

# ALERT

## BENEFIT LEGISLATION

Volume IV, Number 2

### ***Legislative Provisions Affecting CalSTRS Benefits as of June 14, 2004***

Each year, legislation is introduced that would, if enacted, improve benefits paid to some CalSTRS members who retire in the future. If you are considering retiring soon, you might be interested to know what bills of this type have been introduced thus far in the 2003-2004 Legislative Session. These bills are summarized below to assist you in your retirement planning. Since all legislative proposals are subject to change during the legislative year, please see the box below for informational resources to help you stay current on the latest benefit provisions.

***Benefit Legislation Alert*** summarizes only the benefit-increasing provisions that apply to CalSTRS members retiring in the future.

Generally, when legislation becomes law, unless the bill states otherwise, the benefits become effective on the next January 1 and apply to members who retire on or after the bill's effective date. If passed, the bills summarized in this *Alert* will become effective on January 1, 2005, unless otherwise indicated.

While CalSTRS makes every effort to keep its members informed about changes in its benefit structure, it cannot safely predict what the Legislature and Governor may do that might be of interest to you.

For this reason, you should keep yourself informed about possible benefit changes by consulting the CalSTRS Web site (<http://www.CalSTRS.com/>) Member Services (800-228-5453), CalSTRS benefits counselors, your union representative (if applicable), your legislative representative and any other source that you believe would be

#### **AB 1852 (Mullin)**

Deletes the minimum age requirement for members of the Defined Benefit Program who elect to receive a lump-sum payment; also exempts members called into military service between 9/11/01 and 7/30/05 from paying employee contributions for up to one year of service during that period.

#### **AB 2232 (PER&SS)**

Changes the calculation used to determine the amount of service credit granted for unused sick leave by tying it to the member's full-time equivalent; primarily affects part-time and adult education community college instructors.

#### **AB 2753 (Corbett)**

Changes existing restrictions on post-retirement employment for retired members of the Defined Benefit Program who retire under the CalSTRS Retirement Incentive Program. Also reduces the period of time a member is prohibited from returning to work for the K-12 district that provided the retirement benefit from five years to one year and eliminates the restriction from returning to work for any other K-12 district employer; imposes the same restriction on members who return to work for a county office of education or community college district within one year of their retirement date.

#### **SB 102 (Burton)**

Allows up to 2/10 of one year of unused sick leave to count towards qualifying for one-year final compensation, longevity bonus and career factor.