

ASSEMBLY BILL

No. 2688

Introduced by Assembly Member Alquist

February 22, 2002

An act to amend Sections 9359.85, 21531, 21605, and 26120 of, to add Sections 21531.5, 75104.6, and 75591.5 to, and to repeal Sections 21621, 21622, 21623, 21623.5, and 21623.6 of, the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 2688, as introduced, Alquist. Public retirement systems: burial benefits.

(1) Under the Legislators' Retirement Law, a death benefit in the amount of \$600 is provided to the estate or the beneficiaries of the deceased member, as specified.

This bill would instead provide that, on or after January 1, 2003, a burial benefit in the amount of \$7,500, subject to annual cost-of-living adjustments, shall be paid to the estate or the beneficiaries of a deceased member of that system, if certain conditions are satisfied.

(2) The Public Employees' Retirement Law prescribes death benefits for the beneficiaries and survivors of members of that system.

This bill would, on or after January 1, 2003, establish a burial benefit in the amount of \$7,500, subject to annual cost-of-living adjustments, to be paid to the estate or the beneficiaries of a deceased member of that system, under specified circumstances. The bill would also reduce the amount of an insurance benefit provided pursuant to that law. The bill would also repeal various provisions that provide lump-sum death benefits upon the death of a contracting agency member, a state or

school member, or a local member, as specified. The bill would also make related, conforming changes.

(3) The Judges’ Retirement Law and the Judges’ Retirement System II Law provide for the payment of benefits to beneficiaries upon the death of a judge that is a member of either of those systems, as specified.

This bill would, on or after January 1, 2003, establish a burial benefit in the amount of \$7,500, subject to annual cost-of-living adjustments, to be paid to the beneficiary or estate of the deceased judge.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 9359.85 of the Government Code is
2 amended to read:

3 9359.85. ~~Upon~~ (a) *On or after January 1, 2003, upon the*
4 *death of any person member in active service under this system*
5 *before retirement, or, after retirement and while receiving a*
6 *retirement allowance from this system, there shall be paid to his*
7 *or her estate or to such the beneficiaries as that he shall nominate*
8 ~~*the sum of six hundred dollars (\$600) or she has nominated, a*~~
9 *burial benefit in the amount of seven thousand five hundred dollars*
10 *(\$7,500) to be provided from contributions by the employer, as*
11 *determined by the board.*

12 (b) *Beginning in 2004, the amount of the burial benefit shall be*
13 *adjusted annually effective May 1, based on changes in the*
14 *Consumer Price Index, as defined in subdivision (c) of Section*
15 *21311. The burial benefit as adjusted shall be payable for deaths*
16 *occurring on or after the effective date of the adjustment.*

17 (c) *If the beneficiary or estate of a member retired under this*
18 *system is entitled to receive a comparable lump-sum death benefit*
19 *from any other retirement system supported, in whole or in part,*
20 *by public funds in which he or she was a member in employment*
21 *subsequent to his or her last employment in which he or she was*
22 *a member of this system, no payment may be made under this*
23 *section.*

24 SEC. 2. Section 21531 of the Government Code is amended
25 to read:

26 21531. *The burial benefit, basic death benefit, and the limited*
27 *death benefit shall be paid as provided in this article to the*



1 beneficiary designated by the member under Section 21490 or
2 21492.

3 SEC. 3. Section 21531.5 is added to the Government Code, to
4 read:

5 21531.5. (a) This system shall be liable for a burial benefit in
6 the amount of seven thousand five hundred dollars (\$7,500) to be
7 provided from contributions by the employer, as determined by the
8 board, upon the death of a member in any of the following
9 circumstances:

10 (1) Before the effective date of retirement, under any of the
11 following circumstances:

12 (A) While in state service.

13 (B) While absent on military service, if the member has made
14 contributions during the absence under Section 20991 or has had
15 contributions made on his or her behalf under Section 20997.

16 (C) Within four months after discontinuance of state service.

17 (D) While on an approved leave of absence.

18 (E) While physically or mentally incapacitated for the
19 performance of duty, if the incapacity has been continuous from
20 discontinuance of state service.

21 (F) While employed as a member of a county retirement
22 system, if the employment resulting in membership was begun on
23 or after October 1, 1957, and within 90 days after discontinuance
24 of state service.

