## AMENDED IN SENATE AUGUST 8, 2002

## AMENDED IN SENATE JUNE 29, 2002

## AMENDED IN ASSEMBLY MAY 1, 2002

CALIFORNIA LEGISLATURE-2001-02 REGULAR SESSION

## **ASSEMBLY BILL**

No. 2862

### Introduced by Assembly Member Migden

February 25, 2002

An act to amend Section 377.60 of the Code of Civil Procedure, *to amend Sections 21464 and 22873 of, and to repeal and add Section 22875 of, the Government Code,* to amend Section 1374.58 of the Health and Safety Code, to amend Section 10121.7 of the Insurance Code, and to amend Section 6240 of the Probate Code, relating to domestic partnership.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2862, as amended, Migden. Domestic partnership.

(1) Existing law provides that a cause of action for the death of a person caused by the wrongful act or neglect of another may be brought by specified parties, including the decedent's surviving spouse, domestic partner, children, and the issue of deceased children.

This bill would make technical and clarifying changes to these provisions.

(2) The existing Public Employees' Retirement System permits a retired member who chooses a specified optional settlement, or does not chose any optional settlement, to elect to have the actuarial equivalent, as of the date of the election, of the allowance payable for the remainder of the member's lifetime applied to a lesser allowance, as specified, and

name the member's spouse as beneficiary. Existing law provides that this election is irrevocable and must be made within 12 months following a member's marriage, if the spouse is named as a beneficiary. Existing law provides that specified members who fail to make the election retain the right to do so, but provides that the election becomes effective no earlier than 12 months after the date it is filed with the board, provided that neither the member nor the designated beneficiary die prior to the effective date of the election.

This bill would permit a member, under the circumstances described above, to designate his or her registered domestic partner as beneficiary. The bill would require that the designation be made within 12 months of the filing of a Declaration of Domestic Partnership, as specified. The bill would provide that a member who files a Declaration of Domestic Partnership prior to January 1, 2003, would retain the right to make an election if the election is made on or before December 31, 2003. The bill would provide that an election made on or after January 1, 2004, would become effective no earlier than 12 months after the date it is filed with the board, as specified.

(3) The existing Public Employees' Medical and Hospital Care Act authorizes the Board of Administration of the Public Employees' Retirement System to provide health benefits coverage to the domestic partners of state and local public employees and annuitants if they have submitted a certificate of eligibility or a valid Declaration of Domestic Partnership, as specified. These benefits are provided at the option of employers, pursuant to contractual agreements, as specified. Contributions and premiums paid under the act are deposited in the Public Employees' Contingency Reserve Fund and the Public Employee's Health Care Fund, continuously appropriated special funds.

This bill would provide that the act would apply to state employees, including those who are employed by the Assembly, the Senate, or the California State University, state employees of the judicial branch, and annuitants receiving an employer contribution from the state, including judges and justices who are members of the Judges' Retirement System of the Judges' Retirement System II. The bill would require the Department of Personnel Administration to adopt regulations to implement under this article. By expanding the eligibility for benefits under the act, the bill would increase contributions to continuously appropriated special funds, thereby making an appropriation.

(4) Existing law requires a group health care service plan and a policy of disability insurance that provides hospital, medical, or surgical expense benefits to offer coverage to employers or guaranteed associations for the domestic partner of an employee, subscriber, insured, or policyholder to the same extent, and subject to the same terms and conditions, as provided to a dependent of the employee, subscriber, insured, or policyholder.

This bill would make clarifying changes in these provisions.

(3)

7

(5) Existing law provides for the transfer of the property of a deceased person by will, and prescribes a statutory will form.

This bill would make technical changes in these provisions. This bill would add a specified statement regarding intestate succession by domestic partners.

(6) This bill would provide that certain of its provisions would not become operative if AB 2216 is enacted and becomes effective on or before January 1, 2002, and amends specified sections of the Probate Code.

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

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

1 SECTION 1. Section 377.60 of the Code of Civil Procedure 2 is amended to read:

377.60. (a) A cause of action for the death of a person caused 3 by the wrongful act or neglect of another may be asserted by any 4 5 of the following persons or by the decedent's personal representative on their behalf: 6

(1) The decedent's surviving spouse.

