

AMENDED IN SENATE AUGUST 2, 2016

AMENDED IN SENATE JUNE 13, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2404

Introduced by Assembly Member Cooley

February 19, 2016

An act to amend Sections 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 75070.5, 75071.5, 75570.5, 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 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; 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 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 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 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 100 Percent Beneficiary Option 2 with Benefit Allowance Increase, the 50 Percent Beneficiary Option 3, the 50 Percent Beneficiary Option 3 with Benefit Allowance Increase, 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
25 accordance with the formula applicable to his or her current service
26 pension, plus his or her current service pension, or current and
27 prior service pensions, as the case may be, as it was prior to his or
28 her full service retirement, provided that full service retirement
29 occurs before he or she renders, while participating in reduced

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

13 SEC. 2. Section 21357 of the Government Code is amended
14 to read:

15 21357. (a) For a member reinstated from service retirement
16 or partial service retirement, the current service pension, or current
17 and prior service pensions, as the case may be, upon his or her
18 service retirement subsequent to the reinstatement, shall be the
19 sum of (1) a current service pension calculated on the basis of
20 service rendered after reinstatement in accordance with the formula
21 applicable to him or her in that service and membership, plus, (2)
22 if the subsequent retirement occurs before he or she renders, after
23 his or her reinstatement, at least one year of state service credited
24 under this system, or if the subsequent service or disability
25 retirement occurs after his or her reinstatement from service or
26 disability retirement pursuant to an election under Section 21465
27 or 21483, his or her current service pension, or current and prior
28 service pensions, as the case may be, as it was prior to his or her
29 reinstatement, adjusted for any service on which the pension was
30 based that was included in coverage of the federal system during
31 reinstatement according to the formula applicable to the service
32 in employment for which he or she was retired, and further adjusted
33 according to any change after reinstatement in the provisions
34 governing the calculation of his or her pension that would have
35 applied to him or her had he or she continued in retirement but
36 been subject to the formula applied in the first adjustment; or, for
37 state miscellaneous and state industrial service subject to Section
38 21076, in lieu of (2), plus (3) a current service pension, or current
39 and prior service pensions, as the case may be, as it would have
40 been prior to his or her reinstatement under the formula applicable

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

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

37 (1) The total amount paid in the period during which a temporary
 38 annuity was included in the payments, reduced by the total amount
 39 that would have been payable during that period had the election
 40 not been made, exceeds

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

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

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

(c) Notwithstanding this section, or any other provision of this part, the current service pension payable to any member subject to this section who rendered one year or more of state service credited under this system after reinstatement on retirement for service subsequent to reinstatement from service retirement for any credited service for which a current service pension was paid prior to reinstatement shall not be less than the current service pension that would be payable on the date of the subsequent retirement had the member not been reinstated. For state miscellaneous and state industrial service subject to Section 21076, the current service pension payable for any credited service for which a current service pension was paid prior to reinstatement shall not be less than the current service pension that would have been payable on the date of the subsequent retirement had the member's retirement been subject to the formula under Section 21076 and had not been reinstated, adjusted, however, by any reduction under this section because of an election under Section 21461, 21461.5, 21479, or 21480 and, for any service so credited that was included in coverage of the federal system during reinstatement, according to the formula applicable to the service in employment from which he or she was retired.

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

21385. The prior service pension of a member reinstated from service retirement, upon his or her subsequent service retirement, shall be in the same amount as his or her prior service pension prior to his or her reinstatement, adjusted for any service on which the pension was based that was included in coverage of the federal

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

27 The prior service pension otherwise payable under this section
28 to a member whose allowance prior to reinstatement was paid
29 pursuant to his or her election under Section 21461, 21461.5,
30 21479, or 21480 shall be reduced by the actuarial equivalent, on
31 the date of retirement subsequent to reinstatement, of the amount,
32 if any (converted as below), by which:

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

37 (b) The excess of the total amount that would have been payable,
38 had the election not been made, during the time subsequent to the
39 period and prior to reinstatement over the total amount actually
40 paid during that time.

1 The amount determined by the above formula shall be converted
2 to an amount equaling the actuarial equivalent on the date of
3 reinstatement. The latter amount shall be the basis of the actuarial
4 equivalent, on the date of retirement subsequent to reinstatement.

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

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

22 SEC. 4. The heading of Article 6 (commencing with Section
23 21450) of Chapter 13 of Part 3 of Division 5 of Title 2 of the
24 Government Code is amended to read:

25
26 Article 6. Optional Settlements Prior to January 1, 2018
27

28 SEC. 5. Section 21450 of the Government Code is amended
29 to read:

30 21450. This system shall provide to any member who requests
31 materials relating to retirement, a written explanation of the effects,
32 if any, of each possible decision relating to the selection of optional
33 settlements, beneficiaries, and survivor benefits upon health
34 benefits that are provided pursuant to Part 5 (commencing with
35 Section 22750).

36 This section shall apply to any member who retires on or before
37 December 31, 2017.

38 SEC. 6. Section 21451 of the Government Code is amended
39 to read:

1 21451. In lieu of the retirement allowance for his or her life
2 alone, a member or retired member may elect, or revoke or change
3 a previous election prior to the approval of the previous election,
4 to have the actuarial equivalent of his or her retirement allowance
5 as of the date of retirement applied to a lesser retirement allowance,
6 in accordance with one of the optional settlements specified in this
7 article. The election or revocation or change thereof, with respect
8 to a member subject to Section 21624, 21629, or 21630 at
9 retirement, shall apply to all of the retirement allowance, if, at the
10 effective date of retirement, the member has no spouse, ~~children~~
11 *children*, or dependent parents who would qualify for an allowance
12 under Section 21624, 21629, or 21630, as applicable, after the
13 death of the member; or, if at retirement there are persons who
14 would so qualify, then the election, or revocation, or change
15 thereof, with respect to any optional settlement other than optional
16 settlement one, shall apply only to the portion of the allowance
17 that exceeds the amount of the allowance payable to the survivor.

18 An actuarial equivalent under this article may be adjusted by the
19 board for the intervals and upon the effective dates determined by
20 the board.

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

23 SEC. 7. Section 21452 of the Government Code is amended
24 to read:

25 21452. The lesser retirement allowance under an optional
26 settlement elected at retirement for law enforcement members
27 whose retirement is effective prior to October 1, 1965, and who
28 are entitled to receive benefits under the federal system, shall be
29 actuarially equivalent to that part of the retirement allowance that
30 is subject to option pursuant to Section 21451 that would have
31 been payable at retirement had no optional settlement been elected
32 after taking into consideration the reduction in the allowance
33 provided for in former Section 21252.10, as amended by Chapter
34 1657 of the Statutes of 1971. Upon the election of an optional
35 settlement by a member who has not attained the federal retirement
36 age the board shall estimate the federal benefit upon the basis of
37 information then available to it. If the death of the member should
38 occur before he or she has attained the federal retirement age
39 payments under the optional settlement elected shall be as
40 estimated. If the member attains the federal retirement age, the

1 board shall then recalculate the lesser retirement allowance payable
2 under the optional settlement upon the basis of the age of the
3 member and the beneficiary on the effective date of retirement,
4 actuarial tables then in use and the federal benefit.

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

7 SEC. 8. Section 21453 of the Government Code is amended
8 to read:

9 21453. An election, revocation, or change of election shall be
10 made within 30 calendar days after the making of the first payment
11 on account of any retirement allowance or, in the event of a change
12 of retirement status after retirement, within 30 calendar days after
13 the making of the first payment on account of any retirement
14 allowance following the change in retirement status. "Change in
15 retirement status" includes, but is not limited to, change from
16 service to disability retirement, from disability retirement to service
17 retirement, from nonindustrial disability retirement to industrial
18 disability retirement, or from industrial to nonindustrial disability
19 retirement.

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

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

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

29 SEC. 9. Section 21454 of the Government Code is amended
30 to read:

31 21454. Notwithstanding Section 21453, an election of optional
32 settlement 2 or 3, or optional settlement 4 involving life
33 contingency in which a spouse is designated as the beneficiary,
34 may be modified as provided in this section in the event of a
35 dissolution or annulment of the marriage or a legal separation in
36 which the division of the community property awards the total
37 interest in the retirement system to the retired member. The
38 modification shall provide that payment shall be continued during
39 the retired person's lifetime in accordance with the optional
40 settlement then in effect but that no monthly allowance shall be

1 paid following the retired person's death, and in lieu thereof there
2 shall be paid in a lump sum to the member's estate or a beneficiary
3 designated by him or her the amount, if any, by which the
4 member's accumulated contributions at retirement exceed the total
5 payments made to the retired person to the date of his or her death.

