

AMENDED IN ASSEMBLY MARCH 25, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1821

Introduced by Assembly Member Ma

February 11, 2010

An act to amend ~~Section 21570~~ *Sections 21571, 21572, 21573, 21574.7, and 21581* of the Government Code, relating to the Public Employees' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1821, as amended, Ma. Public Employees' Retirement System: preretirement death benefits.

The Public Employees' Retirement Law provides preretirement death benefits for the surviving spouse or children, or both, as specified, of state members and specified school members not covered by the federal Social Security Act. That law prescribes various allowances for preretirement death benefits, ~~but specifies that a person is prohibited from receiving more than one allowance~~, as specified. *That law specifies certain benefits known as the 1959 survivor allowance.*

~~This bill would make a technical, nonsubstantive change to that provision.~~

Existing law requires on and after the date determined by the board, all assets and liabilities of all contracting agencies subject to the 1959 survivor allowance, and their employees, on account of benefits provided to be pooled into a single account, and a single employer rate be established to provide benefits under that provision on account of members employed by a contracting agency that is subject to those provisions.

This bill would require assets and liabilities of contracting agencies subject to those provisions to be pooled, as specified, after June 30, 2011. The bill would also provide that on and after July 1, 2011, certain members employed by a contracting agency entitled to receive benefits under the 1959 survivor allowance provisions would instead receive increased benefits, as specified.

Existing law specifies that if a contracting agency has a surplus in its 1959 survivor benefit account as of the date the contracting agency becomes subject to certain provisions of law, the surplus shall be applied to reduce its rate of contribution. Existing law also specifies that if a contracting agency that is subject to those provisions has a deficit in its 1959 survivor benefit account as of the date the contracting agency becomes subject to this section, its rate of contribution shall be increased until the deficit is paid.

This bill would delete those provisions.

Existing law requires the rate of contribution of a member subject to the above described provisions to include, in addition to his or her normal rate, \$2 per month or fraction thereof, or \$0.93 for each biweekly payroll period or fraction thereof, where salaries are paid on that basis. Those contributions do not become a part of a member's accumulated contributions or be treated or administered as normal contributions and are not be refundable to a member under any circumstances. Existing law provides that those contributions are available only for payment of 1959 survivor allowances.

This bill would, notwithstanding those provisions, with respect to the combined assets and liabilities that are pooled, as described above, if the board determines that there exists a reasonable actuarial amortization of surplus funds that will fully pay for total annual premiums for benefits, the rate of contribution of a member shall be his or her normal rate with no additional contribution, as specified.

The bill would also make related changes to reflect that the above-described provisions may apply to nonstate employees, including school members, as well as contracting agencies.

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

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

1 SECTION 1. Section 21571 of the Government Code is
2 amended to read:

1 21571. (a) If the death benefit provided by Section 21532 is
2 payable on account of a member's death that occurs under
3 circumstances other than those described in subparagraph (F) of
4 paragraph 4 (1) of subdivision (a) of Section 21530, or if an
5 allowance under Section 21546 is payable, the payment pursuant
6 to subdivision (b) shall be made, in the following order of priority:

7 (1) The surviving wife or surviving husband of the member,
8 who has the care of unmarried children, including stepchildren, of
9 the member who are under 22 years of age, or are incapacitated
10 because of disability that began before and has continued without
11 interruption after attainment of that age.

12 (2) The guardian or conservator of surviving unmarried children,
13 including stepchildren, of the member who are under 22 years of
14 age or are so incapacitated.

15 (3) The surviving wife or surviving husband of the member,
16 who does not qualify under paragraph (1).

17 (4) Each surviving parent of the member.