8 (2) The decedent's surviving domestic partner, as defined in 9 Section 37 of the Probate Code.

10 (3) The decedent's children and the issue of deceased children.

(4) If there are no surviving children or issue of the decedent 11 12 under paragraph (3), the persons who would be entitled to the 13

property of the decedent by intestate succession.

(5) The putative spouse, children of the putative spouse, 14

stepchildren, or parents, if they were dependent on the decedent. 15 As used in this subdivision, "putative spouse" means the 16

surviving spouse of a void or voidable marriage who is found by 17

the court to have believed in good faith that the marriage to the
 decedent was valid.

3 (6) A minor if, at the time of the decedent's death, the minor 4 resided for the previous 180 days in the decedent's household and 5 was dependent on the decedent for one-half or more of the minor's 6 support.

7 (b) This section applies to any cause of action arising on or after 8 January 1, 1993.

9 (c) The addition of this section by Chapter 178 of the Statutes 10 of 1992 was not intended to adversely affect the standing of any 11 party having standing under prior law, and the standing of parties 12 governed by that version of this section as added by Chapter 178 13 of the Statutes of 1992 shall be the same as specified herein as 14 amended by Chapter 563 of the Statutes of 1996.

15 (d) For the purpose of this section, "domestic partner" has the 16 meaning provided in Section 297 of the Family Code.

17 SEC. 2. Section 21464 of the Government Code is amended 18 to read:

19 21464. (a) Notwithstanding any provision of this part, a 20 retired member who chose no optional settlement or optional 21 settlement 1 at retirement may elect to have the actuarial 22 equivalent, as of the date of the election, of the allowance payable 23 for the remainder of his or her lifetime applied to a lesser 24 allowance during his or her remaining lifetime under one of the optional settlements specified in this article and name his or her 25 26 spouse or registered domestic partner as beneficiary.

27 The

(b) The election provided by this section is irrevocable andshall be made within 12 months following a member's marriage

30 if the spouse is named as beneficiary, or within 12 months of the

31 filing of a Declaration of Domestic Partnership, as provided in

32 Section 297 of the Family Code, if the registered domestic partner

*is named as beneficiary.* The election shall become effective on the

34 date specified on the election, provided that this date is not earlier 35 than the day following receipt of the election in this system

36 pursuant to this section.

37 <sup>1</sup> <del>A</del>

38 (c) A member who married prior to or after January 1, 1988,

39 who fails to elect within 12 months, shall retain the right to make

40 an election under this section. However, the election shall become

effective no earlier than 12 months after the date it is filed with the 1

2 board, provided that neither the member nor the designated

3 beneficiary die prior to the effective date of the election.

4 This

5 (d) A member who files a Declaration of Domestic Partnership

prior to January 1, 2003, shall retain the right to make an election 6

7 under this section, provided the election is made on or before

8 December 31, 2003. An election made on or after January 1, 2004,

9 shall become effective no earlier than 12 months after the date it

is filed with the board, provided that neither the member nor the 10

11 designated beneficiary die prior to the effective date of the 12 election.

13 (e) This section shall not be construed to mean that designation

14 of a new beneficiary causes the selection of an optional settlement. An optional settlement shall be selected by a member in a writing 15

filed by the member with the board. 16

17 SEC. 3. Section 22873 of the Government Code is amended to 18 read:

19 22873. (a) Any employer or A contracting agency may, at its 20 option, offer health benefits pursuant to this article, to the domestic 21 partners of its employees and annuitants.

22 (b) The employer or contracting agency shall notify the board, 23 in a manner prescribed by the board, that it is electing to provide 24 health care coverage through this article to the domestic partners 25 of its employees and annuitants.

26 (c) The employer or contracting agency shall provide to the 27 system any information deemed necessary by the board to 28 determine eligibility under this article.

