

AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2404**

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**Introduced by Assembly Member Cooley**

February 19, 2016

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An act to amend Sections ~~21456, 21457, 21459, and 21463~~ of 21356, 21357, 21385, 21450, 21451, 21452, 21453, 21454, 21455, 21456, 21457, 21458, 21459, 21460, 21461, 21461.5, 21462, 21463, 21464, 21465, 21492, 21503, 21504, 21505, 21530, 21547, 21547.7, 21548, 21604, 21625, 21628, 21629, 21630, 21631, 21632, 21633, 21752, 75070, 75071, 75073, 75094, 75522, 75570, 75571, 75573, and 75590, to amend the heading of Article 6 (commencing with Section 21450) of Chapter 13 of Part 3 of Division 5 of Title 2 of, to add Sections 75071.5 and 75571.5 to, and to add Article 7 (commencing with Section 21470) to Chapter 13 of Part 3 of Division 5 of Title 2 of, the Government Code, relating to retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 2404, as amended, Cooley. Public Employees' Retirement System: optional settlements.

Existing law *creates the Public Employees' Retirement System (PERS), the Judges' Retirement System, and the Judges' Retirement System II, all of which are administrated by the Board of Administration of the Public Employees' Retirement System. Existing law permits a member of the Public Employees' Retirement System to elect from among several optional settlements for the purpose of structuring his or her retirement allowance, which may result in a reduction of the*

allowance paid to the member in relation to the payments to his or her beneficiary after the member's death. Existing law includes among these options ~~optional~~ the following: *optional settlement 1, which provides for payment of a retirement allowance until death and the payment of any remaining contributions at death to his or her beneficiary or estate; optional settlement 2, which provides an allowance for life to the member and thereafter to his or her beneficiary, and optional beneficiary; optional settlement 3, which provides an allowance for life to the member and thereafter 1/2 of his or her allowance to his or her beneficiary; optional settlement 4, which provides for such other benefits that are the actuarial equivalent of a member's retirement allowance, subject to approval of the board and that the benefits payable not exceed actuarial equivalent of benefits under optional settlement 2, as specified; and optional settlement 5, which provides for a partial present distribution of the actuarial present value of a portion of a member's unmodified monthly allowance, as specified.* Existing law entitles a member ~~who elected optional settlement 2 and optional settlement 3 to~~ to elect certain variations within these settlements and, in certain instances, to a recalculated, increased allowance if the beneficiary predeceases the member, subject to a specified, sinking percentage. Existing law provides that a member who waives the right for an increased allowance upon the death of the beneficiary, as specified, is not entitled to an increase in his or her allowance, as described above. Existing law similarly permits a member of the Judges' Retirement System or the Judges' Retirement System II to select from various optional settlements for the purpose of structuring his or her retirement benefits.

This bill would provide that the right of a member to receive a recalculated allowance upon the death of his or her beneficiary, as described above, only applies to a member who retires on or before December 31, 2017.

*This bill would limit the application of the optional settlements and variations described above to PERS members who retire on or before December 31, 2017. For members who retire on or after January 1, 2018, the bill would revise and recast the optional retirement settlements, which would be termed the Return of Remaining Contributions Option 1, the 100 Percent Beneficiary Option 2, The 50 Percent Beneficiary Option 3, and the Flexible Beneficiary Option 4. The bill would revise and bring forward various administrative provisions in connection with these settlements, including those relating*

*to adjustments of actuarial equivalents by the board, the effective dates for elections and revocations and dates of payments, the effect of dissolution of marriage, and of a beneficiary predeceasing a member, among others. The bill would similarly limit application of current optional settlements and variations described above to members of the Judges' Retirement System or the Judges' Retirement System II who retire on or before December 31, 2017, and would provide to members of those systems who retire on and after January 1, 2018, optional retirement settlements analogous to those provided to PERS members, as described above. The bill would make conforming and technical changes.*

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 21356 of the Government Code is  
2     amended to read:

3     21356. (a) A member who elects, pursuant to Article 1.7  
4     (commencing with Section 19996.30) of Chapter 7 of Part 2.6 or  
5     pursuant to Sections 21110 through 21115, to participate in partial  
6     service retirement, while so participating, shall receive a reduced  
7     service retirement allowance. The reduced service retirement  
8     allowance shall be the amount of the service retirement allowance  
9     to which the employee would otherwise have been entitled had he  
10    or she fully retired on the effective date of the partial service  
11    retirement, reduced by the percentage of the employee's full-time  
12    work which the employee has elected to work while on partial  
13    service retirement.

14    (b) Article 6 (commencing with Section 21450) and Article 7  
15    (commencing with Section 21470) shall not apply to an employee  
16    who is participating in reduced worktime for partial service  
17    retirement.

18    (c) For a member who elects pursuant to Article 1.7  
19    (commencing with Section 19996.30) of Chapter 7 of Part 2.6 or  
20    pursuant to Sections 21110 through 21115 to become fully retired,  
21    the current service pension, or current and prior service pensions,  
22    as the case may be, upon his or her full service retirement shall be  
23    (1) the sum of a current service pension calculated on the basis of  
24    service rendered during participation in reduced worktime in

1 accordance with the formula applicable to his or her current service  
2 pension, plus his or her current service pension, or current and  
3 prior service pensions, as the case may be, as it was prior to his or  
4 her full service retirement, provided that full service retirement  
5 occurs before he or she renders, while participating in reduced  
6 worktime for partial service retirement, one year of state service  
7 credited under this system; or (2) if he or she has rendered one  
8 year or more of state service while participating in reduced  
9 worktime for partial service retirement, a current service pension,  
10 or current and prior service pensions, as the case may be, based  
11 on the total years of service with which the member is entitled to  
12 be credited, calculated on the basis of the formula currently  
13 applicable to the employment in which the service was rendered.  
14 A member shall receive service credit for service during  
15 participation in reduced worktime for partial retirement and service  
16 credited at the time of the election to participate in reduced  
17 worktime for partial retirement.

18 *SEC. 2. Section 21357 of the Government Code is amended to*  
19 *read:*

20 21357. (a) For a member reinstated from service retirement  
21 or partial service retirement, the current service pension, or current  
22 and prior service pensions, as the case may be, upon his or her  
23 service retirement subsequent to the reinstatement, shall be the  
24 sum of (1) a current service pension calculated on the basis of  
25 service rendered after reinstatement in accordance with the formula  
26 applicable to him or her in that service and membership, plus, (2)  
27 if the subsequent retirement occurs before he or she renders, after  
28 his or her reinstatement, at least one year of state service credited  
29 under this system, or if the subsequent service or disability  
30 retirement occurs after his or her reinstatement from service or  
31 disability retirement pursuant to an election under Section 21465,  
32 his or her current service pension, or current and prior service  
33 pensions, as the case may be, as it was prior to his or her  
34 reinstatement, adjusted for any service on which the pension was  
35 based that was included in coverage of the federal system during  
36 reinstatement according to the formula applicable to the service  
37 in employment for which he or she was retired, and further adjusted  
38 according to any change after reinstatement in the provisions  
39 governing the calculation of his or her pension that would have  
40 applied to him or her had he or she continued in retirement but

1 been subject to the formula applied in the first adjustment; or, for  
2 state miscellaneous and state industrial service subject to Section  
3 21076, in lieu of (2), plus (3) a current service pension, or current  
4 and prior service pensions, as the case may be, as it would have  
5 been prior to his or her reinstatement under the formula applicable  
6 to Section 21076, adjusted for any service on which the pension  
7 was based that was included in coverage of the federal system  
8 during reinstatement according to the formula applicable to the  
9 service in employment for which he or she was retired, and further  
10 adjusted according to any change after reinstatement in the  
11 provisions governing the calculations of his or her pension that  
12 would have applied to him or her had he or she continued in  
13 retirement and been subject to the formula applicable to Section  
14 ~~21076~~, 21076 or 21483, or if he or she has rendered one year or  
15 more of state service after reinstatement, in lieu of (2) or (3), plus  
16 (4), a current service pension based on current service rendered  
17 prior to reinstatement, calculated on the basis of the formula  
18 currently applicable to the employment in which the service was  
19 rendered but on the basis of an age taken to the preceding  
20 completed quarter year but not less than the minimum retirement  
21 age applicable to him or her at his or her last retirement and  
22 determined by deducting from his or her age at his or her  
23 subsequent retirement, the aggregate time during which he or she  
24 was under retirement. For a member reinstated from nonindustrial  
25 disability retirement, the current service pension upon his or her  
26 service retirement after attaining an age one year less than the  
27 minimum age at which he or she could have retired without an  
28 actuarial discount because of age in the employment from which  
29 he or she was last retired, or upon his or her disability retirement  
30 after attaining the minimum age, and subsequent to reinstatement,  
31 shall be calculated in the manners described in the preceding  
32 sentence, but the age determined upon subsequent retirement after  
33 rendering at least one year of state service credited under this  
34 system shall not be taken at less than one year less than the  
35 minimum age if the subsequent retirement is for service, or the  
36 minimum age if the retirement is for disability.

37 (b) The current service pension otherwise payable under this  
38 section to a member whose allowance prior to reinstatement was  
39 paid pursuant to his or her election under Section ~~21461~~ 21461,  
40 21461.5, 21479, or 21480 shall be reduced by the actuarial

1 equivalent, on the date of retirement subsequent to reinstatement,  
2 of the amount (converted as below), if any, by which:

3 (1) The total amount paid in the period during which a temporary  
4 annuity was included in the payments, reduced by the total amount  
5 that would have been payable during that period had the election  
6 not been made, exceeds

7 (2) The excess of the total amount that would have been payable,  
8 had the election not been made, during the time subsequent to that  
9 period and prior to reinstatement, over the total amount actually  
10 paid during that time.

11 The amount determined by the above formula shall be converted  
12 to an amount equaling the actuarial equivalent on the date of  
13 reinstatement and this latter amount shall be the basis of the  
14 actuarial equivalent on the date of retirement subsequent to  
15 reinstatement.

16 Actuarial equivalents required by this section shall be based on  
17 the interest rate and mortality tables in use by this system on the  
18 date of retirement subsequent to reinstatement.

19 (c) Notwithstanding this section, or any other provision of this  
20 part, the current service pension payable to any member subject  
21 to this section who rendered one year or more of state service  
22 credited under this system after reinstatement on retirement for  
23 service subsequent to reinstatement from service retirement for  
24 any credited service for which a current service pension was paid  
25 prior to reinstatement shall not be less than the current service  
26 pension that would be payable on the date of the subsequent  
27 retirement had the member not been reinstated. For state  
28 miscellaneous and state industrial service subject to Section 21076,  
29 the current service pension payable for any credited service for  
30 which a current service pension was paid prior to reinstatement  
31 shall not be less than the current service pension that would have  
32 been payable on the date of the subsequent retirement had the  
33 member's retirement been subject to the formula under Section  
34 21076 and had not been reinstated, adjusted, however, by any  
35 reduction under this section because of an election under Section  
36 21461 and, for any service so credited that was included in  
37 coverage of the federal system during reinstatement, according to  
38 the formula applicable to the service in employment from which  
39 he or she was retired.

1     *SEC. 3. Section 21385 of the Government Code is amended to*  
2 *read:*

3     21385. The prior service pension of a member reinstated from  
4 service retirement, upon his or her subsequent service retirement,  
5 shall be in the same amount as his or her prior service pension  
6 prior to his or her reinstatement, adjusted for any service on which  
7 the pension was based that was included in coverage of the federal  
8 system during reinstatement according to the formula applicable  
9 to the service in employment from which he or she was retired,  
10 and further adjusted according to any change in the provisions  
11 governing the calculation of the pensions, using the formula applied  
12 in the first adjustment, made after the reinstatement and applicable  
13 to pensions being paid at the date of the change if the subsequent  
14 retirement occurs before he or she renders after his or her  
15 reinstatement at least one year of state service credited under this  
16 system. Otherwise, the prior service pension calculated on the  
17 basis of an age, taken to the preceding completed quarter year but  
18 not less than the minimum retirement age applicable to him or her  
19 at his or her last retirement, and determined by deducting from his  
20 or her age at his or her subsequent retirement, the aggregate time  
21 during which he or she was under retirement. For such a member  
22 reinstated from nonindustrial disability retirement, the prior service  
23 pension upon his or her service retirement after attaining an age  
24 one year less than the minimum age at which he or she could have  
25 retired without an actuarial discount because of age in the  
26 employment from which he or she was last retired, or upon his or  
27 her disability retirement after attaining the minimum age, and  
28 subsequent to reinstatement, shall be calculated in the manners  
29 described in the preceding sentence, but the age determined upon  
30 subsequent retirement after rendering at least one year of state  
31 service, shall not be taken at less than one year less than the  
32 minimum age if the subsequent retirement is for service, or the  
33 minimum age if the retirement is for disability.

34     The prior service pension otherwise payable under this section  
35 to a member whose allowance prior to reinstatement was paid  
36 pursuant to his or her election under Section ~~21461~~ 21461,  
37 21461.5, 21479, or 21480 shall be reduced by the actuarial  
38 equivalent, on the date of retirement subsequent to reinstatement,  
39 of the amount, if any (converted as below), by which:

1 (a) The total amount paid in the period during which a temporary  
2 annuity was included in the payments, the amount being reduced  
3 by the total amount that would have been payable during the period  
4 had the election not been made; exceeds

5 (b) The excess of the total amount that would have been payable,  
6 had the election not been made, during the time subsequent to the  
7 period and prior to reinstatement over the total amount actually  
8 paid during that time.

9 The amount determined by the above formula shall be converted  
10 to an amount equaling the actuarial equivalent on the date of  
11 reinstatement. The latter amount shall be the basis of the actuarial  
12 equivalent, on the date of retirement subsequent to reinstatement.

13 Actuarial equivalents required by this section shall be based on  
14 the interest rate and mortality tables in use by this system on the  
15 date of retirement subsequent to reinstatement.

16 Notwithstanding this section, or any other provision of this part,  
17 the prior service pension payable to any member subject to this  
18 section who rendered one year or more of state service credited  
19 under this system after reinstatement on retirement for service  
20 subsequent to reinstatement from service retirement for any  
21 credited service for which a prior service pension was paid prior  
22 to reinstatement shall not be less than the prior service pension  
23 that would be payable on the date of the subsequent retirement  
24 had the member not been reinstated, adjusted, however, by any  
25 reduction under this section because of an election under Section  
26 ~~21461~~ 21461, 21461.5, 21479, or 21480 and, for any service so  
27 credited that was included in coverage of the federal system during  
28 reinstatement, according to the formula applicable to the service  
29 in employment from which he or she was retired.

30 *SEC. 4. The heading of Article 6 (commencing with Section*  
31 *21450) of Chapter 13 of Part 3 of Division 5 of Title 2 of the*  
32 *Government Code is amended to read:*

33  
34 *Article 6. Optional Settlements Prior to January 1, 2018*  
35

36 *SEC. 5. Section 21450 of the Government Code is amended to*  
37 *read:*

38 21450. This system shall provide to any member who requests  
39 materials relating to retirement, a written explanation of the effects,  
40 if any, of each possible decision relating to the selection of optional

1 settlements, beneficiaries, and survivor benefits upon health  
2 benefits that are provided pursuant to Part 5 (commencing with  
3 Section 22750).

