



Board of Administration

Agenda Item 9a3

February 15, 2022

Item Name: Proposed Decision – In the Matter of the Appeal of Lifetime Monthly Benefit Payable Upon the Death of Jenny A. Donovan, by MELISSA THOMPSON, Respondent.

Program: Disability and Survivor Benefits Division

Item Type: Action

Parties' Positions

Staff argues that the Board of Administration should adopt the Proposed Decision.

Respondent Melissa Thompson's (Respondent Thompson) position is included in Attachment C, if any.

Respondent Donna Donovan's (Respondent Donovan) 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

Jenny Donovan (Decedent) was a state safety member. At the time of her retirement, Decedent named Respondent Donovan as her Option 2W beneficiary which meant Respondent Donovan was entitled to receive a lifetime monthly allowance should certain conditions exist at the time of Decedent's death. Decedent divorced Respondent Donovan, and later married Respondent Thompson. Decedent took steps to name Respondent Thompson as a beneficiary of some of Decedent's CalPERS benefits; however, she did not take the steps CalPERS informed her that she needed to take to remove Respondent Donovan, and to add Respondent Thompson, as the beneficiary of her Option 2W lifetime monthly allowance. After Decedent's unfortunate death, CalPERS informed Respondent Thompson of its determination that she was not entitled to receive a lifetime monthly allowance because the Decedent had not taken the necessary steps to name her as a beneficiary. Respondent Thompson submitted an appeal regarding CalPERS' determination. The matter was heard by the Office of Administrative Hearings on November 15 and 19, 2021. A Proposed Decision was issued on December 17, 2021, affirming CalPERS' determination and denying Respondent Thompson'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 December 17, 2021, concerning the appeal of Melissa Thompson; 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 December 17, 2021, concerning the appeal of Melissa Thompson, 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 December 17, 2021, concerning the appeal of Melissa Thompson, 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 Melissa Thompson, 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 Melissa Thompson.

Budget and Fiscal Impacts: Not applicable

Attachments

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

Anthony Suine
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Customer Services and Support