

AMENDED IN ASSEMBLY APRIL 29, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1144**

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**Introduced by Assembly Member Hall**

February 22, 2013

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An act to add Section 22893.1 to the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1144, as amended, Hall. Public Employees' Medical and Hospital Care Act: ~~contracting agencies~~. *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 specified percentages associated with the employee's credited years of service, which would reach 100% when the employee attains 10 years of credited service. The bill would define credited service as service performed with the City of Carson. The bill would require that the employer contribution with respect to each employee be mutually*

agreed upon through collective bargaining, as specified. The bill would require that the employer provide any information requested by the board that the board deems necessary to implement the section.

~~This bill would authorize a contracting agency, the employees' exclusive representative, and unrepresented employees to agree that the employer contribution for postretirement health coverage be subject to specified factors, including that the contributions be subject to a mutually agreed upon memorandum of understanding that is not subject to impasse procedures. The bill would prohibit a memorandum of understanding entered into in this context from applying to retired employees. The bill would prohibit an employer contribution for an employee with less than 5 years of credited service with the contracting agency.~~

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 22893.1 is added to the Government Code,  
2 to read:

3 22893.1. (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 shall be based on the employee's completed years of credited  
7 service, provided that the City of Carson shall not pay an employer  
8 contribution for the first five years of that credited service, and  
9 shall pay thereafter as shown in the following table:

10	11	12	13	14	15	16	17	18
		<i>Credited Years of Service</i>		<i>Percentage of Employer Contribution</i>				
13	5	.....		50				
14	6	.....		60				
15	7	.....		70				
16	8	.....		80				
17	9	.....		90				
18	10	.....		100				

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

1 (1) *The employer contribution with respect to each annuitant*  
2 *shall be mutually agreed upon through collective bargaining by*  
3 *the City of Carson, the exclusive representatives of employees of*  
4 *the city, and unrepresented employees of the city. The employer*  
5 *may adjust the amount from time to time through a collectively*  
6 *bargained memorandum of understanding. Changes to the*  
7 *employer contribution shall be ratified by a resolution passed by*  
8 *the city council of the City of Carson and that resolution shall be*  
9 *filed with the board.*

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

13 (3) *The credited service of an annuitant for the purpose of*  
14 *determining the percentage of employer contributions applicable*  
15 *under this section shall mean credited service performed with the*  
16 *City of Carson.*

17 (4) *The employer shall provide the board any information*  
18 *requested that the board determines is necessary to implement this*  
19 *section.*

20 (b) *This section is not applicable to any employee who retired*  
21 *before the effective date of the memorandum of understanding. In*  
22 *the event that the memorandum of understanding establishes a*  
23 *retroactive effective date, this section applies only prospectively*  
24 *and any employee who retires before the memorandum of*  
25 *understanding is signed may not be affected by it.*

26 ~~SECTION 1. Section 22893.1 is added to the Government~~  
27 ~~Code, to read:~~

28 ~~22893.1. (a) Notwithstanding any other provision of this part,~~  
29 ~~the contracting agency, the exclusive representative of employees~~  
30 ~~of the agency, and unrepresented employees of the agency may~~  
31 ~~agree that the employer contribution for postretirement health~~  
32 ~~coverage shall be subject to the following:~~

33 ~~(1) Credited years of service that the employee worked with the~~  
34 ~~contracting agency.~~

35 ~~(2) A memorandum of understanding regarding postretirement~~  
36 ~~health coverage mutually agreed upon through collective~~  
37 ~~bargaining. This issue may not be subject to the impasse procedures~~  
38 ~~set forth in Article 9 (commencing with Section 3548) of Chapter~~  
39 ~~10.7 of Division 4 of Title 1.~~

- 1     ~~(3) The employer shall certify to the board, in the case of an~~
- 2     ~~employee not represented by a bargaining unit, that there is not an~~
- 3     ~~applicable memorandum of understanding.~~
- 4     ~~(b) A memorandum of understanding regarding employer~~
- 5     ~~contributions entered into pursuant to the authorization provided~~
- 6     ~~by this section shall not apply to an employee who retired before~~
- 7     ~~the effective date of the memorandum of understanding and, to~~
- 8     ~~the extent a memorandum of understanding purports to apply to a~~
- 9     ~~employee who is retired, those provisions shall be without effect.~~
- 10    ~~(c) An agreement reached pursuant to subdivision (a) shall not~~
- 11    ~~be valid if it provides an employer contribution for an employee~~
- 12    ~~with less than five years of credited service with the contracting~~
- 13    ~~agency.~~
- 14    ~~(d) The contracting agency shall provide, in the manner~~
- 15    ~~prescribed by the board, a notification of the agreement established~~
- 16    ~~pursuant to this section and any additional information necessary~~
- 17    ~~to implement this section.~~