, demonstration, or evaluation of instructional materials of any course of study for use in the development of the instructional program in California public schools, or other services related to California public school curriculum.
  - (5) The examination, selection, in-service training, mentoring, or assignment of teachers, principals, or other similar personnel involved in the instructional program.
  - (6) The work of nurses, physicians, speech therapists, psychologists, audiologists, and other California public school health professionals.
  - (7) Services as a California public school librarian.
  - (8) Activities connected with the enforcement of the laws relating to compulsory education, coordination of child welfare activities involving the school and the home, and the school adjustment of pupils.
  - (9) The work of employees who are responsible for the supervision of persons or administration of the duties described in this subdivision.
  - (10) Trustee service as ~~described~~ **defined** in Section ~~26403~~ **26144.5**.

**Commented [JM2]: Trustee Service for Cash Balance Participants.** References the definition of trustee service instead of the Cash Balance election process for trustee service.

(c) "Creditable service" also means any of the activities described in subdivision (b) when they are performed for an employer by:

(1) Superintendents of California public schools, and presidents and chancellors of community college employers.

(2) Consulting teachers employed by an employer to participate in the California Peer Assistance and Review Program for Teachers pursuant to Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2.

(3) Audiometrists who hold a certificate of registration issued by the State Department of Health Care Services.

**(4) A person performing trustee service as described in Section 26403.**

(d) "Creditable service" also means the performance of California public school activities related to, and an outgrowth of, the instructional and guidance program of the California public school when performed for the same employer for which the member is performing any of the activities described in subdivision (b) or (c).

(e) The board shall have final authority for determining creditable service to cover activities not already specified.

**Commented [PE3]: Trustee Service for Cash Balance Participants.** Clarifies that trustee service is creditable to the Cash Balance Benefit Program despite not having certification qualifications authorized by the Commission on Teacher Credentialing.

**Section 26803 of the Education Code is amended to read:**

(a) All creditable service subject to coverage by the Cash Balance Benefit Program and ~~all service with the participant's last employer or employers that is creditable under~~ the Defined Benefit Program, **which does not include retired member activities as defined in Section 22164.5 or retired participant activities as defined in Section 26135.7,** shall be terminated prior to the retirement date.

(b) All employers with which the participant is employed to perform creditable service subject to coverage by the plan shall certify in a format prescribed by the system that the participant's employment has been terminated unless the employment was terminated 12 months or more prior to the participant's retirement date.

**Commented [PE4]: Cash Balance Termination.** Clarifies that the termination requirements laid out in subdivision (a) do not apply to retired member or retired participant activities.

**Section 27100 of the Education Code is amended to read:**

A participant may at any time designate or change the designation of one or more primary beneficiaries and one or more contingent beneficiaries to receive any lump-sum death benefit that may be payable under this plan. ~~The beneficiary for the lump sum death benefit under this part may be a person, trust, or the estate of the participant.~~ The beneficiary shall be designated on a form prescribed by the system that is received ~~in the system's headquarters office~~ **by the system** before the participant's death.

**Commented [PE5]: Cash Balance Death Benefit Beneficiaries.** In conjunction with the addition of Education Code section 27100.5, specifies that Cash Balance participants can name a corporation, trust, charitable organization, parochial institution or public entity as a beneficiary for lump-sum death benefits.

**Section 27100.5 is added to the Education Code, to read:**

**A corporation, trust, charitable organization, parochial institution, or public entity may be designated as a beneficiary under this part, but shall not be designated as an annuity beneficiary, except a trust as defined in Section 26106.5.**

**Commented [JM6]: Cash Balance Death Benefit Beneficiaries.** Change for consistency to support electronic submission of documents.

**Section 27201 of the Education Code is amended to read:**

(a) All creditable service subject to coverage by the Cash Balance Benefit Program and ~~all service with the participant's last employer or employers that is creditable under~~ the Defined Benefit Program, **which does not include retired member activities as defined in Section 22164.5 or retired participant activities as defined in Section 26135.7,** shall ~~terminate~~ **be terminated** prior

**Commented [PE7]: Cash Balance Death Benefit Beneficiaries.** In conjunction with the addition of Education Code section 27100, specifies that Cash Balance participants can name a corporation, trust, charitable organization, parochial institution or public entity as a beneficiary for lump-sum death benefits.

to application for a termination benefit under this part.

(b) All employers with which the participant is employed to perform creditable service subject to coverage by the plan shall certify in a format prescribed by the system that the participant's employment has been terminated unless the employment was terminated 12 months or more prior to the date the termination benefit application is received by the **system** system's headquarters office.

**Commented [PE8]: Cash Balance Termination.** Clarifies that the termination requirements laid out in subdivision (a) do not apply to retired member or retired participant activities.

**Commented [PE9]: Cash Balance Termination.** Change for consistency to support electronic submission of documents.