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

8 SEC. 10. Section 21455 of the Government Code is amended
9 to read:

10 21455. Optional settlement 1 consists of the right to have a
11 retirement allowance paid to the member until his or her death and
12 if the member dies before he or she receives in annuity payments
13 the amount of his or her accumulated contributions at retirement,
14 to have the balance at death paid to his or her beneficiary or estate.

15 This section shall apply to any member who retires on or before
16 December 31, 2017.

17 SEC. 11. Section 21456 of the Government Code is amended
18 to read:

19 21456. Optional settlement 2 consists of the right to have a
20 retirement allowance paid to a member until his or her death and
21 thereafter to his or her beneficiary for life.

22 If the beneficiary predeceases the member and the member
23 elected this section to be effective on or after January 1, 1990, the
24 member's allowance shall be adjusted effective the first of the
25 month following the death of the beneficiary, to reflect the benefit
26 that would have been paid had the member not selected an optional
27 settlement.

28 If a nonspouse beneficiary waives entitlement to this allowance
29 and the member elected this section to be effective on or after
30 January 1, 1993, the member's allowance shall be adjusted effective
31 the first of the month following the receipt of the waiver of the
32 allowance entitlement from the nonspouse beneficiary to reflect
33 the benefit that would have been paid had the member not selected
34 an optional settlement.

35 If the marriage of a member is dissolved or annulled or there is
36 a legal separation between the member and the beneficiary spouse
37 and the judgment dividing the community property awards the
38 total interest in this system to the member, and the member elects
39 this section to be effective on or after January 1, 1994, the
40 member's allowance shall be adjusted effective the first of the

1 month following the filing of the judgment with the board to reflect the benefit that would have been paid had the member not selected an optional settlement.

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

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

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

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

38	Period between the member's retirement	
39	effective date and the date of the qualifying	
40	event	Percentage

1	Less than 12 months	95%
2	12 months through 23 months	85%
3	24 months through 35 months	75%
4	36 months through 47 months	65%
5	48 months through 59 months	55%
6	60 months through 71 months	45%
7	72 months through 83 months	35%
8	84 months through 95 months	25%
9	96 months through 107 months	15%
10	108 months through 119 months	5%
11	120 months or more	0%

12
13 Nothing in this section shall result in additional cost to the
14 employer.

15 This section shall apply to any member who retires on or before
16 December 31, 2017.

17 SEC. 12. Section 21457 of the Government Code is amended
18 to read:

19 21457. Optional settlement 3 consists of the right to have a
20 retirement allowance paid to a member until his or her death, and
21 thereafter to have one-half of his or her retirement allowance paid
22 to his or her beneficiary for life.

23 If the beneficiary predeceases the member and the member
24 elected this section to be effective on or after January 1, 1990, the
25 member's allowance shall be adjusted effective the first of the
26 month following the death of the beneficiary, to reflect the benefit
27 that would have been paid had the member not selected an optional
28 settlement.

29 If the marriage of a member is dissolved or annulled or there is
30 a legal separation between the member and the beneficiary spouse
31 and the judgment dividing the community property awards the
32 total interest in this system to the member, and the member elects
33 this section to be effective on or after January 1, 1994, the
34 member's allowance shall be adjusted effective the first of the
35 month following the filing of the judgment with the board to reflect
36 the benefit that would have been paid had the member not selected
37 an optional settlement.

38 If a nonspouse beneficiary waives entitlement to this allowance
39 and the member elected this section to be effective on or after
40 January 1, 1993, the member's allowance shall be adjusted,

1 effective the first of the month following the receipt of the waiver
2 of the allowance entitlement from the nonspouse beneficiary, to
3 reflect the benefit that would have been paid had the member not
4 selected an optional settlement.

5 If the beneficiary spouse predeceases the member on or after
6 January 1, 1990, and the member elected this section to be effective
7 prior to January 1, 1990, the member's allowance shall be adjusted
8 effective the first of the month following the death of the
9 beneficiary spouse to reflect a new allowance as calculated below.

10 If the marriage of a member is dissolved or annulled or there is
11 a legal separation between the member and the beneficiary spouse
12 and the judgment dividing the community property awards the
13 total interest in the retirement system to the member, and the
14 member elected this section to be effective prior to January 1,
15 1994, the member's allowance shall be adjusted, effective the first
16 of the month following the filing of the judgment with the board
17 to reflect a new allowance as calculated below. The qualifying
18 event shall be the date on which the judgment is filed with the
19 board.

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

26 A percentage factor shall be applied to the difference between
27 the member's unmodified allowance and optional settlement 3
28 allowance, both of which shall include applicable cost-of-living
29 increases. The product of this equation shall then be added to the
30 member's optional settlement 3 allowance and the total amount
31 shall become the member's base allowance. The percentage factor
32 applicable to each member shall be determined by the time between
33 the member's retirement effective date and the date of death of
34 the beneficiary spouse or by the time between the member's
35 retirement effective date and the date of the receipt of either the
36 waiver of the allowance entitlement or the judgment of dissolution,
37 annulment, or legal separation according to the following table:

38	
39	Period between the member's retirement
40	effective date and the date of the qualifying
	Percentage

1	event	
2	Less than 12 months	95%
3	12 months through 23 months	85%
4	24 months through 35 months	75%
5	36 months through 47 months	65%
6	48 months through 59 months	55%
7	60 months through 71 months	45%
8	72 months through 83 months	35%
9	84 months through 95 months	25%
10	96 months through 107 months	15%
11	108 months through 119 months	5%
12	120 months or more	0%

13
14 Nothing in this section shall result in additional cost to the
15 employer.

16 This section shall apply to any member who retires on or before
17 December 31, 2017.

18 SEC. 13. Section 21458 of the Government Code is amended
19 to read:

20 21458. Optional settlement 4 consists of such other benefits
21 as are the actuarial equivalent of a member's retirement allowance,
22 that he or she may select subject to the approval of the board.
23 However, the actuarial equivalent of benefits under this optional
24 settlement payable to the member's beneficiary shall not exceed
25 the actuarial equivalent of the benefits which would be payable to
26 that beneficiary if the member had elected optional settlement 2
27 and Section 21459.

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

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

32 SEC. 14. Section 21459 of the Government Code is amended
33 to read:

34 21459. A member who elects to receive optional settlement 2
35 or 3 may concurrently and irrevocably elect to waive the provision
36 for an increase to his or her allowance due to the death of his or
37 her beneficiary and shall, instead, have his or her allowance based
38 upon the waiver of this benefit.

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

1 SEC. 15. Section 21460 of the Government Code is amended
2 to read:

3 21460. A member who elects to receive the unmodified
4 allowance or optional settlement 1, or optional settlement 2, 3, or
5 4 with or without making the election specified in Section 21459,
6 and who names his or her spouse as the option beneficiary, and
7 whose spouse is also an eligible survivor for the benefits provided
8 by Section 21624, 21626, 21627, 21628, 21629, or 21630, and
9 where the total benefit to the surviving spouse is at least 50 percent
10 of the member's unmodified allowance, may concurrently and
11 irrevocably elect to have his or her allowance paid as a "qualified
12 joint and survivor annuity." Notwithstanding any other provision
13 of this part, upon the election, the survivor allowance shall be paid
14 only to the member's spouse and shall continue to be paid upon
15 the remarriage of the spouse. Any cost due to this election shall
16 be paid by the member through an actuarial reduction to his or her
17 allowance.

18 For purposes of this section, a member's retirement allowance
19 shall be determined without regard to any limitation required
20 pursuant to Section 415 of Title 26 of the United States Code but
21 the amount payable to the spouse shall be subject to those limits
22 as if it were the retirement allowance of the member.

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

25 SEC. 16. Section 21461 of the Government Code is amended
26 to read:

27 21461. (a) A member retiring for service may elect to have
28 the actuarial equivalent of his or her unmodified service retirement
29 allowance paid in two parts as follows:

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

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

37 (b) The temporary annuity under subdivision (a) shall not be
38 subject to further optional settlement under this article and shall
39 be payable monthly as an addition to the member's monthly life
40 income beginning on his or her effective date of retirement and

1 continuing until the member reaches 59 years and six months of
2 age or any whole age between 60 and 68 years of age, as designated
3 by the member at the time of his or her retirement. If his or her
4 death occurs prior to that age, the commuted value of any
5 remaining installments shall be paid to his or her designated
6 beneficiary in a lump sum.

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

9 SEC. 17. Section 21461.5 of the Government Code is amended
10 to read:

11 21461.5. (a) Notwithstanding Section 21461, a member retiring
12 for service who became a member of the system on or after January
13 1, 2002, and who is covered under the federal system but is not
14 yet receiving a retirement or disability benefit under that system,
15 may elect to have the actuarial equivalent of his or her unmodified
16 service retirement allowance paid in two parts as follows:

17 (1) A temporary annuity that shall not exceed the primary social
18 security benefit that is anticipated the member shall be entitled to
19 receive at social security retirement age, which age shall be
20 designated by the member.