4 *This section shall apply to any member who retires on or before*  
5 *December 31, 2017.*

6 *SEC. 6. Section 21451 of the Government Code is amended to*  
7 *read:*

8 21451. In lieu of the retirement allowance for his or her life  
9 alone, a member or retired member may elect, or revoke or change  
10 a previous election prior to the approval of the previous election,  
11 to have the actuarial equivalent of his or her retirement allowance  
12 as of the date of retirement applied to a lesser retirement allowance,  
13 in accordance with one of the optional settlements specified in this  
14 article. The election or revocation or change thereof, with respect  
15 to a member subject to Section ~~21624~~ 21624, 21629, or 21630 at  
16 retirement, shall apply to all of the retirement allowance, if, at the  
17 effective date of retirement, the member has no spouse, children  
18 or dependent parents who would qualify for an allowance under  
19 Section ~~21624~~ 21624, 21629, or 21630, *as applicable*, after the  
20 death of the member; or, if at retirement there are persons who  
21 would so qualify, then the election, or revocation, or change  
22 thereof, with respect to any optional settlement other than optional  
23 settlement one, shall apply only to the portion of the allowance  
24 that exceeds the amount of the allowance payable to the survivor.

25 An actuarial equivalent under this article may be adjusted by the  
26 board for the intervals and upon the effective dates determined by  
27 the board.

28 *This section shall apply to any member who retires on or before*  
29 *December 31, 2017.*

30 *SEC. 7. Section 21452 of the Government Code is amended to*  
31 *read:*

32 21452. The lesser retirement allowance under an optional  
33 settlement elected at retirement for law enforcement members  
34 whose retirement is effective prior to October 1, 1965, and who  
35 are entitled to receive benefits under the federal system, shall be  
36 actuarially equivalent to that part of the retirement allowance that  
37 is subject to option pursuant to Section 21451 that would have  
38 been payable at retirement had no optional settlement been elected  
39 after taking into consideration the reduction in the allowance  
40 provided for in former Section 21252.10, as amended by Chapter

1 1657 of the Statutes of 1971. Upon the election of an optional  
2 settlement by a member who has not attained the federal retirement  
3 age the board shall estimate the federal benefit upon the basis of  
4 information then available to it. If the death of the member should  
5 occur before he or she has attained the federal retirement age  
6 payments under the optional settlement elected shall be as  
7 estimated. If the member attains the federal retirement age, the  
8 board shall then recalculate the lesser retirement allowance payable  
9 under the optional settlement upon the basis of the age of the  
10 member and the beneficiary on the effective date of retirement,  
11 actuarial tables then in use and the federal benefit.

12 *This section shall apply to any member who retires on or before*  
13 *December 31, 2017.*

14 *SEC. 8. Section 21453 of the Government Code is amended to*  
15 *read:*

16 21453. An election, revocation, or change of election shall be  
17 made within 30 calendar days after the making of the first payment  
18 on account of any retirement allowance or, in the event of a change  
19 of retirement status after retirement, within 30 calendar days after  
20 the making of the first payment on account of any retirement  
21 allowance following the change in retirement status. "Change in  
22 retirement status" includes, but is not limited to, change from  
23 service to disability retirement, from disability retirement to service  
24 retirement, from nonindustrial disability retirement to industrial  
25 disability retirement, or from industrial to nonindustrial disability  
26 retirement.

27 For purposes of this section, payment shall be deemed to have  
28 been made on the date a warrant is mailed, or the date funds are  
29 electronically transferred to a bank, savings and loan association,  
30 or credit union account for deposit in the member's account.

31 This section shall not be construed to authorize a member to  
32 change his or her retirement status after the election, revocation,  
33 or change of election provided in this section.

34 *This section shall apply to any member who retires on or before*  
35 *December 31, 2017.*

36 *SEC. 9. Section 21454 of the Government Code is amended to*  
37 *read:*

38 21454. Notwithstanding Section 21453, an election of optional  
39 settlement 2 or 3, or optional settlement 4 involving life  
40 contingency in which a spouse is designated as the beneficiary,

1 may be modified as provided in this section in the event of a  
2 dissolution or annulment of the marriage or a legal separation in  
3 which the division of the community property awards the total  
4 interest in the retirement system to the retired member. The  
5 modification shall provide that payment shall be continued during  
6 the retired person's lifetime in accordance with the optional  
7 settlement then in effect but that no monthly allowance shall be  
8 paid following the retired person's death, and in lieu thereof there  
9 shall be paid in a lump sum to the member's estate or a beneficiary  
10 designated by him or her the amount, if any, by which the  
11 member's accumulated contributions at retirement exceed the total  
12 payments made to the retired person to the date of his or her death.

13 *This section shall apply to any member who retires on or before*  
14 *December 31, 2017.*

15 *SEC. 10. Section 21455 of the Government Code is amended*  
16 *to read:*

17 21455. Optional settlement 1 consists of the right to have a  
18 retirement allowance paid him or her until his or her death and if  
19 he or she dies before he or she receives in annuity payments the  
20 amount of his or her accumulated contributions at retirement, to  
21 have the balance at death paid to his or her beneficiary or estate.

22 *This section shall apply to any member who retires on or before*  
23 *December 31, 2017.*

24 *SEC. 11. Section 21456 of the Government Code is amended*  
25 *to read:*

26 21456. Optional settlement 2 consists of the right to have a  
27 retirement allowance paid a member until his or her death and  
28 thereafter to his or her beneficiary for life.

29 If the beneficiary predeceases the member and the member  
30 elected this section to be effective on or after January 1, 1990, the  
31 member's allowance shall be adjusted effective the first of the  
32 month following the death of the beneficiary, to reflect the benefit  
33 that would have been paid had the member not selected an optional  
34 settlement.

35 If a nonspouse beneficiary waives entitlement to this allowance  
36 and the member elected this section to be effective on or after  
37 January 1, 1993, the member's allowance shall be adjusted effective  
38 the first of the month following the receipt of the waiver of the  
39 allowance entitlement from the nonspouse beneficiary to reflect

1 the benefit that would have been paid had the member not selected  
2 an optional settlement.

3 If the marriage of a member is dissolved or annulled or there is  
4 a legal separation between the member and the beneficiary spouse  
5 and the judgment dividing the community property awards the  
6 total interest in this system to the member, and the member elects  
7 this section to be effective on or after January 1, 1994, the  
8 member's allowance shall be adjusted effective the first of the  
9 month following the filing of the judgment with the board to reflect  
10 the benefit that would have been paid had the member not selected  
11 an optional settlement.

12 If the beneficiary spouse predeceases the member on or after  
13 January 1, 1990, and the member elected this section to be effective  
14 prior to January 1, 1990, the member's allowance shall be adjusted  
15 effective the first of the month following the death of the  
16 beneficiary spouse to reflect a new allowance as calculated below.

17 If the nonspouse beneficiary waives entitlement to this allowance  
18 on or after January 1, 1993, and the member elected this section  
19 to be effective prior to January 1, 1993, the member's allowance  
20 shall be adjusted, effective the first of the month following receipt  
21 by the board of the waiver of entitlement from the nonspouse  
22 beneficiary, to reflect a new allowance as calculated below.

23 If the marriage of a member is dissolved or annulled or there is  
24 a legal separation between the member and the beneficiary spouse  
25 and the judgment dividing the community property awards the  
26 total interest in the retirement system to the member, and the  
27 member elected this section to be effective prior to January 1,  
28 1994, the member's allowance shall be adjusted, effective the first  
29 of the month following the filing of the judgment with the board  
30 to reflect a new allowance as calculated below. The qualifying  
31 event shall be the date on which the judgment is filed with the  
32 board.

33 A percentage factor shall be applied to the difference between  
34 the member's unmodified allowance and optional settlement 2  
35 allowance, both of which shall include applicable cost-of-living  
36 increases. The product of this equation shall then be added to the  
37 member's optional settlement 2 allowance and the total amount  
38 shall become the member's base allowance. The percentage factor  
39 applicable to each member shall be determined by the time between  
40 the member's retirement effective date and the date of death of

1 the beneficiary spouse or by the time between the member’s  
2 retirement effective date and the date of the receipt of either the  
3 waiver of the allowance entitlement or the judgment of dissolution,  
4 annulment, or legal separation according to the following table:

5 6 Period between the member’s retirement 7 effective date and the date of the qualifying 8 event	Percentage
9 Less than 12 months	95%
10 12 months through 23 months	85%
11 24 months through 35 months	75%
12 36 months through 47 months	65%
13 48 months through 59 months	55%
14 60 months through 71 months	45%
15 72 months through 83 months	35%
16 84 months through 95 months	25%
17 96 months through 107 months	15%
18 108 months through 119 months	5%
19 120 months or more	0%

20  
21 Nothing in this section shall result in additional cost to the  
22 employer.

23 *This section shall apply to any member who retires on or before*  
24 *December 31, 2017.*

25 *SEC. 12. Section 21457 of the Government Code is amended*  
26 *to read:*

27 21457. Optional settlement 3 consists of the right to have a  
28 retirement allowance paid to a member until his or her death, and  
29 thereafter to have one-half of his or her retirement allowance paid  
30 to his or her beneficiary for life.

31 If the beneficiary predeceases the member and the member  
32 elected this section to be effective on or after January 1, 1990, the  
33 member’s allowance shall be adjusted effective the first of the  
34 month following the death of the beneficiary, to reflect the benefit  
35 that would have been paid had the member not selected an optional  
36 settlement.

37 If the marriage of a member is dissolved or annulled or there is  
38 a legal separation between the member and the beneficiary spouse  
39 and the judgment dividing the community property awards the  
40 total interest in this system to the member, and the member elects

1 this section to be effective on or after January 1, 1994, the  
2 member's allowance shall be adjusted effective the first of the  
3 month following the filing of the judgment with the board to reflect  
4 the benefit that would have been paid had the member not selected  
5 an optional settlement.

6 If a nonspouse beneficiary waives entitlement to this allowance  
7 and the member elected this section to be effective on or after  
8 January 1, 1993, the member's allowance shall be adjusted,  
9 effective the first of the month following the receipt of the waiver  
10 of the allowance entitlement from the nonspouse beneficiary, to  
11 reflect the benefit that would have been paid had the member not  
12 selected an optional settlement.

13 If the beneficiary spouse predeceases the member on or after  
14 January 1, 1990, and the member elected this section to be effective  
15 prior to January 1, 1990, the member's allowance shall be adjusted  
16 effective the first of the month following the death of the  
17 beneficiary spouse to reflect a new allowance as calculated below.

18 If the marriage of a member is dissolved or annulled or there is  
19 a legal separation between the member and the beneficiary spouse  
20 and the judgment dividing the community property awards the  
21 total interest in the retirement system to the member, and the  
22 member elected this section to be effective prior to January 1,  
23 1994, the member's allowance shall be adjusted, effective the first  
24 of the month following the filing of the judgment with the board  
25 to reflect a new allowance as calculated below. The qualifying  
26 event shall be the date on which the judgment is filed with the  
27 board.

28 If the nonspouse beneficiary waives entitlement to this allowance  
29 on or after January 1, 1993, and the member elected this section  
30 to be effective prior to January 1, 1993, the member's allowance  
31 shall be adjusted, effective the first of the month following receipt  
32 by the board of the waiver of entitlement from the nonspouse  
33 beneficiary, to reflect a new allowance as calculated below.

34 A percentage factor shall be applied to the difference between  
35 the member's unmodified allowance and optional settlement 3  
36 allowance, both of which shall include applicable cost-of-living  
37 increases. The product of this equation shall then be added to the  
38 member's optional settlement 3 allowance and the total amount  
39 shall become the member's base allowance. The percentage factor  
40 applicable to each member shall be determined by the time between

1 the member’s retirement effective date and the date of death of  
 2 the beneficiary spouse or by the time between the member’s  
 3 retirement effective date and the date of the receipt of either the  
 4 waiver of the allowance entitlement or the judgment of dissolution,  
 5 annulment, or legal separation according to the following table:

6 7 8 9	Period between the member’s retirement effective date and the date of the qualifying event	Percentage
10	Less than 12 months	95%
11	12 months through 23 months	85%
12	24 months through 35 months	75%
13	36 months through 47 months	65%
14	48 months through 59 months	55%
15	60 months through 71 months	45%
16	72 months through 83 months	35%
17	84 months through 95 months	25%
18	96 months through 107 months	15%
19	108 months through 119 months	5%
20	120 months or more	0%

21  
 22 Nothing in this section shall result in additional cost to the  
 23 employer.

24 *This section shall apply to any member who retires on or before*  
 25 *December 31, 2017.*

26 *SEC. 13. Section 21458 of the Government Code is amended*  
 27 *to read:*

28 21458. Optional settlement 4 consists of such other benefits  
 29 as are the actuarial equivalent of a member’s retirement allowance,  
 30 that he or she may select subject to the approval of the board.  
 31 However, the actuarial equivalent of benefits under this optional  
 32 settlement payable to the member’s beneficiary shall not exceed  
 33 the actuarial equivalent of the benefits which would be payable to  
 34 that beneficiary if the member had elected optional settlement 2  
 35 and Section 21459.

36 The board shall include in each member benefit booklet a specific  
 37 illustration of the benefits available under optional settlement 4.

38 *This section shall apply to any member who retires on or before*  
 39 *December 31, 2017.*

1     *SEC. 14. Section 21459 of the Government Code is amended*  
2 *to read:*

3     21459. A member who elects to receive optional settlement 2  
4 or 3 may concurrently and irrevocably elect to waive the provision  
5 for an increase to his or her allowance due to the death of his or  
6 her beneficiary and shall, instead, have his or her allowance based  
7 upon the waiver of this benefit.

8     *This section shall apply to any member who retires on or before*  
9 *December 31, 2017.*

10    *SEC. 15. Section 21460 of the Government Code is amended*  
11 *to read:*

12    21460. A member who elects to receive the unmodified  
13 allowance or optional settlement 1, or optional settlement 2, 3, or  
14 4 with or without making the election specified in Section 21459,  
15 and who names his or her spouse as the option beneficiary, and  
16 whose spouse is also an eligible survivor for the benefits provided  
17 by Section 21624, 21626, 21627, 21628, 21629, or 21630, and  
18 where the total benefit to the surviving spouse is at least 50 percent  
19 of the member’s unmodified allowance, may concurrently and  
20 irrevocably elect to have his or her allowance paid as a “qualified  
21 joint and survivor annuity.” Notwithstanding any other provision  
22 of this part, upon the election, the survivor allowance shall be paid  
23 only to the member’s spouse and shall continue to be paid upon  
24 the remarriage of the spouse. Any cost due to this election shall  
25 be paid by the member through an actuarial reduction to his or her  
26 allowance.

27    For purposes of this section, a member’s retirement allowance  
28 shall be determined without regard to any limitation required  
29 pursuant to Section 415 of Title 26 of the United States Code but  
30 the amount payable to the spouse shall be subject to those limits  
31 as if it were the retirement allowance of the member.

