



# The State Bar of California

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## **OPEN SESSION AGENDA ITEM 705 APRIL 2020**

**DATE:** April 16, 2020

**TO:** Members, Board of Trustees

**FROM:** Steve Mazer, Chief Administrative Officer  
Jay Lee, Assistant General Counsel

**SUBJECT:** Approval of Revisions to Rules and Regulations Pertaining to the Employment of Executive Staff Employees and to the Rules and Regulations Pertaining to the Employment of Confidential Employees

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### **EXECUTIVE SUMMARY**

On November 14, 2019, the Board of Trustees passed a resolution that approved amendments to the State Bar of California Post-Retirement Welfare Benefits Plan. Board authority is required to amend the Executive Staff Rules and the Confidential Staff Rules to conform to the November 14, 2019 resolution. (Executive Staff Rules §§ 1(D) and 2; Confidential Staff Rules §§ 2(C) and 3.)

This agenda item requests the Board of Trustees approve revisions to the Rules and Regulations Pertaining to the Employment of Executive Staff Employees (Executive Staff Rules) and the Rules and Regulations Pertaining to the Employment of Confidential Employees (Confidential Staff Rules) that will reflect the Board's November 14, 2019 resolution.

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### **BACKGROUND**

Originally adopted in July 2008, the State Bar of California established a Post-Retirement Welfare Benefits Plan for Executive Staff Employees (Plan). The Plan initially provided post-retirement medical and vision benefits only to executive staff. Eligibility was limited to executive staff with at least 15 years of service at the State Bar, with at least the last ten years of service as an executive staff employee.

On November 14, 2019, the Board of Trustees amended the Plan to: (1) extend benefits to State Bar confidential employees; (2) eliminate the eligibility requirement that employees be classified as executive staff for the ten years prior to retirement; and (3) replace the 15 year State Bar service requirement with the requirement that participants have at least 15 years of service credit as calculated by the California Public Employees' Retirement System (CalPERS).

## **DISCUSSION**

The amendments that the Board authorized in November 2019 have been made to the Plan. However, corresponding changes have not yet been made to the Executive Staff Rules and the Confidential Staff Rules to make them consistent with the Board's November 14, 2019 resolution.

Staff recommends Executive Staff Rules be revised at Section 27 (Retirement) as follows:

### **SECTION 27. RETIREMENT**

- A. The State Bar shall pay to the California Public Employees' Retirement System (CalPERS) the full amount of the State Bar Employer pension contribution for each Executive Staff Employee who is or becomes a member of CalPERS.
- B. Effective with the payday completing the first full payroll period in January 2014, for each Executive Staff Employee who is or becomes a member of CalPERS, the Employee contribution to CalPERS shall be deducted from the Employee's salary and paid to CalPERS on behalf of the Executive Staff Employee.
- C. Executive Staff Employees shall be entitled to participate in an Internal Revenue Code (IRC) Section 457(b) deferred compensation plan.
- D. The State Bar will offer Executive Staff Employees a medical insurance benefit and a vision insurance benefit in retirement pursuant to the terms of (a) the Public Employees' Medical and Hospital Care Act, and (b) The State Bar of California Post-Retirement Welfare Benefits Plan. A copy of the State Bar of California Post-Retirement Welfare Benefits Plan is available from the Office of Human Resources upon request.

Staff recommends that the Confidential Staff Rules be revised at Section 31 (Insurance Benefits) as follows:

### **SECTION 31. INSURANCE BENEFITS**

- A. Insurance benefits (medical, dental, vision, life and long-term disability coverage), including dependent coverage benefits, shall be provided for regular full-time and regular part-time Confidential Employees on the same terms as those benefits are provided for Executive Staff.

- B. The State Bar will maintain an Employee Assistance Program (EAP) in which Confidential Employees may participate.
- C. The State Bar will offer Confidential Employees a medical insurance benefit and a vision insurance benefit in retirement pursuant to the terms of (a) the Public Employees' Medical and Hospital Care Act, and (b) The State Bar of California Post-Retirement Welfare Benefits Plan. A copy of the State Bar of California Post-Retirement Welfare Benefits Plan is available from the Office of Human Resources upon request.

### **FISCAL/PERSONNEL IMPACT**

None

### **AMENDMENTS TO RULES OF THE STATE BAR**

Yes. Amendments are sought to Section 27 of the Executive Staff Rules and to Section 31 of the Confidential Staff Rules.

### **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

### **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: None - core business operations

### **RECOMMENDATIONS**

**Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board of Trustees adopt the amended Rules and Regulations Pertaining to the Employment of Executive Staff Employees and the amended Rules and Regulations Pertaining to the Employment of Confidential Employees, as set forth above.

### **ATTACHMENT(S)**

None