

# **Bond Case Briefs**

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## **PUBLIC PENSIONS - CALIFORNIA**

### **Mijares v. Orange County Employees' Retirement System**

**Court of Appeal, Fourth District, Division 3, California - January 23, 2019 - 32 Cal.App.5th 316 - 243 Cal.Rptr.3d 728 - 19 Cal. Daily Op. Serv. 1541**

Employer brought action against county retirement system seeking declaratory relief that retirement system board's corrective measure requiring employer to provide additional funds to retirement system was invalid.

The Superior Court granted judgment on the pleadings in retirement system's favor. Employer appealed.

The Court of Appeal held that:

- Corrective measure was not impermissibly retroactive;
- County retirement system board did not require receipt of written petition requesting that employees be withdrawn; and
- Board had authority to implement corrective measure.

County retirement system board's corrective measure, requiring employer to pay approximately \$3.3 million in additional contributions over 20 years to address unfunded accrued actuarial obligations of pension benefits promised to its employees, was not impermissible retroactive policy, although measure required payment two years after last employee retired from employer, since payment to address unfunded liability applied prospectively to former employees and was not payable immediately.

County retirement system board did not require receipt of written petition requesting that employees be withdrawn from the county retirement system and transferred to state retirement system, and thus statute governing withdrawn employees was inapplicable to county retirement system board's corrective measure requiring employer to pay approximately \$3.3 million in additional contributions over 20 years to address unfunded accrued actuarial obligations of pension benefits promised to its employees, where employees who transferred to state system did so via transfer agreement made between county retirement system board and employer.

County retirement system board had authority to implement corrective measure requiring employer to pay approximately \$3.3 million in additional contributions over 20 years to address unfunded accrued actuarial obligations of pension benefits promised to its employees, since board had plenary power to assure prompt delivery of benefits to participants and their beneficiaries, and board had statutory authority to approve funding periods to amortize unfunded accrued actuarial obligations.