32    *This section shall apply to any member who retires on or before*  
33 *December 31, 2017.*

34    *SEC. 16. Section 21461 of the Government Code is amended*  
35 *to read:*

36    21461. (a) A member retiring for service may elect to have  
37 the actuarial equivalent of his or her unmodified service retirement  
38 allowance paid in two parts as follows:

1 (1) A temporary annuity in an amount specified by the member  
2 but which shall not result in a reduction to his or her unmodified  
3 allowance by more than 50 percent.

4 (2) A life income consisting of his or her service retirement  
5 annuity plus the pension provided by the actuarial value of his or  
6 her current and prior service pensions remaining after providing  
7 the temporary annuity in paragraph (1).

8 (b) The temporary annuity under subdivision (a) shall not be  
9 subject to further optional settlement under this article and shall  
10 be payable monthly as an addition to the member's monthly life  
11 income beginning on his or her effective date of retirement and  
12 continuing until the member reaches ~~age 59½~~ *59 years and six*  
13 *months of age* or any whole age between ~~ages 60 and 68~~, *60 and*  
14 *68 years of age*, as designated by the member at the time of his or  
15 her retirement. If his or her death occurs prior to that age, the  
16 commuted value of any remaining installments shall be paid to his  
17 or her designated beneficiary in a lump sum.

18 *This section shall apply to any member who retires on or before*  
19 *December 31, 2017.*

20 *SEC. 17. Section 21461.5 of the Government Code is amended*  
21 *to read:*

22 21461.5. (a) Notwithstanding Section 21461, a member retiring  
23 for service who became a member of the system on or after January  
24 1, 2002, and who is covered under the federal system but is not  
25 yet receiving a retirement or disability benefit under that system,  
26 may elect to have the actuarial equivalent of his or her unmodified  
27 service retirement allowance paid in two parts as follows:

28 (1) A temporary annuity that shall not exceed the primary social  
29 security benefit that is anticipated the member shall be entitled to  
30 receive at social security retirement age, which age shall be  
31 designated by the member.

32 (2) A life income consisting of the member's service retirement  
33 annuity plus the pension provided by the actuarial value of the  
34 member's current and prior service pensions remaining after  
35 providing the temporary annuity in paragraph (1).

36 (b) The temporary annuity under paragraph (1) of subdivision  
37 (a) shall not be subject to further optional settlement under this  
38 article and shall be payable monthly as an addition to the member's  
39 monthly life income beginning on the member's effective date of  
40 retirement and continuing until the retired member attains the age

1 designated by the member under subdivision (a). If the member  
2 dies prior to the designated age, the commuted value of any  
3 installments payable for the period remaining until the member  
4 would have attained that age shall be paid to the member's  
5 designated beneficiary in a lump sum.

6 *This section shall apply to any member who retires on or before*  
7 *December 31, 2017.*

8 *SEC. 18. Section 21462 of the Government Code is amended*  
9 *to read:*

10 21462. (a) (1) Notwithstanding any other provision of this  
11 part, a member who elected to receive optional settlement 2, 3, or  
12 4, involving a life contingency of the beneficiary, may, if the  
13 beneficiary predeceases the member or if the member marries and  
14 the former spouse was not named as beneficiary, or, if a former  
15 spouse was named, in the event of a dissolution or annulment of  
16 the marriage or a legal separation in which the judgment dividing  
17 the community property awards the total interest in the retirement  
18 system to the retired member, elect to have the actuarial equivalent  
19 reflecting any selection against the fund resulting from the election  
20 as of the date of election of the allowance payable for the remainder  
21 of the member's lifetime under the optional settlement previously  
22 chosen applied to a lesser allowance during the member's  
23 remaining lifetime under one of the optional settlements specified  
24 in this article and name a different beneficiary.

25 (2) Notwithstanding paragraph (1), for an election pursuant to  
26 this section that occurs on or after January 1, 2014, a member may  
27 name the same beneficiary as previously designated, provided that  
28 the resulting benefit to the member and the named beneficiary  
29 otherwise meets the requirements of this section.

30 (b) The election shall be made within 12 months following the  
31 death of the beneficiary who predeceased the member or within  
32 12 months of the date of entry of the judgment dividing the  
33 community property of the parties, or within 12 months following  
34 marriage if the spouse is named as beneficiary. The election shall  
35 become effective on the date specified on the election, provided  
36 that this date is not earlier than the day following receipt of the  
37 election in this system pursuant to this section.

38 (c) A member who has a qualifying event prior to January 1,  
39 1988, and who fails to elect by January 1, 1989, or a member who  
40 has a qualifying event on or after January 1, 1988, and who fails

1 to elect within 12 months, shall retain the right to make an election  
2 under this section. However, this election shall become effective  
3 no earlier than 12 months after the date it is filed with the board,  
4 provided that neither the member nor the designated beneficiary  
5 die prior to the effective date of the election.

6 (d) This section shall not be construed to mean that designation  
7 of a new beneficiary causes the selection of an optional settlement.  
8 An optional settlement shall be selected by a member in a writing  
9 filed by the member with the board.

10 *This section shall apply to any member who retires on or before*  
11 *December 31, 2017.*

12 *SEC. 19. Section 21463 of the Government Code is amended*  
13 *to read:*

14 21463. A member who elected to receive optional settlement  
15 2 or 3 and whose beneficiary predeceases him or her, shall be  
16 entitled to receive the increased allowance pursuant to Section  
17 21456 or Section 21457, as applicable, unless the member elected  
18 to waive the provision for an increase to his or her allowance  
19 pursuant to Section 21459.

20 *This section shall apply to any member who retires on or before*  
21 *December 31, 2017.*

22 *SEC. 20. Section 21464 of the Government Code is amended*  
23 *to read:*

24 21464. Notwithstanding any provision of this part, a retired  
25 member who chose no optional settlement or optional settlement  
26 1 at retirement may elect to have the actuarial equivalent, as of the  
27 date of the election, of the allowance payable for the remainder of  
28 his or her lifetime applied to a lesser allowance during his or her  
29 remaining lifetime under one of the optional settlements specified  
30 in this article and name his or her spouse as beneficiary.

31 The election provided by this section is irrevocable and shall be  
32 made within 12 months following a member's marriage if the  
33 spouse is named as beneficiary. The election shall become effective  
34 on the date specified on the election, provided that this date is not  
35 earlier than the day following receipt of the election in this system  
36 pursuant to this section.

37 A member who married prior to or after January 1, 1988, who  
38 fails to elect within 12 months, shall retain the right to make an  
39 election under this section. However, the election shall become  
40 effective no earlier than 12 months after the date it is filed with

1 the board, provided that neither the member nor the designated  
2 beneficiary die prior to the effective date of the election.

3 This section shall not be construed to mean that designation of  
4 a new beneficiary causes the selection of an optional settlement.  
5 An optional settlement shall be selected by a member in a writing  
6 filed by the member with the board.

7 *This section shall apply to any member who retires on or before*  
8 *December 31, 2017.*

9 *SEC. 21. Section 21465 of the Government Code is amended*  
10 *to read:*

11 21465. (a) Optional settlement 5 consists of a partial  
12 distribution of the actuarial present value of the portion, as  
13 specified in this section, of the member's unmodified monthly  
14 allowance, as prescribed in Section 21362, 21362.2, 21363,  
15 21363.1, 21363.4, or 21423, when a service retirement allowance  
16 is payable. The actuarial present value shall be based upon the  
17 investment return and postretirement mortality assumptions adopted  
18 by the board for that purpose. The member may elect to receive  
19 the actuarial present value of no less than 20 percent and no more  
20 than 50 percent of his or her unmodified allowance. The member  
21 may elect to receive the remaining portion of the unmodified  
22 allowance, not distributed as a lump-sum payment, under one of  
23 the settlements specified in this article for the remainder of his or  
24 her lifetime and thereafter to his or her designated beneficiary,  
25 unless this amount is solely limited to the survivor continuance  
26 portion. The portion of the unmodified allowance equivalent to  
27 the survivor continuance pursuant to Section 21624 may not be  
28 distributed as a lump-sum payment. The benefits provided under  
29 this section may not exceed the benefits that would have otherwise  
30 been provided under any other section in this article.

31 (b) This section shall only apply to the following members who  
32 retire on or after January 1, ~~1999~~: 1999, and on or before December  
33 31, 2017:

34 (1) State peace officer/firefighter members in State Bargaining  
35 Unit 6.

36 (2) State peace officer/firefighter members in State Bargaining  
37 Unit 8 and state patrol members in State Bargaining Unit 5, if a  
38 memorandum of understanding has been agreed upon by the state  
39 and the recognized employee organization to become subject to  
40 this section.

1 (3) This section shall also apply to state peace officer/firefighter  
2 members and state patrol members in related supervisory and  
3 confidential positions, if the Department of Human Resources has  
4 approved their inclusion.

5 *SEC. 22. Article 7 (commencing with Section 21470) is added*  
6 *to Chapter 13 of Part 3 of Division 5 of Title 2 of the Government*  
7 *Code, to read:*

8  
9 *Article 7. Optional Settlements on and After January 1, 2018*

10  
11 *21470. This system shall provide to any member who retires*  
12 *on or after January 1, 2018, and requests materials relating to*  
13 *retirement, a written explanation of the effects, if any, of each*  
14 *possible decision relating to the selection of optional settlements,*  
15 *beneficiaries, and survivor benefits upon health benefits that are*  
16 *provided pursuant to Part 5 (commencing with Section 22750).*

17 *21471. (a) The unmodified allowance consists of the right to*  
18 *have the maximum retirement allowance paid to a member until*  
19 *his or her death. There is no continuing allowance to a beneficiary*  
20 *and there is no return of unused accumulated contributions after*  
21 *the death of the member.*

22 *(b) This section shall apply to any member who retires on or*  
23 *after January 1, 2018.*

24 *21471.1. (a) In lieu of electing the unmodified allowance, a*  
25 *member may elect to have the actuarial equivalent of his or her*  
26 *unmodified allowance as of the date of retirement applied to a*  
27 *lesser retirement allowance, in accordance with one of the optional*  
28 *settlements specified in this article. The election with respect to a*  
29 *member subject to Section 21624, 21629, or 21630 at retirement,*  
30 *shall apply to all of the retirement allowance, if, at the effective*  
31 *date of retirement, the member has no spouse, children, or*  
32 *dependent parents who would qualify for an allowance under*  
33 *Section 21624, 21629, or 21630, as applicable, after the death of*  
34 *the member; or, if at retirement there are persons who would so*  
35 *qualify, then the election with respect to any optional settlement*  
36 *other than the optional settlement in Section 21474, shall apply*  
37 *only to the portion of the allowance that exceeds the amount of*  
38 *the allowance payable to the survivor.*

1 (b) An actuarial equivalent under this article may be adjusted  
2 by the board for the intervals and upon the effective dates  
3 determined by the board.

4 (c) This section shall apply to any member who retires on or  
5 after January 1, 2018.

6 21472. (a) An election, revocation, or change of election shall  
7 be made within 30 calendar days after the making of the first  
8 payment on account of any retirement allowance or, in the event  
9 of a change of retirement status after retirement, within 30  
10 calendar days after the making of the first payment on account of  
11 any retirement allowance following the change in retirement status.  
12 “Change in retirement status” includes, but is not limited to,  
13 change from service to disability retirement, from disability  
14 retirement to service retirement, from nonindustrial disability  
15 retirement to industrial disability retirement, or from industrial  
16 to nonindustrial disability retirement

17 (b) For purposes of this section, payment shall be deemed to  
18 have been made on the date a warrant is mailed, or the date funds  
19 are electronically transferred to a bank, savings and loan  
20 association, or credit union account for deposit in the member’s  
21 account.

22 (c) This section shall not be construed to authorize a member  
23 to change his or her retirement status after the election, revocation,  
24 or change of election provided in this section.

25 (d) This section shall apply to any member who retires on or  
26 after January 1, 2018.

27 21473. (a) Notwithstanding Section 21472, the election of an  
28 optional settlement in Section 21475, 21476, or 21477 in which a  
29 spouse is designated as the beneficiary, may be modified as  
30 provided in this section in the event of a dissolution or annulment  
31 of the marriage or a legal separation in which the division of the  
32 community property awards the total interest in the retirement  
33 system to the retired member. The modification shall provide that  
34 payment shall be continued during the retired member’s lifetime  
35 in accordance with the optional settlement then in effect but that  
36 no monthly allowance shall be paid following the retired member’s  
37 death, and in lieu thereof there shall be paid in a lump sum to the  
38 member’s estate or a beneficiary designated by him or her the  
39 amount, if any, by which the member’s accumulated contributions

1 *at retirement exceed the total payments made to the retired member*  
2 *to the date of his or her death.*

3 *(b) This section shall apply to any member who retires on or*  
4 *after January 1, 2018.*

5 21474. *(a) The Return of Remaining Contributions Option 1*  
6 *consists of the right to have a retirement allowance paid to a*  
7 *member until his or her death and if he or she dies before he or*  
8 *she receives in annuity payments the amount of his or her*  
9 *accumulated contributions at retirement, to have the balance at*  
10 *death paid to his or her named beneficiary or estate.*

11 *(b) This section shall apply to any member who retires on or*  
12 *after January 1, 2018.*

13 21475. *(a) The 100 Percent Beneficiary Option 2 consists of*  
14 *the right to have a retirement allowance paid to a member until*  
15 *his or her death, and thereafter to have the same monthly*  
16 *allowance paid to his or her named beneficiary for life; provided*  
17 *that with respect to a member subject to Section 21624, 21629, or*  
18 *21630 at retirement, the named beneficiary shall receive a monthly*  
19 *allowance equal to that portion of the member's allowance that*  
20 *exceeds the amount of the allowance deemed payable to a survivor.*

21 *(b) Upon the death of both the member and the named*  
22 *beneficiary, any remaining balance of the member's accumulated*  
23 *contributions at retirement not used to fund the allowances paid*  
24 *to the member and the named beneficiary will be paid in a lump*  
25 *sum to a secondary beneficiary or beneficiaries named by the*  
26 *member.*

27 *(c) This section shall apply to any member who retires on or*  
28 *after January 1, 2018.*

29 21476. *(a) The 50 Percent Beneficiary Option 3 consists of*  
30 *the right to have a retirement allowance paid to a member until*  
31 *his or her death, and thereafter to have one-half of the member's*  
32 *monthly allowance paid to his or her named beneficiary for life;*  
33 *provided that with respect to a member subject to Section 21624,*  
34 *21629, or 21630 at retirement the named beneficiary shall receive*  
35 *a monthly allowance equal to one-half of that portion of the*  
36 *member's allowance that exceeds the amount of the allowance*  
37 *deemed payable to a survivor.*

38 *(b) Upon the death of both the member and the named*  
39 *beneficiary, any remaining balance of the member's accumulated*  
40 *contributions at retirement not used to fund the allowances paid*

1 to the member and the named beneficiary will be paid in a lump  
2 sum to the secondary beneficiary or beneficiaries named by the  
3 member.

4 (c) This section shall apply to any member who retires on or  
5 after January 1, 2018.

