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AB 1667 (Cooper) Sponsors Praise Signing of Bill to Ensure Retirement Security for Educators

Sacramento, CA - On behalf of the California Teachers Association (CTA), the California Retired Teachers Association (CalRTA), and the California County Superintendents, we are grateful for Governor Newsom's signature on AB 1667 (Cooper), which will protect a teachers' retirement security by ensuring that any California State Teachers' Retirement System (CalSTRS) retiree will be justly compensated for benefit reductions that stem from employer and CalSTRS reporting errors.

"This new law, just signed by Governor Newsom, will provide important protections for our retired educators," said E. Toby Boyd, CTA President. "Our retirees should feel safe in a secure retirement and should never be financially harmed or hassled for CalSTRS compensation reporting errors that were not their fault."

"California's retired teachers are tremendously grateful to Governor Newsom for signing AB 1667 (Cooper), which will protect their retirement security by ensuring that retirees do not have to pay for mistakes they did not make," said CalRTA President Ron Breyer. "This significant legislation will also create a more transparent and accountable auditing process within the California State Teachers' Retirement System (CalSTRS), which will ensure school and community college districts receive both timely and accurate information, reducing the likelihood of reporting mistakes in the future."

"On behalf of the 58 county superintendents, we are grateful for Governor's Newsom's signature on AB 1667 (Cooper)," said Dr. Debra Duardo, Los Angeles County Superintendent of Schools and President, California County Superintendents. "The retirement security of our educators should not be something that they have to worry about, and, thanks to AB 1667, we are one step closer to a more transparent and accountable system."

Specifically, this bill will:

1. Ensure retired members are not be held liable for prior overpayments, except in cases of "member error;"
2. Hold CalSTRS accountable for guidance later determined to be erroneous, with

payments for these errors being shared collectively between the state and employers through an 85/15 split;

3. Require that CalSTRS regularly update an official guidance document governing employer reporting;
4. Clarify that any changes to CalSTRS' interpretation of creditable compensation laws must be preceded by prior notice;
5. Require that CalSTRS publish all audit reports on their website;
6. Ensure that CalSTRS' appeal process allows all individuals impacted by an audit the right to appeal.

Existing law requires school and community college employers to correctly report collectively bargained pension-eligible compensation to CalSTRS. Unfortunately, clear and accurate guidance on what is and is not creditable has not been provided, causing incorrect information to be reported to CalSTRS. When this happens, it is typically found during an audit that may take place years after this took place and ultimately results in the former employee who is retired being forced to pay back the overpaid amount and suffer a permanent reduction in future retirement payments. This places retirees in a precarious fiscal situation as they met with a CalSTRS counselor to verify all information was correct prior to retirement, and subsequently made permanent retirement decisions based upon this information. These errors may not only be quite costly for the retiree, through no fault of their own, but the errors can be costly both fiscally and administratively to school and community college districts.

By minimizing future errors by ensuring more accurate and transparent information is available, we believe overall savings may be achieved at the district level, which will also save retirees from bearing a fiscal cost for mistakes they did not make. To read the full text of the bill, please visit: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1667