18 (b) Regardless of the benefit provided by Section 21532 and of
19 the beneficiary designated by the member under that section, or
20 regardless of the allowance provided under Section 21546, the
21 following applicable 1959 survivor allowance, under the conditions
22 stated and from contributions of the ~~state~~ *employer*, shall be paid:

23 (1) A surviving spouse who was either continuously married to
24 the member for at least one year prior to death, or was married to
25 the member prior to the occurrence of the injury or onset of the
26 illness that resulted in death, and has the care of unmarried
27 children, including stepchildren, of the deceased member who are
28 under 22 years of age or are so incapacitated, shall be paid three
29 hundred sixty dollars (\$360) if there is one child or four hundred
30 thirty dollars (\$430) per month if there are two or more children.
31 If there also are children who are not in the care of the surviving
32 spouse, the portion of the allowance payable under this paragraph,
33 assuming that these children were in the care of the surviving
34 spouse, which is in excess of one hundred eighty dollars (\$180)
35 per month, shall be divided equally among all those children and
36 payments made to the spouse and other children, as the case may
37 be.

38 (2) If there is no surviving spouse, or if the surviving spouse
39 dies, and if there are unmarried children, including stepchildren,
40 of the deceased member who are under 22 years of age or are so

1 incapacitated, or if there are children not in the care of the spouse,
2 the children shall be paid an allowance as follows:

3 (A) If there is only one child, the child shall be paid one hundred
4 eighty dollars (\$180) per month.

5 (B) If there are two children, the children shall be paid three
6 hundred sixty dollars (\$360) per month divided equally between
7 them.

8 (C) If there are three or more children, the children shall be paid
9 four hundred thirty dollars (\$430) per month divided equally among
10 them.

11 (3) A surviving spouse who has attained or attains the age of
12 62 years and, with respect to that surviving spouse, who was either
13 continuously married to the member for at least one year prior to
14 death, or who was married to the member prior to the occurrence
15 of the injury or onset of the illness which resulted in death, shall
16 be paid one hundred eighty dollars (\$180) per month. No allowance
17 shall be paid under this paragraph, while the surviving spouse is
18 receiving an allowance under paragraph (1), or while an allowance
19 is being paid under subparagraph (C) of paragraph (2). The
20 allowance paid under this paragraph shall be seventy dollars (\$70)
21 per month while an allowance is being paid under subparagraph
22 (B) of paragraph (2).

23 (4) If there is no surviving spouse or surviving child who
24 qualifies for a 1959 survivor allowance, or if the surviving spouse
25 dies and there is no surviving child, or if the surviving spouse dies
26 and the children die or marry or, if not incapacitated, reach age
27 22, each of the member's dependent parents who has attained or
28 attains the age of 62, and who received at least one-half of his or
29 her support from the member at the time of the member's death,
30 shall be paid one hundred eighty dollars (\$180) per month.

31 (c) "Stepchildren," for purposes of this section, shall include
32 only stepchildren of the member living with him or her in a regular
33 parent-child relationship at the time of his or her death.

34 (d) The amendments to this section by Chapter 1617 of the
35 Statutes of 1971 shall apply only to 1959 survivor allowances
36 payable April 1, 1972, and thereafter.

37 (e) This section does not apply to any member in the employ
38 of an employer not subject to this section on January 1, 1994.

39 (f) On and after the date determined by the board, all assets and
40 liabilities of all contracting agencies subject to this section, and

1 their employees, on account of benefits provided under this article
2 shall be pooled into a single account, and a single employer rate
3 shall be established to provide benefits under this section on
4 account of members employed by a contracting agency that is
5 subject to this section. *On and after July 1, 2011, assets and*
6 *liabilities of contracting agencies subject to this section shall be*
7 *pooled as specified in subdivision (g) of Section 21573.*

8 (g) The rate of contribution of an employer subject to this section
9 shall be figured using the term insurance valuation method,
10 *pursuant to subdivision (h) of Section 21573.* If a contracting
11 agency that is subject to this section is projected to have a surplus
12 in its 1959 survivor benefit account as of the date the assets and
13 liabilities are first pooled, the surplus shall be applied to reduce
14 its rate of contribution. If a contracting agency that is subject to
15 this section is projected to have a deficit in its 1959 survivor benefit
16 account as of the date the assets and liabilities are first pooled, its
17 rate of contribution shall be increased until the projected deficit is
18 paid.