6 21477. (a) The Flexible Beneficiary Option 4 consists of the  
7 right to have a retirement allowance paid to a member until his  
8 or her death, and thereafter to have a monthly allowance paid to  
9 his or her named beneficiary or beneficiaries for life. However,  
10 the actuarial equivalent of benefits under this optional settlement  
11 payable to the member's beneficiary or beneficiaries shall not  
12 exceed the actuarial equivalent of the benefits which would be  
13 payable to that beneficiary or beneficiaries if the member had  
14 elected the optional settlement found in Section 21475. The member  
15 may select the monthly allowance payable to the named beneficiary  
16 or beneficiaries from the options below:

17 (1) "Specific Dollar Amount to a Beneficiary or Beneficiaries,"  
18 pursuant to which the member may specify that upon his or her  
19 death after retirement, a monthly allowance in an amount  
20 determined by the member be paid to a named beneficiary or  
21 beneficiaries for life.

22 (2) "Specific Percentage to a Beneficiary or Beneficiaries,"  
23 pursuant to which the member may specify that upon his or her  
24 death after retirement, a monthly allowance in an amount  
25 equivalent to a specified percentage of the member's unmodified  
26 allowance be paid to a named beneficiary or beneficiaries for life.

27 (b) This section shall apply to any member who retires on or  
28 after January 1, 2018.

29 21478. (a) A member who elects to receive the unmodified  
30 allowance or the optional settlement in Section 21474, or the  
31 optional settlement in Section 21475, 21476, or 21477, and who  
32 names his or her spouse as the option beneficiary, and whose  
33 spouse is also an eligible survivor for the benefits provided by  
34 Section 21624, 21626, 21627, 21628, 21629, or 21630, and the  
35 total benefit to the surviving spouse is at least 50 percent of the  
36 member's unmodified allowance, may concurrently and irrevocably  
37 elect to have his or her allowance paid as a "qualified joint and  
38 survivor annuity." Notwithstanding any other provision of this  
39 part, upon the election, the survivor allowance shall be paid only  
40 to the member's spouse and shall continue to be paid upon the

1 *remarriage of the spouse. Any cost due to this election shall be*  
2 *paid by the member through an actuarial reduction to his or her*  
3 *allowance.*

4 *(b) For purposes of this section, a member's retirement*  
5 *allowance shall be determined without regard to any limitation*  
6 *required pursuant to Section 415 of Title 26 of the United States*  
7 *Code but the amount payable to the spouse shall be subject to*  
8 *those limits as if it were the retirement allowance of the member.*

9 *(c) This section shall apply to any member who retires on or*  
10 *after January 1, 2018.*

11 *21479. (a) A member retiring for service may elect to have*  
12 *the actuarial equivalent of his or her unmodified service retirement*  
13 *allowance paid in two parts as follows:*

14 *(1) A temporary annuity in an amount specified by the member*  
15 *but which shall not result in a reduction to his or her unmodified*  
16 *allowance by more than 50 percent.*

17 *(2) A life income consisting of his or her service retirement*  
18 *annuity plus the pension provided by the actuarial value of his or*  
19 *her current and prior service pensions remaining after providing*  
20 *the temporary annuity in paragraph (1).*

21 *(b) The temporary annuity under subdivision (a) shall not be*  
22 *subject to further optional settlement under this article and shall*  
23 *be payable monthly as an addition to the member's monthly life*  
24 *income beginning on his or her effective date of retirement and*  
25 *continuing until the member reaches 59 years and six months of*  
26 *age or any whole age between 60 and 68 years of age, as*  
27 *designated by the member at the time of his or her retirement. If*  
28 *his or her death occurs prior to that age, the commuted value of*  
29 *any remaining installments shall be paid to his or her designated*  
30 *beneficiary in a lump sum.*

31 *(c) This section shall apply to any member who retires on or*  
32 *after January 1, 2018.*

33 *21480. (a) Notwithstanding Section 21479, a member retiring*  
34 *for service who became a member of the system on or after January*  
35 *1, 2002, and who is covered under the federal system but is not*  
36 *yet receiving a retirement or disability benefit under that system,*  
37 *may elect to have the actuarial equivalent of his or her unmodified*  
38 *service retirement allowance paid in two parts as follows:*

39 *(1) A temporary annuity that shall not exceed the primary social*  
40 *security benefit that is anticipated the member shall be entitled to*

1 receive at social security retirement age, which age shall be  
2 designated by the member.

3 (2) A life income consisting of the member's service retirement  
4 annuity plus the pension provided by the actuarial value of the  
5 member's current and prior service pensions remaining after  
6 providing the temporary annuity in paragraph (1).

7 (b) The temporary annuity under paragraph (1) of subdivision  
8 (a) shall not be subject to further optional settlement under this  
9 article and shall be payable monthly as an addition to the  
10 member's monthly life income beginning on the member's effective  
11 date of retirement and continuing until the retired member attains  
12 the age designated by the member under subdivision (a). If the  
13 member dies prior to the designated age, the commuted value of  
14 any installments payable for the period remaining until the member  
15 would have attained that age shall be paid to the member's  
16 designated beneficiary in a lump sum.

17 (c) This section shall apply to any member who retires on or  
18 after January 1, 2018.

19 21481. (a) (1) Notwithstanding any other provision of this  
20 part, a member who elected the optional settlement in Section  
21 21475, 21476, or 21477, may, if the beneficiary predeceases the  
22 member or if the member marries and the former spouse was not  
23 named as beneficiary, or, if a former spouse was named, in the  
24 event of a dissolution or annulment of the marriage or a legal  
25 separation in which the judgment dividing the community property  
26 awards the total interest in the retirement system to the retired  
27 member, elect to have the actuarial equivalent reflecting any  
28 selection against the fund resulting from the election as of the date  
29 of election of the allowance payable for the remainder of the  
30 member's lifetime under the optional settlement previously chosen  
31 applied to a lesser allowance during the member's remaining  
32 lifetime under one of the optional settlements specified in this  
33 article and name a different beneficiary.

34 (2) Notwithstanding paragraph (1), for an election pursuant to  
35 this section that occurs on or after January 1, 2014, a member  
36 may name the same beneficiary as previously designated, provided  
37 that the resulting benefit to the member and the named beneficiary  
38 otherwise meets the requirements of this section.

39 (b) The election shall be made within 12 months following the  
40 death of the beneficiary who predeceased the member or within

1 12 months of the date of entry of the judgment dividing the  
2 community property of the parties, or within 12 months following  
3 marriage if the spouse is named as beneficiary. The election shall  
4 become effective on the date specified on the election, provided  
5 that this date is not earlier than the day following receipt of the  
6 election in this system pursuant to this section.

7 (c) A member who has a qualifying event prior to January 1,  
8 1988, and who fails to elect by January 1, 1989, or a member who  
9 has a qualifying event on or after January 1, 1988, and who fails  
10 to elect within 12 months, shall retain the right to make an election  
11 under this section. However, this election shall become effective  
12 no earlier than 12 months after the date it is filed with the board,  
13 provided that neither the member nor the designated beneficiary  
14 die prior to the effective date of the election.

15 (d) This section shall not be construed to mean that designation  
16 of a new beneficiary causes the selection of an optional settlement.  
17 An optional settlement shall be selected by a member in a writing  
18 filed by the member with the board.

19 (c) This section shall apply to any member who retires on or  
20 after January 1, 2018.

21 21482. (a) Notwithstanding any provision of this part, a retired  
22 member who chose no optional settlement or the optional  
23 settlement in Section 21474 at retirement may elect to have the  
24 actuarial equivalent, as of the date of the election, of the allowance  
25 payable for the remainder of his or her lifetime applied to a lesser  
26 allowance during his or her remaining lifetime under one of the  
27 optional settlements specified in this article and name his or her  
28 spouse as beneficiary.

29 (b) The election provided by this section is irrevocable and shall  
30 be made within 12 months following a member's marriage if the  
31 spouse is named as beneficiary. The election shall become effective  
32 on the date specified on the election, provided that this date is not  
33 earlier than the day following receipt of the election in this system  
34 pursuant to this section.

35 (c) A member who married prior to or after January 1, 1988,  
36 who fails to elect within 12 months, shall retain the right to make  
37 an election under this section. However, the election shall become  
38 effective no earlier than 12 months after the date it is filed with  
39 the board, provided that neither the member nor the designated  
40 beneficiary die prior to the effective date of the election.

1 (d) This section shall not be construed to mean that designation  
2 of a new beneficiary causes the selection of an optional settlement.  
3 An optional settlement shall be selected by a member in a writing  
4 filed by the member with the board.

5 (e) This section shall apply to any member who retires on or  
6 after January 1, 2018.

7 21483. (a) Optional settlement 5 consists of a partial  
8 distribution of the actuarial present value of the portion, as  
9 specified in this section, of the member's unmodified monthly  
10 allowance, as prescribed in Section 21362, 21362.2, 21363,  
11 21363.1, 21363.4, or 21423, when a service retirement allowance  
12 is payable. The actuarial present value shall be based upon the  
13 investment return and postretirement mortality assumptions  
14 adopted by the board for that purpose. The member may elect to  
15 receive the actuarial present value of no less than 20 percent and  
16 no more than 50 percent of his or her unmodified allowance. The  
17 member may elect to receive the remaining portion of the  
18 unmodified allowance, not distributed as a lump-sum payment,  
19 under one of the settlements specified in this article for the  
20 remainder of his or her lifetime and thereafter to his or her  
21 designated beneficiary, unless this amount is solely limited to the  
22 survivor continuance portion. The portion of the unmodified  
23 allowance equivalent to the survivor continuance pursuant to  
24 Section 21624 may not be distributed as a lump-sum payment. The  
25 benefits provided under this section may not exceed the benefits  
26 that would have otherwise been provided under any other section  
27 in this article.

28 (b) This section shall only apply to the following members who  
29 retire on or after January 1, 2018:

30 (1) State peace officer/firefighter members in State Bargaining  
31 Unit 6.

32 (2) State peace officer/firefighter members in State Bargaining  
33 Unit 8 and state patrol members in State Bargaining Unit 5, if a  
34 memorandum of understanding has been agreed upon by the state  
35 and the recognized employee organization to become subject to  
36 this section.

37 (3) State peace officer/firefighter members and state patrol  
38 members in supervisory and confidential positions related to the  
39 members described in paragraph (1) or (2), if the Department of  
40 Human Resources has approved their inclusion.

1     *SEC. 23. Section 21492 of the Government Code is amended*  
2 *to read:*

3     21492. The designation of a beneficiary under *the* optional  
4 settlements ~~2 and 3~~, or in Section 21456, 21457, 21459, 21475,  
5 21476, 21477, or 21458, if a benefit involving the life contingency  
6 of the beneficiary is ~~provided under optional settlement 4~~, *provided*,  
7 is irrevocable from the time of the first payment on account of any  
8 retirement allowance. Otherwise a designation of beneficiary under  
9 this system is revocable at the pleasure of the member who made  
10 it. A member's marriage, dissolution of marriage, annulment of  
11 his or her marriage, the birth of his or her child, or his or her  
12 adoption of a child shall constitute an automatic revocation of his  
13 or her previous revocable designation of beneficiary. A member's  
14 termination of employment and withdrawal of contributions shall  
15 constitute an automatic revocation of the previous revocable  
16 designation of beneficiary. Subsequent reemployment or  
17 reinstatement from retirement to employment covered by this  
18 system shall not reinstate the previous designation of beneficiary.

19     Upon revocation of any beneficiary designation, a member may  
20 designate the same or another beneficiary by a writing filed with  
21 the board, except as otherwise provided in Section 21490.

22     *SEC. 24. Section 21503 of the Government Code is amended*  
23 *to read:*

24     21503. The board may select an optional settlement under  
25 Article 6 (commencing with Section 21450) or Article 7  
26 (commencing with Section 21470) of Chapter ~~13~~ 13, *if applicable*,  
27 on behalf of the surviving spouse of a member who applied for  
28 retirement but who died prior to the mailing of a retirement  
29 allowance warrant and prior to an election in accordance with that  
30 article if all of the following conditions are met:

31     (a) The application for retirement was received by this system,  
32 prior to the date of death.

33     (b) The document containing the application for retirement  
34 received by this system did not provide for a temporary election  
35 of the optional settlement ~~2~~: in Section 21456 or 21475.

36     (c) The deceased member had separated from state service at  
37 least one day prior to the effective date of retirement.

38     (d) The deceased member was alive on the effective date of  
39 retirement.

1 (e) The beneficiary designated on the application for retirement  
2 is the surviving spouse who requests in writing that the board make  
3 the selection. Upon formal action by the board approving the  
4 request, the request shall become irrevocable.

5 A retirement allowance provided in accordance with this section  
6 shall be calculated as if the member had elected ~~Section 21459.~~  
7 *Sections 21456 and 21459 if his or her retirement date is on or*  
8 *before December 31, 2017, or Section 21475 if his or her*  
9 *retirement date is on or after January 1, 2018.*

10 *SEC. 25. Section 21504 of the Government Code is amended*  
11 *to read:*

12 21504. If a member dies on or after the effective date of  
13 retirement and prior to the mailing of a retirement allowance  
14 warrant and if the member has elected ~~an~~ *the* optional settlement  
15 ~~2 or 3~~ *in Section 21456, 21457, 21459, 21475, 21476, or 21477,*  
16 *or an optional settlement-4 in Section 21458, involving payment*  
17 *of an allowance throughout the life of the beneficiary, or the*  
18 *member elected the unmodified allowance or the optional*  
19 *settlement-1 in either Section 21455 or 21474 and if a partially*  
20 *continued retirement allowance under Sections 21624 through*  
21 *21631, is payable, the death shall be considered to be death after*  
22 *retirement and the applicable benefits shall be payable.*

23 However, if the beneficiary designated on the election for  
24 retirement is either (1) the surviving unmarried minor child or  
25 children of the member and there is no surviving spouse eligible  
26 for a partially continued retirement allowance under Sections 21624  
27 through 21631, or (2) the surviving spouse of the member, the  
28 surviving spouse so named or the legal representative of the minor  
29 child or children so named may elect to receive benefits that would  
30 have been payable had the death occurred under the conditions of  
31 Section 21530. Except as provided in Section 21503, nothing in  
32 this part permits a surviving spouse, surviving children, or any  
33 person other than a member to elect an optional settlement.

34 *SEC. 26. Section 21505 of the Government Code is amended*  
35 *to read:*

36 21505. If a member who has been retired for service because  
37 he or she has attained the mandatory age of retirement applicable  
38 to members of his or her category dies within 30 days after the  
39 date upon which his or her retirement was mandatory, and without  
40 having elected ~~an~~ *the* optional settlement ~~2 or 3~~ *in Section 21456,*

1 21457, 21459, 21475, 21476, or 21477, or an optional settlement  
2 if in Section 21458, involving payment of an allowance throughout  
3 the life of a beneficiary under Article 6 (commencing with Section  
4 21450) of Chapter 13, *beneficiary*, and if no part of the allowance  
5 of the member is automatically continued by this part after his or  
6 her death, his or her death shall be considered as that of a member  
7 before retirement, and the basic death benefit shall be payable, or,  
8 if the circumstances are such that a special death benefit would be  
9 payable if the death had occurred prior to retirement, the special  
10 death benefit shall be payable.

