

Date of Hearing: March 18, 2026

ASSEMBLY COMMITTEE ON PUBLIC EMPLOYMENT AND RETIREMENT

Tina S. McKinnor, Chair

AB 1844 (Pacheco) – As Introduced February 11, 2026

SUBJECT: Judges' Retirement System II: beneficiaries

SUMMARY: Makes changes to various provisions within the Judges' Retirement System II (JRS II) body of law, administered by the California Public Employees' Retirement System (CalPERS), by: (i) authorizing a JRS II judge to designate a beneficiary other than their spouse; (ii) providing survivor benefits to a surviving designated beneficiary other than judge's spouse; (iii) authorizing the surviving designated beneficiary to receive an allowance, and (iv) removing the requirement that the judge must have had a minimum of 20 years of service, among technical or conforming and related changes. Specifically, **this bill:**

- 1) Authorizes a JRS II judge who elects one among several optional settlements for the payment of their retirement allowance, to designate a surviving beneficiary other than their spouse to receive a retirement benefit or monthly allowance upon the death of the JRS II judge, subject to the community property rights of the judge's spouse, as provided.
- 2) Authorizes a JRS II judge to designate a surviving designated beneficiary other than their spouse, to receive survivor benefits if the judge dies but was eligible to retire, and removes the requirement that judge had minimum of 20 years of service.
- 3) Authorizes a JRS II judge at any time, including, but not limited to, at any time after reaching retirement age, to designate a beneficiary to receive benefits payable to the beneficiary, by a writing filed with CalPERS, but prohibits the beneficiary designation from being made in derogation of the community property share of any nonmember spouse when any benefit is derived, in whole or in part, unless the nonmember spouse has previously obtained an alternative order for divisions, as specified.

Further, the designation, subject to conditions imposed by CalPERS board rule, made by class, in which case members of the same class at the time of the judge's death must be entitled as beneficiaries, and the designation must also be subject to CalPERS board conclusive determination, upon evidence it deems satisfactory, of the existence, identity, or other facts relating to a person entitled as a beneficiary. Finally, payment made by the system in its reliance on any determination made in good faith, provided that it did not discover a beneficiary otherwise entitled to share in the benefit, must constitute a complete discharge and release of the system for further liability for the benefit.

- 4) Makes other technical, related changes, or conforming changes for these purposes.

EXISTING LAW:

- 1) Establishes, among other things, public employee retirement system board members to discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries. (Section 17, art. XVI, Cal. Const.)

- 2) Establishes the Public Employees' Retirement Law (PERL), administered by the California Public Employees' Retirement System (CalPERS) to effect economy and efficiency in the public service by providing a means whereby employees who become superannuated or otherwise incapacitated may, without hardship or prejudice, be replaced by more capable employees, and to that end provide a retirement system consisting of retirement compensation and death benefits. (Sections 20000 *et seq.*, Gov. Code.)
- 3) Establishes the Judges' Retirement System I (JRS I) which provides a set of rights and benefits to members of JRS I administered by CalPERS. This system was closed to new members as of November 1994. (Sections 75000 *et seq.*, Gov. Code.) All Supreme and Appellate court justices and Superior court judges appointed or elected on or after November 9, 1994, are members of JRS II.
- 4) Establishes the JRS II, administered by CalPERS, which provides that a judge must be at least 65 years of age with at least 20 years of service, or 70 years of age with at least 5 years of service, to qualify for a JRS II defined benefit (DB) service retirement. Upon qualification, a judge is eligible to receive a monthly retirement allowance equal to 3.75 percent of their final compensation, multiplied by the number of years of service, up to a maximum of 75 percent of their final compensation. A judge who leaves judicial office before accruing the required minimum combination of age and years of service eligible for a service retirement receives their contributions to the system and no other amount. Here, they receive an amount under the Monetary Credit Plan.¹
- 5) Authorizes, on and after January 1, 2024, until December 31, 2028, a JRS II judge who is not eligible to retire, i.e., has not attained 65 years of age with at least 20 years of service, or 70 years of age with at least five years of service, but who is 60 years of age with at least 15 years of service, or 65 years of age with at least 10 years, to elect to defer their service retirement instead of receiving their monetary credits. (Section 75522.5, Gov. Code.)
- 6) Provides for various optional settlements that a JRS II judge may elect upon retirement for service to receive a reduced monthly retirement benefit for their life alone and upon their death, their surviving spouse to receive a payable benefit. (Sections 75570, 75571 (prior to January 1, 2018), 75571.5 (on or after January 1, 2018), and 75573, Gov. Code.)
- 7) Authorizes the surviving spouse of a JRS II judge who died while in office, but who was eligible to retire with a minimum of 20 years of service and met other requirements, to receive an allowance that is equal to the amount that the judge would have received if the judge had retired from service on the date of their death, as provided and specified. (Section 75590, Gov. Code.)
- 8) Authorizes the surviving spouse of a JRS II judge who dies before becoming eligible to retire for service, as specified, to receive the greater of: i) the judge's monetary credits, as provided, or ii) three times the judge's annual salary at the time of the judge's death paid on