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

25 (b) The temporary annuity under paragraph (1) of subdivision
26 (a) shall not be subject to further optional settlement under this
27 article and shall be payable monthly as an addition to the member's
28 monthly life income beginning on the member's effective date of
29 retirement and continuing until the retired member attains the age
30 designated by the member under subdivision (a). If the member
31 dies prior to the designated age, the commuted value of any
32 installments payable for the period remaining until the member
33 would have attained that age shall be paid to the member's
34 designated beneficiary in a lump sum.

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

37 SEC. 18. Section 21462 of the Government Code is amended
38 to read:

39 21462. (a) (1) Notwithstanding any other provision of this
40 part, a member who elected to receive optional settlement 2, 3, or

1 4, involving a life contingency of the beneficiary, may, if the
2 beneficiary predeceases the member or if the member marries and
3 the former spouse was not named as beneficiary, or, if a former
4 spouse was named, in the event of a dissolution or annulment of
5 the marriage or a legal separation in which the judgment dividing
6 the community property awards the total interest in the retirement
7 system to the retired member, elect to have the actuarial equivalent
8 reflecting any selection against the fund resulting from the election
9 as of the date of election of the allowance payable for the remainder
10 of the member's lifetime under the optional settlement previously
11 chosen applied to a lesser allowance during the member's
12 remaining lifetime under one of the optional settlements specified
13 in this article and name a different beneficiary.

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

19 (b) The election shall be made within 12 months following the
20 death of the beneficiary who predeceased the member or within
21 12 months of the date of entry of the judgment dividing the
22 community property of the parties, or within 12 months following
23 marriage if the spouse is named as beneficiary. The election shall
24 become effective on the date specified on the election, provided
25 that this date is not earlier than the day following receipt of the
26 election in this system pursuant to this section.

27 (c) A member who has a qualifying event prior to January 1,
28 1988, and who fails to elect by January 1, 1989, or a member who
29 has a qualifying event on or after January 1, 1988, and who fails
30 to elect within 12 months, shall retain the right to make an election
31 under this section. However, this election shall become effective
32 no earlier than 12 months after the date it is filed with the board,
33 provided that neither the member nor the designated beneficiary
34 die prior to the effective date of the election.

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

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

1 SEC. 19. Section 21463 of the Government Code is amended
2 to read:

3 21463. A member who elected to receive optional settlement
4 2 or 3 and whose beneficiary predeceases him or her, shall be
5 entitled to receive the increased allowance pursuant to Section
6 21456 or Section 21457, as applicable, unless the member elected
7 to waive the provision for an increase to his or her allowance
8 pursuant to Section 21459.

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

11 SEC. 20. Section 21464 of the Government Code is amended
12 to read:

13 21464. Notwithstanding any provision of this part, a retired
14 member who chose no optional settlement or optional settlement
15 1 at retirement may elect to have the actuarial equivalent, as of the
16 date of the election, of the allowance payable for the remainder of
17 his or her lifetime applied to a lesser allowance during his or her
18 remaining lifetime under one of the optional settlements specified
19 in this article and name his or her spouse as beneficiary.

20 The election provided by this section is irrevocable and shall be
21 made within 12 months following a member's marriage if the
22 spouse is named as beneficiary. The election shall become effective
23 on the date specified on the election, provided that this date is not
24 earlier than the day following receipt of the election in this system
25 pursuant to this section.

26 A member who married prior to or after January 1, 1988, who
27 fails to elect within 12 months, shall retain the right to make an
28 election under this section. However, the election shall become
29 effective no earlier than 12 months after the date it is filed with
30 the board, provided that neither the member nor the designated
31 beneficiary die prior to the effective date of the election.

32 This section shall not be construed to mean that designation of
33 a new beneficiary causes the selection of an optional settlement.
34 An optional settlement shall be selected by a member in a writing
35 filed by the member with the board.

36 This section shall apply to any member who retires on or before
37 December 31, 2017.

38 SEC. 21. Section 21465 of the Government Code is amended
39 to read:

1 21465. (a) Optional settlement 5 consists of a partial
2 distribution of the actuarial present value of the portion, as
3 specified in this section, of the member's unmodified monthly
4 allowance, as prescribed in Section 21362, 21362.2, 21363,
5 21363.1, 21363.4, or 21423, when a service retirement allowance
6 is payable. The actuarial present value shall be based upon the
7 investment return and postretirement mortality assumptions adopted
8 by the board for that purpose. The member may elect to receive
9 the actuarial present value of no less than 20 percent and no more
10 than 50 percent of his or her unmodified allowance. The member
11 may elect to receive the remaining portion of the unmodified
12 allowance, not distributed as a lump-sum payment, under one of
13 the settlements specified in this article for the remainder of his or
14 her lifetime and thereafter to his or her designated beneficiary,
15 unless this amount is solely limited to the survivor continuance
16 portion. The portion of the unmodified allowance equivalent to
17 the survivor continuance pursuant to Section 21624 may not be
18 distributed as a lump-sum payment. The benefits provided under
19 this section may not exceed the benefits that would have otherwise
20 been provided under any other section in this article.

21 (b) This section shall only apply to the following members who
22 retire on or after January 1, 1999, and on or before December 31,
23 2017:

24 (1) State peace officer/firefighter members in State Bargaining
25 Unit 6.

26 (2) State peace officer/firefighter members in State Bargaining
27 Unit 8 and state patrol members in State Bargaining Unit 5, if a
28 memorandum of understanding has been agreed upon by the state
29 and the recognized employee organization to become subject to
30 this section.

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

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

1 Article 7. Optional Settlements On and After January 1, 2018

2
3 21470. This system shall provide to any member who retires
4 on or after January 1, 2018, and requests materials relating to
5 retirement, a written explanation of the effects, if any, of each
6 possible decision relating to the selection of optional settlements,
7 beneficiaries, and survivor benefits upon health benefits that are
8 provided pursuant to Part 5 (commencing with Section 22750).

9 21471. (a) The unmodified allowance consists of the right to
10 have the maximum retirement allowance paid to a member until
11 his or her death. There is no continuing allowance to a beneficiary
12 and there is no return of unused accumulated contributions after
13 the death of the member.

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

16 21471.1. (a) In lieu of electing the unmodified allowance, a
17 member may elect to have the actuarial equivalent of his or her
18 unmodified allowance as of the date of retirement applied to a
19 lesser retirement allowance, in accordance with one of the optional
20 settlements specified in this article. The election with respect to a
21 member subject to Section 21624, 21629, or 21630 at retirement,
22 shall apply to all of the retirement allowance, if, at the effective
23 date of retirement, the member has no spouse, children, or
24 dependent parents who would qualify for an allowance under
25 Section 21624, 21629, or 21630, as applicable, after the death of
26 the member; or, if at retirement there are persons who would so
27 qualify, then the election with respect to any optional settlement
28 other than the optional settlement in Section 21474, shall apply
29 only to the portion of the allowance that exceeds the amount of
30 the allowance payable to the survivor.

31 (b) An actuarial equivalent under this article may be adjusted
32 by the board for the intervals and upon the effective dates
33 determined by the board.

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

36 21471.2. If a member elects an optional settlement that provides
37 for a monthly allowance for his or her named beneficiary or
38 beneficiaries, the combined allowance payable to the member's
39 named beneficiary or beneficiaries and the member's survivor

1 pursuant to Section 21624, 21629, or 21630, if applicable, cannot
2 exceed the amount of the member's monthly allowance.

3 21472. (a) An election, revocation, or change of election shall
4 be made within 30 calendar days after the making of the first
5 payment on account of any retirement allowance or, in the event
6 of a change of retirement status after retirement, within 30 calendar
7 days after the making of the first payment on account of any
8 retirement allowance following the change in retirement status.
9 "Change in retirement status" includes, but is not limited to, change
10 from service to disability retirement, from disability retirement to
11 service retirement, from nonindustrial disability retirement to
12 industrial disability retirement, or from industrial to nonindustrial
13 disability retirement

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

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

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

24 21473. (a) Notwithstanding Section 21472, the election of an
25 optional settlement in Section 21475, 21475.5, 21476, 21476.5,
26 or 21477 in which a spouse is designated as the beneficiary, may
27 be modified as provided in this section in the event of a dissolution
28 or annulment of the marriage or a legal separation in which the
29 division of the community property awards the total interest in the
30 retirement system to the retired member. The modification shall
31 provide that payment shall be continued during the retired
32 member's lifetime in accordance with the optional settlement then
33 in effect but that no monthly allowance shall be paid following
34 the retired member's death, and in lieu thereof there shall be paid
35 in a lump sum to the member's estate or a beneficiary designated
36 by him or her the amount, if any, by which the member's
37 accumulated contributions at retirement exceed the total payments
38 made to the retired member to the date of his or her death.

