

AMENDED IN SENATE AUGUST 19, 2013  
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**

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**Introduced by Assembly Member Pan**

February 22, 2013

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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 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 District who retires on or after the effective date of a memorandum *or resolution* 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 District provide to the board a *specified* 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~~ *exempt* 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 District, as specified. *This bill would apply only to employees hired on or after December 1, 2011.*

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~~ 22892, the  
 4 percentage of employer contribution payable for postretirement  
 5 health benefits for an employee of the Sacramento Metropolitan  
 6 Fire 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:  
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10 Credited Years	Percentage of Employer
11 of Service	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

1	15	75
2	16	80
3	17	85
4	18	90
5	19	95
6	20 or more	100

7  
8 The application of this subdivision shall be subject to the  
9 following:

10 (1) ~~The~~ (A) *In the case of the employees represented by a*  
11 *bargaining unit, the employer contribution with respect to each*  
12 *annuitant shall be determined pursuant to a memorandum of*  
13 *understanding approved through a meet and confer process*  
14 *pursuant to the Meyers-Milias-Brown Act (Chapter 10*  
15 *(commencing with Section 3500) of Division 4 of Title 1) with*  
16 *any recognized employee organization. The issue shall not be*  
17 *subject to the impasse procedures set forth in Article 9*  
18 *(commencing with Section 3548) of Chapter 10.7 of Division 4*  
19 *of Title 1.*

20 (B) *In the case of employees not represented by a bargaining*  
21 *unit, the employer contribution with respect to each annuitant*  
22 *shall be determined pursuant to a resolution adopted by a majority*  
23 *of the Sacramento Metropolitan Fire District Board of Directors*  
24 *and shall be in accordance with Section 7522.40.*

25 (C) *The employer contribution established by this paragraph*  
26 *shall not be less than the adjusted employer contribution required*  
27 *by subdivision (b) of Section 22892.*

28 (2) The credited service of an ~~annuitant~~ *employee* for the purpose  
29 of determining the percentage of employer contributions applicable  
30 under this section shall mean state service as defined in Section  
31 20069, except that at least five years of service shall have been  
32 performed entirely with the Sacramento Metropolitan Fire District.

33 (3) The Sacramento Metropolitan Fire District shall provide, in  
34 the manner prescribed by the board, a notification of the agreement  
35 *and resolution* adopted pursuant to ~~this section~~ *paragraph (1)* and  
36 any additional information necessary to implement this section.

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

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

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

11 (1) Retired for disability.

12 (2) Retired for service with 20 or more years of service credit  
13 entirely with the Sacramento Metropolitan Fire District, regardless  
14 of the number of days after separation from employment. The  
15 contribution payable by the Sacramento Metropolitan Fire District  
16 under this paragraph shall be paid only if it is greater than, and  
17 made in lieu of, a contribution payable to the annuitant by another  
18 employer under this part. The board shall establish application  
19 procedures and eligibility criteria to implement this paragraph.

20 (c) This section applies only to the Sacramento Metropolitan  
21 Fire District, or its successor. *This section applies only with regard*  
22 *to the employees of the district hired on or after December 1, 2011.*