SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1844 (Pacheco) - Judges' Retirement System II: beneficiaries

Version: June 11, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: L., P.E. & R. 5 - 0
Mandate: No
Consultant: Robert Ingenito

Bill Summary: AB 1844 would (1) allow a judge in the Judges' Retirement System II (JRS II) to name a non-spouse beneficiary to receive an optional settlement benefit allowance upon the judge's death, (2) eliminate the limitation that an active judge must have served for 20 years for a survivor's allowance benefit to apply to a judge who dies in office, and (3) permit a judge to name a class of beneficiaries to receive the optional settlement benefit.

Fiscal Impact:

- The California Employees Retirement System (CalPERS) indicates that implementation costs would be minor and absorbable.

- This bill would increase state costs by expanding eligibility for survivor benefits and eliminating certain actuarial gains currently recognized by the Judges' Retirement System II (JRS II). According to CalPERS' most recent actuarial cost analysis, the bill would increase JRS II's accrued liability by approximately $3 million, from $2.802 billion to $2.805 billion, and reduce the system's funded status by 0.1 percentage point, from 106.5 percent to 106.4 percent. The bill would also increase the total normal cost rate by 0.07 percentage point, from 34.01 percent to 34.08 percent, resulting in a corresponding increase in the employer normal cost rate from 22.96 percent to 23.03 percent. This increase would result in additional annual employer costs of approximately $297,000 (Judges' Retirement System II Fund). The PEPRA member contribution rate would remain unchanged at 16.75 percent.

Background: Current law establishes JRS II, a defined benefit retirement plan for judges who were first elected or appointed to the bench on or after November 9, 1994, and designates the California Public Employees' Retirement System (CalPERS) Board as the system's administrator. Under JRS II, judges become eligible for a retirement allowance upon meeting specified age and service requirements, with retirement benefits capped at 75 percent of final compensation. In addition to the defined benefit pension, the state contributes 18 percent of each judge's monthly salary to an individual retirement account, along with an additional amount based on the prior year's investment returns. These contributions, known as Monetary Credits, may be taken by a retiring judge as either a lump-sum payment or an annuity in lieu of the JRS II pension.

JRS II is funded through actuarially determined employer contributions made by the state and mandatory employee contributions made by judges. Judges who leave the bench before qualifying for a retirement allowance but who have at least five years of service are entitled to receive their accumulated Monetary Credits, while those with fewer than five years of service receive a refund of their employee contributions.

The system also provides survivor benefits for a judge's spouse or registered domestic partner in the event of the judge's death. These benefits vary depending on whether the judge dies before or after retirement and, if before retirement, whether the judge was eligible for a service or deferred retirement. In addition, JRS II offers an optional settlement benefit that allows a judge to elect a continuing retirement allowance for a surviving spouse, but only by accepting a reduced retirement allowance during the judge's lifetime. Finally, the system provides for the division or reduction of certain retirement benefits to reflect the community property rights of a former spouse following a divorce.

Proposed Law: This bill would, among other things, do the following:

- Expand beneficiary designation options under JRS II by allowing judges who retire on or after January 1, 2027, and elect specified optional retirement payment plans to designate a beneficiary other than their spouse to receive continuing retirement benefits after the judge's death, subject to the community property rights of the judge's spouse.

- Provide that if a nonspouse beneficiary waives the continuing benefit, the judge's retirement allowance would be restored to the amount that would have been payable had the optional settlement not been elected.

- Specified that these changes must be implemented on a cost-neutral basis and may not increase employer costs.

- Expand eligibility for the survivor benefit available to the surviving spouse of a judge who dies while in office by eliminating the requirement that the judge have at least 20 years of judicial service.

Related Legislation:

- AB 1293 (Cooley, Chapter 304, Statutes of 2021) required the California Public Employees' Retirement System (CalPERS) to annually retest pensions for retired members of the Judges Retirement System (JRS I), Judges Retirement System II (JRS II), and the Legislators Retirement System against the most recent federal limitation on compensation and benefits pursuant to 26 U.S.C. Section 415.

- AB 2879 (Strom-Martin, Chapter 661, Statutes of 2002) provided that a judge who elects a survivor benefit, dies in office with 20 or more years of service, and was of retirement age, then the judge’s surviving spouse shall receive a survivor’s allowance equal to the amount the judge would have received if the judge had retired on the date of death and had elected optional settlement two.

- AB 1099 (Havice, Chapter 433, Statutes of 2001) allowed a judge who elected an option benefit at the time of retirement to revert to the judge’s unmodified allowance if the judge's spouse predeceases the judge.

Staff Comments: The Office of the Legislative Counsel has keyed this bill “non-fiscal.” However, the purview of this Committee, pursuant to Joint Rule 10.5, is to review and analyze bills that would, among other things, result in a substantial expenditure of state money. Thus, even though the bill was keyed “non-fiscal,” the Committee requested the bill to examine the extent to which it might potentially increase costs to the State.

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