11 *SEC. 27. Section 21530 of the Government Code is amended*  
12 *to read:*

13 21530. (a) This system is liable for either the basic or special  
14 death benefit upon the death of a member in any of the following  
15 circumstances:

16 (1) Before the effective date of retirement, and (A) while in  
17 state service, or (B) while absent on military service, provided the  
18 member has made contributions during the absence under Section  
19 20991 or has had contributions made on his or her behalf under  
20 Section 20997, or (C) within four months after discontinuance of  
21 state service, or (D) while on an approved leave of absence, or (E)  
22 while physically or mentally incapacitated for the performance of  
23 duty, if the incapacity has been continuous from discontinuance  
24 of state service, or (F) while employed as a member of a county  
25 retirement system; *system*; provided, the employment resulting  
26 in membership was begun on or after October 1, 1957, and within  
27 90 days after discontinuance of state service.

28 (2) While in state service in partial service retirement pursuant  
29 to Article 1.7 (commencing with Section 19996.30) of Chapter 7  
30 of Part 2.6 or Sections 21110 through 21115.

31 (3) On or after the effective date of retirement and before the  
32 mailing of a retirement allowance warrant and either within four  
33 months of discontinuance of state service or while physically or  
34 mentally incapacitated for the performance of duty if the incapacity  
35 has been continuous from discontinuance of state service, and  
36 providing all of the following conditions exist:

37 (A) The retirement of the member was not compulsory under  
38 Article 5 (commencing with Section 21130) of Chapter 12.

39 (B) The member has not *the* elected optional settlement ~~2 or 3~~  
40 *in Section 21456, 21457, 21459, 21475, 21476, or 21477, or an*

1 optional settlement~~4~~ in Section 21458, involving payment of an  
2 allowance throughout the life of a ~~beneficiary under Article 6~~  
3 ~~(commencing with Section 21450) of Chapter 13~~. *beneficiary*.

4 (C) A partially continued allowance under Sections 21624  
5 through 21631, is not payable.

6 (b) This system is liable for a limited death benefit, which  
7 consists only of the accumulated contributions of the member  
8 payable to his or her beneficiary or estate, under the following  
9 circumstances:

10 (1) Upon the death of a member before the effective date of his  
11 or her retirement or, with respect to (A) any member whose  
12 retirement was not compulsory under Article 5 (commencing with  
13 Section 21130) of Chapter 12, and (B) any member who has not  
14 elected optional ~~the settlement 2 or 3~~ in Section 21456, 21457,  
15 21459, 21475, 21476, or 21477, or an optional settlement~~4~~ in  
16 Section 21458 involving payment of an allowance throughout the  
17 life of a ~~beneficiary under Article 6 (commencing with Section~~  
18 ~~21450) of Chapter 13~~, *beneficiary*, on or after that effective date  
19 and before the mailing of the first retirement allowance warrant.

20 (2) Under those circumstances in which this system is not liable  
21 for either the basic or special death benefit provided in subdivision  
22 (a) of this section, and a partially continued allowance under  
23 Sections 21624 through 21631, is not payable.

24 SEC. 28. Section 21547 of the Government Code is amended  
25 to read:

26 21547. (a) Notwithstanding any other provision of this article  
27 requiring attainment of the minimum age for voluntary service  
28 retirement to the member in his or her last employment preceding  
29 death, upon the death of a state member on or after January 1,  
30 1993, who is credited with 20 years or more of state service, the  
31 surviving spouse, or eligible children if there is no surviving  
32 spouse, may receive a monthly allowance in lieu of the basic death  
33 benefit. The board shall notify the eligible survivor, as defined in  
34 Section 21546, of this alternate death benefit. The board shall  
35 calculate the monthly allowance that shall be payable as follows:

36 (1) To the member's surviving spouse, an amount equal to the  
37 amount the member would have received if the member had retired  
38 for service at minimum retirement age on the date of death and  
39 had elected ~~the optional settlement 2~~ in Section 21456 and Section  
40 21459.

1 (2) If the member made a specific beneficiary designation under  
2 Section 21490, the monthly allowance shall be based only on that  
3 portion of the amount the member would have received described  
4 in paragraph (1) that would have been derived from the nonmember  
5 spouse's community property interest in the member's  
6 contributions and service credit.

7 (3) If there is no surviving spouse or the spouse dies before all  
8 of the children of the deceased member attain the age of 18 years,  
9 to the surviving children, under the age of 18 years, collectively,  
10 an amount equal to one-half of, and derived from the same source  
11 as, the unmodified allowance the member would have received if  
12 he or she had retired for service at minimum retirement age on the  
13 date of death. No child shall receive any allowance after marrying  
14 or attaining the age of 18 years. As used in this paragraph,  
15 "surviving children" includes a posthumously born child or children  
16 of the member.

17 (b) This section shall only apply to members employed in state  
18 bargaining units for which a memorandum of understanding has  
19 been agreed to by the state employer and the recognized employee  
20 organization to become subject to this section, members who are  
21 excluded from the definition of state employees in subdivision (c)  
22 of Section 3513, and members employed by the executive branch  
23 of government who are not members of the civil service.

24 (c) For purposes of this section, "state service" means service  
25 rendered as a state employee, as defined in Section 19815. This  
26 section shall not apply to any contracting agency nor to the  
27 employees of any contracting agency.

28 (d) For purposes of this section, "state service" includes service  
29 to the state for which the member, pursuant to Section 20281.5,  
30 did not receive credit.

31 *SEC. 29. Section 21547.7 of the Government Code is amended*  
32 *to read:*

33 21547.7. (a) Notwithstanding any other provision of this article  
34 requiring attainment of the minimum age for voluntary service  
35 retirement applicable to him or her in his or her last employment  
36 preceding death, upon the death of a local firefighter member while  
37 in the employ of an agency subject to this section on or after  
38 January 1, 2001, who is credited with 20 years or more of state  
39 service, the surviving spouse, or eligible children, if there is no  
40 eligible spouse, may receive a monthly allowance in lieu of the

1 basic death benefit. The board shall notify the eligible survivor,  
2 as defined in Section 21546, of this alternate death benefit. The  
3 board shall calculate the monthly allowance that shall be payable  
4 as follows:

5 (1) To the member's surviving spouse, an amount equal to the  
6 amount the member would have received if he or she had retired  
7 for service at the minimum retirement age on the date of death and  
8 had elected *the* optional settlement ~~2~~ in Section 21456 and Section  
9 21459. The retirement allowance shall be calculated using all  
10 service earned by the member in this system.

11 (2) If the member made a specific beneficiary designation under  
12 Section 21490, the monthly allowance shall be based only on that  
13 portion of the amount the member would have received described  
14 in paragraph (1) that would have been derived from the nonmember  
15 spouse's community property interest in the member's  
16 contributions and service credit.

17 (3) If there is no surviving spouse or the spouse dies before all  
18 of the children of the deceased member attain the age of 18 years,  
19 to the surviving children, under the age of 18 years, collectively,  
20 an amount equal to one-half of, and derived from the same source  
21 as, the unmodified allowance the member would have received if  
22 he or she had retired for service at the minimum retirement age on  
23 the date of death. No child shall receive any allowance after  
24 marrying or attaining the age of 18 years. As used in this paragraph,  
25 "surviving children" includes a posthumously born child or children  
26 of the member. The retirement allowance shall be calculated using  
27 all service earned by the member in this system.

28 (4) The cost of the allowance paid pursuant to this subdivision  
29 shall be paid from the assets of the employer at the member's date  
30 of death. All member contributions made by the member to this  
31 system shall be transferred to the plan assets of the employer liable  
32 for the funding of this benefit.

33 (b) (1) Upon the death of a local firefighter member while in  
34 the employ of an agency subject to this section on or after January  
35 1, 2001, who is credited with 20 years or more of state service and  
36 who has attained the minimum age for voluntary service retirement  
37 applicable to him or her in his or her last employment preceding  
38 death, the surviving spouse may elect to receive a monthly  
39 allowance that is equal to the amount that member would have  
40 received if the member had been retired from service on the date

1 of death and had elected *the* optional settlement-2 in Section 21456  
2 and Section 21459 in lieu of the basic death benefit. The retirement  
3 allowance shall be calculated using all service earned by the  
4 member in this system.

5 (2) If the member made a specific beneficiary designation under  
6 Section 21490, the monthly allowance shall be based only on that  
7 portion of the amount the member would have received described  
8 in paragraph (1) that would have been derived from the nonmember  
9 spouse's community property interest in the member's  
10 contributions and service credit.

11 (3) If there is no surviving spouse or the spouse dies before all  
12 of the children of the deceased member attain the age of 18 years,  
13 the allowance shall continue to the surviving children, under the  
14 age of 18 years, collectively, in an amount equal to one-half of,  
15 and derived from the same source as, the unmodified allowance  
16 the member would have received if he or she had been retired from  
17 service on the date of death. No child shall receive any allowance  
18 after marrying or attaining the age of 18 years. As used in this  
19 paragraph, "surviving children" includes a posthumously born  
20 child or children of the member. The retirement allowance will be  
21 calculated using all service earned by the member in this system.

22 (4) The cost of the increase in service allowance paid pursuant  
23 to this subdivision shall be paid from the assets of the employer  
24 at the member's date of death.

25 (c) This section shall not apply to any contracting agency, nor  
26 to the employees of any contracting agency, unless and until the  
27 agency elects to be subject to this section by amendment to its  
28 contract made in the manner prescribed for approval of contracts,  
29 except that an election among the employees is not required.

30 *SEC. 30. Section 21548 of the Government Code is amended*  
31 *to read:*

32 21548. (a) The surviving spouse of a member who has attained  
33 the minimum age for voluntary service retirement applicable to  
34 the member in his or her last employment preceding death, and  
35 who is eligible to receive an allowance pursuant to Section 21546,  
36 shall instead receive an allowance that is equal to the amount that  
37 the member would have received if the member had been retired  
38 from service on the date of death and had elected *the* optional  
39 settlement-2 Section 21456 and Section 21459.

1 (b) The surviving spouse of a member who has attained the  
2 minimum age for voluntary service retirement applicable to the  
3 member in his or her last employment preceding death, and who  
4 is eligible to receive a special death benefit in lieu of an allowance  
5 under Section 21546, may elect to instead receive an allowance  
6 that is equal to the amount that the member would have received  
7 if the member had been retired from service on the date of death  
8 and had elected *the* optional settlement ~~2~~ in Section 21456 and  
9 Section 21459.

10 (c) If the member made a specific beneficiary designation under  
11 Section 21490, the allowance under this section shall be based  
12 only on that portion of the amount the member would have received  
13 described in subdivision (a) or (b) that would have been derived  
14 from the nonmember spouse's community property interest in the  
15 member's contributions and service credit.

16 (d) The allowance provided by this section shall be payable as  
17 long as the surviving spouse lives. Upon the death of the surviving  
18 spouse, the benefit shall be continued to minor children, as defined  
19 in Section 6500 of the Family Code, or a lump sum shall be paid  
20 as provided under circumstances specified in Section 21546 or in  
21 Sections 21541 and 21543, as the case may be.

22 (e) The allowance provided by this section shall be paid in lieu  
23 of the basic death benefit, but the surviving spouse qualifying for  
24 the allowance may elect before the first payment on account of it  
25 to receive the basic death benefit in lieu of the allowance.

26 (f) This section shall apply with respect to state members whose  
27 death occurs on and after July 1, 1976.

28 (g) All references in this code to Section 21546 shall be deemed  
29 to include this section in the alternative.

30 (h) This section shall not apply to any contracting agency nor  
31 to the employees of any contracting agency unless and until the  
32 agency elects to be subject to this section by amendment to its  
33 contract made in the manner prescribed for approval of contracts,  
34 except that an election among the employees is not required, or,  
35 in the case of contracts made after January 1, 1985, by express  
36 provision in the contract making the contracting agency subject  
37 to this section.

38 *SEC. 31. Section 21604 of the Government Code is amended*  
39 *to read:*

1 21604. The insurance benefit shall be paid upon death of an  
2 insured member of this system to the beneficiary entitled to receive  
3 the basic or special death benefit if all of the following conditions  
4 occur:

5 (a) Death occurs during any of the following:

6 (1) While in state service.

7 (2) While absent from state service on military service or on  
8 approved leave of absence.

9 (3) Within four months of discontinuance of state service.

10 (4) While physically or mentally incapacitated for performance  
11 of duty continuously from discontinuance of state service.

12 (b) If either of the following exists:

13 (1) Death occurs while a member and before the effective date  
14 of retirement.

15 (2) If ~~an~~ *the* optional settlement ~~2 or 3~~ *in Section 21456, 21457,*  
16 *21459, 21475, 21476, or 21477,* or an optional settlement ~~4~~ *in*  
17 *Section 21458,* involving payment of an allowance throughout the  
18 life of the ~~beneficiary~~ *beneficiary*, has not been elected and if an  
19 allowance under Section 21624, 21627, 21629, or 21630 is not  
20 payable, and death occurs on or after the effective date of  
21 retirement and before the mailing of a retirement allowance  
22 warrant.

23 (c) Death occurs during a period of insurance.

24 (d) Death occurs under circumstances other than those described  
25 in subparagraph (F) of paragraph (1) of subdivision (a) of Section  
26 21530.

27 If this section is in conflict with the provisions of a memorandum  
28 of understanding reached pursuant to Section 3517.5, the  
29 memorandum of understanding shall be controlling without further  
30 legislative action, except that, if the provisions of a memorandum  
31 of understanding require the expenditure of funds, the provisions  
32 shall not become effective unless approved by the Legislature in  
33 the annual Budget Act.

34 *SEC. 32. Section 21625 of the Government Code is amended*  
35 *to read:*

36 21625. Notwithstanding any other provision of this part, upon  
37 the member's election to be subject to Section ~~21460, 21460 or~~  
38 *21478,* the benefits provided by Section 21624, 21626, 21627,  
39 21628, 21629, or 21630, as applicable, shall be payable only to  
40 the member's eligible surviving spouse and for his or her lifetime.

1 The benefit shall not cease upon the remarriage of the surviving  
2 spouse.

3 *SEC. 33. Section 21628 of the Government Code is amended*  
4 *to read:*

5 21628. The allowance provided by Section 21624 shall be paid  
6 with respect to a local miscellaneous or local safety member whose  
7 retirement was effective prior to his or her employer's election to  
8 be subject to the section with respect to employees in his or her  
9 employment, if at retirement he or she did not elect *the* optional  
10 settlement ~~2 or 3~~ in Section 21456, 21457, 21459, 21475, 21476,  
11 ~~or 21477~~ or an optional settlement involving life contingency ~~under~~  
12 ~~optional settlement 4.~~ in Section 21458. The retirement allowance  
13 payable to a retired member who elected any of these optional  
14 settlements, or to a beneficiary of a retired member, shall be  
15 increased by 15 percent, for time on and after the operative date  
16 and prior to the next annual adjustment under Article 3  
17 (commencing with Section 21310 ) of Chapter 13 and the base  
18 allowance shall be increased by 15 percent for purpose of that and  
19 all subsequent annual adjustments. The amount payable to the  
20 beneficiary under the optional settlement shall be increased by the  
21 same percentage and in the same manner as the increase provided  
22 for the payment to the member.

