

SUMMARY ANALYSIS OF AMENDED BILL

Author: Ma, et al. Analyst: William Koch Bill Number: AB 1987
 Related Bills: See Prior Analysis Telephone: 845-4372 Amended Date: August 27, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Employees – Retirees Who Have Not Reinstated May Not Perform Services For State Until Separated From Service For At Least 180 Days

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

_____ FURTHER AMENDMENTS NECESSARY.

_____ DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED _____ STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would, among other things, prohibit any retired state employee that has not reinstated to active service after retirement from performing services for any employer whose employees are covered by the state retirement system from which the employee retired, until that retired state employee has been separated from service for at least 180 days.

This analysis does not address the other provisions of the bill relating to the calculation of final compensation for purposes of determining retirement benefits or the provisions of the bill relating to the County Employee Retirement Law of 1937.

SUMMARY OF AMENDMENTS

The August 27, 2010, amendments revised the operative date from persons retired on or after January 1, 2011, to persons retired on or after January 1, 2012, for the provisions of the bill relating to the employment of retired state employees. Except for the “Effective/Operative Date,” “This Bill,” and “Economic Impact” sections, the department’s analysis of this bill as amended June 1, 2010, still applies.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S <input type="checkbox"/> NA <input type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA <input checked="" type="checkbox"/> PENDING	Brian Putler	09/01/10

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2011, and operative on July 1, 2011, except that the provisions of the bill impacting the department are specifically operative for state employees retiring on or after January 1, 2012. This bill would become operative only if SB 1425 (Simitian, et al, 2009/10) is also enacted and takes effect on or before January 1, 2011.

THIS BILL

This bill would prohibit any retired state employee that has not reinstated to active service after retirement from performing services, whether as an employee, through a third party, or as an independent contractor, for any employer whose employees are covered by the state retirement system from which the employee retired, until that retired state employee has been separated from service for at least 180 days.

The above provision would apply to state employees retiring on or after January 1, 2012.

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of AB 1987 As Amended August 27, 2010 Enactment Assumed September 30, 2010 (\$ in Millions)					
Fiscal Year	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Loss	-\$0.2	-\$0.7	-\$1.4	-\$1.8	-\$1.8

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