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

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

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

9 21475. (a) The 100 Percent Beneficiary Option 2 consists of
10 the right to have a retirement allowance paid to a member until
11 his or her death, and thereafter to have the same monthly allowance
12 paid to his or her named beneficiary for life; provided that with
13 respect to a member subject to Section 21624, 21629, or 21630 at
14 retirement, the named beneficiary shall receive a monthly
15 allowance equal to that portion of the member's allowance that
16 exceeds the amount of the allowance deemed payable to a survivor.

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

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

25 21475.5. (a) The 100 Percent Beneficiary Option 2 with
26 Benefit Allowance Increase consists of the right to have a
27 retirement allowance paid to a member until his or her death and
28 thereafter to have the same monthly allowance paid to his or her
29 named beneficiary for life; provided that with respect to a member
30 subject to Section 21624, 21629, or 21630 at retirement, the named
31 beneficiary shall receive a monthly allowance equal to that portion
32 of the member's allowance that exceeds the amount of the
33 allowance deemed payable to a survivor.

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

1 (2) If a nonspouse beneficiary waives entitlement to this
2 ~~allowance and the member elected this section to be effective on~~
3 ~~or after January 1, 1993,~~ *allowance*, the member's allowance shall
4 be adjusted effective the first of the month following the receipt
5 of the waiver of the allowance entitlement from the nonspouse
6 beneficiary to reflect the benefit that would have been paid had
7 the member not selected an optional settlement.

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

17 (4) ~~If the beneficiary spouse predeceases the member on or after~~
18 ~~January 1, 1990, and the member elected this section to be effective~~
19 ~~prior to January 1, 1990, the member's allowance shall be adjusted~~
20 ~~effective the first of the month following the death of the~~
21 ~~beneficiary spouse to reflect a new allowance as calculated below.~~

22 (5) ~~If the nonspouse beneficiary waives entitlement to this~~
23 ~~allowance on or after January 1, 1993, and the member elected~~
24 ~~this section to be effective prior to January 1, 1993, the member's~~
25 ~~allowance shall be adjusted, effective the first of the month~~
26 ~~following receipt by the board of the waiver of entitlement from~~
27 ~~the nonspouse beneficiary, to reflect a new allowance as calculated~~
28 ~~below.~~

29 (6) ~~If the marriage of a member is dissolved or annulled or there~~
30 ~~is a legal separation between the member and the beneficiary~~
31 ~~spouse and the judgment dividing the community property awards~~
32 ~~the total interest in the retirement system to the member, and the~~
33 ~~member elected this section to be effective prior to January 1,~~
34 ~~1994, the member's allowance shall be adjusted, effective the first~~
35 ~~of the month following the filing of the judgment with the board~~
36 ~~to reflect a new allowance as calculated below. The qualifying~~
37 ~~event shall be the date on which the judgment is filed with the~~
38 ~~board.~~

39 (7) ~~If applicable, a percentage factor shall be applied to the~~
40 ~~difference between the member's unmodified allowance and~~

optional settlement 2, both of which shall include applicable cost-of-living increases. The product of this equation shall then be added to the member's optional settlement 2 allowance, and the total amount shall become the member's base allowance. The percentage factor applicable to each member shall be determined by the time between the member's retirement effective date and the date of death of the beneficiary spouse or by the time between the member's retirement effective date and the date of the receipt of either the waiver of the allowance entitlement or the judgment of dissolution, annulment, or legal separation according to the following table:

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

(b) Nothing in this section shall result in additional cost to the employer.

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

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

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

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

21476.5. (a) The 50 Percent Beneficiary Option 3 with Benefit Allowance Increase consists of the right to have a retirement allowance paid to a member until his or her death, and thereafter to have one-half of the member's monthly allowance paid to his or her named beneficiary for *life*; provided that with respect to a member subject to Section 21624, 21629, or 21630 at retirement, the named beneficiary shall receive a monthly allowance equal to one-half of that portion of the member's allowance that exceeds the amount of the allowance deemed payable to a survivor.

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

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

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

(4) If the beneficiary spouse predeceases the member on or after January 1, 1990, and the member elected this section to be effective prior to January 1, 1990, the member's allowance shall be adjusted effective the first of the month following the death of the beneficiary spouse to reflect a new allowance as calculated below:

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

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

(7) If applicable, a percentage factor shall be applied to the difference between the member's unmodified allowance and optional settlement 3 allowance, both of which shall include applicable cost-of-living increases. The product of this equation shall then be added to the member's optional settlement 3 allowance, and the total amount shall become the member's base allowance. The percentage factor applicable to each member shall be determined by the time between the member's retirement effective date and the date of death of the beneficiary spouse or by the time between the member's retirement effective date and the date of the receipt of either the waiver of the allowance entitlement or the judgment of dissolution, annulment, or legal separation according to the following table:

Period between the member's retirement effective date and the date of the qualifying event	Percentage
Less than 12 months	95%

1	12 months through 23 months	85%
2	24 months through 35 months	75%
3	36 months through 47 months	65%
4	48 months through 59 months	55%
5	60 months through 71 months	45%
6	72 months through 83 months	35%
7	84 months through 95 months	25%
8	96 months through 107 months	15%
9	108 months through 119 months	-5%
10	120 months or more	-0%

11
12 (b) Nothing in this section shall result in additional cost to the
13 employer.

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

16 21477. (a) The Flexible Beneficiary Option 4 consists of the
17 right to have a retirement allowance paid to a member until his or
18 her death, and thereafter to have a monthly allowance paid to his
19 or her named beneficiary or beneficiaries for life. Subject to Section
20 21471.2, the member may select the monthly allowance payable
21 to the named beneficiary or beneficiaries from the options below:

22 (1) Specific Dollar Amount to a Beneficiary or Beneficiaries.
23 The member may specify that upon his or her death after
24 retirement, a monthly allowance in an amount determined by the
25 member be paid to a named beneficiary or beneficiaries for life.

26 (2) Specific Percentage to a Beneficiary or Beneficiaries. The
27 member may specify that upon his or her death after retirement, a
28 monthly allowance in an amount equivalent to a specified
29 percentage of the member's allowance be paid to a named
30 beneficiary or beneficiaries for life.

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

33 21478. (a) A member who elects to receive the unmodified
34 allowance or the optional settlement in Section 21474, or the
35 optional settlement in Section 21475, 21475.5, 21476, 21476.5,
36 or 21477, and who names his or her spouse as the option
37 beneficiary, and whose spouse is also an eligible survivor for the
38 benefits provided by Section 21624, 21626, 21627, 21628, 21629,
39 or 21630, and if the total benefit to the surviving spouse is at least
40 50 percent of the member's unmodified allowance, may

1 concurrently and irrevocably elect to have his or her allowance
2 paid as a “qualified joint and survivor annuity.” Notwithstanding
3 any other provision of this part, upon the election, the survivor
4 allowance shall be paid only to the member’s spouse and shall
5 continue to be paid upon the remarriage of the spouse. Any cost
6 due to this election shall be paid by the member through an
7 actuarial reduction to his or her allowance.

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

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

15 21479. (a) A member retiring for service may elect to have
16 the actuarial equivalent of his or her unmodified service retirement
17 allowance paid in two parts as follows:

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

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

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

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

37 21480. (a) Notwithstanding Section 21479, a member retiring
38 for service who became a member of the system on or after January
39 1, 2002, and who is covered under the federal system but is not
40 yet receiving a retirement or disability benefit under that system,

1 may elect to have the actuarial equivalent of his or her unmodified
2 service retirement allowance paid in two parts as follows:

3 (1) A temporary annuity that shall not exceed the primary social
4 security benefit that is anticipated the member shall be entitled to
5 receive at social security retirement age, which age shall be
6 designated by the member.

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

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

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

23 21481. (a) (1) Notwithstanding any other provision of this
24 part, a member who elected the optional settlement in Section
25 21475, 21475.5, 21476, 21476.5, or 21477, may, if the beneficiary
26 predeceases the member or if the member marries and the former
27 spouse was not named as beneficiary, or, if a former spouse was
28 named, in the event of a dissolution or annulment of the marriage
29 or a legal separation in which the judgment dividing the community
30 property awards the total interest in the retirement system to the
31 retired member, elect to have the actuarial equivalent reflecting
32 any selection against the fund resulting from the election as of the
33 date of election of the allowance payable for the remainder of the
34 member's lifetime under the optional settlement previously chosen
35 applied to a lesser allowance during the member's remaining
36 lifetime under one of the optional settlements specified in this
37 article and name a different beneficiary.

