

AMENDED IN SENATE JULY 1, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1528

Introduced by Assembly Member Strom-Martin

February 26, 1999

An act to amend Sections 19849.9, 19871.2, 22754, and 22955 of the Government Code, relating to state employee benefits, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1528, as amended, Strom-Martin. State employee benefits.

Existing law authorizes the appointing power of a state agency to expend not more than \$75 for a certificate, plaque, or memento to be presented to an employee or a retired employee who has completed 25 or more years of state service.

This bill would raise that amount to \$90 and, beginning January 1, 2005, and every 5 years thereafter, would authorize the Director of Personnel Administration to adjust this limit to reflect the average rate of inflation.

(1) Existing law provides that nonrepresented state employees are eligible for industrial disability leave benefits for up to 52 weeks within a 2-year period.

This bill would clarify the application of that eligibility period to enhanced industrial disability leave benefit provisions.

(2) The Public Employees’ Medical and Hospital Care Act, provides health benefits plan coverage to public employees and annuitants meeting the eligibility requirements prescribed by the Board of Administration of the Public Employees’ Retirement System. *The act defines the term “employee” for these purposes. The act also provides a special definition of “eligible employee” as it applies to state employees in State Bargaining Unit 8 or 16.*

~~This bill would revise the definition of “eligible employees” for the purposes of the act as it applies to state employees in State Bargaining Unit 8 include in the definition of “employee” in that act specified employees of the California State University as determined pursuant to collective bargaining agreements or by the trustees for excluded employees. The bill would also delete state employees in State Bargaining Unit 8 from the application of the special definition of “eligible employee” for purposes of the act.~~

(3) The State Employees’ Dental Care Act, provides dental care plan coverage to public employees and annuitants meeting the eligibility requirements prescribed by the Board of Administration of the Public Employees’ Retirement System. Existing law provides that notwithstanding particular provisions of the act, state employees in State Bargaining Unit 6, 8, or 16 may receive a percentage of the employer’s contribution payable for annuitants if the employees are credited with 10 years of state service.

This bill would delete a provision making the application of that limitation retroactive to specified employees in State Bargaining Unit 16.

(4) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. 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 19849.9 of the Government
- 2 Code is amended to read:
- 3 19849.9. (a) Any appointing power may present to an
- 4 employee who has completed 25 or more years of state



1 service a certificate, plaque, or other suitable memento
2 and the cost of the same shall be a proper charge against
3 the support appropriation of the department or office in
4 which the employee serves. The cost of any certificate,
5 plaque, or memento shall not exceed the sum of ninety
6 dollars (\$90). A presentation may likewise be made to a
7 retired employee who on the date of his or her retirement
8 had completed 25 or more years of state service.

9 (b) Beginning January 1, 2005, and every five years
10 thereafter, the director may adjust the limit specified in
11 subdivision (a) to reflect the average rate of inflation
12 since the dollar amount was last adjusted.

13 SEC. 2. Section 19871.2 of the Government Code is
14 amended to read:

15 19871.2. When an excluded employee is temporarily
16 disabled for more than 22 consecutive working days by an
17 injury or type of injury designated by the director as
18 qualifying an employee for the benefits of this section, he
19 or she shall receive an enhanced industrial disability leave
20 benefit. The enhanced benefit shall be equivalent to the
21 injured employee's net take home salary on the date of
22 occurrence of injury. Eligibility and benefits may not
23 exceed 52 weeks within a two-year period after the date
24 of occurrence of the injury. For the purposes of this
25 section, "net salary" means the amount of salary received
26 after federal income tax, state income tax, and the
27 employee's retirement contribution has been deducted
28 from the employee's gross salary.

29 The final decision as to whether an employee is eligible
30 for, or continues to be eligible for, enhanced benefits shall
31 rest with the appointing authority or his or her designee.
32 The appointing authority may periodically review the
33 employee's condition by any means necessary to
34 determine an employee's continued eligibility for
35 enhanced benefits.