19 (h) *On and after July 1, 2011, all members employed by a*
20 *contracting agency entitled to receive benefits under this section*
21 *shall instead receive benefits provided under Section 21573.*

22 SEC. 2. *Section 21572 of the Government Code is amended to*
23 *read:*

24 21572. (a) In lieu of benefits provided in Section 21571, if the
25 death benefit provided by Section 21532 is payable on account of
26 a ~~state~~ member's death that occurs under circumstances other than
27 those described in subparagraph (F) of paragraph (1) of subdivision
28 (a) of Section 21530, or if an allowance under Section 21546 is
29 payable, the payment pursuant to subdivision (b) shall be made in
30 the following order of priority:

31 (1) The surviving wife or surviving husband of the member who
32 has the care of unmarried children, including stepchildren, of the
33 member who are under 22 years of age or are incapacitated because
34 of a disability that began before and has continued without
35 interruption after attainment of that age.

36 (2) The guardian of surviving unmarried children, including
37 stepchildren, of the member who are under 22 years of age or are
38 so incapacitated.

39 (3) The surviving wife or surviving husband of the member who
40 does not qualify under paragraph (1).

1 (4) Each surviving parent of the member.

2 (b) Regardless of the benefit provided by Section 21532 and of
3 the beneficiary designated by the member under that section, or
4 regardless of the allowance provided under Section 21546, the
5 following applicable 1959 survivor allowance, under the conditions
6 stated and from contributions of the ~~state~~ *employer*, shall be paid:

7 (1) A surviving spouse who was either continuously married to
8 the member for at least one year prior to death, or was married to
9 the member prior to the occurrence of the injury or onset of the
10 illness that resulted in death, and has the care of unmarried
11 children, including stepchildren, of the deceased member who are
12 under 22 years of age or are so incapacitated, shall be paid four
13 hundred fifty dollars (\$450) per month if there is one child or five
14 hundred thirty-eight dollars (\$538) per month if there are two or
15 more children. If there also are children who are not in the care of
16 the surviving spouse, the portion of the allowance payable under
17 this paragraph, assuming that these children were in the care of
18 the surviving spouse, that is in excess of two hundred twenty-five
19 dollars (\$225) per month, shall be divided equally among all those
20 children and payments made to the spouse and other children, as
21 the case may be.

22 (2) If there is no surviving spouse, or if the surviving spouse
23 dies, and if there are unmarried children, including stepchildren,
24 of the deceased member who are under 22 years of age or are so
25 incapacitated, or if there are children not in the care of the spouse,
26 the children shall be paid an allowance as follows:

27 (A) If there is only one child, the child shall be paid two hundred
28 twenty-five dollars (\$225) per month.

29 (B) If there are two children, the children shall be paid four
30 hundred fifty dollars (\$450) per month divided equally between
31 them.

32 (C) If there are three or more children, the children shall be paid
33 five hundred thirty-eight dollars (\$538) per month divided equally
34 among them.

35 (3) A surviving spouse who has attained or attains the age of
36 62 years and, with respect to that surviving spouse, who was either
37 continuously married to the member for at least one year prior to
38 death, or was married to the member prior to the occurrence of the
39 injury or onset of the illness that resulted in death, shall be paid
40 two hundred twenty-five dollars (\$225) per month. No allowance

1 shall be paid under this paragraph while the surviving spouse is
2 receiving an allowance under paragraph (1) or while an allowance
3 is being paid under subparagraph (C) of paragraph (2). The
4 allowance paid under this paragraph shall be eighty-eight dollars
5 (\$88) per month while an allowance is being paid under
6 subparagraph (B) of paragraph (2).