29 SEC. 4. Section 22875 of the Government Code is repealed. 30

22875. This article shall apply to any of the following:

(a) Represented state employees who are members of a 31

32 bargaining unit or who retired from a bargaining unit only if (1)

there is a signed memorandum of understanding between the state 33

and the recognized employee organization to adopt the benefits 34 accorded under this article and (2) the Department of Personnel 35

36

Administration makes this article simultaneously applicable to all eligible annuitants retired from the bargaining unit. This article 37

38 shall not apply to active state employees who are members of a

state bargaining unit unless it also applies to eligible annuitants 39

40 retired from that bargaining unit.

1 (b) Members of the Public Employees' Retirement System 2 who are employed by the Assembly, the Senate, or the California State University only if the Assembly Rules Committee, the 3 Senate Rules Committee, and the Board of Trustees of the 4 California State University, respectively, make this section 5 applicable to their employees. 6 7 (c) Members of the Public Employees' Retirement System who 8 are state employees of the judicial branch, and judges and justices 9 who are members of the Judges' Retirement System or the Judges' Retirement System II, if the Judicial Council makes this section 10 11 applicable to them. 12 (d) Employees excluded from the Ralph C. Dills Act (Chapter 13 10.3 (commencing with Section 3512) of Division 4 of Title 1) upon adoption by the Department of Personnel Administration of 14 regulations to implement employee benefits under this article for 15 those state officers and employees excluded from, or not otherwise 16 subject to the Ralph C. Dills Act. Regulations adopted or amended 17 pursuant to this section shall not be subject to review and approval 18 of the Office of Administrative Law pursuant to the 19 20 Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2). These 21 22 regulations shall become effective immediately upon filing with 23 the Secretary of State. 24 SEC. 5. Section 22875 is added to the Government Code, to 25 read: 26 22875. This article shall apply to state employees, including 27 those who are employed by the Assembly, the Senate, or the 28 California State University, and state employees of the judicial 29 branch. This article shall also apply to annuitants receiving an employer contribution from the state, including judges and justices 30 31 who are members of the Judges' Retirement System of the Judges' 32 Retirement System II. The Department of Personnel 33 Administration shall adopt regulations to implement under this 34 article. 35 SEC. 6. Section 1374.58 of the Health and Safety Code is 36 amended to read: 1374.58. (a) A group health care service plan that provides 37 38 hospital, medical, or surgical expense benefits shall offer coverage to guaranteed associations, as defined in Section 1357, or to 39 40 employers, for the domestic partner of an employee or subscriber

1 to the same extent, and subject to the same terms and conditions,

2 as provided to a dependent of the employee or subscriber, and shall
3 inform employers and guaranteed associations of the availability
4 of this coverage.

5 (b) If an employer or guaranteed association has purchased 6 coverage for domestic partners pursuant to subdivision (a), a 7 health care service plan that provides hospital, medical, or surgical 8 expense benefits for employees or subscribers and their 9 dependents shall enroll as a dependent, upon application by the employer or group administrator, a domestic partner of an 10 11 employee or subscriber in accordance with the terms and conditions of the group contract that apply generally to all 12 13 dependents under the plan, including coordination of benefits.

(c) For purposes of this section, the term "domestic partner"shall have the same meaning as that term is used in Section 297 ofthe Family Code.

17 (d) A health care service plan may require that the employee or 18 subscriber verify the status of the domestic partnership by 19 providing to the plan a copy of a valid Declaration of Domestic 20 Partnership filed with the Secretary of State pursuant to Section 21 298 of the Family Code or an equivalent document issued by a 22 local agency of this state, another state, or a local agency of another 23 state under which the partnership is created. The plan may also 24 require that the employee or subscriber notify the plan upon the 25 termination of the domestic partnership.

(e) Nothing in this section shall be construed to expand the
requirements of Section 4980B of Title 26 of the United States
Code, Section 1161, and following, of Title 29 of the United States
Code, or Section 300bb-1, and following, of Title 42 of the United
States Code, as added by the Consolidated Omnibus Budget
Reconciliation Act of 1985 (Public Law 99-272), and as those
provisions may be later amended.

33 **SEC. 3**.

