



Board of Administration

Agenda Item 8a2

March 19, 2025

Item Name: Proposed Decision – In the Matter of the Appeal of Lifetime Beneficiary Benefit Payable Upon the Death of Joaquin Vega by NANCY P. VEGA, Respondent, and JASMINE M. YOUNG; LAUREN C. VALAIKA; LUCAS J. VEGA; DILLON J. VEGA, Respondents.

Program: Retirement Benefit Services Division

Item Type: Action

Parties' Positions

Staff argues that the Board of Administration should reject the Proposed Decision and remand the matter for the taking of further evidence.

Respondent Nancy P. Vega's (Respondent) position is included in Attachment C, if any.

Strategic Plan

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

Procedural Summary

On December 16, 2014, Joaquin Vega (Decedent) submitted a Service Pending Industrial Disability Retirement application. Decedent chose Option 1 and did not name an individual lifetime beneficiary. He named Respondent as recipient of his retired death benefit and named her as his surviving spouse. He named his four children as Option 1 balance of contribution beneficiaries. Decedent died on June 2, 2021.

From November 2021 to January 2022, CalPERS informed Respondent of her benefits payable. Respondent is entitled to her community property share of the balance of Decedent's accumulated contributions and survivor continuance allowance, and lump sum death benefits.

Respondent contends that Decedent made a mistake when filling out his retirement application; he should have checked Option 4, not Option 1 (which would have reduced the benefit payable to Decedent over his lifetime and provided her with a higher lifetime survivor continuance allowance following his death). CalPERS determined that it is not authorized to change Decedent's election.

Respondent appealed CalPERS' determination. The matter was heard by the Office of Administrative Hearings on November 19, 2024. A Proposed Decision was issued on January 15, 2025, granting Respondent's appeal.

Alternatives

- A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated January 15, 2025, concerning the appeal of Nancy P. Vega; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated January 15, 2025, concerning the appeal of Nancy P. Vega, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

- C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated January 15, 2025, concerning the appeal of Nancy P. Vega, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

- D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of Nancy P. Vega, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its Decision concerning the appeal of Nancy P. Vega.

Budget and Fiscal Impacts: Not applicable

Attachments

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

Kimberly A. Malm
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Customer Services and Support