

ASSEMBLY BILL

No. 1144

Introduced by Assembly Member Hall

February 22, 2013

An act to add Section 22900.1 to the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1144, as introduced, Hall. Public Employees' Medical and Hospital Care Act: City of Carson.

The Public Employees' Medical and Hospital Care Act (PEMHCA) authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefit plans for employees and annuitants, as defined. Existing law requires an agency contracting for coverage under PEMHCA and each employee or annuitant to contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan in which the employee or annuitant may be enrolled and prescribes various schedules for employer payments and requirements in relation to those payments.

This bill would require the employer contribution for postretirement health benefit coverage for an employee of the City of Carson to be based on percentages associated with the annuitant's credited years of service. The bill would provide a formulation for the employer contribution that would reach 100% when the employee attains 10 years of credited service, with specified exceptions. The bill would define credited service and would require that at least 5 years of credited service to have been performed with the City of Carson. The bill would require that the employer provide any information requested by the board that the board deems necessary to implement the section. The bill would

except from the formulation annuitants who have retired for disability and annuitants who have 10 or more years of service entirely with the city. The bill would require the board to establish application procedures and eligibility criteria to implement this provision.

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 22900.1 is added to the Government
2 Code, to read:

3 22900.1. (a) Notwithstanding any other provision of this part,
4 the percentage of employer contribution payable for postretirement
5 health benefits for an employee of the City of Carson, California,
6 except as provided in subdivision (b), shall be based on the
7 employee’s completed years of credited service, provided that the
8 City of Carson shall not pay an employer contribution for the first
9 five years of that credited service, and shall pay thereafter as shown
10 in the following table:

11	Credited Years of Service	Percentage of Employer Contribution
13	5	50
14	6	60
15	7	70
16	8	80
17	9	90
18	10	100

19
20 The application of this subdivision shall be subject to the
21 following:

22 (1) The employer contribution with respect to each annuitant
23 shall be adjusted by the employer each year by resolution of the
24 City of Carson City Council, and that resolution shall be filed with
25 the board annually.

26 (2) The employer shall certify to the board, in the case of
27 employees not represented by a bargaining unit, that there is not
28 an applicable memorandum of understanding.

29 (3) The credited service of an annuitant for the purpose of
30 determining the percentage of employer contributions applicable
31 under this section shall mean state service as defined in Section

1 20069, except that at least five years of credited service shall have
2 been performed with the City of Carson.

3 (4) The employer shall provide the board any information
4 requested that the board determines is necessary to implement this
5 section.

6 (b) Notwithstanding subdivision (a), the contribution payable
7 by the employer subject to this section shall be equal to 100 percent
8 of the amount established pursuant to paragraph (1) of subdivision
9 (a) on behalf of any annuitant who either:

10 (1) Retired for disability.

11 (2) Retired for service with 10 or more years of service credit
12 entirely with that employer, regardless of the number of days after
13 separation from employment. The contribution payable by the
14 employer under this paragraph shall be paid only if it is greater
15 than, and made in lieu of, a contribution payable to the annuitant
16 by another employer under this part. The board shall establish
17 application procedures and eligibility criteria to implement this
18 paragraph.