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An act to amend Section 22871.3 of the Government Code, relating to state employment, and making an appropriation therefor.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 22871.3 of the Government Code is amended to read:

22871.3. (a) The employer contribution for each annuitant enrolled in a basic plan shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(b) The employer contribution for each annuitant enrolled in a Medicare health benefit plan in accordance with Section 22844 shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an annuitant enrolled in a Medicare health benefit plan for self-alone, during the benefit year to which the formula is applied, for the four Medicare health benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four Medicare health benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. If the annuitant is eligible for Medicare Part A, with or without cost, and Medicare Part B, regardless of whether the annuitant is actually enrolled in Medicare Part A or Part B, the employer contribution shall not exceed the amount calculated under this subdivision.

(c) This section applies to:

(1) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2016, and who is represented by State Bargaining Unit 9 or 10.

(2) A state employee related to State Bargaining Unit 9 or 10 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2016.

(3) A state employee represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is first employed by the state and becomes a state member of the system on or after January 1, 2017.

(4) A state employee related to State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2017.

(5) A judicial branch employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017. This paragraph does not apply to a judge who is subject to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.



(6) A state employee represented by State Bargaining Unit 16 who is first employed by the state and becomes a state member of the system on or after April 1, 2017.

(7) A state employee related to State Bargaining Unit 16 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after April 1, 2017.

(8) A state employee that is not related to any state bargaining unit, who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after July 1, 2019.

(9) An officer or employee of the executive branch of state government who is not a member of the civil service and first employed by the state and becomes a state member of the system on or after July 1, 2019.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.



LEGISLATIVE COUNSEL'S DIGEST

Bill No. _____
as introduced, _____.
General Subject: Public employees' health benefits: state contributions.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, prescribes methods for calculating the state employer contribution for postemployment health care benefits for eligible retired public employees and their families and for the vesting of these benefits. PEMHCA establishes the Annuitants' Health Care Coverage Fund, which is continuously appropriated, for the purpose of prefunding health care coverage for annuitants, including administrative costs.

PEMHCA requires the employer contribution for each annuitant enrolled in a basic plan for health benefits to equal 80% of the weighted average of the health benefit plan premiums for an active employee enrolled for self-alone, during the benefit year to which the formula is applied, for the 4 health benefit plans with the largest state civil service enrollment. Existing law similarly provides that the employer contribution for an enrolled family member of an annuitant is an amount equal to 80% of the weighted average of the additional premiums required for enrollment of those family members during the benefit year to which the formula is applied and provides the same limit on employer contributions for annuitants enrolled in Medicare health benefit plans. Under existing law, these provisions apply to state employees represented by various bargaining units and judicial branch employees, as specified. Under existing law, if these provisions conflict with the provisions of a memorandum of understanding, the memorandum of understanding is controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions do not become effective unless approved by the Legislature.

This bill would extend these provisions to state employees that are not related to a state bargaining unit and who are excepted from the definition of state employee, as specified, and to officers or employees of the executive branch of state government who are not members of the civil service and who first become employed by the state and become a member of the system on or after July 1, 2019. By authorizing expenditure of revenue in a continuously appropriated fund for a new purpose, the bill would make an appropriation.

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