25 (2) While in state service in partial service retirement pursuant
26 to Article 1.7 (commencing with Section 19996.30) of Chapter 7
27 of Part 2.6 or Sections 21110 to 21115, inclusive.

28 (b) Beginning in 2004, the amount of the burial benefit shall be
29 adjusted annually effective May 1, based on changes in the
30 Consumer Price Index, as defined in subdivision (c) of Section
31 21311. The burial benefit as adjusted shall be payable for deaths
32 occurring on or after the effective date of the adjustment.

33 SEC. 4. Section 21605 of the Government Code is amended
34 to read:

35 21605. The insurance benefit shall be ~~the sum of the following~~
36 ~~amounts:~~

37 ~~(a) Five thousand dollars (\$5,000).~~

38 ~~(b) An~~ an amount equal to 50 percent of the annual
39 compensation earnable by the deceased member during the 12
40 months immediately preceding his or her death or the



1 compensation earnable by the member at the time of becoming
2 eligible for benefits pursuant to Section 21160 if higher, or if a
3 member also has state service in an employment in which
4 employees are ineligible to be insured members, a proportionate
5 part of that amount in the ratio of eligible service to total service.
6 No amount shall be paid under this subdivision if the member is
7 eligible for service retirement or the member is subject to benefits
8 pursuant to Section 21547.

9 If this section is in conflict with the provisions of a
10 memorandum of understanding reached pursuant to Section
11 3517.5, the memorandum of understanding shall be controlling
12 without further legislative action, except that if the provisions of
13 a memorandum of understanding require the expenditure of funds,
14 the provisions ~~shall~~ *may* not become effective unless approved by
15 the Legislature in the annual Budget Act.

16 SEC. 5. Section 21620 of the Government Code is amended
17 to read:

18 21620. (a) ~~Upon~~ *On or after January 1, 2003, upon* the death
19 of any person, after retirement and while receiving a retirement
20 allowance from this system, there shall be paid to his or her
21 beneficiary as he or she shall nominate by written designation duly
22 executed and filed with the board, ~~a burial benefit in the sum of~~
23 ~~five hundred dollars (\$500), amount of seven thousand five~~
24 ~~hundred dollars (\$7,500)~~ to be provided from contributions by the
25 ~~state or contracting agency, as the case may be employer, as~~
26 ~~determined by the board.~~

27 (b) ~~This section shall apply to all contracting agencies and to~~
28 ~~the employees of those agencies. Beginning in 2004, the amount~~
29 ~~of the burial benefit shall be adjusted annually effective May 1,~~
30 ~~based on changes in the Consumer Price Index, as defined in~~
31 ~~subdivision (c) of Section 21311. The burial benefit as adjusted~~
32 ~~shall be payable for deaths occurring on or after the effective date~~
33 ~~of the adjustment.~~

34 (c) ~~If the beneficiary of a member retired under this system is~~
35 ~~entitled to receive a comparable lump-sum death benefit from any~~
36 ~~other retirement system supported, in whole or in part, by public~~
37 ~~funds in which he or she was a member in employment subsequent~~
38 ~~to his or her last employment in which he or she was a member of~~
39 ~~this system, no payment may be made under this section.~~

40 SEC. 6. Section 21621 of the Government Code is repealed.



1 ~~21621. If the beneficiary of a member retired under this~~
2 ~~system is entitled to receive a comparable lump-sum death benefit~~
3 ~~from any other retirement system supported, in whole or in part,~~
4 ~~by public funds in which he or she was a member in employment~~
5 ~~subsequent to his or her last employment in which he or she was~~
6 ~~a member of this system, no payment shall be made under Section~~
7 ~~21620, 21622, or 21623 providing for payment of a lump-sum~~
8 ~~death benefit to a member's designated beneficiary.~~

9 SEC. 7. Section 21622 of the Government Code is repealed.

10 ~~21622. (a) In lieu of benefits provided by Section 21620,~~
11 ~~upon the death of any person, after retirement and while receiving~~
12 ~~a retirement allowance from this system, there shall be paid to the~~
13 ~~beneficiary whom he or she shall nominate by written designation~~
14 ~~duly executed and filed with the board, the sum of six hundred~~
15 ~~dollars (\$600), to be provided from contributions by the employer.~~