¹ A JRS II monetary credit is where the JRS II judge accrues monetary credits monthly, which equal 18 percent of their monthly salary. Interest is applied monthly, and the rate is determined based on the net earning rate achieved by the JRS II fund in the preceding fiscal year, however, it is never less than zero. These monetary credits are paid as a lump sum payment.

equal monthly installments for 36 months. However, if there is no surviving spouse, the greater amount must be paid to the judge's surviving children, and if none, then to the judge's estate. (Section 75591, Gov. Code.)

FISCAL EFFECT: None. This bill is keyed nonfiscal by Legislative Counsel.

COMMENTS:

As to the need for this bill, among other things, information provided by the author states that, “[u]nder current law, JRS II judges may generally designate only a spouse or registered domestic partner to receive continuing survivor pension benefits. Unmarried judges, including those who have long-term partners, adult children, or other dependents, cannot designate anyone to receive the ongoing pension payments following the judge’s death. This restriction is unique to JRS II. From our research, all other major California public retirement systems, including CalPERS, CalSTRS, [University of California] Retirement Plan, [Los Angeles County Employees Retirement Association (LACERA)], Orange County Employees Retirement Association (OCERA)], and multiple county systems, permit designation of non-spouse beneficiaries, often allowing multiple beneficiaries, with benefits actuarially adjusted based on age. Under the prior [JRS I]..., judges were granted this flexibility through legislation enacted in the early 2000s, but JRS II judges were not included, likely due to oversight when JRS II was created.

“Current law also limits survivor benefits for judges who die before retirement and ties certain survivor protections exclusively to spouses. Specifically, judges who are vested with 20 years, but not yet retired, are able to make an optional settlement election to select how their survivor benefit is distributed if they die while in office. But this limitation does not capture all vested judges who remain working, as JRS II vests if the judge is over the age of 70 and with at least 5 years of service. The statutory language limiting these elections to vested judges with 20 years of service is a wrinkle in the statute which has real impacts on judges. As a result, judges cannot protect a beneficiary against the risk of dying in office before retirement.

“[This bill] seeks to address two beneficiary related issues within the [JRS II] by allowing judges to designate a non-spouse beneficiary to receive survivor retirement benefits and by extending existing survivor protections to older vested judges. JRS II currently prohibits judges from naming a non-spouse beneficiary to receive ongoing pension benefits after death and requires judges to serve 20 years before electing a survivor benefit option despite the judge being fully vested into the retirement system. [This bill] corrects this inequity, aligns JRS II with every other major public retirement system in California, and is actuarially neutral.”

What is a JRS II optional settlement?

If a JRS II judge retires for service or elects to receive a monetary credit annuity, there are various payment options available to them. An optional settlement is an option that a JRS II judge may elect at the time of retirement to provide an allowance payable to their survivor if the judge predeceases their survivor.

What are the optional settlements from which a JRS II judge may elect?

A JRS II judge can choose to receive the highest retirement benefit payable, i.e., an “*unmodified allowance*” when they retire, which provides them with 100 percent of their retirement benefit for life. This provides the highest monthly retirement allowance payable to a JRS II judge for their lifetime, but provides no continuing monthly allowance to their spouse and no return of unused member contributions upon their death.

