

Bond Case Briefs

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PUBLIC PENSIONS - CALIFORNIA

Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association

Supreme Court of California - July 30, 2020 - P.3d - 9 Cal.5th 1032 - 2020 WL 4360051

In consolidated cases, public employees and public employee organizations brought mandamus actions against county retirement boards challenging constitutionality of Public Employee Pension Reform Act (PEPRA) as it applied to certain plan members under County Employees Retirement Law (CERL).

The Superior Court entered writ of mandate, ruling that county employees possessed vested right to continuation of some, but not all, pre-existing practices. Employees and organizations appealed and state and county sanitary district filed appeals and cross-appeals. The Court of Appeal affirmed in part, reversed in part, and remanded. Supreme Court granted petitions for review.

The Supreme Court held that:

- Employees had no express contractual right to receive benefits calculated in manner inconsistent with PEPRA;
- Item that does not fall within statutory definition of “compensation earnable” may not be included in member’s pensionable compensation, disapproving *Guelfi v. Marin County Employees’ Retirement Assn.*, 145 Cal.App.3d 297, 193 Cal.Rptr. 343.
- Doctrine of equitable estoppel did not require boards to adhere to interpretation of CERL found in settlement agreements;
- PEPRA provision excluding from “compensation earnable” any compensation paid to enhance member’s retirement benefit constituted modification of county pension systems;
- PEPRA provision excluding termination pay from “compensation earnable” did not violate Contract Clause; and
- PEPRA provisions excluding from “compensation earnable” compensation paid to enhance member’s retirement benefit, compensation for services rendered outside normal working hours, and compensation for surrender of unused paid time off did not violate Contract Clause.