16 ~~(b) For the purposes of this section, all contributions, liabilities,~~
17 ~~actuarial interest rates, and other valuation factors shall be~~
18 ~~determined on the basis of actuarial assumptions and methods that,~~
19 ~~in the aggregate, are reasonable and that, in combination, offer the~~
20 ~~actuary's best estimate of anticipated experience under this~~
21 ~~system.~~

22 ~~(c) The additional employer contributions required under this~~
23 ~~section shall be computed as a level percentage of member~~
24 ~~compensation. The additional contribution rate required at the~~
25 ~~time this section is added to a contract shall not be less than the sum~~
26 ~~of (1) the actuarial normal cost and, (2) the additional contribution~~
27 ~~required to amortize the increase in accrued liability attributable~~
28 ~~to benefits elected under this section over a period of not more than~~
29 ~~30 years from the date this section becomes effective in the~~
30 ~~contracting agency's contract.~~

31 ~~(d) This section shall not apply to any contracting agency,~~
32 ~~except for those contracting agencies that are school employers~~
33 ~~and those school districts or community college districts, as~~
34 ~~defined in subdivision (i) of Section 20057, until the agency elects~~
35 ~~to be subject to this section by amendment to its contract made in~~
36 ~~the manner prescribed for approval of contracts, except an election~~
37 ~~among the employees is not required, or, in the case of contracts~~
38 ~~made after January 1, 1981, by express provision in the contract~~
39 ~~making the contracting agency subject to this section.~~

40 SEC. 8. Section 21623 of the Government Code is repealed.



1 ~~21623. — (a) In lieu of benefits provided by Section 21620 or~~
2 ~~21622, upon the death of any retired state or school member, after~~
3 ~~retirement and while receiving a retirement allowance from this~~
4 ~~system, there shall be paid to the beneficiary whom he or she shall~~
5 ~~nominate by written designation duly executed and filed with the~~
6 ~~board, the sum of two thousand dollars (\$2,000), to be provided~~
7 ~~from contributions by the employer.~~

8 ~~(b) For the purposes of this section, all contributions, liabilities,~~
9 ~~actuarial interest rates, and other valuation factors shall be~~
10 ~~determined on the basis of actuarial assumptions and methods that,~~
11 ~~in the aggregate, are reasonable and that, in combination, offer the~~
12 ~~actuary's best estimate of anticipated experience under this~~
13 ~~system.~~

14 ~~(c) The additional employer contributions required under this~~
15 ~~section shall be computed as a level percentage of member~~
16 ~~compensation.~~

17 ~~(d) This section shall apply to a school employer and a retired~~
18 ~~school member whose death after retirement occurs on or after~~
19 ~~January 1, 2001. This section shall not apply to any contracting~~
20 ~~agency or local member, except those contracting agencies that are~~
21 ~~school employers and those school districts or community college~~
22 ~~districts as defined in subdivision (i) of Section 20057.~~

23 SEC. 9. Section 21623.5 of the Government Code is repealed.

24 ~~21623.5. — (a) In lieu of benefits provided by Sections 21620~~
25 ~~and 21622 upon the death of any local member, after retirement~~
26 ~~and while receiving a retirement allowance from this system, there~~
27 ~~shall be paid to the beneficiary whom he or she shall nominate by~~
28 ~~written designation duly executed and filed with the board, the~~
29 ~~sum of two thousand dollars (\$2,000), three thousand dollars~~
30 ~~(\$3,000), four thousand dollars (\$4,000), or five thousand dollars~~
31 ~~(\$5,000), whichever amount is designated by the employer in its~~
32 ~~contract, to be provided from contributions by the employer.~~

33 ~~(b) For the purposes of this section, all contributions, liabilities,~~
34 ~~actuarial interest rates, and other valuation factors shall be~~
35 ~~determined on the basis of actuarial assumptions and methods that,~~
36 ~~in the aggregate, are reasonable and that, in combination, offer the~~
37 ~~actuary's best estimate of anticipated experience under the system.~~

38 ~~(c) The additional employer contributions required under this~~
39 ~~section shall be computed as a level percentage of member~~
40 ~~compensation.~~



