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Prepared By	_____
Approved By	_____

An act to amend Section 19816.18 of the Government Code, relating to the Department of Human Resources, and making an appropriation therefor.

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

SECTION 1. Section 19816.18 of the Government Code is amended to read:

19816.18. (a) The department may either self-fund or self-insure any benefit program under its administration when it is cost-effective to do so. The department may administer the self-funded or self-insured benefit program directly or may contract with a third party administrator. The Treasurer, Controller, and the Department of Finance shall assist the department to ensure that the appropriate fiscal and administrative procedures are established. These procedures shall include, but not be limited to, processes, fund accounts, and transfers from each department's operating budget, including a pro rata share of the cost of administration. Notwithstanding any other law, the Public Employees' Retirement System shall assist the department upon request by providing retiree names and addresses to the department solely for the purpose of notifying those retirees of eligibility for enrollment into a dental plan, vision plan, group legal insurance plan, or life insurance plan offered by the department. Any information provided to the department shall be treated as confidential by the department.

(b) Funds appropriated for self-funded or self-insured benefit programs established pursuant to this section shall be maintained in the State Employees' Self-Funded Benefit Fund, which is hereby created in the State Treasury. Moneys in this fund shall be used by the department to make benefit payments and pay related administrative costs. Income of whatever nature earned on the moneys in the State Employees' Self-Funded Benefit Fund during any fiscal year shall be credited to the fund. The Controller and the Department of Finance may establish individual accounts

within the fund, as deemed appropriate, for individual self-funded or self-insured benefit programs. Notwithstanding Section 13340, moneys in this fund and accounts within the fund that are used to pay benefits for a self-funded or self-insured program established pursuant to this section are continuously appropriated, without regard to fiscal years.

(PU Added by Stats. 1995, Ch. 351, Sec. 1. Effective January 1, 1996.)

(PU RN20180758603)

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Department of Human Resources: benefit programs: retiree information.

Existing law authorizes the Department of Human Resources to self-fund or self-insure a benefit program under its administration when it is cost-effective to do so. Existing law authorizes the department to administer the self-funded or self-insured benefit program directly or to contract with a third-party administrator.

Existing law creates the Public Employees' Retirement System, the management and control of which is vested in its board of administration. Existing law creates the Public Employees' Retirement Fund, which is a continuously appropriated trust fund under the exclusive control of the board, to be administered in accordance with the Public Employees' Retirement Law (PERL), solely for the benefit of the members and retired members of the system and their survivors and beneficiaries. PERL prohibits

expenditure of retirement fund moneys for purposes other than administration of the system, investments for the benefit of the system, reduction of employer contributions, and the provision of benefits to the members and retired members of the system and their survivors and beneficiaries. PERL defines “benefit” for its purposes.

This bill would require the Public Employees’ Retirement System to assist the Department of Human Resources by providing retiree names and addresses to the department for the purpose of notifying those retirees of eligibility for enrollment into specified benefit programs offered by the department. The bill would require information provided to the department to be treated as confidential by the department. By authorizing moneys in a continuously appropriated fund to be spent for a new purpose, this bill would make an appropriation.

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