

AMENDED IN ASSEMBLY APRIL 25, 2013

AMENDED IN ASSEMBLY APRIL 11, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1346

Introduced by Assembly Member Pan

February 22, 2013

An act to add Section 22896 to the Government Code, relating to postemployment health benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1346, as amended, Pan. Postemployment health benefits: Sacramento Metropolitan Fire ~~Department~~ *District*: employer contributions.

Existing law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Medical and Hospital Care Act. Existing law permits a contracting agency to elect to be subject to the act for its employees and annuitants, provided that the contracting agency and each employee or annuitant contribute a portion of the cost of providing the benefit coverage, as specified. Under this formulation, the employer contribution for the contracting agency begins at 10 years of service and reaches 100% of a specified amount when the employee attains 20 years of credited service, with certain exceptions. Existing law provides alternate formulations for specified contracting agencies.

This bill would provide an additional exception by requiring the employer contribution for postretirement health benefit coverage for an annuitant of the Sacramento Metropolitan Fire ~~Department~~ *District*

who retires on or after the effective date of a memorandum related to employer contributions, to be based on a revised formula in which the employer contribution begins at 5 years of service, instead of 10 and would reach 100% of a specified amount if the annuitant attained 20 years of credited service, with certain exceptions. The bill would require that the Sacramento Metropolitan Fire-Department District provide to the board a notification of the agreement and any additional information requested by the board that the board deems necessary to implement the section. The bill would except from the formulation described annuitants who have retired for disability or who have retired for service with 20 or more years of service with the Sacramento Metropolitan Fire-Department District, as specified.

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 22896 is added to the Government Code,
2 to read:
3 22896. (a) Notwithstanding Section 22893, the percentage of
4 employer contribution payable for postretirement health benefits
5 for an employee of the Sacramento Metropolitan Fire-Department
6 District subject to this section shall, except as provided in
7 subdivision (b), be based on the member’s completed years of
8 credited state service at retirement as shown in the following table:
9

10	Credited Years of Service	Percentage of Employer Contribution
12	5	25
13	6	30
14	7	35
15	8	40
16	9	45
17	10	50
18	11	55
19	12	60
20	13	65
21	14	70
22	15	75
23	16	80

1	17	85
2	18	90
3	19	95
4	20 or more	100

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

(1) The employer contribution with respect to each annuitant shall be determined pursuant to a memorandum of understanding approved through a meet and confer process pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any recognized employee organization. The issue shall not be subject to the impasse procedures set forth in Article 9 (commencing with Section 3548) of Chapter 10.7 of Division 4 of Title 1.

(2) The credited service of an annuitant for the purpose of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that at least five years of service shall have been performed entirely with the Sacramento Metropolitan Fire Department District.

(3) The Sacramento Metropolitan Fire Department District shall provide, in the manner prescribed by the board, a notification of the agreement adopted pursuant to this section and any additional information necessary to implement this section.

(4) The Sacramento Metropolitan Fire Department District shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(5) This section shall apply only to employees who retire for service and whose retirement date is on or after the effective date of the memorandum of understanding entered into as described in this subdivision. This section is not applicable to any employee who retired before the effective date of the memorandum of understanding.

(b) Notwithstanding subdivision (a), the contribution payable by the Sacramento Metropolitan Fire Department District shall be equal to 100 percent of the amount established pursuant to paragraph (1) of subdivision (a) on behalf of any annuitant who either:

- 1 (1) Retired for disability.
- 2 (2) Retired for service with 20 or more years of service credit
- 3 entirely with the Sacramento Metropolitan Fire ~~Department~~
- 4 *District*, regardless of the number of days after separation from
- 5 employment. The contribution payable by the Sacramento
- 6 Metropolitan Fire ~~Department~~ *District* under this paragraph shall
- 7 be paid only if it is greater than, and made in lieu of, a contribution
- 8 payable to the annuitant by another employer under this part. The
- 9 board shall establish application procedures and eligibility criteria
- 10 to implement this paragraph.
- 11 (c) This section applies only to the Sacramento Metropolitan
- 12 Fire ~~Department~~ *District*, or its successor.