38 (2) Notwithstanding paragraph (1), for an election pursuant to
39 this section that occurs on or after January 1, 2014, a member may
40 name the same beneficiary as previously designated, provided that

1 the resulting benefit to the member and the named beneficiary
2 otherwise meets the requirements of this section.

3 (b) The election shall be made within 12 months following the
4 death of the beneficiary who predeceased the member or within
5 12 months of the date of entry of the judgment dividing the
6 community property of the parties, or within 12 months following
7 marriage if the spouse is named as beneficiary. The election shall
8 become effective on the date specified on the election, provided
9 that this date is not earlier than the day following receipt of the
10 election in this system pursuant to this section.

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

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

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

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

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

39 (c) A member who married prior to or after January 1, 1988,
40 who fails to elect within 12 months, shall retain the right to make

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

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

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

11 21483. (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, 2018:

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

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

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

5 SEC. 23. Section 21492 of the Government Code is amended
6 to read:

7 21492. The designation of a beneficiary under the optional
8 settlements in Sections 21456, 21457, ~~21458~~, 21459, 21475,
9 21475.5, 21476, 21476.5, and 21477, *and in Section 21458*, if a
10 benefit involving the life contingency of the beneficiary is
11 provided, is irrevocable from the time of the first payment on
12 account of any retirement allowance. Otherwise a designation of
13 beneficiary under this system is revocable at the pleasure of the
14 member who made it. A member's marriage, dissolution of
15 marriage, annulment of his or her marriage, the birth of his or her
16 child, or his or her adoption of a child shall constitute an automatic
17 revocation of his or her previous revocable designation of
18 beneficiary. A member's termination of employment and
19 withdrawal of contributions shall constitute an automatic revocation
20 of the previous revocable designation of beneficiary. Subsequent
21 reemployment or reinstatement from retirement to employment
22 covered by this system shall not reinstate the previous designation
23 of beneficiary.

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

27 SEC. 24. Section 21503 of the Government Code is amended
28 to read:

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

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

38 (b) The document containing the application for retirement
39 received by this system did not provide for a temporary election

1 of the optional settlement in Sections 21456 and 21459, or in
2 Section 21475.

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

5 (d) The deceased member was alive on the effective date of
6 retirement.

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

11 A retirement allowance provided in accordance with this section
12 shall be calculated as if the member had elected Sections 21456
13 and 21459 if his or her retirement date is on or before December
14 31, 2017, or Section 21475 if his or her retirement date is on or
15 after January 1, 2018.

16 SEC. 25. Section 21504 of the Government Code is amended
17 to read:

18 21504. If a member dies on or after the effective date of
19 retirement and prior to the mailing of a retirement allowance
20 warrant and if the member has elected the optional settlement in
21 Section 21456, 21457, 21459, 21475, 21475.5, 21476, ~~21476.5~~
22 ~~21476.5~~, or 21477, or an optional settlement in Section 21458,
23 involving payment of an allowance throughout the life of the
24 beneficiary, or the member elected the unmodified allowance or
25 the optional settlement in either Section 21455 or 21474 and if a
26 partially continued retirement allowance under Sections 21624
27 through 21631, is payable, the death shall be considered to be death
28 after retirement and the applicable benefits shall be payable.

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

1 SEC. 26. Section 21505 of the Government Code is amended
2 to read:

3 21505. If a member who has been retired for service because
4 he or she has attained the mandatory age of retirement applicable
5 to members of his or her category dies within 30 days after the
6 date upon which his or her retirement was mandatory, and without
7 having elected the optional settlement in Section 21456, 21457,
8 21459, 21475, 21475.5, 21476, 21476.5, or 21477, or an optional
9 settlement in Section 21458, involving payment of an allowance
10 throughout the life of a beneficiary, and if no part of the allowance
11 of the member is automatically continued by this part after his or
12 her death, his or her death shall be considered as that of a member
13 before retirement, and the basic death benefit shall be payable, or,
14 if the circumstances are such that a special death benefit would be
15 payable if the death had occurred prior to retirement, the special
16 death benefit shall be payable.

17 SEC. 27. Section 21530 of the Government Code is amended
18 to read:

19 21530. (a) This system is liable for either the basic or special
20 death benefit upon the death of a member in any of the following
21 circumstances:

22 (1) Before the effective date of retirement, and (A) while in
23 state service, or (B) while absent on military service, provided the
24 member has made contributions during the absence under Section
25 20991 or has had contributions made on his or her behalf under
26 Section 20997, or (C) within four months after discontinuance of
27 state service, or (D) while on an approved leave of absence, or (E)
28 while physically or mentally incapacitated for the performance of
29 duty, if the incapacity has been continuous from discontinuance
30 of state service, or (F) while employed as a member of a county
31 retirement system; provided, the employment resulting in
32 membership was begun on or after October 1, 1957, and within
33 90 days after discontinuance of state service.

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

37 (3) On or after the effective date of retirement and before the
38 mailing of a retirement allowance warrant and either within four
39 months of discontinuance of state service or while physically or
40 mentally incapacitated for the performance of duty if the incapacity

1 has been continuous from discontinuance of state service, and
2 providing all of the following conditions exist:

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

5 (B) The member has not elected the optional settlement in
6 Section 21456, 21457, 21459, 21475, 21475.5, 21476, 21476.5,
7 or 21477, or an optional settlement in Section 21458, involving
8 payment of an allowance throughout the life of a beneficiary.

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

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

15 (1) Upon the death of a member before the effective date of his
16 or her retirement or, with respect to (A) any member whose
17 retirement was not compulsory under Article 5 (commencing with
18 Section 21130) of Chapter 12, and (B) any member who has not
19 elected the optional settlement in Section 21456, 21457, 21459,
20 21475, 21475.5, 21476, 21476.5, or 21477, or an optional
21 settlement in Section 21458 involving payment of an allowance
22 throughout the life of a beneficiary, on or after that effective date
23 and before the mailing of the first retirement allowance warrant.

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

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

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

1 (1) To the member's surviving spouse, an amount equal to the
2 amount the member would have received if the member had retired
3 for service at minimum retirement age on the date of death and
4 had elected the optional settlement in Section 21456 and Section
5 21459.

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

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

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

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

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

36 SEC. 29. Section 21547.7 of the Government Code is amended
37 to read:

38 21547.7. (a) Notwithstanding any other provision of this article
39 requiring attainment of the minimum age for voluntary service
40 retirement applicable to him or her in his or her last employment

preceding death, upon the death of a local firefighter member while in the employ of an agency subject to this section on or after January 1, 2001, who is credited with 20 years or more of state service, the surviving spouse, or eligible children, if there is no eligible spouse, may receive a monthly allowance in lieu of the basic death benefit. The board shall notify the eligible survivor, as defined in Section 21546, of this alternate death benefit. The board shall calculate the monthly allowance that shall be payable as follows:

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

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

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

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

(b) (1) Upon the death of a local firefighter member while in the employ of an agency subject to this section on or after January 1, 2001, who is credited with 20 years or more of state service and

1 who has attained the minimum age for voluntary service retirement
2 applicable to him or her in his or her last employment preceding
3 death, the surviving spouse may elect to receive a monthly
4 allowance that is equal to the amount that member would have
5 received if the member had been retired from service on the date
6 of death and had elected the optional settlement in Section 21456
7 and Section 21459 in lieu of the basic death benefit. The retirement
8 allowance shall be calculated using all service earned by the
9 member in this system.

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

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

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

30 (c) 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.

35 SEC. 30. Section 21548 of the Government Code is amended
36 to read:

37 21548. (a) The surviving spouse of a member who has attained
38 the minimum age for voluntary service retirement applicable to
39 the member in his or her last employment preceding death, and
40 who is eligible to receive an allowance pursuant to Section 21546,

1 shall instead receive an allowance that is equal to the amount that
2 the member would have received if the member had been retired
3 from service on the date of death and had elected the optional
4 settlement *in* Section 21456 and Section 21459.

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

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

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

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

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

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

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

1 provision in the contract making the contracting agency subject
2 to this section.

3 SEC. 31. Section 21604 of the Government Code is amended
4 to read:

5 21604. The insurance benefit shall be paid upon death of an
6 insured member of this system to the beneficiary entitled to receive
7 the basic or special death benefit if all of the following conditions
8 occur:

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

10 (1) While in state service.

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

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

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

16 (b) If either of the following exists:

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

19 (2) If the optional settlement in Section 21456, 21457, 21459,
20 21475, 21475.5, 21476, 21476.5, or 21477, or an optional
21 settlement in Section 21458, involving payment of an allowance
22 throughout the life of the beneficiary, has not been elected and if
23 an allowance under Section 21624, 21627, 21629, or 21630 is not
24 payable, and death occurs on or after the effective date of
25 retirement and before the mailing of a retirement allowance
26 warrant.

