

Bond Case Briefs

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PUBLIC PENSIONS - CALIFORNIA

Cal Fire Local 2881 v. California Public Employees' Retirement System

Supreme Court of California - March 4, 2019 - P.3d - 2019 WL 1008413 - 2019 Employee Benefits Cas. 71, 491 - 19 Cal. Daily Op. Serv. 1989

Labor union petitioned for writ of mandate and injunctive relief to compel California Public Employees' Retirement System (CalPERS) to continue to apply prior state law that provided eligible public employees the option to purchase at cost up to five years of additional retirement service credit.

The Superior Court denied petition. Union appealed, and the Court of Appeal affirmed. The Supreme Court granted petition for review.

The Supreme Court of California held that:

- Statute did not create vested right of a contractual nature;
- Opportunity to purchase retirement service credit was not a form of deferred compensation and thus was not entitled to contract clause protection on that basis;
- Even if statute could be viewed as an offer of a unilateral contract, performance required the filing of a written election and the payment of required sums of money rather than mere engaging in public employment; and
- Opportunity to purchase additional retirement service credit within was not a vested "pension right" protected by the contract clause of the California Constitution.