

AMENDED IN SENATE JUNE 4, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 410

Introduced by Assembly Member Jones-Sawyer

February 15, 2013

An act to *amend Section 22760 of, and to add Section 22838 to, the Government Code, relating to public employee benefits.*

LEGISLATIVE COUNSEL'S DIGEST

AB 410, as amended, Jones-Sawyer. Public employee health benefits: enrollment.

Existing law requires the Board of Administration of the Public Employees' Retirement System (PERS) to administer the Public Employees' Medical and Hospital Care Act (PEMHCA). PEMHCA further grants the board the power to approve health benefit plans and contract with carriers offering health benefit plans. Under PEMHCA, an employee or annuitant may enroll in a health benefit plan approved or maintained by the board either as an individual or for self and family. *Existing law defines annuitant for purposes of receiving postretirement health benefits pursuant to PEMHCA and generally requires that a person retire within 120 days of separation from public employment, with specified exceptions.*

~~Existing law provides that an employee who does not retire within 120 days of his or her separation from public employment, loses his or her eligibility for postemployment health care benefits under PEMHCA.~~

This bill would permit an annuitant who reinstates from retirement under PERS for employment by the state or a contracting agency and who subsequently retires again on or after January 1, 2014, to enroll in a health benefit plan under PEMHCA *for which he or she is eligible,*

as specified, as an annuitant of the employer from which he or she first retired, upon meeting specified conditions, including certain conditions. In this regard, the bill would require that the person’s subsequent retirement occurs occur within 120 days after separation of employment or the person is subject to disability retirement, as specified, the person had at least 5 years of credited service for the employer from which he or she first retired or qualifies for a contribution payable by an employer under disability retirement,, as specified, and that the person is not be eligible for a postretirement health benefit contribution from the employer from which he or she subsequently retires or that the postretirement health benefit contribution payable by that employer be less than the contribution payable by that employer during his or her prior retirement.

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

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22760 of the Government Code is
- 2 amended to read:
- 3 22760. “Annuitant” means:
- 4 (a) A person, other than a National Guard member defined in
- 5 Section 20380.5, who has retired within 120 days of separation
- 6 from employment and who receives a retirement allowance under
- 7 any state or University of California retirement system to which
- 8 the state was a contributing party.
- 9 (b) A surviving family member receiving an allowance in place
- 10 of an annuitant who has retired as provided in subdivision (a), or
- 11 as the survivor of a deceased employee under Section 21541,
- 12 21546, 21547, or 21547.7, or similar provisions of any other state
- 13 retirement system.
- 14 (c) A person who has retired within 120 days of separation from
- 15 employment with a contracting agency as defined in Section 22768
- 16 or, if applicable, consistent with the provisions of subdivision (b)
- 17 of Section 22893, and who receives a retirement allowance from
- 18 the retirement system provided by the that employer, or a surviving
- 19 family member who receives the retirement allowance in place of
- 20 the deceased.
- 21 (d) A judge who receives the benefits provided by subdivision
- 22 (e) of Section 75522.

1 (e) A person who was a state member for 30 years or more and
2 who, at the time of retirement, was a local member employed by
3 a contracting agency.

4 (f) A Member of the Legislature or an elective officer of the
5 state whose office is provided by the California Constitution, who
6 has at least eight years of credited service, and who meets the
7 following conditions:

8 (1) Permanently separates from state service on or after January
9 1, 1988, and not more than 10 years before or 10 years after his
10 or her minimum age for service retirement, or is an inactive
11 member of the Legislators' Retirement System pursuant to Section
12 9355.2.

13 (2) Receives a retirement allowance under a state retirement
14 system supported in whole or in part by state funds other than the
15 University of California Retirement System.

16 (g) An exempt employee who meets all of the following
17 conditions:

18 (1) Has at least 10 years of credited state service that includes
19 at least two years of credited service while an exempt employee.

20 (2) Permanently separates from state service on or after January
21 1, 1988, and not more than 10 years before or 10 years after his
22 or her minimum age for service retirement.

23 (3) Receives a retirement allowance under a state retirement
24 system supported in whole or in part by state funds other than the
25 University of California Retirement System.

26 (h) A person receiving a survivor allowance pursuant to Article
27 3 (commencing with Section 21570) of Chapter 14 of Part 3
28 provided that he or she was eligible to enroll in a health benefit
29 plan on the date of the member's death, on whose account the
30 survivor allowance is payable.

31 (i) (1) A family member of a deceased retired member of the
32 State Teachers' Retirement Plan, if the deceased member meets
33 the following conditions:

34 (A) Retired within 120 days of separation from employment.

35 (B) Retired before the member's school employer elected to
36 contract for health benefit coverage under this part.

37 (C) Prior to his or her death, received a retirement allowance
38 that did not provide for a survivor allowance to family members.

39 (2) The family member shall elect coverage as an annuitant
40 within one calendar year from the date that the deceased member's

1 school employer elected to contract for health benefit coverage
 2 under this part.

3 ~~SECTION 1.~~

4 *SEC. 2.* Section 22838 is added to the Government Code, to
 5 read:

6 22838. (a) An annuitant who reinstates from retirement
 7 pursuant to Article 7 (commencing with Section 21190) of Chapter
 8 12 of Part 3 may, upon his or her subsequent retirement, *elect to*
 9 enroll in a health benefit plan approved or maintained by the board
 10 as an annuitant of the employer from which he or she ~~first retired~~
 11 *was eligible to receive a postretirement health benefit contribution*
 12 *payable by that employer during his or her prior retirement, if all*
 13 *both* of the following apply:

14 (1) The subsequent retirement of that person occurs within 120
 15 days after separation from employment or, if applicable, ~~by the~~
 16 ~~date provided in~~ *consistent with the provisions of* subdivision (b)
 17 of Section 22893.

18 ~~(2) That person had at least five years of credited service for~~
 19 ~~the employer from which he or she first retired or qualifies for a~~
 20 ~~contribution payable by an employer as described in subdivision~~
 21 ~~(b) of Section 22893.~~

22 ~~(3)~~

23 (2) That person is not eligible for a postretirement health benefit
 24 contribution from the employer from which he or she subsequently
 25 retires or the postretirement health benefit contribution payable
 26 by that employer is less than the contribution payable by ~~the~~
 27 ~~employer from which the annuitant first retired~~ *that employer*
 28 *during his or her prior retirement.*

29 (b) The postretirement health benefit contribution payable by
 30 an employer under this section shall be in lieu of a contribution
 31 payable to the annuitant by any other employer under this part.

32 (c) ~~If an annuitant enrolls as an annuitant of the employer from~~
 33 ~~which he or she first retired as described in subdivision (a), the~~
 34 ~~credited service of that annuitant for~~ *For* purposes of calculating
 35 the employer postretirement health benefit contribution, *the*
 36 *credited service of a person who enrolls as an annuitant pursuant*
 37 *to this section shall not include years of service performed for any*
 38 *other employer after during his or her reinstatement from*
 39 *retirement unless that employer is the same employer from which*
 40 *the annuitant first retired.*

1 (d) This section shall apply irrespective of whether the person
2 ~~is enrolled as an employee~~ *receives health care coverage under*
3 *this part* during his or her reinstatement from retirement.

4 (e) An annuitant who is eligible to enroll pursuant to this section
5 may enroll within 60 days after his or her subsequent retirement
6 or during a future open enrollment period, as provided by
7 regulation of the board, without discrimination as to premium rates
8 or benefits coverage.

9 (f) This section shall only apply to an annuitant who, after
10 reinstatement, subsequently retires on or after January 1, 2014.

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