34 *SEC.* 7. Section 10121.7 of the Insurance Code is amended to 35 read:

10121.7. (a) A policy of group disability insurance that
provides hospital, medical, or surgical expense benefits shall offer
coverage to guaranteed associations, as defined in Section 10700,

39 or to employers, for the domestic partner of an employee, insured,

40 or policyholder to the same extent, and subject to the same terms

and conditions, as provided to a dependent of the employee,
 insured, or policyholder, and shall inform employers and
 guaranteed associations of the availability of this coverage.

4 (b) If an employer or guaranteed association has purchased 5 coverage for domestic partners pursuant to subdivision (a), a disability insurer that provides hospital, medical, or surgical 6 7 expense benefits for employees, insureds, or policyholders and 8 their dependents shall enroll as a dependent, upon application by 9 the employer or group administrator, a domestic partner of the employee, insured, or policyholder in accordance with the terms 10 11 and conditions of the group contract that apply generally to all 12 dependents under the policy, including coordination of benefits. 13 (c) For purposes of this section, the term "domestic partner"

14 shall have the same meaning as that term is used in Section 297 of 15 the Family Code.

16 (d) A policy of group disability insurance may require that the employee, insured, or policyholder verify the status of the 17 18 domestic partnership by providing to the insurer a copy of a valid Declaration of Domestic Partnership filed with the Secretary of 19 20 State pursuant to Section 298 of the Family Code or an equivalent 21 document issued by a local agency of this state, another state, or 22 a local agency of another state under which the partnership is 23 created. The policy may also require that the employee, insured, 24 or policyholder notify the insurer upon the termination of the 25 domestic partnership. 26 (e) Nothing in this section shall be construed to expand the

requirements of Section 4980B of Title 26 of the United States Code, Section 1161, and following, of Title 29 of the United States Code, or Section 300bb-1, and following, of Title 42 of the United States Code, as added by the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), and as those provisions may be later amended.

33 <del>SEC. 4.</del>

34 SEC. 8. Section 6240 of the Probate Code is amended to read:

35 6240. The following is the California Statutory Will form:

36

# QUESTIONS AND ANSWERS ABOUT THIS CALIFORNIA STATUTORY WILL 3

The following information, in question and answer form, is not
a part of the California Statutory Will. It is designed to help you
understand about Wills and to decide if this Will meets your needs.
This Will is in a simple form. The complete text of each paragraph
of this Will is printed at the end of the Will.

10 1. *What happens if I die without a Will?* If you die without a 11 Will, what you own (your "assets") in your name alone will be 12 divided among your spouse, children, or other relatives according 13 to state law. The court will appoint a relative to collect and 14 distribute your assets. A domestic partner will not have a right to 15 inherit your property without a will.

2. What can a Will do for me? In a Will you may designate who 16 17 will receive your assets at your death. You may designate someone 18 (called an "executor") to appear before the court, collect your 19 assets, pay your debts and taxes, and distribute your assets as you 20 specify. You may nominate someone (called a "guardian") to raise 21 your children who are under age 18. You may designate someone 22 (called a "custodian") to manage assets for your children until 23 they reach any age between 18 and 25.

3. *Does a Will avoid probate?* No. With or without a Will, assets in your name alone usually go through the court probate process. The court's first ich is to determine if your Will is yolid

26 The court's first job is to determine if your Will is valid.

4. *What is community property?* Can I give away my share in my Will? If you are married and you or your spouse earned money during your marriage from work and wages, that money (and the assets bought with it) is community property. Your Will can only give away your one-half of community property. Your Will cannot

32 give away your spouse's one-half of community property.

5. *Does my Will give away all of my assets?* Do all assets go through probate? No. Money in a joint tenancy bank account automatically belongs to the other named owner without probate.

36 If your spouse, domestic partner, or child is on the deed to your

37 house as a joint tenant, the house automatically passes to him or

38 her. Life insurance and retirement plan benefits may pass directly

39 to the named beneficiary. A Will does not necessarily control how

40 these types of "nonprobate" assets pass at your death.

6. Are there different kinds of Wills? Yes. There are handwritten
 Wills, typewritten Wills, attorney-prepared Wills, and statutory
 Wills. All are valid if done precisely as the law requires. You
 should see a lawyer if you do not want to use this statutory Will or
 if you do not understand this form.