7 (4) If there is no surviving spouse or surviving child who
8 qualifies for a 1959 survivor allowance, or if the surviving spouse
9 dies and there is no surviving child, or if the surviving spouse dies
10 and the children die or marry or, if not incapacitated, reach 22
11 years of age, each of the member's dependent parents who has
12 attained or attains the age of 62 years, and who received at least
13 one-half of his or her support from the member at the time of the
14 member's death, shall be paid two hundred twenty-five dollars
15 (\$225) per month.

16 (c) "Stepchildren," for purposes of this section, shall include
17 only stepchildren of the member living with him or her in a regular
18 parent-child relationship at the time of his or her death.

19 (d) This section shall apply to beneficiaries receiving 1959
20 survivor allowances on July 1, 1975, as well as to beneficiaries
21 with respect to the death of a state member occurring on or after
22 July 1, 1975.

23 (e) This section shall apply, with respect to benefits payable on
24 and after July 1, 1981, to all members employed by a school
25 employer, and school safety members employed with a school
26 district or community college district as defined in subdivision (i)
27 of Section 20057, except that it shall not apply, without contract
28 amendment, with respect to safety members who became members
29 after July 1, 1981. All assets and liabilities of all school employers,
30 and their employees, on account of benefits provided under this
31 article shall be pooled into a single account, and a single employer
32 rate shall be established to provide benefits under this section on
33 account of all miscellaneous members employed by a school
34 employer and all safety members who are members on July 1,
35 1981.

36 (f) This section does not apply to any member in the employ of
37 an employer not subject to this section on January 1, 1994.

38 (g) On and after January 1, 2000, all state members covered by
39 this section shall be covered by the benefit provided under Section
40 21574.7.

1 (h) On and after the date determined by the board, all assets and
2 liabilities of all contracting agencies subject to this section, and
3 their employees, on account of benefits provided under this article
4 shall be pooled into a single account, and a single employer rate
5 shall be established to provide benefits under this section on
6 account of members employed by a contracting agency that is
7 subject to this section. *On and after July 1, 2011, assets and*
8 *liabilities of contracting agencies subject to this section shall be*
9 *pooled as specified in subdivision (g) of Section 21573.*

10 (i) The rate of contribution of an employer subject to this section
11 shall be figured using the term insurance valuation method
12 *pursuant to subdivision (h) of Section 21573.* If a contracting
13 agency that is subject to this section is projected to have a surplus
14 in its 1959 survivor benefit account as of the date the assets and
15 liabilities are first pooled, the surplus shall be applied to reduce
16 its rate of contribution. If a contracting agency that is subject to
17 this section is projected to have a deficit in its 1959 survivor benefit
18 account as of the date the assets and liabilities are first pooled, its
19 rate of contribution shall be increased until the projected deficit is
20 paid.

21 (j) *After June 30, 2011, all members employed by a contracting*
22 *agency entitled to receive benefits under this section shall instead*
23 *receive benefits provided under Section 21573.*

24 SEC. 3. *Section 21573 of the Government Code is amended to*
25 *read:*

26 21573. (a) In lieu of benefits provided in Section 21571 or
27 Section 21572, if the death benefit provided by Section 21532 is
28 payable on account of a ~~state~~ member's death that occurs under
29 circumstances other than those described in subparagraph (F) of
30 paragraph (1) of subdivision (a) of Section 21530, or if an
31 allowance under Section 21546 is payable, the payment pursuant
32 to subdivision (b) shall be made in the following order of priority:

33 (1) The surviving wife or surviving husband of the member who
34 has the care of unmarried children, including stepchildren, of the
35 member who are under 22 years of age or are incapacitated because
36 of a disability that began before and has continued without
37 interruption after attainment of that age.

38 (2) The guardian of surviving unmarried children, including
39 stepchildren, of the member who are under 22 years of age or are
40 so incapacitated.

