



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 6

**MEETING DATE:** June 17, 2026

**SUBJECT:** State Association of County Retirement Systems (SACRS) Legislative Update—June 2026

**SUBMITTED FOR:**  Action  Information

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#### **RECOMMENDATION**

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2026.

#### **PURPOSE/STRATEGIC PRIORITY**

This item complies with the Strategic Management Plan objective to sustain board governance effectiveness by participating in the legislative process to monitor changes in state law affecting public pension plans.

#### **DISCUSSION**

The attached report highlights recent legislative activity affecting California public pension plans and is produced by SACRS' legislative advocates.

SACRS is composed of the 20 systems operating under the County Employees' Retirement Law. The association's mission is to provide education and analysis to trustees and staff so that they can be more effective stewards of their systems' pension plans.

#### **ATTACHMENTS**

- Board Order
- SACRS Legislative Update—June 2026

Prepared by:

/S/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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Before the Board of Retirement  
June 17, 2026

AGENDA ITEM:

**State Association of County Retirement Systems (SACRS)**  
**Legislative Update—June 2026**

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2026.

I HEREBY CERTIFY that the above order was passed and adopted on June 17, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

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Chris Giboney  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



TO: State Association of County Retirement Systems  
FROM: Cara Martinson, Capitol Advocacy  
Laurie Johnson, LJ Consulting & Advocacy  
DATE: June 4, 2026  
  
**RE: Legislative Update – June**

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The past month marked one of the busiest periods of the legislative year as lawmakers worked to meet the May 29 House of Origin deadline. Hundreds of bills advanced out of their house of introduction and will now move to policy and fiscal committees in the opposite house. Measures affecting public employers, workforce recruitment and retention, labor relations, health benefits, and retirement administration remain active and will continue to be closely monitored as the legislative process enters its second half.

Budget activity also accelerated following Governor Newsom's release of the May Revision. While state revenues have improved compared to earlier projections, the Administration and Legislature continue to navigate fiscal uncertainty driven by broader economic conditions and potential federal actions. Negotiations are underway ahead of the June 15 constitutional deadline to enact a balanced budget, with additional details expected through budget trailer bills later this summer. State leaders have largely emphasized preserving core commitments while identifying solutions to address ongoing fiscal pressures.

The June Primary also took center stage as the Governor's race enters its final phase. Unlike previous gubernatorial contests, the field was unusually crowded, with multiple prominent candidates exploring or actively pursuing campaigns and no clear heir apparent emerging until weeks before the primary. Ballots are still being counted, but democrat Xavier Becerra and republican Steve Hilton are pulling ahead.

Over the coming weeks, attention at the Capitol will shift to final budget negotiations and second-house review of legislation. Policy and fiscal committees will begin hearing bills that advanced beyond the House of Origin deadline, while stakeholders continue discussions regarding amendments to key measures. As the Legislature works toward its summer recess, SACRS will remain actively engaged on proposals affecting retirement systems, pension administration, public employment, and governance issues that may impact county retirement systems and their members.



The following is an update on bills that SACRS is actively following:

## II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
  - Status: This bill passed out the Assembly and is awaiting action in the Senate.
  - Position: No Position/Watch
  
- **AB 1383 (McKinnor)** – The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee in January after taking several amendments. The bill includes the following provisions:
  - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
  - Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and
  - Authorize a public employer to create a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.
  - Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
  - Status: This bill advanced out of the Assembly and is now awaiting action in the Senate
  - Position: Neutral
  
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development



- projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
- Status: The bill is referred to the Senate PERS Committee.
  - Position: No position/watch
- **AB 1601 (Rogers)** – This bill would permit the county Board of Supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
    - Status: This bill passed out of the Assembly and is awaiting action in the Senate.
    - Position: Neutral
  - **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
    - Status: This bill passed out of the Assembly and is awaiting action in the Senate.
    - Position: Neutral
  - **AB 1660 (Schiavo)** – This bill was amended to now permit as opposed to require a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.
    - Status: This bill passed out of the Assembly and is awaiting action in the Senate Judiciary Committee.
    - Position: No position/watch
  - **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing



- survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill is set for hearing on 6/10 in the Senate PERS Committee.
  - Position: No position/watch
- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers’ Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of “position subject to membership.” It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
    - Status: This bill is set for hearing on 6/10 in the Senate PERS Committee.
    - Position: No position/watch
  - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature’s annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
    - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
    - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
    - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
    - Defining “concurrent retirement” to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
      - Status: This bill passed out of the Assembly and has been referred to the Senate PERS Committee.
      - Position: Support
  - **SB 1187 (Durazo)** – This bill would define “majority” in the Brown Act to mean the number of members of the legislative body equaling more than half of the total



number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.

- Status: This bill has been referred to the Assembly Local Government Committee.
  - No position/watch
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC’s statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
  - Status: This bill is set for hearing on 6/8 in the Assembly Natural Resources Committee.
  - No position/watch
- **SB 1319 (Durazo)** – This bill expands requirements for public disclosure of alternative investment information, including the name of each general partner or manager of each alternative investment vehicle and of each person with a direct or indirect interest in the general partner or manager. The bill also requires disclosure of the identity of the enterprise or activity in which the investment is made, the geographic locations where the enterprise or activity takes place, and the number and classifications of employees at each such location.
  - Status: This bill failed to pass out of the Senate Appropriations Committee and is now dead.
  - Position: Oppose
- **SB 1407 (Archuletta)** – Current law allows up to \$20,000 of federal military retirement pay and certain Survivor Benefit Plan annuity payments to be excluded from taxable income for qualifying taxpayers between 2025 and 2030. This bill would increase the income limits to 820,000 cap, extend the exclusion through 2037, and require reporting on the tax expenditure.
  - Status: This bill passed out of the Senate and is awaiting action in the Assembly.
  - Position: No position/watch

Contact:

If you have any questions, contact Cara Martinson at [cmartinson@capitoladvocacy.com](mailto:cmartinson@capitoladvocacy.com), or Laurie Johnson at [lauriejconsult@gmail.com](mailto:lauriejconsult@gmail.com).



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