23 The increased allowance provided by this section shall not be  
24 payable to a beneficiary who is receiving an allowance pursuant  
25 to this article or Article 4 (commencing with Section 21350) of  
26 Chapter 13 on September 29, 1980, until the employer of the retired  
27 member elects to be subject to this section as so amended by  
28 amendment to its contract made in the manner prescribed for  
29 approval of contracts, except that an election among employees  
30 shall not be required. In the case of contracts made on or after  
31 September 29, 1980, the operative date of Section 21624, for  
32 purposes of application of that section to local members, shall be  
33 the effective date of the contract or contract amendment.

34 *SEC. 34. Section 21629 of the Government Code is amended*  
35 *to read:*

36 21629. Upon the death, after the effective date of retirement,  
37 of a state miscellaneous member none of whose service rendered  
38 in state employment has been included in the federal system and  
39 whose retirement is effective on or after July 1, 1974, or of a school  
40 member or school safety member none of whose service rendered

1 in school service or school safety service has been included in the  
2 federal system and whose retirement is effective on or after July  
3 1, 1983, a monthly allowance derived from employer contributions  
4 equal to 50 percent of the amount of his or her retirement allowance  
5 as it was at his or her death and based on service credited to him  
6 or her as a member subject to this section but excluding any portion  
7 of the retirement allowance derived from additional contributions  
8 of the member shall be paid to the surviving spouse throughout  
9 life. If there is no surviving spouse, or upon the death of the  
10 surviving spouse, the allowance shall be paid collectively to every  
11 unmarried child of the deceased member who has not attained age  
12 18, or who is disabled by a condition which disabled that child  
13 prior to attaining age 18 and which has continued without  
14 interruption after age 18, until the disability ceases. If at the time  
15 of the retired member's death there is no eligible surviving spouse  
16 or children, the allowance shall be paid to a parent, or collectively  
17 to parents, of the deceased member dependent upon him or her for  
18 support. If on the effective date of retirement there is a person who  
19 will be eligible if the person survives, the member's election of  
20 an optional settlement other than *the* optional settlement—  
21 *settlement in Section 21455 or 21474* shall apply only to a portion  
22 of his or her allowance as provided in Section ~~21451~~ with respect  
23 ~~to allowances under Section 21624, 21451 or 21471.1.~~ If on the  
24 effective date of his or her retirement the member has no surviving  
25 spouse, eligible children, or dependent parents and elected an  
26 optional settlement, no allowance under this section shall be paid.

27 "Surviving spouse," for purposes of service retirement subject  
28 to this section, means a husband or wife who was married to the  
29 member for a continuous period beginning at least one year prior  
30 to his or her retirement and ending on the date of his or her death  
31 and, for purposes of disability retirement subject to this section  
32 where the member retired on or after January 1, 1995, means a  
33 husband or wife who was married to the member on the date of  
34 his or her retirement and continuously to the date of his or her  
35 death.

36 *SEC. 35. Section 21630 of the Government Code is amended*  
37 *to read:*

38 21630. Upon death after the effective date of retirement of a  
39 state miscellaneous member some of whose service rendered in  
40 state employment has been included in the federal system and

1 whose retirement is effective on or after July 1, 1975, or of a school  
2 member or school safety member some of whose service rendered  
3 in school employment has been included in the federal system and  
4 whose retirement is effective on or after July 1, 1983, a monthly  
5 allowance, derived from employer contributions, equal to a  
6 percentage of the amount of his or her retirement allowance as it  
7 was at his or her death based on service credited to him or her as  
8 a member subject to this section but excluding any portion of the  
9 retirement allowance derived from additional contributions of the  
10 member shall be paid to the surviving spouse throughout life. The  
11 percentage shall be 25 percent for an allowance based on service  
12 that was also covered under the federal system and 50 percent for  
13 an allowance based on any other service, except that the percentage  
14 shall be 50 percent for the allowance of a member whose service  
15 was subject to Section 21076 or 21077 and who had become a  
16 member prior to November 1, 1988. If there is no surviving spouse,  
17 or upon the death of the surviving spouse, the allowance shall be  
18 paid collectively to every unmarried child of the deceased member  
19 who has not attained age 18, or who is disabled by a condition that  
20 disabled that child prior to attaining age 18 and that has continued  
21 without interruption after age 18, until the disability ceases. If at  
22 the time of the retired member's death there is no eligible surviving  
23 spouse or children, the allowance shall be paid to a parent, or  
24 collectively to parents, of the deceased member dependent upon  
25 him or her for support. If on the effective date of retirement there  
26 is a person who will be eligible if the person survives, the  
27 member's election of an optional settlement, other than *the* optional  
28 settlement~~4~~, in Section 21455 or 21474, shall apply only to a  
29 portion of the allowance as provided in Section ~~21451 with respect~~  
30 ~~to allowances under Section 21624. 21451 or 21471.1.~~ If on the  
31 effective date of his or her retirement the member has no surviving  
32 spouse, eligible children, or dependent parents and elected an  
33 optional settlement, no allowance under this section shall be paid.  
34 "Surviving spouse," for purposes of service retirement subject  
35 to this section, means a husband or wife who was married to the  
36 member for a continuous period beginning at least one year prior  
37 to his or her retirement and ending on the date of his or her death  
38 and, for purposes of disability retirement subject to this section  
39 where the member retired on or after January 1, 1995, means a  
40 husband or wife who was married to the member on the date of

1 his or her retirement and continuously to the date of his or her  
2 death.

3 *SEC. 36. Section 21631 of the Government Code is amended*  
4 *to read:*

5 21631. (a) The monthly allowance provided by Sections 21629  
6 and 21630 shall be paid on account of retired school members who  
7 did not at retirement elect *the* optional settlement ~~2 or 3~~ *in Section*  
8 *21456, 21457, 21459, 21475, 21476, or 21477* or an optional  
9 settlement involving life contingency ~~under optional settlement 4.~~  
10 *in Section 21458.*

11 (b) Upon receipt of a written application for benefits at the office  
12 of the board, the benefits provided by this section shall be payable  
13 to eligible survivors of retired school members who are not  
14 receiving a monthly allowance on account of miscellaneous service  
15 as a state member.

16 (c) When there are no records in the board's possession that  
17 contain necessary data for determining the retirement benefit  
18 claimed, the applicant or applicants for the benefit shall be required  
19 to establish entitlement to the benefit upon evidence satisfactory  
20 to the board. That data, at a minimum, shall be sufficient to  
21 establish the date of the retired member's death and the amount  
22 of the retired member's monthly allowance payable at the time of  
23 his or her death. The net benefit payable to the retired school  
24 member at the date of death may be determined by the board on  
25 the basis of the evidence submitted or upon other evidence if that  
26 evidence allows the board to determine the unmodified allowance  
27 payable on the date of death. The board shall use available  
28 evidence, whether from information provided by the applicant,  
29 partial records in possession of the board, or from other sources,  
30 as the basis for assumptions that are necessary in order to calculate  
31 the allowance payable to the eligible survivor or survivors.

32 (d) The benefits provided by this section shall be subject to the  
33 same eligibility and termination provisions that apply to members  
34 at their retirement and shall be paid commencing on the first day  
35 of the month succeeding the month in which the application for  
36 the benefits of this section is received by the board.

37 (e) The board has no duty to identify, locate, or notify any  
38 survivor of a retired school member who may potentially be eligible  
39 for the benefits of this section. The board has no duty to provide  
40 the name or address of any potential survivor to any person,

1 agency, or entity for the purpose of notifying survivors who may  
2 potentially be eligible for the benefits of this section.

3 (f) The cost of the additional benefits provided pursuant to the  
4 trial court decision in California State Employees Association, et  
5 al. v. Board of Administration of the Public Employees' Retirement  
6 System et al. (Sacramento County Superior Court, Case No.  
7 332315) shall be paid out of the reserve against deficiencies  
8 established by Section 20174.

9 *SEC. 37. Section 21632 of the Government Code is amended*  
10 *to read:*

11 21632. (a) The monthly allowances provided by Sections  
12 21629 and 21630 shall be paid on account of retired state  
13 miscellaneous members who did not at retirement elect *the* optional  
14 settlement ~~2 or 3~~ in Section 21456, 21457, or 21459, or an optional  
15 settlement involving life contingency ~~under optional settlement 4~~  
16 in Section 21458, and whose retirement dates were effective before  
17 July 1, 1974, with respect to members who were not covered by  
18 the federal system, and before July 1, 1975, with respect to  
19 members who were covered under the federal system. Upon receipt  
20 of a written application by the board, the benefits provided by this  
21 section shall be payable to eligible survivors of retired members  
22 who are not receiving a monthly allowance on account of  
23 miscellaneous service as a state member. However, if, on the date  
24 the application is received by the board, there is no longer in  
25 existence a record in the board's possession setting forth the  
26 retirement data relating to the retired member, the applicant  
27 survivor or survivors of the retired member shall be required, as  
28 a condition precedent to his or her entitlement to the benefit  
29 provided by this section, to furnish documentary evidence  
30 satisfactory to the board to enable it to determine the date of the  
31 retired member's death and the amount of the member's allowance  
32 that was currently payable at the time of death. The net benefit  
33 payable to the retired member at the time of death shall be  
34 determined on the basis of the evidence submitted, unless the board  
35 is able to determine the unmodified allowance payable at the time  
36 of death. If the allowance payable to an eligible survivor is based  
37 on evidence furnished by the survivor or partial member records  
38 in the board's possession, or both, the board shall use that  
39 information to assume any additional factors required to calculate  
40 the allowance payable. The benefits shall be subject to the same

1 eligibility and termination provisions that apply to members at  
2 retirement and shall, subject to subdivision (b), be paid only for  
3 the period of time commencing on the first of the month following  
4 receipt by the board of the application for the benefits. The board  
5 has no duty to locate or notify any potential survivor or to provide  
6 the name or address of any potential survivor to any person,  
7 agency, or entity for the purpose of notifying survivors.

8 (b) Upon receipt of a written application pursuant to subdivision  
9 (a), the benefits provided by this section shall be paid both  
10 prospectively and retroactively for the period of time commencing  
11 with the first day of the month following receipt of the application.

12 (c) The payment of benefits pursuant to this section, as amended  
13 by Chapter 788 of the Statutes of 1984, shall commence no sooner  
14 than January 1, 1985.

15 *SEC. 38. Section 21633 of the Government Code is amended*  
16 *to read:*

17 21633. The monthly allowance provided by Section 21624  
18 shall be paid on account of patrol and state safety members retired  
19 for nonindustrial disability with effective dates of retirement prior  
20 to April 1, 1972, and who did not at retirement elect *the* optional  
21 settlement ~~2 or 3~~ *in Section 21456, 21457, or 21459* or an optional  
22 settlement involving life contingency ~~under optional settlement 4.~~  
23 *in Section 21458.* Upon receipt of a written application by the  
24 board, the benefits provided by this section shall also be payable  
25 to eligible survivors of retired members who are not receiving a  
26 monthly allowance on account of service as a patrol or state safety  
27 member if the retired member was alive and receiving a monthly  
28 allowance on June 30, 1974. The benefits shall be subject to the  
29 same eligibility and termination provisions that apply to members  
30 at retirement and shall be paid only for the period of time  
31 commencing on the first of the month following receipt by the  
32 board of the application for those benefits.

33 *SEC. 39. Section 21752 of the Government Code is amended*  
34 *to read:*

35 21752. (a) (1) In accordance with Section 21756, a member's  
36 annual retirement benefits, adjusted to the actuarial equivalent of  
37 a straight-life annuity if payable in a form other than a straight-life  
38 annuity or a qualified joint and survivor annuity as provided under  
39 Section ~~21460, 21460 or 21478~~ and determined without regard to  
40 any employee contributions or rollover contributions, as defined

1 in Sections 402(a)(5), 403(a)(4), and 408(d)(3) of Title 26 of the  
2 United States Code, otherwise payable to the member under Part  
3 3 (commencing with Section 20000) and under any other defined  
4 benefit plan maintained by the employer that is subject to Section  
5 415 of Title 26 of the United States Code, shall not exceed, in the  
6 aggregate, the dollar limit applicable pursuant to Section  
7 415(b)(1)(A) of Title 26 of the United States Code, as appropriately  
8 modified by Section 415(b)(2)(F) and (G) of Title 26 of the United  
9 States Code.

10 (2) A member who receives benefits based on credited service  
11 with multiple employers shall not exceed the limitations set forth  
12 in this subdivision with regard to his or her annual retirement  
13 benefits.

14 (3) However, the annual retirement benefit payable to a member  
15 shall be deemed not to exceed the limitations prescribed in  
16 paragraph (1) if the benefit does not exceed ten thousand dollars  
17 (\$10,000) and the member has at no time participated in a tax  
18 qualified defined contribution plan maintained by the employer.

19 (b) These limitations shall be applied pursuant to Section  
20 415(b)(10) of Title 26 of the United States Code.

21 (c) Part 3 (commencing with Section 20000) shall be construed  
22 as if it included this section.

23 *SEC. 40. Section 75070 of the Government Code is amended*  
24 *to read:*

25 75070. In lieu of ~~the retirement~~ *electing the unmodified*  
26 *allowance for his or her life alone, a judge may elect, or revoke or*  
27 *change a previous election prior to the approval of the previous*  
28 *election, elect to have the actuarial equivalent of his or her*  
29 *retirement allowance as of the date of retirement applied to a lesser*  
30 *retirement allowance, in accordance with one of the optional*  
31 *settlements specified in Section ~~75071~~. 75071 when the judge*  
32 *retires on or before December 31, 2017, or Section 75071.5 when*  
33 *the judge retires on or after January 1, 2018.*

34 That election, revocation, or change of election shall be made  
35 by a writing filed with the Judges' Retirement System within 30  
36 calendar days after the making of the first payment on account of  
37 any retirement allowance.

38 *If a person qualifies for the survivor allowance under Section*  
39 *75077 or 75096.3, then the election with respect to any optional*  
40 *settlement other than the optional settlement in subdivision (a) of*

1 *Section 75071 or subdivision (b) of Section 75071.5, shall apply*  
2 *only to the portion of the retirement allowance that exceeds the*  
3 *amount of the allowance deemed payable to the survivor.*

4 *SEC. 41. Section 75071 of the Government Code is amended*  
5 *to read:*

6 *75071. (a)—This section shall apply to any judge who retires*  
7 *on or before December 31, 2017.*

8 (a) Optional settlement one consists of the right to have a  
9 retirement allowance paid to the judge for life and if he or she dies  
10 before receiving the amount of his or her accumulated contributions  
11 at retirement, to have the balance at death paid to his or her  
12 designated beneficiary or, if no beneficiary designation is in effect  
13 on the date of death, to his or her estate.

14 (b) (1) Optional settlement two consists of the right to have a  
15 retirement allowance paid to him or her for life and thereafter to  
16 his or her designated beneficiary for life.

17 (2) If the judge's designated beneficiary predeceases the judge  
18 and the judge elected this optional settlement to be effective on or  
19 after January 1, 2002, the judge's allowance shall be adjusted  
20 effective the first day of the month following the death of the  
21 beneficiary to reflect the benefit that would have been paid had  
22 the judge not elected an optional settlement.