1 ~~(d) This section shall not apply to a contracting agency unless~~
2 ~~and until the agency elects to be subject to this section by~~
3 ~~amendment to its contract made in the manner prescribed for~~
4 ~~approval of contracts, except an election among the employees is~~
5 ~~not required or in the case of contracts made on or after January~~
6 ~~1, 1999, except by express provision in the contract making the~~
7 ~~contracting agency subject to this section.~~

8 SEC. 10. Section 21623.6 of the Government Code is
9 repealed.

10 ~~21623.6. (a) In lieu of benefits provided by Sections 21620,~~
11 ~~21622, and 21623, upon the death of any school member, after~~
12 ~~retirement and while receiving a retirement allowance from this~~
13 ~~system, there shall be paid to the beneficiary whom he or she shall~~
14 ~~nominate by written designation duly executed and filed with the~~
15 ~~board, the sum of three thousand dollars (\$3,000), four thousand~~
16 ~~dollars (\$4,000), or five thousand dollars (\$5,000), whichever~~
17 ~~amount is designated by the employer in its contract, to be~~
18 ~~provided from contributions by the employer.~~

19 ~~(b) For the purposes of this section, all contributions, liabilities,~~
20 ~~actuarial interest rates, and other valuation factors shall be~~
21 ~~determined on the basis of actuarial assumptions and methods that,~~
22 ~~in the aggregate, are reasonable and that, in combination, offer the~~
23 ~~actuary's best estimate of anticipated experience under the system.~~

24 ~~(c) The additional employer contributions required under this~~
25 ~~section shall be computed as a level percentage of member~~
26 ~~compensation.~~

27 ~~(d) This section shall not apply to a school employer unless and~~
28 ~~until it elects to be subject to this section by amendment to its~~
29 ~~contract made in the manner prescribed for approval of contracts~~
30 ~~or, in the case of contracts made on or after January 1, 2001, except~~
31 ~~by express provision in the contract making the school employer~~
32 ~~subject to this section.~~

33 SEC. 11. Section 75104.6 is added to the Government Code,
34 to read:

35 75104.6. (a) On and after January 1, 2003, upon the death of
36 a judge while in active service under this system before retirement,
37 or after retirement and while receiving a retirement allowance
38 from this system, there shall be paid to the beneficiary designated
39 by the judge or, if none, to the judge's estate, in addition to any
40 other benefits provided by this chapter, a burial benefit in the



1 amount of seven thousand five hundred dollars (\$7,500) to be
2 provided from contributions by the employer, as determined by the
3 board.

4 (b) Beginning in 2004, the amount of the burial benefit shall be
5 adjusted annually effective May 1, based on changes in the
6 consumer price index, as defined in subdivision (c) of Section
7 21311. The burial benefit as adjusted shall be payable for deaths
8 occurring on or after the effective date of the adjustment.

9 (c) If the beneficiary of a judge retired under this system is
10 entitled to receive a comparable lump-sum death benefit from any
11 other retirement system supported, in whole or in part, by public
12 funds in which the judge was a member in employment subsequent
13 to his or her last employment in which he or she was a member of
14 this system, no payment may be made under this section.

15 SEC. 12. Section 75591.5 is added to the Government Code,
16 to read:

17 75591.5. (a) On and after January 1, 2003, upon the death of
18 a judge while in active service under this system before retirement,
19 or after retirement and while receiving a retirement allowance
20 from this system, there shall be paid to the beneficiary designated
21 by the judge or, if none, to the judge’s estate, in addition to any
22 other benefits provided by this chapter, a burial benefit in the
23 amount of seven thousand five hundred dollars (\$7,500) to be
24 provided from contributions by the employer, as determined by the
25 board.

26 (b) Beginning in 2004, the amount of the burial benefit shall be
27 adjusted annually effective May 1, based on changes in the
28 Consumer Price Index, as defined in subdivision (c) of Section
29 21311. The burial benefit as adjusted shall be payable for deaths
30 occurring on or after the effective date of the adjustment.

31 (c) If the beneficiary of a judge retired under this system is
32 entitled to receive a comparable lump-sum death benefit from any
33 other retirement system supported, in whole or in part, by public
34 funds in which the judge was a member in employment subsequent
35 to his or her last employment in which he or she was a member of
36 this system, no payment may be made under this section.

O

