

ASSEMBLY BILL

No. 507

Introduced by Assembly Member Garcia

February 20, 2013

An act to amend Section 21623.6 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 507, as introduced, Garcia. Public employees' retirement: postretirement death benefits.

The Public Employees' Retirement Law requires that, upon the death of any state or school member after retirement and while receiving a retirement allowance, the sum of \$2,000 be paid to the member's designated beneficiary, except as specified. Existing law requires, when a school employer elects by contract, that the amount paid to the beneficiary be \$3,000, \$4,000, or \$5,000, whichever amount is designated in its contract.

This bill would require that the amount paid be \$4,000 for a death occurring from January 1, 2014, to December 31, 2014, inclusive, and would increase that amount each year by \$500 until April 1, 2018, at which point the amount would be \$6,000, and would be adjusted annually, as specified. Until January 1, 2016, when the amount would reach \$5,000, the bill would instead allow a school employer to elect by contract to pay the beneficiary \$5,000.

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 21623.6 of the Government Code is
 2 amended to read:
 3 21623.6. (a) In lieu of benefits provided by Sections 21620,
 4 21622, and 21623, upon the death of any school member, after
 5 retirement and while receiving a retirement allowance from this
 6 system, there shall be paid to the beneficiary whom he or she shall
 7 nominate by written designation duly executed and filed with the
 8 board, ~~the sum of three thousand dollars (\$3,000), four thousand~~
 9 ~~dollars (\$4,000), or five thousand dollars (\$5,000), whichever an~~
 10 ~~amount is designated by the employer in its contract,~~ to be provided
 11 from contributions by the ~~employer.~~ *employer as follows:*
 12 (1) *The sum of four thousand dollars (\$4,000), or five thousand*
 13 *dollars (\$5,000) if designated by the employer in its contract, for*
 14 *a death occurring from January 1, 2014, to December 31, 2014,*
 15 *inclusive.*
 16 (2) *The sum of four thousand five hundred dollars (\$4,500), or*
 17 *five thousand dollars (\$5,000) if designated by the employer in its*
 18 *contract, for a death occurring from January 1, 2015, to December*
 19 *31, 2015, inclusive.*
 20 (3) *The sum of five thousand dollars (\$5,000) for a death*
 21 *occurring from January 1, 2016, to December 31, 2016, inclusive.*
 22 (4) *The sum of five thousand five hundred dollars (\$5,500) for*
 23 *a death occurring from January 1, 2017, to December 31, 2017,*
 24 *inclusive.*
 25 (5) *The sum of six thousand dollars (\$6,000) for a death*
 26 *occurring from January 1, 2018, to March 31, 2018, inclusive.*
 27 (6) *For a death occurring on or after April 1, 2018, the amount*
 28 *shall be adjusted annually in the same manner as monthly*
 29 *allowances subject to Sections 21313 and 21329.*
 30 (b) For the purposes of this section, all contributions, liabilities,
 31 actuarial interest rates, and other valuation factors shall be
 32 determined on the basis of actuarial assumptions and methods that,
 33 in the aggregate, are reasonable and that, in combination, offer the
 34 actuary’s best estimate of anticipated experience under the system.
 35 (c) The additional employer contributions required under this
 36 section shall be computed as a level percentage of member
 37 compensation.

1 (d) This section shall not apply to a school employer unless and
2 until it elects to be subject to this section by amendment to its
3 contract made in the manner prescribed for approval of contracts
4 or, in the case of contracts made on *any contracting agency* or
5 after January 1, 2001, *local member*, except by express provision
6 in the contract making *the those contracting agencies that are*
7 school employer subject to this section. *employers and those school*
8 *districts or community college districts as defined in subdivision*
9 *(i) of Section 20057.*

O