1 (3) The surviving wife or surviving husband of the member who
2 does not qualify under paragraph (1).

3 (4) Each surviving parent of the member.

4 (b) Regardless of the benefit provided by Section 21532 and of
5 the beneficiary designated by the member under that section, or
6 regardless of the allowance provided under Section 21546, the
7 following applicable 1959 survivor allowance, under the conditions
8 stated and from contributions of the ~~state~~ *employer*, shall be paid:

9 (1) A surviving spouse who was either continuously married to
10 the member for at least one year prior to death, or who was married
11 to the member prior to the occurrence of the injury or onset of the
12 illness that resulted in death, and has the care of unmarried
13 children, including stepchildren, of the deceased member who are
14 under 22 years of age or are so incapacitated, shall be paid seven
15 hundred dollars (\$700) per month if there is one child, or eight
16 hundred forty dollars (\$840) per month if there are two or more
17 children. If there also are children who are not in the care of the
18 surviving spouse, the portion of the allowance payable under this
19 paragraph, assuming that these children were in the care of the
20 surviving spouse, that is in excess of three hundred fifty dollars
21 (\$350) per month, shall be divided equally among all those children
22 and payments made to the spouse and other children, as the case
23 may be.

24 (2) If there is no surviving spouse, or if the surviving spouse
25 dies, and if there are unmarried children, including stepchildren,
26 of the deceased member who are under 22 years of age or are so
27 incapacitated, or if there are children not in the care of the spouse,
28 the children shall be paid an allowance as follows:

29 (A) If there is only one child, the child shall be paid three
30 hundred fifty dollars (\$350) per month.

31 (B) If there are two children, the children shall be paid seven
32 hundred dollars (\$700) per month divided equally between them.

33 (C) If there are three or more children, the children shall be paid
34 eight hundred forty dollars (\$840) per month divided equally
35 among them.

36 (3) A surviving spouse who has attained or attains the age of
37 62 years, and, with respect to that surviving spouse, who was either
38 continuously married to the member for at least one year prior to
39 death, or who was married to the member prior to the occurrence
40 of the injury or onset of the illness that resulted in death, shall be

1 paid three hundred fifty dollars (\$350) per month. No allowance
2 shall be paid under this paragraph while the surviving spouse is
3 receiving an allowance under paragraph (1) or while an allowance
4 is being paid under subparagraph (C) of paragraph (2). The
5 allowance paid under this paragraph shall be one hundred forty
6 dollars (\$140) per month while an allowance is being paid under
7 subparagraph (B) of paragraph (2).

8 (4) If there is no surviving spouse or surviving child who
9 qualifies for the 1959 survivor allowance, or if the surviving spouse
10 dies and there is no surviving child, or if the surviving spouse dies
11 and the children die or marry or, if not incapacitated, reach 22
12 years of age, each of the member's dependent parents who has
13 attained or attains the age of 62 years, and who received at least
14 one-half of his or her support from the member at the time of the
15 member's death, shall be paid three hundred fifty dollars (\$350)
16 per month.

17 (c) "Stepchildren," for purposes of this section, shall include
18 only stepchildren of the member living with the member in a
19 regular parent-child relationship at the time of the death of the
20 member.

21 (d) This section shall apply to beneficiaries of state members
22 whose death occurred before January 1, 1985. Where a surviving
23 spouse attained the age of 62 years prior to January 1, 1987,
24 entitlement shall exist retroactive to January 1, 1985, or to his or
25 her 62nd birthday, whichever is later. All assets and liabilities of
26 all state agencies and their employees on account of benefits
27 provided to beneficiaries specified in this subdivision shall be
28 pooled into a single account. The board shall transfer from the
29 reserve for 1959 survivor contributions retained in the retirement
30 fund an amount sufficient to pay the cost of the increased benefits
31 provided by this subdivision for beneficiaries of members who
32 died on or before December 31, 1984.