23 (3) If the marriage of a retired judge is dissolved or annulled or  
24 if the retired judge and his or her beneficiary spouse are legally  
25 separated and the judgment dividing their community property  
26 awards the total interest in this system to the retired judge, and the  
27 retired judge elected this optional settlement to be effective on or  
28 after January 1, 2002, the retired judge's allowance shall be  
29 adjusted effective the first day of the month following the filing  
30 of the judgment with the board to reflect the benefit that would  
31 have been paid had the judge not elected an optional settlement.

32 (c) (1) Optional settlement three consists of the right to have a  
33 retirement allowance paid him or her for life, and thereafter to  
34 have one-half of his or her retirement allowance paid to his or her  
35 designated beneficiary for life.

36 (2) If the judge's designated beneficiary predeceases the judge  
37 and the judge elected this optional settlement to be effective on or  
38 after January 1, 2002, the judge's allowance shall be adjusted  
39 effective the first day of the month following the death of the

1 beneficiary to reflect the benefit that would have been paid had  
2 the judge not elected an optional settlement.

3 (3) If the marriage of a retired judge is dissolved or annulled or  
4 if the retired judge and his or her beneficiary spouse are legally  
5 separated and the judgment dividing their community property  
6 awards the total interest in this system to the retired judge, and the  
7 retired judge elected this optional settlement to be effective on or  
8 after January 1, 2002, the retired judge's allowance shall be  
9 adjusted effective the first day of the month following the filing  
10 of the judgment with the board to reflect the benefit that would  
11 have been paid had the judge not elected an optional settlement.

12 (d) Optional settlement four consists of other benefits that are  
13 the actuarial equivalent of his or her retirement allowance, that he  
14 or she may select subject to the approval of the Judges' Retirement  
15 System.

16 (e) When a judge elects, on or after January 1, 2003, to receive  
17 benefits provided by paragraph (2) of subdivision (b) or paragraph  
18 (2) of subdivision (c), and the judge and his or her optional  
19 settlement beneficiary both die before receiving in annuity  
20 payments the full amount of the judge's accumulated contributions  
21 at retirement, the balance of the judge's accumulated contributions  
22 shall be paid to the beneficiary designated by the judge. If the  
23 judge had no designated beneficiary in effect on the date of death,  
24 payment shall be made to the judge's estate.

25 *SEC. 42. Section 75071.5 is added to the Government Code,*  
26 *to read:*

27 *75071.5. This section shall apply to any judge who retires on*  
28 *or after January 1, 2018.*

29 *(a) The unmodified allowance consists of the right to have the*  
30 *maximum retirement allowance paid to the judge for his or her*  
31 *life alone. A continuing allowance to a beneficiary is not provided*  
32 *or there is not a return of unused accumulated contributions after*  
33 *the death of the judge.*

34 *(b) The Return of Remaining Contributions Option 1 consists*  
35 *of the right to have a retirement allowance paid to the judge until*  
36 *his or her death and, if he or she dies before he or she receives in*  
37 *annuity payments the amount of his or her accumulated*  
38 *contributions at retirement, to have the balance at death paid to*  
39 *his or her designated beneficiary or estate.*

1     (c) (1) *The 100 Percent Beneficiary Option 2 consists of the*  
2 *right to have a retirement allowance paid to the judge until his or*  
3 *her death, and thereafter to have the same monthly allowance paid*  
4 *to his or her designated beneficiary for life, provided that, with*  
5 *respect to a judge subject to Section 75077 or 75096.3 at*  
6 *retirement, the beneficiary shall receive a monthly allowance equal*  
7 *to that portion of the judge’s monthly allowance that exceeds the*  
8 *amount of the allowance deemed payable to the judge’s survivor.*

9     (2) *Upon the death of both the judge and the designated*  
10 *beneficiary, any remaining balance of the judge’s accumulated*  
11 *contributions at retirement not used to fund the allowances paid*  
12 *to the judge and the designated beneficiary will be paid in a lump*  
13 *sum to the secondary beneficiary or beneficiaries designated by*  
14 *the judge.*

15     (d) (1) *The 50 Percent Beneficiary Option 3 consists of the*  
16 *right to have a retirement allowance paid to the judge until his or*  
17 *her death, and thereafter to have one-half of the monthly allowance*  
18 *paid to his or her designated beneficiary for life, provided that,*  
19 *with respect to a judge subject to Section 75077 or 75096.3 at*  
20 *retirement, the beneficiary shall receive a monthly allowance equal*  
21 *to one-half of that portion of the judge’s allowance that exceeds*  
22 *the amount of the allowance deemed payable to the judge’s*  
23 *survivor.*

24     (2) *Upon the death of both the judge and the designated*  
25 *beneficiary, any remaining balance of the judge’s accumulated*  
26 *contributions at retirement not used to fund the allowances paid*  
27 *to the judge and the designated beneficiary will be paid in a lump*  
28 *sum to the secondary beneficiary or beneficiaries designated by*  
29 *the judge.*

30     (e) *The Flexible Beneficiary Option 4 consists of the right to*  
31 *have a retirement allowance paid to a judge until his or her death,*  
32 *and thereafter to have a monthly allowance paid to his or her*  
33 *designated beneficiary or beneficiaries for life. However, the*  
34 *actuarial equivalent of benefits under this optional settlement*  
35 *payable to the judge’s beneficiary or beneficiaries shall not exceed*  
36 *the actuarial equivalent of the benefits that would be payable to*  
37 *that beneficiary or beneficiaries if the judge had elected the*  
38 *optional settlement found in subdivision (c). The judge may select*  
39 *the monthly allowance payable to the designated beneficiary or*  
40 *beneficiaries from the options below.*

1 (1) “*Specific Dollar Amount to a Beneficiary or Beneficiaries,*”  
2 *pursuant to which the judge may specify that upon his or her death*  
3 *after retirement, a monthly allowance in an amount determined*  
4 *by the judge be paid to a designated beneficiary or beneficiaries*  
5 *for life.*

6 (2) “*Specific Percentage to a Beneficiary or Beneficiaries,*”  
7 *pursuant to which the judge may specify that upon his or her death*  
8 *after retirement, a monthly allowance in an amount equivalent to*  
9 *a specified percentage of the judge’s unmodified allowance be*  
10 *paid to a designated beneficiary or beneficiaries for life.*

11 SEC. 43. *Section 75073 of the Government Code is amended*  
12 *to read:*

13 75073. A judge who elects to receive optional settlement two  
14 or three *in Section 75071* may concurrently and irrevocably elect  
15 to waive the provision for an increase to his or her allowance, as  
16 specified in subdivisions (b) and (c) of Section 75071, and shall,  
17 instead, have his or her allowance based upon the waiver of this  
18 benefit.

19 *This section shall apply to any judge who retires on or before*  
20 *December 31, 2017.*

21 SEC. 44. *Section 75094 of the Government Code is amended*  
22 *to read:*

23 75094. (a) Notwithstanding any other provision of this article  
24 to the contrary, the surviving spouse of a judge shall receive an  
25 allowance that is equal to the amount that the judge would have  
26 received had the judge been retired from service on the date of his  
27 or her death and had elected *the* optional settlement-2 specified in  
28 subdivision (b) of Section-75071, 75071 and 75073, if all of the  
29 following apply to the judge:

30 (1) The judge died in office on or after January 1, 2005.

31 (2) The judge had attained the minimum age for service  
32 retirement applicable to the judge preceding his or her death, with  
33 a minimum of 20 years of service.

34 (3) The judge was eligible to receive an allowance pursuant to  
35 Section 75025 or 75033.5.

36 (b) A surviving spouse receiving an allowance pursuant to this  
37 section shall have no other claim to benefits with respect to the  
38 Judges’ Retirement Fund or with respect to any other provision of  
39 the Judges’ Retirement Law.

1 (c) The benefits provided by this section are only payable to the  
2 surviving spouse of a judge who elects to come within this section.  
3 Notwithstanding Section 75090, that election may be made at any  
4 time while the judge is in office and, once made, the election is  
5 irrevocable.

6 (d) This section does not prevent a surviving spouse from  
7 claiming or receiving any payments to which he or she may be  
8 entitled as a beneficiary under the Extended Service Incentive  
9 Program set forth in Article 4.5 (commencing with Section 75085).

10 *SEC. 45. Section 75522 of the Government Code is amended*  
11 *to read:*

12 75522. (a) A judge is eligible to retire pursuant to this section  
13 upon attaining both 65 years of age and 20 or more years of service,  
14 or upon attaining 70 years of age with a minimum of five years of  
15 service.

16 (b) The office of a judge who retires under this section becomes  
17 vacant on the date of the retirement.

18 (c) A judge who retires pursuant to this section shall, within 30  
19 days after the effective date of the retirement, elect to receive either  
20 the benefits provided by subdivision (d) or the benefits provided  
21 by subdivision (e). Under rules adopted by the board, the time for  
22 the election may be extended in cases of illness or other hardship,  
23 but once made, the election shall be final and irrevocable.

24 (d) The judge may elect to receive for life a monthly retirement  
25 allowance equal to the benefit factor multiplied by the judge's  
26 final compensation multiplied by the number of years of service  
27 credit.

28 (1) The benefit factor for a judge eligible to retire pursuant to  
29 this section equals 3.75 percent per year of service.

30 (2) In no event shall the retirement allowance at the time of  
31 retirement exceed 75 percent of the judge's final compensation.

32 (e) The judge may elect to receive the amount of his or her  
33 monetary credits determined pursuant to Section 75520, including  
34 the credits added under subdivision (b) of that section computed  
35 to the last day of the month preceding the date of distribution.  
36 Under rules adopted by the board, the judge may elect to receive  
37 that amount in a single payment, or may direct that it be paid in  
38 an annuity of actuarially equivalent value for the judge's life or in  
39 one of the optional forms provided for in Section ~~75571~~. 75571 if

1 *the judge retires on or before December 31, 2017, or Section*  
 2 *75571.5 if the judge retires on or after January 1, 2018.*

3 (f) If a retired judge fails or refuses to make an election pursuant  
 4 to subdivision (c) within the time allowed, he or she shall be  
 5 deemed to have elected to receive a monthly retirement allowance  
 6 under subdivision (d).

7 *SEC. 46. Section 75570 of the Government Code is amended*  
 8 *to read:*

9 75570. (a) In lieu of ~~the retirement~~ *electing the unmodified*  
 10 *allowance under subdivision (d) of Section 75522 for his or her*  
 11 *life alone, a judge who elects to retire with a monthly allowance*  
 12 *under subdivision (d) of Section 75522 may elect, or revoke or*  
 13 *change a previous election prior to the approval of the previous*  
 14 *election; elect to have the actuarial equivalent of his or her*  
 15 *retirement allowance as of the date of retirement applied to a lesser*  
 16 *retirement allowance, in accordance with one of the optional*  
 17 *settlements specified in Section ~~75571. 75571 if the judge retires~~*  
 18 *on or before December 31, 2017, or Section 75571.5 if the judge*  
 19 *retires on or after January 1, 2018.*

20 (b) That election, revocation, or change of election shall be  
 21 made by a writing filed with the system within 30 calendar days  
 22 after the making of the first payment on account of any retirement  
 23 allowance.

24 (c) *If there is a spouse who would qualify for the survivor*  
 25 *allowance under subdivision (b) of Section 75590, then the election,*  
 26 *with respect to any optional settlement other than the optional*  
 27 *settlement in subdivision (a) of Section 75571 or subdivision (b)*  
 28 *of Section 75571.5, shall apply only to the portion of the retirement*  
 29 *allowance that exceeds the amount of the allowance deemed*  
 30 *payable to the surviving spouse.*

31 *SEC. 47. Section 75571 of the Government Code is amended*  
 32 *to read:*

33 75571. ~~(a)~~ *This section shall apply to any judge who retires*  
 34 *on or before December 31, 2017.*

35 (a) Optional settlement one consists of the right to have a  
 36 retirement allowance paid ~~him or her~~ *to the judge* until his or her  
 37 death and if he or she dies before he or she receives the amount  
 38 of his or her accumulated contributions at retirement, to have the  
 39 balance at death paid to his or her surviving spouse or estate.

1 (b) (1) Optional settlement two consists of the right to have a  
2 retirement allowance paid ~~him or her~~ *to the judge* until his or her  
3 death and thereafter to his or her surviving spouse for life.

4 (2) If the judge's spouse predeceases the judge and the judge  
5 elected this optional settlement to be effective on or after January  
6 1, 2002, the judge's allowance shall be adjusted effective the first  
7 day of the month following the death of the spouse to reflect the  
8 benefit that would have been paid had the judge not elected an  
9 optional settlement.

10 (3) If the marriage of a retired judge is dissolved or annulled or  
11 if the retired judge and his or her spouse are legally separated and  
12 the judgment dividing their community property awards the total  
13 interest in this system to the retired judge, and the retired judge  
14 elected this optional settlement to be effective on or after January  
15 1, 2002, the retired judge's allowance shall be adjusted effective  
16 the first day of the month following the filing of the judgment with  
17 the board to reflect the benefit that would have been paid had the  
18 judge not elected an optional settlement.

19 (c) (1) Optional settlement three consists of the right to have a  
20 retirement allowance paid ~~him or her~~ *to the judge* until his or her  
21 death, and thereafter to have one-half of his or her retirement  
22 allowance paid to his or her surviving spouse for life.

23 (2) If the judge's spouse predeceases the judge and the judge  
24 elected this optional settlement to be effective on or after January  
25 1, 2002, the judge's allowance shall be adjusted effective the first  
26 day of the month following the death of the spouse to reflect the  
27 benefit that would have been paid had the judge not elected an  
28 optional settlement.

29 (3) If the marriage of a retired judge is dissolved or annulled or  
30 if the retired judge and his or her spouse are legally separated and  
31 the judgment dividing their community property awards the total  
32 interest in this system to the retired judge, and the retired judge  
33 elected this optional settlement to be effective on or after January  
34 1, 2002, the retired judge's allowance shall be adjusted effective  
35 the first day of the month following the filing of the judgment with  
36 the board to reflect the benefit that would have been paid had the  
37 judge not elected an optional settlement.

38 (d) Optional settlement four consists of other benefits that are  
39 the actuarial equivalent of his or her retirement allowance, that he  
40 or she may select subject to the approval of the board.

1 SEC. 48. Section 75571.5 is added to the Government Code,  
2 to read:

3 75571.5. This section shall apply to any judge who retires on  
4 or after January 1, 2018.

5 (a) The unmodified allowance consists of the right to have the  
6 maximum retirement allowance paid to the judge for his or her  
7 life alone. A continuing allowance to the surviving spouse, other  
8 than the benefit provided in subdivision (b) of Section 75590, is  
9 not provided and there is not a return of unused accumulated  
10 contributions after the death of the judge.

11 (b) The Return of Remaining Contributions Option 1 consists  
12 of the right to have a retirement allowance paid to the judge for  
13 his or her life alone and if he or she dies before he or she receives  
14 in annuity payments the amount of his or her accumulated  
15 contributions at retirement, to have the balance at death paid to  
16 his or her surviving spouse, or if none, to his or her estate.