Alternatively, a JRS II judge may elect a *modified allowance*. Generally, this provides a reduced retirement allowance payable to the JRS II judge for their lifetime, and the reduction provides an allowance payable to their surviving spouse for their lifetime. *Applicable to JRS II judges who retire on or after January 1, 2018*, the options from which they may elect upon becoming eligible for a service retirement are:

- *A Return of Remaining Contributions Option 1* provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, a lump-sum payment of any remaining member contributions will be paid to their surviving spouse, or if none exists, to their estate. (Section 75571.5(b), Gov. Code.)
- *The 100 Percent Beneficiary Option 2* provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, 100 percent of their ongoing monthly retirement allowance is paid to their surviving spouse. Upon the death of both, a lump-sum payment of any remaining member contributions is paid to the estate. (Section 75571.5(c), Gov. Code.)
- *A 100 Percent Option 2 Beneficiary with Benefit Allowance Increase*, also referred to as a “pop-up” for the 100 percent beneficiary option 2 settlement, this provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, 100 percent of their ongoing monthly allowance will be paid to their surviving spouse. The JRS II judge’s retirement can increase back to the unmodified allowance amount if: (i) the spouse predeceases the JRS II judge; or, (ii) if the marriage is dissolved, annulled, or there is a legal separation, and the judgment dividing the community property awards the total interest in the JRS II system to the JRS II judge. (Section 75571.5(d), Gov. Code.)
- *The 50 Percent Beneficiary Option 3* provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, 50 percent of their ongoing monthly allowance is paid to their surviving spouse. Upon the death of both, a lump-sum payment of any remaining member contributions is paid to the decedent’s estate. (Section 75571.5(e), Gov. Code.)
- *A 50 Percent Option 3 Beneficiary with Benefit Allowance Increase*, also referred to as a “pop-up” for the 50 percent beneficiary option settlement, provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, 50 percent of their ongoing monthly allowance is paid to their surviving spouse. The JRS II judge’s retirement can increase back to the unmodified allowance amount if: (i) their spouse predecease them; or, (ii) the marriage is dissolved, annulled, or there is a legal separation, and the judgment dividing the community property awards the total interest in the JRS II to the JRS II judge. (Section 75571.5(f), Gov. Code.)
- *A Flexible Beneficiary Option 4* provides a monthly retirement allowance payable to the JRS II judge for their lifetime. Upon their death after retirement, an ongoing benefit of a specific dollar amount or percentage of their unmodified allowance is paid to their surviving spouse. (Section 75571.5(g), Gov. Code.)

For JRS II judges who retired prior to January 1, 2018, the optional settlements consist of only four options:

- *Optional Settlement 1* provides a retirement allowance to the JRS II judge until their death, and if they die before receiving their accumulated contributions at retirement, the balance is paid to their surviving spouse, or if none, to the judge's designated beneficiary, or if none, to the judge's estate. (Section 75571(a), Gov. Code.)
- *Optional Settlement 2* provides a retirement allowance to the JRS II judge until they die, then to their surviving spouse for their lifetime. If the judge's spouse predeceases the judge and the judge elected this option to be effective on or before January 1, 2002, the judge's allowance is accordingly adjusted, as specified, among other provisions relating to community property rights and interests. (Section 75571(b), Gov. Code.)
- *Option Settlement 3* provides a retirement allowance paid to the JRS II judge until they die, then one-half of the retirement allowance is paid to the judge's surviving spouse for life. If the judge's spouse predeceases the judge and the judge elected this option to be effective on or after January 1, 2002, the judge's retirement allowance is accordingly adjusted, as specified, among other provisions relating to community property rights and interests. (Section 75571(c), Gov. Code.)
- *Optional Settlement 4* consists of other benefits that are the actuarial equivalent of the JRS II judge's retirement allowance, that they may selection subject to the approval of CalPERS. (Section 75571(d), Gov. Code.)

This Bill

Relating to Beneficiary Designation

Depending on when a JRS II judge retired, although they can elect one among several optional settlements upon their service retirement to provide a benefit to a surviving spouse, electing any one of these options largely limits a benefit payable to their surviving spouse, or their estate in certain circumstances. As such, existing law does not explicitly afford the judge the ability to designate a beneficiary or surviving designated beneficiary other than the spouse to receive a benefit upon the death of the judge. This matter is a particularly acute challenge if the judge is not married.