7. *Who may use this Will?* This Will is based on California law.
7 It is designed only for California residents. You may use this form
8 if you are single, married, a member of a domestic partnership, or
9 divorced. You must be age 18 or older and of sound mind.

8. Are there any reasons why I should NOT use this statutory 10 11 *Will?* Yes. This is a simple Will. It is not designed to reduce death taxes or other taxes. Talk to a lawyer to do tax planning, especially 12 13 if (i) your assets will be worth more than \$600,000 or the current 14 amount excluded from estate tax under federal law at your death, (ii) you own business-related assets, (iii) you want to create a trust 15 fund for your children's education or other purposes, (iv) you own 16 17 assets in some other state, (v) you want to disinherit your spouse, 18 domestic partner, or descendants, or (vi) you have valuable interests in pension or profit-sharing plans. You should talk to a 19 20 lawyer who knows about estate planning if this Will does not meet

your needs. This Will treats most adopted children like natural

children. You should talk to a lawyer if you have stepchildren orfoster children whom you have not adopted.

9. *May I add or cross out any words on this Will?* No. If you do, the Will may be invalid or the court may ignore the crossed out or added words. You may only fill in the blanks. You may amend this Will by a separate document (called a codicil). Talk to a lawyer if you want to do something with your assets which is not allowed in this form.

10. *May I change my Will?* Yes. A Will is not effective until you
die. You may make and sign a new Will. You may change your Will
at any time, but only by an amendment (called a codicil). You can
give away or sell your assets before your death. Your Will only acts
on what you own at death.

11. *Where should I keep my Will?* After you and the witnesses
sign the Will, keep your Will in your safe deposit box or other safe
place. You should tell trusted family members where your Will is
kept.

39 12. When should I change my Will? You should make and sign40 a new Will if you marry, divorce, or terminate your domestic

partnership after you sign this Will. Divorce, annulment, or 1 2 termination of a domestic partnership automatically cancels all 3 property stated to pass to a former husband, wife, or domestic 4 partner under this Will, and revokes the designation of a former 5 spouse or domestic partner as executor, custodian, or guardian. You should sign a new Will when you have more children, or if 6 7 your spouse or a child dies, or a domestic partner dies or marries. 8 You may want to change your Will if there is a large change in the 9 value of your assets. You may also want to change your Will if you 10 enter a domestic partnership or your domestic partnership has been 11 terminated after you sign this Will.

12 13. What can I do if I do not understand something in this Will?13 If there is anything in this Will you do not understand, ask a lawyer14 to explain it to you.

15 14. *What is an executor?* An "executor" is the person you 16 name to collect your assets, pay your debts and taxes, and 17 distribute your assets as the court directs. It may be a person or it 18 may be a qualified bank or trust company.

15. *Should I require a bond?* You may require that an executor 20 post a "bond." A bond is a form of insurance to replace assets that 21 may be mismanaged or stolen by the executor. The cost of the bond 22 is paid from the estate's assets.

16. *What is a guardian?* Do I need to designate one? If you have
children under age 18, you should designate a guardian of their
"persons" to raise them.

26 17. What is a custodian? Do I need to designate one? A 27 "custodian" is a person you may designate to manage assets for 28 someone (including a child) who is between ages 18 and 25 and 29 who receives assets under your Will. The custodian manages the 30 assets and pays as much as the custodian determines is proper for 31 health, support, maintenance, and education. The custodian 32 delivers what is left to the person when the person reaches the age 33 you choose (between 18 and 25). No bond is required of a 34 custodian.

18. Should I ask people if they are willing to serve before I
designate them as executor, guardian, or custodian? Probably yes.
Some people and banks and trust companies may not consent to
serve or may not be qualified to act.

39 19. What happens if I make a gift in this Will to someone and
 40 they die that person dies before I do? A person must survive you

1 by 120 hours to take a gift under this Will. If they do that person

2 *does* not, then the gift fails and goes with the rest of your assets.3 If the person who does not survive you is a relative of you or your

3 If the person who does not survive you is a relative of you or your 4 spouse, then certain assets may go to the relative's descendants.