33 (e) This section shall not apply to beneficiaries with respect to
34 the death of a state member, except as provided in subdivision (i),
35 occurring on or after January 1, 1985, unless provided for in a
36 memorandum of understanding reached pursuant to Section 3517.5,
37 or authorized by the Director of Personnel Administration for
38 classifications of state employees that are excluded from, or not
39 subject to, collective bargaining. The memorandum of
40 understanding adopting this section shall be controlling without

1 further legislative action, except that if those provisions of a
2 memorandum of understanding require the expenditure of funds,
3 those provisions shall not become effective unless approved by
4 the Legislature as provided by law.

5 (f) This section shall apply, with respect to benefits payable on
6 and after January 1, 1985, to school members and to school safety
7 members, as defined in Section 20444. All assets and liabilities of
8 all school employers, and their employees, on account of benefits
9 provided under this article shall be pooled into a single account,
10 and a single employer rate shall be established to provide benefits
11 under this section on account of school members employed by a
12 school employer.

13 (g) This section shall apply to members of a contracting agency
14 ~~that, in its original contract or by amending its contract, first elects~~
15 ~~effective on or after January 1, 1985, and prior to July 1, 2001, to~~
16 ~~make this article applicable to local members employed by the~~
17 ~~agency. On or after January 1, 1985, and prior to July 1, 2001,~~
18 ~~contracting agencies already subject to Section 21571 or Section~~
19 ~~21572 may elect by contract amendment to be subject to this~~
20 ~~section~~ *first elects in its contract with the board to make this article*
21 *applicable to its employees prior to July 1, 2001, and has not*
22 *subsequently amended its contract to provide benefits pursuant to*
23 *Section 21574 or 21574.5.* All assets and liabilities of all
24 contracting agencies subject to this section, and their employees,
25 on account of benefits provided under this article shall be pooled
26 into a single account, and a single employer rate shall be
27 established to provide benefits under this section on account of
28 members employed by a contracting agency that is subject to this
29 section. Any public agency first contracting with the board on or
30 after January 1, 1994, and prior to July 1, 2001, or any contracting
31 agency amending its contract to remove exclusions of member
32 classifications on or after January 1, 1994, and prior to July 1,
33 2001, that has not, pursuant to Section 418 of Title 42 of the United
34 States Code, entered into an agreement with the federal government
35 for the coverage of its employees under the federal system, shall
36 be subject to this section.

37 (h) The rate of contribution of an employer subject to this section
38 shall be figured using the term insurance valuation method. ~~If a~~
39 ~~contracting agency that is subject to this section has a surplus in~~
40 ~~its 1959 survivor benefit account as of the date the contracting~~

1 agency becomes subject to this section, the surplus shall be applied
2 to reduce its rate of contribution. If a contracting agency that is
3 subject to this section has a deficit in its 1959 survivor benefit
4 account as of the date the contracting agency becomes subject to
5 this section, its rate of contribution shall be increased until the
6 deficit is paid.

7 (i) This section shall not apply to beneficiaries with respect to
8 the death of a state member employed by the California State
9 University occurring on or after January 1, 1988, unless provided
10 for in a memorandum of understanding reached pursuant to Chapter
11 12 (commencing with Section 3560) of Division 4 of Title 1, or
12 authorized by the Trustees of the California State University for
13 employees excluded from collective bargaining. The memorandum
14 of understanding shall be controlling without further legislative
15 action, except that if the provisions of a memorandum of
16 understanding require the expenditure of funds, the provisions
17 shall not become effective unless approved by the Legislature in
18 the annual Budget Act.

19 (j) This section shall apply to local members employed by a
20 contracting agency that has included this benefit in its contract
21 with the board on or before June 30, 2001.

22 (k) This section shall not apply to any contracting agency that
23 first contracts with the board on or after July 1, 2001.

24 (l) On and after January 1, 2000, all eligible state and school
25 members covered by this section shall be covered by the benefit
26 provided under Section 21574.7.

