

# AB-3025

County Employee  
Retirement: Denied Pay:  
Benefit Mods



Prepared by the  
ELDERLY CARE  
EVERYWHERE POLICY  
TEAM



## ELDERLY CARE EVERYWHERE

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

# Executive Summary

AB-3025, introduced by Assembly Member Valencia along with coauthors Assembly Members Chen and Lackey during the 2023-2024 Regular Session of the California Legislature, is an assembly bill crafted to revise and enhance the County Employees Retirement Law of 1937. This legislation seeks to rectify existing issues associated with the reporting and calculation of disallowed compensation within county employees' retirement systems across California. It aims to create a more equitable, transparent, and accurate system for calculating pension benefits, thereby ensuring financial security and fairness for public sector retirees.

The bill mandates that retirement systems, upon detecting non-compliant compensation reports, require employers to stop reporting such disallowed compensation. It outlines a corrective approach: for active employees, crediting employer contributions against future payments, and for retired members, adjusting benefits to reflect only allowed compensation. Additionally, any excess contributions collected on disallowed compensation are to be returned to the members, ensuring they are not penalized for administrative errors.

This measure reinforces adherence to the California Public Employees' Pension Reform Act of 2013 (PEPRA) and aligns with the Supreme Court's Alameda ruling, integrating these into county retirement systems' operations. For cases before January 1, 2024, AB-3025 permits retirement systems to continue with previously initiated correction processes if they meet the new legal standards, ensuring continuity and respect for prior procedural commitments.

Moreover, AB-3025 introduces a proactive component by allowing employers from January 1, 2025, to submit proposed compensation items to the retirement system for review before they become part of the pension benefit calculation base. This provision is designed to prevent future discrepancies and ensure all compensation elements are in full compliance with current laws and regulations from the outset.

The bill ensures privacy by mandating that personal contact information of retired members and their beneficiaries remains confidential during the pension adjustment process. This protects the privacy of individuals while facilitating essential communications about their pension benefits.

AB-3025 addresses both past and future pension calculation errors, offering a comprehensive solution for county employees' retirement systems. The bill emphasizes legal compliance, financial accuracy, and ethical responsibility, ensuring that public sector retirement funds are managed with integrity. This approach not only safeguards retirees' financial stability but also strengthens public trust in California's retirement systems, ensuring they function fairly and effectively.



## ELDERLY CARE EVERYWHERE

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

### Our Position

Elderly Care Everywhere is a staunch advocate for Assembly Bill 3025, a crucial piece of legislation designed to refine and enhance the County Employees Retirement Law of 1937. This bill directly addresses and seeks to remedy significant issues in the reporting and calculation of pensionable compensations. Such reforms are not merely procedural; they are vital in ensuring that the distribution of retirement benefits is managed with the highest degree of accuracy and fairness, particularly for our senior population who rely on these benefits for their livelihood.

AB 3025 introduces robust measures to rectify inaccuracies in recorded compensations, thereby safeguarding against the potential financial jeopardy of retirees due to administrative errors. The proposed modifications ensure that both current and future county employees receive retirement benefits that accurately reflect their earnings and service, without the distortion of previously misreported compensations. This is especially pertinent for the senior members of our community, who should not have to bear the burden of systemic flaws in their golden years.

The bill's proactive stance includes mechanisms to adjust both past errors and guard against future discrepancies by aligning reported compensations with stringent legal and regulatory standards. It lays out a detailed process for the recalculation of benefits for both active and retired members, ensuring that all contributions are accounted for correctly—this not only rectifies past overpayments or underpayments but also reinstates trust in the system's integrity.

Furthermore, AB 3025 empowers retirement systems to offer preemptive guidance on what constitutes allowable compensation. This guidance is aimed at preventing the recurrence of errors and ensuring ongoing compliance with established pension laws. Such preventative measures are critical in building a transparent system where all stakeholders, including employers, employees, and pension administrators, are clear about their roles and responsibilities.

By supporting AB 3025, Elderly Care Everywhere reinforces its commitment to the principles of justice, equity, and transparency in the administration of public pensions. This bill stands as a testament to the necessity of legislative oversight in protecting the financial security of our elderly, who deserve to enjoy their retirement without the looming worry of pension inaccuracies.

We urge lawmakers and the community to recognize the significant impact that accurate and fair pension calculations have on seniors' lives. Passing AB 3025 will correct past errors and strengthen the financial security of future retirements. By advocating for this legislation, we aim to guarantee that seniors receive the full pension benefits they deserve, honoring their years of service.



## ELDERLY CARE EVERYWHERE

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

# Letter of Support for AB-3025

June 2, 2024

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

### **Re: Support for AB 3025 - County Employees' Retirement: Disallowed Compensation: Benefit Adjustments**

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 3025, which proposes necessary adjustments to the County Employees Retirement Law of 1937 (CERL) concerning disallowed compensation and its impact on retirement benefits. This bill is crucial for protecting the financial stability and well-being of retired county employees, as many seniors rely on their pensions for essential living expenses and healthcare.

AB 3025 addresses significant issues related to handling disallowed compensation within county retirement systems. By ensuring that compensation errors are corrected relatively and timely, this bill helps protect the integrity of retirees' benefits. Accurate and just benefit calculations are essential for the financial security of retired county employees, ensuring they receive the pensions they have earned and rely upon.

Reliable pension income is a cornerstone of financial stability for seniors, allowing them to access healthcare, housing, and other critical services. Supporting AB 3025 will help safeguard these essential benefits, ensuring that retired county employees are not unjustly penalized for compensation reporting errors that were not their fault.

We would strongly urge you to vote in favor of AB 3025 to maintain our senior population's financial and health security. Your support will significantly impact the lives of many elderly residents in California.

Sincerely,  
Aakrisht Mehra  
Founder/CEO  
Elderly Care Everywhere



## **ELDERLY CARE EVERYWHERE**

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

# **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-3025. If you have any questions, feel free to email us at [connect@elderlycareeverywhere.org](mailto:connect@elderlycareeverywhere.org)