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

28 (d) Death occurs under circumstances other than those described
29 in subparagraph (F) of paragraph (1) of subdivision (a) of Section
30 21530.

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

38 SEC. 32. Section 21625 of the Government Code is amended
39 to read:

1 21625. Notwithstanding any other provision of this part, upon
2 the member's election to be subject to Section 21460 or 21478,
3 the benefits provided by Section 21624, 21626, 21627, 21628,
4 21629, or 21630, as applicable, shall be payable only to the
5 member's eligible surviving spouse and for his or her lifetime.
6 The benefit shall not cease upon the remarriage of the surviving
7 spouse.

8 SEC. 33. Section 21628 of the Government Code is amended
9 to read:

10 21628. The allowance provided by Section 21624 shall be paid
11 with respect to a local miscellaneous or local safety member whose
12 retirement was effective prior to his or her employer's election to
13 be subject to the section with respect to employees in his or her
14 employment, if at retirement he or she did not elect the optional
15 settlement in Section 21456, 21457, 21459, 21475, 21475.5, 21476,
16 21476.5, or 21477 or an optional settlement involving life
17 contingency in Section 21458. The retirement allowance payable
18 to a retired member who elected any of these optional settlements,
19 or to a beneficiary of a retired member, shall be increased by 15
20 percent, for time on and after the operative date and prior to the
21 next annual adjustment under Article 3 (commencing with Section
22 21310) of Chapter 13 and the base allowance shall be increased
23 by 15 percent for purpose of that and all subsequent annual
24 adjustments. The amount payable to the beneficiary under the
25 optional settlement shall be increased by the same percentage and
26 in the same manner as the increase provided for the payment to
27 the member.

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

39 SEC. 34. Section 21629 of the Government Code is amended
40 to read:

21629. Upon the death, after the effective date of retirement, of a state miscellaneous member none of whose service rendered in state employment has been included in the federal system and whose retirement is effective on or after July 1, 1974, or of a school member or school safety member none of whose service rendered in school service or school safety service has been included in the federal system and whose retirement is effective on or after July 1, 1983, a monthly allowance derived from employer contributions equal to 50 percent of the amount of his or her retirement allowance as it was at his or her death and based on service credited to him or her as a member subject to this section but excluding any portion of the retirement allowance derived from additional contributions of the member shall be paid to the surviving spouse throughout life. If there is no surviving spouse, or upon the death of the surviving spouse, the allowance shall be paid collectively to every unmarried child of the deceased member who has not attained age 18, or who is disabled by a condition which disabled that child prior to attaining age 18 and which has continued without interruption after age 18, until the disability ceases. If at the time of the retired member's death there is no eligible surviving spouse or children, the allowance shall be paid to a parent, or collectively to parents, of the deceased member dependent upon him or her for support. If on the effective date of retirement there is a person who will be eligible if the person survives, the member's election of an optional settlement other than the optional settlement ~~settlement~~ in Section 21455 or 21474 shall apply only to a portion of his or her allowance as provided in Section 21451 or 21471.1. If on the effective date of his or her retirement the member has no surviving spouse, eligible children, or dependent parents and elected an optional settlement, no allowance under this section shall be paid.

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

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

21630. Upon death after the effective date of retirement of a state miscellaneous member some of whose service rendered in state employment has been included in the federal system and whose retirement is effective on or after July 1, 1975, or of a school member or school safety member some of whose service rendered in school employment has been included in the federal system and whose retirement is effective on or after July 1, 1983, a monthly allowance, derived from employer contributions, equal to a percentage of the amount of his or her retirement allowance as it was at his or her death based on service credited to him or her as a member subject to this section but excluding any portion of the retirement allowance derived from additional contributions of the member shall be paid to the surviving spouse throughout life. The percentage shall be 25 percent for an allowance based on service that was also covered under the federal system and 50 percent for an allowance based on any other service, except that the percentage shall be 50 percent for the allowance of a member whose service was subject to Section 21076 or 21077 and who had become a member prior to November 1, 1988. If there is no surviving spouse, or upon the death of the surviving spouse, the allowance shall be paid collectively to every unmarried child of the deceased member who has not attained age 18, or who is disabled by a condition that disabled that child prior to attaining age 18 and that has continued without interruption after age 18, until the disability ceases. If at the time of the retired member's death there is no eligible surviving spouse or children, the allowance shall be paid to a parent, or collectively to parents, of the deceased member dependent upon him or her for support. If on the effective date of retirement there is a person who will be eligible if the person survives, the member's election of an optional settlement, other than the optional settlement in Section 21455 or 21474, shall apply only to a portion of the allowance as provided in Section 21451 or 21471.1. If on the effective date of his or her retirement the member has no surviving spouse, eligible children, or dependent parents and elected an optional settlement, no allowance under this section shall be paid.

"Surviving spouse," for purposes of service retirement subject to this section, means a husband or wife who was married to the

1 member for a continuous period beginning at least one year prior
2 to his or her retirement and ending on the date of his or her death
3 and, for purposes of disability retirement subject to this section
4 where the member retired on or after January 1, 1995, means a
5 husband or wife who was married to the member on the date of
6 his or her retirement and continuously to the date of his or her
7 death.

8 SEC. 36. Section 21631 of the Government Code is amended
9 to read:

10 21631. (a) The monthly allowance provided by Sections 21629
11 and 21630 shall be paid on account of retired school members who
12 did not at retirement elect the optional settlement in Section 21456,
13 21457, 21459, 21475, 21475.5, 21476, 21476.5, or 21477 or an
14 optional settlement involving life contingency in Section 21458.

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

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

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

1 (e) The board has no duty to identify, locate, or notify any
2 survivor of a retired school member who may potentially be eligible
3 for the benefits of this section. The board has no duty to provide
4 the name or address of any potential survivor to any person,
5 agency, or entity for the purpose of notifying survivors who may
6 potentially be eligible for the benefits of this section.

7 (f) The cost of the additional benefits provided pursuant to the
8 trial court decision in California State Employees Association, et
9 al. v. Board of Administration of the Public Employees' Retirement
10 System et al. (Sacramento County Superior Court, Case No.
11 332315) shall be paid out of the reserve against deficiencies
12 established by Section 20174.

13 SEC. 37. Section 21632 of the Government Code is amended
14 to read:

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

1 in the board's possession, or both, the board shall use that
2 information to assume any additional factors required to calculate
3 the allowance payable. The benefits shall be subject to the same
4 eligibility and termination provisions that apply to members at
5 retirement and shall, subject to subdivision (b), be paid only for
6 the period of time commencing on the first of the month following
7 receipt by the board of the application for the benefits. The board
8 has no duty to locate or notify any potential survivor or to provide
9 the name or address of any potential survivor to any person,
10 agency, or entity for the purpose of notifying survivors.

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

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

18 SEC. 38. Section 21633 of the Government Code is amended
19 to read:

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

35 SEC. 39. Section 21752 of the Government Code is amended
36 to read:

37 21752. (a) (1) In accordance with Section 21756, a member's
38 annual retirement benefits, adjusted to the actuarial equivalent of
39 a straight-life annuity if payable in a form other than a straight-life
40 annuity or a qualified joint and survivor annuity as provided under

1 Section 21460 or 21478 and determined without regard to any
2 employee contributions or rollover contributions, as defined in
3 Sections 402(a)(5), 403(a)(4), and 408(d)(3) of Title 26 of the
4 United States Code, otherwise payable to the member under Part
5 3 (commencing with Section 20000) and under any other defined
6 benefit plan maintained by the employer that is subject to Section
7 415 of Title 26 of the United States Code, shall not exceed, in the
8 aggregate, the dollar limit applicable pursuant to Section
9 415(b)(1)(A) of Title 26 of the United States Code, as appropriately
10 modified by Section 415(b)(2)(F) and (G) of Title 26 of the United
11 States Code.

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

16 (3) However, the annual retirement benefit payable to a member
17 shall be deemed not to exceed the limitations prescribed in
18 paragraph (1) if the benefit does not exceed ten thousand dollars
19 (\$10,000) and the member has at no time participated in a tax
20 qualified defined contribution plan maintained by the employer.

21 (b) These limitations shall be applied pursuant to Section
22 415(b)(10) of Title 26 of the United States Code.

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

25 SEC. 40. Section 75070 of the Government Code is amended
26 to read:

27 75070. In lieu of electing the unmodified allowance for his or
28 her life alone, a judge may elect to have the actuarial equivalent
29 of his or her retirement allowance as of the date of retirement
30 applied to a lesser retirement allowance, in accordance with one
31 of the optional settlements specified in Section 75071 when the
32 judge retires on or before December 31, 2017, or Section 75071.5
33 when 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 75070.5 is added to the Government Code,
5 to read:

6 75070.5. If a judge elects an optional settlement that provides
7 for a monthly allowance for his or her named beneficiary or
8 beneficiaries, the combined allowance payable to the judge's named
9 beneficiary or beneficiaries and the judge's survivor pursuant to
10 Section 75077 or 75096.3, if applicable, shall *not* exceed the
11 amount of the judge's monthly allowance.