5 20. What is a trust? There are many kinds of trusts, including trusts created by Wills (called "testamentary trusts") and trusts 6 7 created during your lifetime (called "revocable living trusts"). Both kinds of trusts are long-term arrangements where in which a 8 9 manager (called a "trustee") invests and manages assets for someone (called a "beneficiary") on the terms you specify. Trusts 10 11 are too complicated to be used in this statutory Will. You should 12 see a lawyer if you want to create a trust.

13 21. What is a domestic partner? You have a domestic partner 14 if you have met certain legal requirements and filed a form entitled "Declaration of Domestic Partnership" with the Secretary of 15 State. Notwithstanding Section 299.6 of the Family Code, if you 16 have not filed a Declaration of Domestic Partnership with the 17 18 Secretary of State, you do not meet the required definition and 19 should not use the section of the Statutory Will form that refers to 20 domestic partners even if you have registered your domestic 21 partnership with another governmental entity. If you are unsure if 22 you have a domestic partner or if your domestic partnership meets 23 the required definition, please contact the Secretary of State's 24 office.

24 0 25

26

27

## INSTRUCTIONS

*READ THE WILL.* Read the whole Will first. If you do not
understand something, ask a lawyer to explain it to you.

30 2. *FILL IN THE BLANKS*. Fill in the blanks. Follow the 31 instructions in the form carefully. Do not add any words to the Will 32 (except for filling in blanks) or cross out any words.

33 3. DATE AND SIGN THE WILL AND HAVE TWO 34 WITNESSES SIGN IT. Date and sign the Will and have two 35 witnesses sign it. You and the witnesses should read and follow the 36 Notice to Witnesses found at the end of this Will.

37 SEC. 9. The amendments to Section 6420 of the Probate Code

38 in Section 8 of this bill shall not become operative if Assembly Bill

39 2216 of the 2001–02 Regular Session is enacted and becomes

- effective on or before January 1, 2002, and amends Sections 6401
   and 6402 of the Probate Code.

AB	2862 — 14 —
1	
2	
3	NOTE TO PRINTING OFFICE: INSERT CAMERA-READY
4	COPY HERE
5 6	for California Statutory Will
7	for Camorina Statutory will
8	as printed on pages 17 to 22 of Chapter 1055, 1991 Statutes.
9	
10	
11	
12	
13 14	
14	
16	
17	
18	
19	
20	
21	
22 23	
23 24	
25	
26	
27	
28	
29	
30	
31 32	
32 33	
34	
35	
36	
37	
38	
39	
40	

\_\_\_\_

 $\begin{array}{c}1\\2\\3\\4\\5\\6\\7\\8\\9\\10\\11\\12\\13\\14\\15\\16\\17\\18\\19\\20\\21\\22\\3\\24\\25\\26\\27\\28\\29\\30\\31\\32\\33\\4\\5\\36\\37\\38\\9\\40\end{array}$ 

96

AB 2862	— 16 —
1	
2 3 4 5	
4	
5 6	
7	
8 9	
10	
11 12	
12	
14	
15 16	
17	
18 19	
20	
21 22	
23	
24	
25 26	
27	
28 29	
30	
31 32	
33	
34	
35 36	
37	
38 39	

 $\begin{array}{c}1\\2\\3\\4\\5\\6\\7\\8\\9\\10\\11\\12\\13\\14\\15\\16\\17\\18\\19\\20\\21\\22\\3\\24\\25\\26\\27\\28\\29\\30\\31\\32\\33\\4\\35\\36\\37\\38\\9\\40\end{array}$ 

96

AB 2862	— 18 —
1 2 3 4 5	
2	
4	
5	
6	
7 8	
9	
10	
11	
12	
13 14	
15	
16	
17	
18 19	
20	
21	
22	
23	
24 25	
26	
27	
28	
29 30	
31	
32	
33	
34	
35 36	
37	
38	
39	

<u>— 19 — </u>

96

AB 2862	<u> </u>
1	
1 2 3 4 5	
4	
5	
6	
7	
8 9	
10	
11	
12	
13 14	
15	
16	
17	
18	
19 20	
21	
22	
23	
24 25	
26	
27	
28	
29	
30 31	
32	
33	
34	
35 36	
30 37	
38	
39	



96