This bill proposes to remove the terms "spouse" and "surviving spouse" where applicable and appropriate, and in lieu of these terms, adds "beneficiary," "beneficiaries," "designated beneficiary," and "designated beneficiaries," "survivor," or "second" designated beneficiary where appropriately applicable, thereby, allowing a judge to designate a beneficiary other than their spouse.

Relating to Surviving Beneficiary Designation and the Minimum 20 years of Service Requirement Under Existing Law

Recall from earlier that a JRS II judge becomes eligible to retire for service after attaining 65 years of age and 20 years of service, or 70 years of age with 5 years of service.² Further, under existing law relating to survivor benefits (Section 75590(e), Gov. Code), a surviving spouse's ability to receive a survivor benefit is contingent upon the judge dying while in office who had

² Ref. "Existing Law" No. "4)."

attained the minimum service requirement applicable to the judge preceding their death, with a minimum of 20 years of service. However, a judge also is eligible to retire for service when they have reached 70 years of age with a minimum of 5 years of service.

Because existing law is limiting with respect to the minimum 20 years of service requirement in this regard, this specific change is sought to equally apply to those who have at least 5 years of service.

Relating to Community Property Interests

For JRS II judges who are married, one may reasonably question the effect that the changes proposed by this bill may have on community property interests if a married JRS II judge is able to designate a beneficiary other than their surviving spouse.

The existing JRS II body of law includes provisions relating to the separation of community property and community property rights (see Sections 75551 and 75553, Gov. Code) in the event of marital dissolution or legal separation while the judge is active, and if the JRS II judge leaves office after a nonmember has received a share of the member's contributions or the judge's monetary credits. (Sections 75551 and 75553, Gov. Code, respectively.) As to the former, a court is required to make certain prescribed determinations relating to: i) years of service accrued during the marriage, down to the date of their separation; regarding; ii) the date of their separation; iii) if the JRS II judge was a member for less than five years on the date of separation; and, iv) if the JRS II judge was a member with five or more years of service. As to the latter, the judges' retirement fund rights must be determined, as prescribed.

This bill further builds upon that by adding a provision to the JRS II body of law where it expressly provides, among other things, that a beneficiary designation must not be made in derogation of the community property share of any nonmember spouse... unless the nonmember spouse has previously obtained an alternative order for division." (See bill Section 75574, Gov. Code.)³

Committee's Proposed Amendments

Section 75574(a) of this bill authorizes a JRS II judge to designate a beneficiary by a writing filed with CalPERS at any time, including any time after reaching retirement age. However, to provide clarity regarding this provision, the committee proposes the following technical and clarifying amendment such that Section 75574(a) would read:

- (a) Except as provided in subdivision (b), a judge may, ~~at any time, including, but not limited to,~~ at any time ***prior to or*** after reaching retirement age ***consistent with Section 75522 or Section 75522.5, as applicable***, designate a beneficiary to receive the benefits as may be payable to their beneficiary under this article, by a ***signed*** writing filed with the board.

The proposed amendment clarifies that a beneficiary designation may be made before or after the JRS II judge is eligible to retire for service under Section 75522 where retirement must be at 65 years of age with 20 years of service, or 70 years of age with 5 years of service, or where they defer their retirement under Section 75522.5 where a judge who is not eligible to retire under

³ In a legal context, "derogation" means the partial repeal or abrogation of a law by a later act that limits its scope or impairs its utility and force.

Section 75522, but can retire after reaching 60 years of age with at least 15 years of service, or 65 years of age with at least 10 years of service.

In addition, as a protective measure for the JRS II judge, their designated beneficiary, and CalPERS, the proposed amendment would require the JRS II judge who designates a beneficiary to do so in a signed writing filed with the board, instead of relying on an unsigned writing.

Suggestion to the Author Should This Bill Advance Beyond This Committee

Section 75590 of this bill relates to survivor and insurance benefits. Among other things, under this section, a surviving spouse of a JRS II judge who is eligible to retire, must elect to receive a monthly retirement allowance equal to one-half of the judge's benefit factor, or the JRS II judge's monetary credits, within 90 days after the judge's death. Commonly referred to as a "survivor continuance," this provides a lifetime benefit to the judge's surviving spouse.