12 SEC. 42. Section 75071 of the Government Code is amended
13 to read:

14 75071. This section shall apply to any judge who retires on or
15 before December 31, 2017.

16 (a) Optional settlement one consists of the right to have a
17 retirement allowance paid to the judge for life and if he or she dies
18 before receiving the amount of his or her accumulated contributions
19 at retirement, to have the balance at death paid to his or her
20 designated beneficiary or, if no beneficiary designation is in effect
21 on the date of death, to his or her estate.

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

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

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

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

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

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

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

24 (e) When a judge elects, on or after January 1, 2003, to receive
25 benefits provided by paragraph (2) of subdivision (b) or paragraph
26 (2) of subdivision (c), and the judge and his or her optional
27 settlement beneficiary both die before receiving in annuity
28 payments the full amount of the judge's accumulated contributions
29 at retirement, the balance of the judge's accumulated contributions
30 shall be paid to the beneficiary designated by the judge. If the
31 judge had no designated beneficiary in effect on the date of death,
32 payment shall be made to the judge's estate.

33 SEC. 43. Section 75071.5 is added to the Government Code,
34 to read:

35 75071.5. This section shall apply to any judge who retires on
36 or after January 1, 2018.

37 (a) The unmodified allowance consists of the right to have the
38 maximum retirement allowance paid to the judge for his or her
39 life alone. There is no continuing allowance to a beneficiary and

1 there is no return of unused accumulated contributions after the
2 death of the judge.

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

9 (c) (1) The 100 Percent Beneficiary Option 2 consists of the
10 right to have a retirement allowance paid to the judge until his or
11 her death, and thereafter to have the same monthly allowance paid
12 to his or her designated beneficiary for life; provided that with
13 respect to a judge subject to Section 75077 or 75096.3 at
14 retirement, the beneficiary shall receive a monthly allowance equal
15 to that portion of the judge's monthly allowance that exceeds the
16 amount of the allowance deemed payable to the judge's survivor.

17 (2) Upon the death of both the judge and the designated
18 beneficiary, any remaining balance of the judge's accumulated
19 contributions at retirement not used to fund the allowances paid
20 to the judge and the designated beneficiary will be paid in a lump
21 sum to the secondary beneficiary or beneficiaries designated by
22 the judge.

23 (d) (1) The 100 Percent Beneficiary Option 2 with Benefit
24 Allowance Increase consists of the right to have a retirement
25 allowance paid to the judge until his or her death and thereafter to
26 have the same monthly allowance paid to his or her designated
27 beneficiary for life; provided that with respect to a judge subject
28 to Section 75077 or 75096.3 at retirement, the beneficiary shall
29 receive a monthly allowance equal to that portion of the judge's
30 monthly allowance that exceeds the amount of the allowance
31 deemed payable to the judge's survivor.

32 (2) If the judge's designated beneficiary predeceases the judge
33 and the judge elected this optional settlement, the judge's allowance
34 shall be adjusted effective the first day of the month following the
35 death of the beneficiary to reflect the benefit that would have been
36 paid had the judge not elected an optional settlement.

37 (3) If the marriage of a retired judge is dissolved or annulled or
38 if the retired judge and his or her beneficiary spouse are legally
39 separated and the judgment dividing their community property
40 awards the total interest in this system to the retired judge, and the

1 retired judge elected this optional settlement, the retired judge's
2 allowance shall be adjusted effective the first day of the month
3 following the filing of the judgment with the board to reflect the
4 benefit that would have been paid had the judge not elected an
5 optional settlement.

6 (e) (1) The 50 Percent Beneficiary Option 3 consists of the
7 right to have a retirement allowance paid to the judge until his or
8 her death, and thereafter to have one-half of the monthly allowance
9 paid to his or her designated beneficiary for life, provided that,
10 with respect to a judge subject to Section 75077 or 75096.3 at
11 retirement, the beneficiary shall receive a monthly allowance equal
12 to one-half of that portion of the judge's allowance that exceeds
13 the amount of the allowance deemed payable to the judge's
14 survivor.

15 (2) Upon the death of both the judge and the designated
16 beneficiary, any remaining balance of the judge's accumulated
17 contributions at retirement not used to fund the allowances paid
18 to the judge and the designated beneficiary will be paid in a lump
19 sum to the secondary beneficiary or beneficiaries designated by
20 the judge.

21 (f) (1) The 50 Percent Beneficiary Option 3 with Benefit
22 Allowance Increase consists of the right to have a retirement
23 allowance paid to the judge until his or her death and thereafter to
24 have one-half of the monthly allowance paid to his or her
25 designated beneficiary for life; provided that with respect to a
26 judge subject to Section 75077 or 75096.3 at retirement, the
27 beneficiary shall receive a monthly allowance equal to one-half
28 of that portion of the judge's monthly allowance that exceeds the
29 amount of the allowance deemed payable to the judge's survivor.

30 (2) If the judge's designated beneficiary predeceases the judge
31 and the judge elected this optional settlement, the judge's allowance
32 shall be adjusted effective the first day of the month following the
33 death of the beneficiary to reflect the benefit that would have been
34 paid had the judge not elected an optional settlement.

35 (3) If the marriage of a retired judge is dissolved or annulled or
36 if the retired judge and his or her beneficiary spouse are legally
37 separated and the judgment dividing their community property
38 awards the total interest in this system to the retired judge, and the
39 retired judge elected this optional settlement, the retired judge's
40 allowance shall be adjusted effective the first day of the month

1 following the filing of the judgment with the board to reflect the
2 benefit that would have been paid had the judge not elected an
3 optional settlement.

4 (g) 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 designated beneficiary or beneficiaries for life. Subject to Section
8 75070.5, the judge may select the monthly allowance payable to
9 the designated beneficiary or beneficiaries from the options below:

10 (1) Specific Dollar Amount to a Beneficiary or Beneficiaries.
11 The judge may specify that upon his or her death after retirement,
12 a monthly allowance in an amount determined by the judge be
13 paid to a designated beneficiary or beneficiaries for life.

14 (2) Specific Percentage to a Beneficiary or Beneficiaries. The
15 judge may specify that upon his or her death after retirement, a
16 monthly allowance in an amount equivalent to a specified
17 percentage of the judge's ~~unmodified~~ allowance be paid to a
18 designated beneficiary or beneficiaries for life.

19 SEC. 44. Section 75073 of the Government Code is amended
20 to read:

21 75073. A judge who elects to receive optional settlement two
22 or three in Section 75071 may concurrently and irrevocably elect
23 to waive the provision for an increase to his or her allowance, as
24 specified in subdivisions (b) and (c) of Section 75071, and shall,
25 instead, have his or her allowance based upon the waiver of this
26 benefit.

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

29 SEC. 45. Section 75094 of the Government Code is amended
30 to read:

31 75094. (a) Notwithstanding any other provision of this article
32 to the contrary, the surviving spouse of a judge shall receive an
33 allowance that is equal to the amount that the judge would have
34 received had the judge been retired from service on the date of his
35 or her death and had elected the optional settlement specified in
36 subdivision (b) of Section 75071 and 75073, if all of the following
37 apply to the judge:

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

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

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

6 (b) A surviving spouse receiving an allowance pursuant to this
7 section shall have no other claim to benefits with respect to the
8 Judges' Retirement Fund or with respect to any other provision of
9 the Judges' Retirement Law.

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

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

19 SEC. 46. Section 75522 of the Government Code is amended
20 to read:

21 75522. (a) A judge is eligible to retire pursuant to this section
22 upon attaining both 65 years of age and 20 or more years of service,
23 or upon attaining 70 years of age with a minimum of five years of
24 service.

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

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

33 (d) The judge may elect to receive for life a monthly retirement
34 allowance equal to the benefit factor multiplied by the judge's
35 final compensation multiplied by the number of years of service
36 credit.

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

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

1 (e) The judge may elect to receive the amount of his or her
2 monetary credits determined pursuant to Section 75520, including
3 the credits added under subdivision (b) of that section computed
4 to the last day of the month preceding the date of distribution.
5 Under rules adopted by the board, the judge may elect to receive
6 that amount in a single payment, or may direct that it be paid in
7 an annuity of actuarially equivalent value for the judge's life or in
8 one of the optional forms provided for in Section 75571 if the
9 judge retires on or before December 31, 2017, or Section 75571.5
10 if the judge retires on or after January 1, 2018.