27 (m) *After June 30, 2011, assets and liabilities of contracting*
28 *agencies subject to Sections 21571 and 21572 shall be pooled with*
29 *assets and liabilities of contracting agencies subject to this section*
30 *into a single account, and a single employer rate shall be*
31 *established to provide benefits under this section.*

32 SEC. 4. *Section 21574.7 of the Government Code is amended*
33 *to read:*

34 21574.7. (a) In lieu of benefits provided in Section 21571,
35 21572, or 21573, if the death benefit provided by Section 21532
36 is payable on account of a state member's death that occurs under
37 circumstances other than those described in subparagraph (F) of
38 paragraph (1) of subdivision (a) of Section 21530, or if an
39 allowance under Section 21546 is payable, the payment pursuant
40 to subdivision (b) shall be made in the following order of priority:

1 (1) The surviving spouse of the member who has the care of
2 unmarried children, including stepchildren, of the member who
3 are under 22 years of age or are incapacitated because of a
4 disability that began before and has continued without interruption
5 after the attainment of that age.

6 (2) The guardian of surviving unmarried children, including
7 stepchildren, of the member who are under 22 years of age or are
8 so incapacitated.

9 (3) The surviving spouse of the member who does not qualify
10 under paragraph (1).

11 (4) Each surviving parent of the member.

12 (b) Regardless of the benefit provided by Section 21532 and of
13 the beneficiary designated by the member under that section, or
14 regardless of the allowance provided under Section 21546, the
15 following applicable 1959 survivor allowance, under the conditions
16 stated and from contributions of the employer, shall be paid:

17 (1) A surviving spouse who was either continuously married to
18 the member for at least one year prior to death, or was married to
19 the member prior to the occurrence of the injury or onset of the
20 illness that resulted in death, and has the care of unmarried
21 children, including stepchildren, of the deceased member who are
22 under 22 years of age or are so incapacitated, shall be paid one
23 thousand five hundred dollars (\$1,500) per month if there is one
24 child or one thousand eight hundred dollars (\$1,800) per month if
25 there are two or more children. If there also are children who are
26 not in the care of the surviving spouse, the portion of the allowance
27 payable under this paragraph, assuming that these children were
28 in the care of the surviving spouse, that is in excess of seven
29 hundred fifty dollars (\$750) per month, shall be divided equally
30 among all those children and payments made to the spouse and
31 other children, as the case may be.

32 (2) If there is no surviving spouse, or if the surviving spouse
33 dies, and if there are unmarried children, including stepchildren,
34 of the deceased member who are under 22 years of age or are so
35 incapacitated, or if there are children not in the care of the spouse,
36 the children shall be paid an allowance as follows:

37 (A) If there is only one child, the child shall be paid seven
38 hundred fifty dollars (\$750) per month.

1 (B) If there are two children, the children shall be paid one
2 thousand five hundred dollars (\$1,500) per month divided equally
3 between them.

4 (C) If there are three or more children, the children shall be paid
5 one thousand eight hundred dollars (\$1,800) per month divided
6 equally among them.

7 (3) A surviving spouse who has attained or attains the age of
8 60 years, and who was either continuously married to the member
9 for at least one year prior to death, or was married to the member
10 prior to the occurrence of the injury or onset of the illness that
11 resulted in death, shall be paid seven hundred fifty dollars (\$750)
12 per month. No allowance shall be paid under this paragraph while
13 the surviving spouse is receiving an allowance under paragraph
14 (1) or while an allowance is being paid under subparagraph (C) of
15 paragraph (2). The allowance paid under this paragraph shall be
16 three hundred dollars (\$300) per month while an allowance is being
17 paid under subparagraph (B) of paragraph (2).

