



The State Bar of California

OPEN SESSION

AGENDA ITEM

3.1 JANUARY 2025

BOARD OF TRUSTEES

DATE: January 7, 2025

TO: Members, Board of Trustees

FROM: Leah Wilson, Executive Director
Justice Israel, Director, Office of Human Resources

SUBJECT: Consideration and Action on Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Governors/Trustees State Bar of California to Provide Government Code Section 20903 (Two Years Additional Service Credit) for State Bar Employees, and Other Necessary Related Actions

EXECUTIVE SUMMARY

On December 2, 2024, the Board considered and approved the Resolution of Intention to Approve an Amendment to the State Bar's pension contract with CalPERS to include the Golden Handshake benefit pursuant to Government Code section 20903 (Resolution of Intention). Pursuant to Government Code section 20471, a governing body seeking to amend its contract with CalPERS to offer the Two Years of Additional Service Credit benefit, must meet not less than 20 days after the adoption of the resolution of intention to adopt the final resolution. Staff recommends that the Board of Trustees adopt a *Resolution Authorizing an Amendment to the Contract* between the California Public Employees' Retirement System (CalPERS) and the State Bar of California that will allow the State Bar to offer Two Years of Additional Service Credit (Government Code section 20903) to all eligible State Bar employees.

RECOMMENDED ACTION

Adopt the Resolution Authorizing an Amendment to the Contract, described above and included as Attachment A. Authorize the Board chair, Board secretary, and executive director, as appropriate, to execute all documents necessary to effectuate the actions of the Board, and as required by CalPERS.

BACKGROUND

On December 2, 2024, the Board considered and approved the Resolution of Intention to Approve an Amendment to the State Bar's pension contract with CalPERS to include the Golden Handshake benefit pursuant to Government Code section 20903 (Resolution of Intention). As part of adopting the Resolution of Intention, the Board confirmed that it intended to offer two years of additional service credit to all eligible employees who decide to retire during the designated 180-day period, which is between January 13, 2025, and July 12, 2025. The Board chair and secretary executed all required documents, as directed by the Board, to fulfill the CalPERS requirements to proceed to the next step of amending the contract.

Pursuant to Government Code section 20471, a governing body seeking to amend its contract with CalPERS to offer the Two Years of Additional Service Credit benefit, must meet not less than 20 days after the adoption of the resolution of intention to adopt the final resolution. This is the action the Board is asked to take today.

DISCUSSION

The State Bar's contract with CalPERS does not currently include the Golden Handshake benefit. To offer this benefit, the State Bar must amend its CalPERS contract. (See Attachment A.) If the Board adopts the Resolution Authorizing an Amendment to the Contract, the State Bar will be permitted to offer the Golden Handshake and the contract amendment will become effective on January 8, 2025. The Board's actions at the December 2, 2024, meeting set the window period—during which eligible members must retire to be eligible for the Golden Handshake—as January 13, 2025, through July 12, 2025.

To be eligible for the Golden Handshake benefit, an employee must:

1. Be employed and retire within the designated time period established by the employer;
2. Have a minimum of five (5) years of CalPERS service credit;
3. Must not receive unemployment insurance payments during the designated period; and
4. Be eligible for service retirement (at least 50 years old for Classic members or 52 years old for PEPRAs members).

PREVIOUS ACTION

Board approval of Resolution of Intention and related actions on [December 2, 2024](#).

FISCAL/PERSONNEL IMPACT

The fiscal impact of the Golden Handshake program was discussed at length in the December 2, 2024, staff report, with the most relevant excerpt copied below:

The difference between not offering the Golden Handshake program and offering it to the expected 50 participants is approximately \$3.1 million through 2031–2032. The personnel cost savings associated with this scenario are estimated to total \$43.36

million. Taking both figures into account, the net benefit to the State Bar of should an estimated 50 participants take advantage of the program totals approximately \$40.1 million through 2031–2032.

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

None – core business operations

RESOLUTIONS

Should the Board of Trustees concur, it is:

RESOLVED, that the Board of Trustees approves and adopts, in its entirety, the Resolution Authorizing an Amendment to the Contract, attached hereto as Attachment A; and it is

FURTHER RESOLVED, that the Board of Trustees authorizes the Board chair to execute any documents necessary to effectuate the Board’s actions including the Resolution Authorizing an Amendment to the Contract and the Amendment to the Contract Between the Board of Administration California Public Employees’ Retirement System and the Board of Trustees State Bar of California, attached hereto as Attachment A; and it is

FURTHER RESOLVED, that the Board of Trustees authorizes the Board secretary to execute, at the appropriate time, the Certification of Final Action of Governing Body, attached hereto as Attachment B; and it is

FURTHER RESOLVED, that the Board of Trustees authorizes the executive director, or designee, with the approval from the chair of the Board, to execute, complete and/or submit any documents necessary to effectuate Board’s actions.

ATTACHMENTS LIST

- A.** Resolution Authorizing an Amendment to the Contract, together with Exhibit Amendment to Contract Between the Board of Administration California Public Employees’ Retirement System and the Board of Trustees State Bar of California
- B.** Certification of Final Action of Governing Body