

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1681

Introduced by Assembly Member Allen

February 12, 2014

An act to add Sections 3509.7 and 3523.4 to the Government Code, relating to public employees' benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1681, as amended, Allen. Public employees: benefits.

Existing law permits the Board of Administration of the Public Employees' Retirement System to authorize an employer to participate in the prefunding of health care coverage and other postemployment benefits for annuitants.

This bill would ~~require a memorandum of understanding or on the topic of postemployment health care benefits between~~ *prohibit* a public employer ~~or a agency, state employer and agency, employee organization, or public employees to contain a plan to begin the permanent prefunding of~~ *from entering into a memorandum of understanding that provides postemployment health care benefits without a strategy for permanently prefunding members'* postemployment health care benefits. ~~The bill would provide that the plan may authorize any amount that otherwise would be used to permanently increase employee compensation to be used to permanently prefund members' postemployment health care benefits.~~

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

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

1 SECTION 1. Section 3509.7 is added to the Government Code,
2 to read:

3 3509.7. (a) Notwithstanding any other law, a public agency,
4 *employee organization, or public employee* shall not enter into a
5 memorandum of understanding ~~or on the topic of postemployment~~
6 ~~health care benefits with employees first hired on or after January~~
7 ~~1, 2015, unless it contains a plan to begin permanent prefunding~~
8 ~~of that provides postemployment health care benefits without a~~
9 ~~strategy for permanently prefunding members' postemployment~~
10 health care benefits pursuant to Article 11 (commencing with
11 Section 22940) of Chapter 1 or Part 5 of Division 5 of Title 2. ~~The~~
12 ~~plan may authorize any amount that otherwise would be used to~~
13 ~~permanently increase employee compensation to be used to~~
14 ~~permanently prefund members' postemployment health care~~
15 ~~benefits.~~

16 (b) If the provisions of this section are in conflict with the
17 provisions of a memorandum of understanding, the memorandum
18 of understanding shall be controlling, except that upon expiration
19 of the memorandum of understanding or other collective bargaining
20 agreement, this section shall be controlling and may not be
21 superseded by a subsequent memorandum of understanding or
22 other collective bargaining agreement.

23 SEC. 2. Section 3523.4 is added to the Government Code, to
24 read:

25 3523.4. (a) Notwithstanding any other law, the state employer,
26 *employee organization, or state employee* shall not enter into a
27 memorandum of understanding ~~on the topic of postemployment~~
28 ~~health care benefits with employees first hired on or after January~~
29 ~~1, 2015, unless it contains a plan to begin permanent prefunding~~
30 ~~of that provides postemployment health care benefits without a~~
31 ~~strategy for permanently prefunding members' postemployment~~
32 health care benefits pursuant to Article 11 (commencing with
33 Section 22940) of Chapter 1 or Part 5 of Division 5 of Title 2. ~~The~~
34 ~~plan may authorize any amount that otherwise would be used to~~
35 ~~permanently increase employee compensation to be used to~~
36 ~~permanently prefund members' postemployment health care~~
37 ~~benefits.~~

1 (b) If the provisions of this section are in conflict with the
2 provisions of a memorandum of understanding, the memorandum
3 of understanding shall be controlling, except that upon expiration
4 of the memorandum of understanding, this section shall be
5 controlling and may not be superseded by a subsequent
6 memorandum of understanding or other collective bargaining
7 agreement.

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