18 (4) If there is no surviving spouse or surviving child who
19 qualifies for the 1959 survivor allowance, or if the surviving spouse
20 dies and there is no surviving child, or if the surviving spouse dies
21 and the children die or marry or, if not incapacitated, reach 22
22 years of age, each of the member's dependent parents who has
23 attained or attains the age of 60 years, and who received at least
24 one-half of his or her support from the member at the time of the
25 member's death, shall be paid seven hundred fifty dollars (\$750)
26 per month.

27 (c) "Stepchildren," for purposes of this section, shall include
28 only stepchildren of the member living with the member in a
29 regular parent-child relationship at the time of the death of the
30 member.

31 (d) This section shall only apply to state and school members
32 effective on or after January 1, 2000.

33 (e) All assets and liabilities of state employers subject to this
34 section, and their employees, on account of benefits provided under
35 this article shall be pooled into a single account, and a single
36 employer rate shall be established to provide benefits under this
37 section on account of state members employed by the state.

38 (f) All assets and liabilities of school employers, as defined in
39 Section 20063, that are subject to this section, and their employees,
40 on account of benefits provided under this article shall be pooled

1 into a single account, and a single employer rate shall be
2 established to provide benefits under this section.

3 (g) The rate of contribution of an employer subject to this section
4 shall be calculated using a method determined by the board.
5 Surplus assets shall be applied to reduce the rate of contribution.
6 If a deficit exists, the rate of contribution shall be increased until
7 the deficit is paid.

8 (h) On and after January 1, 2000, all state employees and school
9 members shall be covered by this section.

10 *SEC. 5. Section 21581 of the Government Code is amended to*
11 *read:*

12 21581. (a) The rate of contribution of a member subject to this
13 article shall include, in addition to his or her normal rate, two
14 dollars (\$2) per month or fraction thereof, or ninety-three cents
15 (\$0.93) for each biweekly payroll period or fraction thereof, where
16 salaries are paid on that basis. Those contributions shall not become
17 a part of a member's accumulated contributions or be treated or
18 administered as normal contributions and shall not be refundable
19 to a member under any circumstances. Those contributions shall
20 be available only for payment of 1959 survivor allowances.

21 (b) *Notwithstanding subdivision (a), with respect to the*
22 *combined assets and liabilities under Section 21571, 21572, or*
23 *21573 that are pooled pursuant to subdivision (g) of Section 21573,*
24 *if the board determines that there exists a reasonable actuarial*
25 *amortization of surplus funds that will fully pay for total annual*
26 *premiums for benefits pursuant to Section 21573, the rate of*
27 *contribution of a member subject to Section 21573 shall be his or*
28 *her normal rate with no additional contribution.*

29 ~~(b)~~

30 (c) Notwithstanding subdivision (a), the total required monthly
31 premium for Section 21574.5, as determined by the board, shall
32 be offset by the uniform amortization of surplus assets within this
33 account. If the total monthly premium is equal to, or less than, four
34 dollars (\$4), the member contribution portion shall be two dollars
35 (\$2) per month and the employer shall pay the difference, if any.
36 If the total monthly premium required exceeds four dollars (\$4),
37 the member and the employer shall evenly share the total required
38 monthly premium.

39 ~~(e)~~

1 (d) Notwithstanding subdivision (a), the total monthly premium
2 required for Section 21574.7, as determined by the board, shall be
3 offset by the uniform amortization of surplus assets within this
4 account. Member contributions shall be two dollars (\$2) per month
5 until such time as the future required monthly premium exceeds
6 four dollars (\$4), and the employer shall pay the difference between
7 the total required monthly premium and the member's contribution.
8 Once the total required monthly premium exceeds four dollars
9 (\$4), the member and the employer shall evenly share the required
10 monthly premium.

11 ~~SECTION 1. Section 21570 of the Government Code is~~
12 ~~amended to read:~~

13 ~~21570. No person shall receive more than one allowance under~~
14 ~~this article and that allowance shall be the largest monthly~~
15 ~~allowance to which he or she would otherwise be entitled.~~