

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1878

Introduced by Assembly Member Jones-Sawyer

February 10, 2016

An act to amend Section 21623 of the Government Code, relating to public employees' retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1878, as amended, Jones-Sawyer. Public Employees' Retirement System: school members: postretirement death benefit.

The Public Employees' Retirement Law requires that, upon the death of any state or school member after retirement and while receiving a retirement allowance, the sum of \$2,000 be paid to the member's designated beneficiary, as specified. Existing law provides that the additional employer contributions required to fund this benefit be computed as a level percentage of member compensation, and these are deposited in the Public Employees' Retirement Fund, a continuously appropriated fund.

This bill, on and after January 1, 2017, would increase the amount of payment to school members, described above, to ~~\$7,045~~. *By not less than \$5,000. The bill would authorize the Board of Administration of the Public Employees' Retirement System to adjust the death benefit amount following each actuarial valuation based on changes in the All Urban California Consumer Price Index, as specified.*

By increasing contributions to the Public Employees' Retirement Fund, this bill would make an appropriation.

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

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

1 SECTION 1. Section 21623 of the Government Code is
2 amended to read:

3 21623. (a) (1) In lieu of benefits provided by Section 21620
4 or 21622, upon the death of any retired state member, after
5 retirement and while receiving a retirement allowance from this
6 system, there shall be paid to the beneficiary whom he or she shall
7 nominate by written designation duly executed and filed with the
8 board, the sum of two thousand dollars (\$2,000), to be provided
9 from contributions by the employer.

10 (2) On and after January 1, 2017, in lieu of benefits provided
11 by Section 21620 or 21622, upon the death of any retired school
12 member, after retirement and while receiving a retirement
13 allowance from this system, there shall be paid to the beneficiary
14 whom he or she shall nominate by written designation duly
15 executed and filed with the board, the sum of ~~seven thousand~~
16 ~~forty-five dollars (\$7,045)~~, *not less than five thousand dollars*
17 *(\$5,000)*, to be provided from contributions by the employer.

18 *(b) The Board of Administration of the Public Employees’*
19 *Retirement System may adjust the death benefit amount following*
20 *each actuarial valuation based on changes in the All Urban*
21 *California Consumer Price Index and adopt as a plan amendment*
22 *any adjusted amount.*

23 ~~(b)~~

24 (c) For the purposes of this section, all contributions, liabilities,
25 actuarial interest rates, and other valuation factors shall be
26 determined on the basis of actuarial assumptions and methods that,
27 in the aggregate, are reasonable and that, in combination, offer the
28 actuary’s best estimate of anticipated experience under this system.

29 ~~(c)~~

30 (d) The additional employer contributions required under this
31 section shall be computed as a level percentage of member
32 compensation.

33 ~~(d)~~

34 (e) This section shall apply to a school employer and a retired
35 school member whose death after retirement occurs on or after
36 January 1, 2001. This section shall not apply to any contracting
37 agency or local member, except those contracting agencies that

- 1 are school employers and those school districts or community
- 2 college districts as defined in subdivision (i) of Section 20057.

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