

**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]**

*( Title 2 enacted by Stats. 1943, Ch. 134. )*

**DIVISION 5. PERSONNEL [18000 - 22980]**

*( Division 5 added by Stats. 1945, Ch. 123. )*

**PART 3. PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21703]**

*( Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2. )*

**CHAPTER 1. General Provisions and Definitions [20000 - 20085]**

*( Chapter 1 added by Stats. 1995, Ch. 379, Sec. 2. )*

**ARTICLE 2. Definitions [20010 - 20071]**

*( Article 2 added by Stats. 1995, Ch. 379, Sec. 2. )*

**20035.11.**

- (a) For purposes of this section, "pay letter" means the set of instructions issued by the Department of Human Resources to the Controller and other state agencies of approved changes to civil service pay scales that affect a supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 whose monthly salary is increased effective July 1, 2014, pursuant to this pay letter.
- (b) A supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 to whom the pay letter applies and who retires or dies on or after July 1, 2014, shall, for purposes of determining any pension or benefit, have his or her final compensation pursuant to Section 7522.32, 20035, 20035.9, 20035.10, 20037, 20037.11, or 20037.15, modified as described in this section. Any salary increase as provided in the pay letter that exceeds 5 percent shall not be included in final pensionable compensation or compensation earnable for the member, except as follows:
- (1) For July 1, 2014, to June 30, 2015, inclusive, only that portion of the salary increase representing up to  $33\frac{1}{3}$  percent of the excess salary increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation during the fiscal year period.
  - (2) For July 1, 2015, to June 30, 2016, inclusive, only that portion of the salary increase representing up to  $66\frac{2}{3}$  percent of the excess salary increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation during the fiscal year period.
  - (3) On and after July 1, 2016, the entire pay increase identified in the pay letter shall be recognized for purposes of determining his or her compensation earnable or pensionable compensation for service performed on or after that date.
- (c) A supervisor or manager of State Bargaining Unit 9 or State Bargaining Unit 10 shall pay employee retirement contributions on the full amount of the salary increase provided pursuant to the pay letter. A member that has his or her final compensation modified pursuant to subdivision (b) shall not be eligible for any refund of his or her employee retirement contributions associated with that salary increase unless he or she elects a full refund of his or her retirement contributions and ceases to be a member of the system.
- (d) The increased costs, if any, that result from the administration of this section shall be paid by the employer.
- (e) The Department of Human Resources shall identify the job classifications receiving salary increases in the pay letter. The Department of Human Resources and any department that employs the affected managers and supervisors shall provide the system and the Controller, upon request, any information necessary to implement this section. The Controller shall provide the system, upon request, any information necessary to implement this section.

*(Added by Stats. 2014, Ch. 28, Sec. 49. Effective June 20, 2014.)*