17 (c) (1) The 100 Percent Beneficiary Option 2 consists of the  
18 right to have a retirement allowance paid to the judge until his or  
19 her death, and thereafter to have the same monthly allowance paid  
20 to his or her surviving spouse for life, provided that, with respect  
21 to a judge subject to subdivision (b) of Section 75590, the surviving  
22 spouse shall receive that portion of the judge's monthly allowance  
23 that exceeds the amount of the allowance deemed payable pursuant  
24 to subdivision (b) of Section 75590.

25 (2) Upon the death of both the judge and the surviving spouse,  
26 any remaining balance of the judge's accumulated contributions  
27 at retirement not used to fund the allowances paid to the judge  
28 and the surviving spouse pursuant to this subdivision will be paid  
29 in a lump sum to the estate of the deceased.

30 (d) (1) The 50 Percent Beneficiary Option 3 consists of the  
31 right to have a retirement allowance paid to the judge until his or  
32 her death, and thereafter to have one-half of the monthly allowance  
33 paid to his or her surviving spouse for life, provided that, with  
34 respect to a judge subject to subdivision (b) of Section 75590, the  
35 surviving spouse shall receive one-half of that portion of the  
36 judge's monthly allowance that exceeds the amount of the  
37 allowance deemed payable pursuant to subdivision (b) Section  
38 75590.

39 (2) Upon the death of both the judge and the surviving spouse,  
40 any remaining balance of the judge's accumulated contributions

1 at retirement not used to fund the allowances paid to the judge  
2 and the surviving spouse pursuant to this subdivision will be paid  
3 in a lump sum to the estate of the deceased.

4 (e) *The Flexible Beneficiary Option 4* consists of the right to  
5 have a retirement allowance paid to a judge until his or her death,  
6 and thereafter to have a monthly allowance paid to his or her  
7 surviving spouse for life. However, the actuarial equivalent of  
8 benefits under this optional settlement payable to the judge's  
9 surviving spouse shall not exceed the actuarial equivalent of the  
10 benefits which would be payable to the surviving spouse if the  
11 judge had elected the optional settlement found in subdivision (c).  
12 The judge may select the monthly allowance payable to the  
13 surviving spouse from the options below.

14 (3) "*Specific Dollar Amount to a Surviving Spouse,*" pursuant  
15 to which the judge may specify that upon his or her death after  
16 retirement, a monthly allowance in an amount determined by the  
17 judge be paid to his or her surviving spouse for life.

18 (4) "*Specific Percentage to a Surviving Spouse,*" pursuant to  
19 which the judge may specify that upon his or her death after  
20 retirement, a monthly allowance in an amount equivalent to a  
21 specified percentage of the judge's unmodified allowance be paid  
22 to his or her surviving spouse for life.

23 SEC. 49. Section 75573 of the Government Code is amended  
24 to read:

25 75573. A judge who elects to receive optional settlement two  
26 or three in Section 75571 may concurrently and irrevocably elect  
27 to waive the provision for an increase to his or her allowance, as  
28 specified in subdivisions (b) and (c) of Section 75571, and shall,  
29 instead, have his or her allowance based upon the waiver of this  
30 benefit.

31 *This section shall apply to any judge who retires on or before*  
32 *December 31, 2017.*

33 SEC. 50. Section 75590 of the Government Code is amended  
34 to read:

35 75590. (a) A surviving spouse of a judge who was eligible to  
36 retire pursuant to subdivision (a) of Section 75522 shall, within  
37 90 days after the judge's death, elect to receive either of the  
38 following:

39 (1) A monthly retirement allowance equal to one-half of the  
40 judge's benefit factor computed as stated in subdivision (d) of

1 Section 75522 as of the date of death, multiplied by the judge’s  
2 final compensation multiplied by the number of years of service  
3 credit. This allowance shall be adjusted for changes in the cost of  
4 living as provided in Section 75523.

5 (2) The judge’s monetary credits determined pursuant to Section  
6 75520, including the credits added under subdivision (b) of that  
7 section computed to the last day of the month preceding the date  
8 of distribution.

9 (b) A surviving spouse of a retired judge who elected to receive  
10 a monthly allowance under subdivision (d) of Section 75522 or  
11 who was retired for disability and receiving an allowance under  
12 Section 75560.4 shall receive a monthly allowance equal to 50  
13 percent of the deceased judge’s last monthly retirement allowance.  
14 This allowance shall be adjusted for changes in the cost of living  
15 as provided in Section 75523.

16 (c) (1) Notwithstanding any other provision of this article to  
17 the contrary, the surviving spouse of a judge who (A) died in office,  
18 (B) had attained the minimum age for service retirement applicable  
19 to the judge preceding his or her death, with a minimum of 20  
20 years of service, and (C) was eligible to receive an allowance  
21 pursuant to Section 75522, shall receive an allowance that is equal  
22 to the amount that the judge would have received if the judge had  
23 been retired from service on the date of death and had elected *the*  
24 ~~optional settlement~~<sup>2</sup> specified in subdivision (b) of Section ~~75571~~  
25 ~~75571 and in Section 75573~~.

26 (2) A surviving spouse receiving an allowance pursuant to this  
27 subdivision shall have no other claim to benefits with respect to  
28 the Judges’ Retirement Fund or with respect to any other provision  
29 of the Judges’ Retirement System II Law.

30 (3) The benefits provided by this subdivision are only payable  
31 to the surviving spouse of a judge who elects to come within this  
32 subdivision. That election may be made at any time while the judge  
33 is in office and, once made, the election is irrevocable.

34 (d) A monthly allowance payable to a surviving spouse pursuant  
35 to this section is payable commencing upon the death of the judge  
36 and continuing until the death of the surviving spouse.

37 ~~SECTION 1. Section 21456 of the Government Code is~~  
38 ~~amended to read:~~

1     ~~21456. Optional settlement 2 consists of the right to have a~~  
2 ~~retirement allowance paid a member until his or her death and~~  
3 ~~thereafter to his or her beneficiary for life.~~

4     ~~If the beneficiary predeceases the member and the member~~  
5 ~~elected this section to be effective on or after January 1, 1990, the~~  
6 ~~member's allowance shall be adjusted effective the first of the~~  
7 ~~month following the death of the beneficiary, to reflect the benefit~~  
8 ~~that would have been paid had the member not selected an optional~~  
9 ~~settlement.~~

10     ~~If a nonspouse beneficiary waives entitlement to this allowance~~  
11 ~~and the member elected this section to be effective on or after~~  
12 ~~January 1, 1993, the member's allowance shall be adjusted effective~~  
13 ~~the first of the month following the receipt of the waiver of the~~  
14 ~~allowance entitlement from the nonspouse beneficiary to reflect~~  
15 ~~the benefit that would have been paid had the member not selected~~  
16 ~~an optional settlement.~~

17     ~~If the marriage of a member is dissolved or annulled or there is~~  
18 ~~a legal separation between the member and the beneficiary spouse~~  
19 ~~and the judgment dividing the community property awards the~~  
20 ~~total interest in this system to the member, and the member elects~~  
21 ~~this section to be effective on or after January 1, 1994, the~~  
22 ~~member's allowance shall be adjusted effective the first of the~~  
23 ~~month following the filing of the judgment with the board to reflect~~  
24 ~~the benefit that would have been paid had the member not selected~~  
25 ~~an optional settlement.~~

26     ~~If the beneficiary spouse predeceases the member on or after~~  
27 ~~January 1, 1990, and the member elected this section to be effective~~  
28 ~~prior to January 1, 1990, the member's allowance shall be adjusted~~  
29 ~~effective the first of the month following the death of the~~  
30 ~~beneficiary spouse to reflect a new allowance as calculated below.~~

31     ~~If the nonspouse beneficiary waives entitlement to this allowance~~  
32 ~~on or after January 1, 1993, and the member elected this section~~  
33 ~~to be effective prior to January 1, 1993, the member's allowance~~  
34 ~~shall be adjusted, effective the first of the month following receipt~~  
35 ~~by the board of the waiver of entitlement from the nonspouse~~  
36 ~~beneficiary, to reflect a new allowance as calculated below.~~

37     ~~If the marriage of a member is dissolved or annulled or there is~~  
38 ~~a legal separation between the member and the beneficiary spouse~~  
39 ~~and the judgment dividing the community property awards the~~  
40 ~~total interest in the retirement system to the member, and the~~

1 member elected this section to be effective prior to January 1,  
 2 1994, the member's allowance shall be adjusted, effective the first  
 3 of the month following the filing of the judgment with the board  
 4 to reflect a new allowance as calculated below. The qualifying  
 5 event shall be the date on which the judgment is filed with the  
 6 board.

7 A percentage factor shall be applied to the difference between  
 8 the member's unmodified allowance and optional settlement 2  
 9 allowance, both of which shall include applicable cost-of-living  
 10 increases. The product of this equation shall then be added to the  
 11 member's optional settlement 2 allowance and the total amount  
 12 shall become the member's base allowance. The percentage factor  
 13 applicable to each member shall be determined by the time between  
 14 the member's retirement effective date and the date of death of  
 15 the beneficiary spouse or by the time between the member's  
 16 retirement effective date and the date of the receipt of either the  
 17 waiver of the allowance entitlement or the judgment of dissolution,  
 18 annulment, or legal separation according to the following table:

19 20 21 22	Period between the member's retirement effective date and the date of the qualifying event	Percentage
23	Less than 12 months	95%
24	12 months through 23 months	85%
25	24 months through 35 months	75%
26	36 months through 47 months	65%
27	48 months through 59 months	55%
28	60 months through 71 months	45%
29	72 months through 83 months	35%
30	84 months through 95 months	25%
31	96 months through 107 months	15%
32	108 months through 119 months	-5%
33	120 months or more	-0%

34  
 35 Nothing in this section shall result in additional cost to the  
 36 employer.

37 The right of a member to receive a recalculated allowance upon  
 38 the death of his or her beneficiary granted pursuant to this section  
 39 shall apply only to a member who retires on or before December  
 40 31, 2017.

1     ~~SEC. 2. Section 21457 of the Government Code is amended~~  
2     ~~to read:~~

3     ~~21457. Optional settlement 3 consists of the right to have a~~  
4     ~~retirement allowance paid a member until his or her death, and~~  
5     ~~thereafter to have one-half of his or her retirement allowance paid~~  
6     ~~to his or her beneficiary for life.~~

7     ~~If the beneficiary predeceases the member and the member~~  
8     ~~elected this section to be effective on or after January 1, 1990, the~~  
9     ~~member's allowance shall be adjusted effective the first of the~~  
10    ~~month following the death of the beneficiary, to reflect the benefit~~  
11    ~~that would have been paid had the member not selected an optional~~  
12    ~~settlement.~~

13    ~~If the marriage of a member is dissolved or annulled or there is~~  
14    ~~a legal separation between the member and the beneficiary spouse~~  
15    ~~and the judgment dividing the community property awards the~~  
16    ~~total interest in this system to the member, and the member elects~~  
17    ~~this section to be effective on or after January 1, 1994, the~~  
18    ~~member's allowance shall be adjusted effective the first of the~~  
19    ~~month following the filing of the judgment with the board to reflect~~  
20    ~~the benefit that would have been paid had the member not selected~~  
21    ~~an optional settlement.~~

22    ~~If a nonspouse beneficiary waives entitlement to this allowance~~  
23    ~~and the member elected this section to be effective on or after~~  
24    ~~January 1, 1993, the member's allowance shall be adjusted,~~  
25    ~~effective the first of the month following the receipt of the waiver~~  
26    ~~of the allowance entitlement from the nonspouse beneficiary, to~~  
27    ~~reflect the benefit that would have been paid had the member not~~  
28    ~~selected an optional settlement.~~

29    ~~If the beneficiary spouse predeceases the member on or after~~  
30    ~~January 1, 1990, and the member elected this section to be effective~~  
31    ~~prior to January 1, 1990, the member's allowance shall be adjusted~~  
32    ~~effective the first of the month following the death of the~~  
33    ~~beneficiary spouse to reflect a new allowance as calculated below.~~

34    ~~If the marriage of a member is dissolved or annulled or there is~~  
35    ~~a legal separation between the member and the beneficiary spouse~~  
36    ~~and the judgment dividing the community property awards the~~  
37    ~~total interest in the retirement system to the member, and the~~  
38    ~~member elected this section to be effective prior to January 1,~~  
39    ~~1994, the member's allowance shall be adjusted, effective the first~~  
40    ~~of the month following the filing of the judgment with the board~~

1 to reflect a new allowance as calculated below. The qualifying  
 2 event shall be the date on which the judgment is filed with the  
 3 board.

4 If the nonspouse beneficiary waives entitlement to this allowance  
 5 on or after January 1, 1993, and the member elected this section  
 6 to be effective prior to January 1, 1993, the member's allowance  
 7 shall be adjusted, effective the first of the month following receipt  
 8 by the board of the waiver of entitlement from the nonspouse  
 9 beneficiary, to reflect a new allowance as calculated below.

10 A percentage factor shall be applied to the difference between  
 11 the member's unmodified allowance and optional settlement 3  
 12 allowance, both of which shall include applicable cost-of-living  
 13 increases. The product of this equation shall then be added to the  
 14 member's optional settlement 3 allowance and the total amount  
 15 shall become the member's base allowance. The percentage factor  
 16 applicable to each member shall be determined by the time between  
 17 the member's retirement effective date and the date of death of  
 18 the beneficiary spouse or by the time between the member's  
 19 retirement effective date and the date of the receipt of either the  
 20 waiver of the allowance entitlement or the judgment of dissolution,  
 21 annulment, or legal separation according to the following table:

23 Period between the member's retirement 24 effective date and the date of the qualifying 25 event	Percentage
26 Less than 12 months	95%
27 12 months through 23 months	85%
28 24 months through 35 months	75%
29 36 months through 47 months	65%
30 48 months through 59 months	55%
31 60 months through 71 months	45%
32 72 months through 83 months	35%
33 84 months through 95 months	25%
34 96 months through 107 months	15%
35 108 months through 119 months	-5%
36 120 months or more	-0%

37  
 38 Nothing in this section shall result in additional cost to the  
 39 employer.

1 The right of a member to receive a recalculated allowance upon  
2 the death of his or her beneficiary granted pursuant to this section  
3 shall apply only to a member who retires on or before December  
4 31, 2017.

5 SEC. 3. Section 21459 of the Government Code is amended  
6 to read:

7 21459. (a) A member who elects to receive optional settlement  
8 2 or 3 may concurrently and irrevocably elect to waive the  
9 provision for an increase to his or her allowance due to the death  
10 of his or her beneficiary and shall, instead, have his or her  
11 allowance based upon the waiver of this benefit.

12 (b) This section shall apply only to a member who retires on or  
13 before December 31, 2017.

14 SEC. 4. Section 21463 of the Government Code is amended  
15 to read:

16 21463. (a) A member who elected to receive optional  
17 settlement 2 or 3 and whose beneficiary predeceases him or her,  
18 shall be entitled to receive the increased allowance pursuant to  
19 Section 21456 or Section 21457, as applicable, unless the member  
20 elected to waive the provision for an increase to his or her  
21 allowance pursuant to Section 21459.

22 (b) This section shall apply only to a member who retires on or  
23 before December 31, 2017.