

# AB-2301

## Sacramento Area Sewer District Pension Protection Act of 2024



Prepared by the  
ELDERLY CARE  
EVERYWHERE POLICY  
TEAM



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Largest youth lobbying group for senior citizens and senior care in California.

# Executive Summary

Assembly Bill No. 2301 (AB 2301), introduced by Assembly Member Stephanie Nguyen and coauthored by Assembly Members Hoover, McCarty, and Flora, and Senators Dodd, Niello, and Ashby, during the 2023-2024 Regular Session of the California Legislature, proposes the Sacramento Area Sewer District Pension Protection Act of 2024. This bill aims to ensure the protection of pension benefits for employees transitioning from the County of Sacramento to the Sacramento Area Sewer District.

AB 2301 seeks to authorize the Sacramento Area Sewer District to assume all revenues, debts, obligations, and liabilities related to the county's defined benefit plan for employees exclusively allocated to the sewer district. The bill stipulates that the sewer district will take on the rights and responsibilities previously held by the County of Sacramento regarding pension plans, ensuring that employees experience no break in service or change in their retirement benefits.

Key provisions of AB 2301 include designating the Sacramento Area Sewer District as a "district" under the County Employees Retirement Law of 1937 and mandating that all employees allocated to the sewer district are deemed employees of the district, maintaining unchanged membership status in the retirement system. The bill ensures the district assumes obligations for employer contributions, unfunded actuarial liability, and compliance with various retirement-related requirements. It also allows the district to continue offering legacy benefit formulas and existing benefits without interruption, ensuring continuity in the replacement benefits program and all benefit provisions under the County Employees Retirement Law of 1937 and the Public Employees' Pension Reform Act of 2013.

Additionally, the bill includes a severability clause and declares the necessity of this special statute due to the unique pension and employment obligations related to sanitation services in the County of Sacramento. AB 2301 is designated as an urgency statute, enabling it to take effect immediately to facilitate a smooth and timely transfer of employment and pension responsibilities. This immediate implementation is crucial for avoiding any potential disruptions to the retirement benefits of the affected employees, ensuring their financial security and stability during the transition.

In summary, AB 2301 is a vital legislative measure aimed at protecting the pension rights of employees transitioning to the Sacramento Area Sewer District. By ensuring the seamless transfer of pension obligations and maintaining existing benefit structures, the bill supports the stability and security of retirement benefits for these public employees. This legislative effort underscores the state's commitment to upholding the vested pension rights of its public workforce, providing them with peace of mind and financial security during the transition.



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# Our Position

Assembly Bill No. 2301 (AB 2301), introduced by Assembly Member Stephanie Nguyen with coauthors Assembly Members Hoover, McCarty, and Flora, and Senators Dodd, Niello, and Ashby during the 2023-2024 Regular Session of the California Legislature, proposes the Sacramento Area Sewer District Pension Protection Act of 2024. This crucial bill aims to protect the pension benefits of employees moving from the County of Sacramento to the Sacramento Area Sewer District, thereby ensuring their financial stability and security.

Elderly Care Everywhere strongly supports AB 2301 because it aligns with our mission to advocate for the well-being and financial security of public employees, particularly those nearing retirement age. The bill ensures that the Sacramento Area Sewer District will take over all financial responsibilities related to the county's defined benefit plan for employees exclusively assigned to the district. This includes assuming all revenues, debts, obligations, and liabilities, thus preserving the employees' retirement benefits without any interruptions or changes.

AB 2301 designates the Sacramento Area Sewer District as a "district" under the County Employees Retirement Law of 1937, mandating that employees allocated to the sewer district retain their membership status in the retirement system. This ensures continuity in employer contributions, unfunded actuarial liabilities, and adherence to various retirement-related requirements. Additionally, the bill allows the district to continue offering legacy benefit formulas and existing benefits, ensuring uninterrupted access to the replacement benefits program and all provisions under the County Employees Retirement Law of 1937 and the Public Employees' Pension Reform Act of 2013.

The bill includes a severability clause and acknowledges the need for this special statute due to the unique pension and employment obligations tied to sanitation services in Sacramento County. It is designated as an urgency statute, which means it will take effect immediately. This urgency is vital for facilitating a smooth and timely transfer of employment and pension responsibilities, thereby preventing any potential disruptions to the retirement benefits of the affected employees.

In summary, AB 2301 is a pivotal legislative measure designed to safeguard the pension rights of employees transitioning to the Sacramento Area Sewer District. By ensuring a seamless transfer of pension obligations and maintaining existing benefit structures, the bill supports the stability and security of retirement benefits for these public employees. This legislative initiative highlights the state's commitment to protecting the vested pension rights of its workforce, ensuring their well-being and financial security. Elderly Care Everywhere stands firmly behind AB 2301, recognizing its importance in promoting a secure and dignified retirement for all affected employees.



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# Letter of Support for AB-2301

June 2, 2024

The Honorable Lola Smallwood-Cuevas, Chair  
Senate Labor, Public Employment and Retirement Committee  
State Capitol, Room 113  
Sacramento, CA 95814

### **Re: Support for AB 2301 - Sacramento Area Sewer District Pension Protection Act of 2024**

Dear Senator Smallwood-Cuevas and Members of the Senate Labor, Public Employment and Retirement Committee,

On behalf of Elderly Care Everywhere, I strongly support AB 2301, the Sacramento Area Sewer District Pension Protection Act of 2024. This bill is essential for protecting the financial security and well-being of retired public employees and many seniors who depend on their pensions for critical living expenses and healthcare.

AB 2301 aims to implement necessary protections and funding measures to safeguard the pensions of retired employees from the Sacramento Area Sewer District. Ensuring the stability of these pension benefits is crucial for maintaining the health and quality of life for seniors who have dedicated their careers to public service.

Reliable pension income is vital for seniors to access healthcare, housing, and other essential services. By supporting AB 2301, you will help protect these critical benefits, enhancing the quality of life for many retired individuals who rely on their pensions for their daily needs.

We strongly urge you to vote in favor of AB 2301, which would uphold the financial and health security of our senior population. Your support will significantly improve the lives of many elderly residents in California.

Sincerely,  
Aakrisht Mehra  
Founder/CEO  
Elderly Care Everywhere



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# **About Elderly Care Everywhere**

Elderly Care Everywhere is a transformative nonprofit organization dedicated to improving the lives of senior citizens. Since its inception, the organization has positively impacted over 40,000 seniors through a variety of programs aimed at enhancing their quality of life.

Elderly Care Everywhere has been instrumental in alleviating hundreds of thousands of dollars in medical debt, ensuring that seniors have access to the healthcare they need without the burden of financial stress. With more than 20 chapters across the United States, the organization extends its reach and resources to numerous communities, providing support and advocacy on a national scale.

Beyond U.S. borders, Elderly Care Everywhere has established flood relief camps in India, showcasing its commitment to global humanitarian efforts. The organization's impactful work has been recognized by the government of New Delhi, further highlighting its significant contributions to senior care and welfare. Through these efforts, Elderly Care Everywhere continues to lead the way in senior advocacy, ensuring that the elderly are treated with dignity and respect worldwide.

Thank you for your support of AB-2301 If you have any questions, feel free to email us at [connect@elderlycareeverywhere.org](mailto:connect@elderlycareeverywhere.org)