By amending existing law to allow a surviving designated beneficiary to, instead, make this election, this may likely result in an increase, if not significantly increase, costs to the employer, particularly if the judge's surviving designated beneficiary is young or younger and who would make the election to receive a lifetime benefit, in comparison to a surviving spouse who may not be as young or younger where the costs of a lifetime benefit would be less or significantly less.

As such, it is suggested that the author address this matter with appropriate amendments in the future.

Author's Statement

"[This bill] corrects an inequity in the [JRS II] by addressing two gaps in current law. First, the bill allows judges to name someone other than a spouse as the beneficiary of their survivor retirement benefits. Second, it ensures that all judges who have earned a vested retirement benefit can make choices about how those survivor benefits are paid. Under current law, [the] JRS II prohibits judges from naming a non-spouse beneficiary to receive ongoing pension payments after their death. It also requires judges to complete 20 years of service before selecting a survivor benefit option, even though some judges already are vested and eligible to retire with fewer years of service. [This bill] aligns JRS II with every other major California public retirement system and ensures fair and consistent treatment of judges without increasing costs to the retirement system."

Comments by Supporters

The California Judges Association states, "[This bill] updates the [JRS II] to allow judges to designate a non-spouse beneficiary to receive survivor retirement benefits and to extend existing survivor protections to vested judges. Under current law, JRS II generally permits only a spouse or registered domestic partner to receive ongoing survivor pension benefits. As a result, unmarried judges – including those with long-term partners, adult children, or other dependents – cannot designate a beneficiary to receive continuing retirement benefits following their death. This limitation is unique to JRS II; other major California public retirement systems, including CalPERS, [the California State Teachers' Retirement System], and the University of California Retirement Plan, permit the designation of non-spouse beneficiaries. [This bill] modernizes the system by authorizing judges to designate a non-spouse beneficiary to receive survivor retirement benefits and by aligning survivor benefit elections with standard vesting requirements.

These changes ensure that vested judges are able to protect a beneficiary in the event of death while maintaining actuarial neutrality within the system.”

Comments by Opponents

None on file.

Prior or Related Legislation

Chapter 531, Statutes of 2022 (Assembly Bill 2443, Cooley) establishes, similar to a pilot program, an early retirement option for JRS II judges, and includes conforming changes among others, for these purposes relating to retiree health and survivor benefits, among other provisions. This early retirement option will be repealed as of January 1, 2029, unless a subsequent statute deletes or extends that sunset date.

Chapter 304, Statutes of 2021 (Assembly Bill 1293, Cooley) annually retests pensions for retired members of the JRS I, JRS II, and the Legislators' Retirement System, respectively, against the most recent federal limitation on compensation and benefits pursuant to federal law.

Senate Bill 184 (Moorlach, 2019) proposed to authorize a “deferred” retirement option under the Judges Retirement System II (JRS II) to permit a judge who has 20 years of judicial service or has attained the age of 60 with at least five years of judicial service to leave judicial office and receive a retirement allowance at a later date upon reaching the prescribed JRS II retirement age. This bill was vetoed by the Governor stating that:

“The costs of modifying the current rules on judicial retirement as proposed in [this bill] are steep and would in some cases result in a judge receiving more generous benefits than what the same judge can currently receive. These concerns are not new and have been raised in previous iterations of this bill. It is also difficult to overlook the possibility that current rules may in some cases incentivize judges who are in poor health to prolong their service rather than retire and care for themselves or others. I encourage the Legislature to work collaboratively with my Administration as well as the [CalPERS] on a more narrow solution to these issues.”

Senate Bill 656 (Moorlach, 2017) proposed to establish the Judicial Fairness Act of 2018 which allows a judge who is not eligible to retire, but who is 60 years of age with at least five years of service, or who has accrued 20 or more years of service, to make an election relating to retirement from service, among other provisions. This bill was vetoed by the Governor stating that:

“This bill would amend and significantly expand – retroactively – the pension benefits of the Judges' Retirement System II, a program that has been in effect since 1994. The costs associated with this bill are large and unbudgeted. In addition, the proposed retroactive benefits are contrary to the explicit provisions of the Public Employees Pensions Reform Act (PEPRA) of 2013.”

REGISTERED SUPPORT / OPPOSITION:

Support

California Judges Association

Opposition

None on file.

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