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

15 SEC. 47. Section 75570 of the Government Code is amended
16 to read:

17 75570. (a) In lieu of electing the unmodified allowance under
18 subdivision (d) of Section 75522 for his or her life alone, a judge
19 who elects to retire with a monthly allowance under subdivision
20 (d) of Section 75522 may elect to have the actuarial equivalent of
21 his or her retirement allowance as of the date of retirement applied
22 to a lesser retirement allowance, in accordance with one of the
23 optional settlements specified in Section 75571 if the judge retires
24 on or before December 31, 2017, or Section 75571.5 if the judge
25 retires on or after January 1, 2018.

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

30 (c) If there is a spouse who would qualify for the survivor
31 allowance under subdivision (b) of Section 75590, then the
32 election, with respect to any optional settlement other than the
33 optional settlement in subdivision (a) of Section 75571 or
34 subdivision (b) of Section 75571.5, shall apply only to the portion
35 of the retirement allowance that exceeds the amount of the
36 allowance deemed payable to the surviving spouse.

37 SEC. 48. Section 75570.5 is added to the Government Code,
38 to read:

39 75570.5. If a judge elects an optional settlement that provides
40 for a monthly allowance for his or her surviving spouse, the

1 combined allowance payable to the surviving spouse pursuant to
2 the optional settlement and Section 75590, if applicable, cannot
3 exceed the amount of the ~~member's~~ *judge's* monthly allowance.

4 SEC. 49. Section 75571 of the Government Code is amended
5 to read:

6 75571. This section shall apply to any judge who retires on or
7 before December 31, 2017.

8 (a) Optional settlement one consists of the right to have a
9 retirement allowance paid to the judge until his or her death and
10 if he or she dies before he or she receives the amount of his or her
11 accumulated contributions at retirement, to have the balance at
12 death paid to his or her surviving spouse or estate.

13 (b) (1) Optional settlement two consists of the right to have a
14 retirement allowance paid to the judge until his or her death and
15 thereafter to his or her surviving spouse for life.

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

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

31 (c) (1) Optional settlement three consists of the right to have a
32 retirement allowance paid to the judge until his or her death, and
33 thereafter to have one-half of his or her retirement allowance paid
34 to his or her surviving spouse for life.

35 (2) If the judge's spouse predeceases the judge and the judge
36 elected this optional settlement to be effective on or after January
37 1, 2002, the judge's allowance shall be adjusted effective the first
38 day of the month following the death of the spouse to reflect the
39 benefit that would have been paid had the judge not elected an
40 optional settlement.

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

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

13 SEC. 50. Section 75571.5 is added to the Government Code,
14 to read:

15 75571.5. This section shall apply to any judge who retires on
16 or after January 1, 2018.

17 (a) The unmodified allowance consists of the right to have the
18 maximum retirement allowance paid to the judge for his or her
19 life alone. A continuing allowance to the surviving spouse, other
20 than the benefit provided in subdivision (b) of Section 75590, is
21 not provided and there is not a return of unused accumulated
22 contributions after the death of the judge.

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

29 (c) (1) The 100 Percent Beneficiary Option 2 consists of the
30 right to have a retirement allowance paid to the judge until his or
31 her death and thereafter to have the same monthly allowance paid
32 to his or her surviving spouse for life; provided that with respect
33 to a judge subject to subdivision (b) of Section 75590, the surviving
34 spouse shall receive that portion of the judge's monthly allowance
35 that exceeds the amount of the allowance deemed payable pursuant
36 to subdivision (b) of Section 75590.

37 (2) Upon the death of both the judge and the surviving spouse,
38 any remaining balance of the judge's accumulated contributions
39 at retirement not used to fund the allowances paid to the judge and

1 the surviving spouse pursuant to this subdivision will be paid in a
2 lump sum to the estate of the deceased.

3 (d) (1) The 100 Percent Beneficiary Option 2 with Benefit
4 Allowance Increase consists of the right to have a retirement
5 allowance paid to the judge until his or her death and thereafter to
6 have the same monthly allowance paid to his or her surviving
7 spouse for life; provided that with respect to a judge subject to
8 subdivision (b) of Section 75590, the surviving spouse shall receive
9 that portion of the judge's monthly allowance that exceeds the
10 amount of the allowance deemed payable pursuant to subdivision
11 (b) of Section 75590.

12 (2) If the judge's spouse predeceases the judge and the judge
13 elected this optional settlement, the judge's allowance shall be
14 adjusted effective the first day of the month following the death
15 of the spouse to reflect the benefit that would have been paid had
16 the judge not elected an optional settlement.

17 (3) If the marriage of a retired judge is dissolved or annulled or
18 if the retired judge and his or her spouse are legally separated and
19 the judgment dividing their community property awards the total
20 interest in this system to the retired judge, and the retired judge
21 elected this optional settlement, the retired judge's allowance shall
22 be adjusted effective the first day of the month following the filing
23 of the judgment with the board to reflect the benefit that would
24 have been paid had the judge not elected an optional settlement.

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

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

39 (f) (1) The 50 Percent Beneficiary Option 3 with Benefit
40 Allowance Increase consists of the right to have a retirement

1 allowance paid to the judge until his or her death and thereafter to
2 have one-half of the monthly allowance paid to his or her surviving
3 spouse for life; provided that with respect to a judge subject to
4 subdivision (b) of Section 75590, the surviving spouse shall receive
5 one-half of that portion of the judge's monthly allowance that
6 exceeds the amount of the allowance deemed payable pursuant to
7 subdivision (b) of Section 75590.

8 (2) If the judge's spouse predeceases the judge and the judge
9 elected this optional settlement, the judge's allowance shall be
10 adjusted effective the first day of the month following the death
11 of the spouse to reflect the benefit that would have been paid had
12 the judge not elected an optional settlement.

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

21 (g) The Flexible Beneficiary Option 4 consists of the right to
22 have a retirement allowance paid to a judge until his or her death,
23 and thereafter to have a monthly allowance paid to his or her
24 surviving spouse for life. Subject to Section 75570.5, the judge
25 may select the monthly allowance payable to the surviving spouse
26 from the options below:

27 (1) Specific Dollar Amount to a Surviving Spouse. The judge
28 may specify that upon his or her death after retirement, a monthly
29 allowance in an amount determined by the judge be paid to his or
30 her surviving spouse for life.

31 (2) Specific Percentage to a Surviving Spouse. The judge may
32 specify that upon his or her death after retirement, a monthly
33 allowance in an amount equivalent to a specified percentage of
34 the judge's allowance be paid to his or her surviving spouse for
35 life.

36 SEC. 51. Section 75573 of the Government Code is amended
37 to read:

38 75573. A judge who elects to receive optional settlement two
39 or three in Section 75571 may concurrently and irrevocably elect
40 to waive the provision for an increase to his or her allowance, as

1 specified in subdivisions (b) and (c) of Section 75571, and shall,
2 instead, have his or her allowance based upon the waiver of this
3 benefit.

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

6 SEC. 52. Section 75590 of the Government Code is amended
7 to read:

8 75590. (a) A surviving spouse of a judge who was eligible to
9 retire pursuant to subdivision (a) of Section 75522 shall, within
10 90 days after the judge's death, elect to receive either of the
11 following:

12 (1) A monthly retirement allowance equal to one-half of the
13 judge's benefit factor computed as stated in subdivision (d) of
14 Section 75522 as of the date of death, multiplied by the judge's
15 final compensation multiplied by the number of years of service
16 credit. This allowance shall be adjusted for changes in the cost of
17 living as provided in Section 75523.

18 (2) The judge's monetary credits determined pursuant to Section
19 75520, including the credits added under subdivision (b) of that
20 section computed to the last day of the month preceding the date
21 of distribution.

22 (b) A surviving spouse of a retired judge who elected to receive
23 a monthly allowance under subdivision (d) of Section 75522 or
24 who was retired for disability and receiving an allowance under
25 Section 75560.4 shall receive a monthly allowance equal to 50
26 percent of the deceased judge's last monthly retirement allowance.
27 This allowance shall be adjusted for changes in the cost of living
28 as provided in Section 75523.

29 (c) (1) Notwithstanding any other provision of this article to
30 the contrary, the surviving spouse of a judge who (A) died in office,
31 (B) had attained the minimum age for service retirement applicable
32 to the judge preceding his or her death, with a minimum of 20
33 years of service, and (C) was eligible to receive an allowance
34 pursuant to Section 75522, shall receive an allowance that is equal
35 to the amount that the judge would have received if the judge had
36 been retired from service on the date of death and had elected the
37 optional settlement specified in subdivision (b) of Section 75571
38 and in Section 75573.

39 (2) A surviving spouse receiving an allowance pursuant to this
40 subdivision shall have no other claim to benefits with respect to

1 the Judges' Retirement Fund or with respect to any other provision
2 of the Judges' Retirement System II Law.

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

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