36 SEC. 3. Section 22754 of the Government Code is
37 amended to read:

38 22754. As used in this part the following definitions,
39 unless the context otherwise requires, shall govern the
40 interpretation of terms:



1 (a) “Board” means the Board of Administration of the
2 Public Employees’ Retirement System.
3 (b) “Employee” means:
4 (1) Any officer or employee of the State of California
5 or of any agency, department, authority, or
6 instrumentality of the state including the University of
7 California, or any officer or employee who is a local or
8 school member of the Public Employees’ Retirement
9 System employed by a contracting agency that has
10 elected to be or otherwise has become subject to this part,
11 or who is a member or retirant of the State Teachers’
12 Retirement System employed by an employer who has
13 elected to become subject to this part, or who is an
14 employee or annuitant of a special district or county
15 subject to the County Employees Retirement Law of 1937
16 (Chapter 3 (commencing with Section 31450) of Part 3 of
17 Division 4 of Title 3) that has elected to become subject
18 to this part, or who is an employee or annuitant of a
19 special district, as defined in subdivision (i), that has
20 elected to become subject to this part, except persons
21 employed on an intermittent, irregular or less than
22 half-time basis, or employees similarly situated, or
23 employees in respect to whom contributions by the state
24 for any type of plan or program offering prepaid hospital
25 and medical care are otherwise authorized by law.
26 (2) Any officer or employee who participates in the
27 retirement system of a contracting agency as defined in
28 paragraph (2) of subdivision (g) that has elected to
29 become subject to this part, except persons employed less
30 than half time or who are otherwise determined to be
31 ineligible.
32 (3) Any annuitant of the Public Employees’
33 Retirement System employed by a contracting agency as
34 defined in subdivision (g) that has elected to become
35 subject to this part who is a person retired under Section
36 21228.
37 (4) Notwithstanding paragraph (1), “eligible
38 employee” of the State of California, as it applies to state
39 employees in State Bargaining Unit 16, means (A) a
40 permanent employee appointed half time or more; (B)



1 an employee who is a limited term or temporary
2 authorization appointee who continues coverage based
3 on prior continuous permanent status; (C) an employee
4 who is in a half time or more limited-term appointment
5 shall qualify after working six consecutive months; and
6 (D) an employee appointed half time or more to a
7 temporary appointment in lieu of a permanent
8 appointment; and (E) a permanent intermittent
9 employee who works a minimum of 480 hours in a
10 six-month control period. All other limited-term,
11 nonstatus employees as defined by the Department of
12 Personnel Administration and temporary authorization
13 employees are not eligible.

14 *(5) Any teaching associate, lecturer, coach, or*
15 *interpreter employed by the California State University*
16 *who is appointed to work in an academic year*
17 *classification for at least six weighted teaching units for*
18 *one semester, or for at least six weighted teaching units*
19 *for two or more consecutive quarter terms.*

20 *This subdivision shall not apply to a state member*
21 *employed by the California State University, unless*
22 *provided for in a memorandum of understanding*
23 *reached pursuant to Chapter 12 (commencing with*
24 *Section 3560) of Division 4 of Title 1, or authorized by the*
25 *Trustees of the California State University for employees*
26 *excluded from collective bargaining.*

27 (c) "Carrier" means a private insurance company
28 holding a valid outstanding certificate of authority from
29 the Insurance Commissioner of the state, a medical
30 society or other medical group, a nonprofit hospital
31 service plan qualifying under Chapter 11A (commencing
32 with Section 11491) of Part 2 of Division 2 of the Insurance
33 Code, or nonprofit membership corporation lawfully
34 operating under Section 9200 or Section 9201 of the
35 Corporations Code, or a health care service plan as
36 defined under subdivision (f) of Section 1345 of the
37 Health and Safety Code, or a health maintenance
38 organization approved under Title XIII of the federal
39 Public Health Services Act, ~~which~~ *that* is lawfully
40 engaged in providing, arranging, paying for, or



1 reimbursing the cost of personal health services under
2 insurance policies or contracts, medical and hospital
3 service agreements, membership contracts, or the like, in
4 consideration of premiums or other periodic charges
5 payable to it.

6 (d) “Health benefits plan” means any program or
7 entity that provides, arranges, pays for, or reimburses the
8 cost of health benefits.

9 (e) “Annuitant” means:

10 (1) Any person who has retired within 120 days of
11 separation from employment and who receives any
12 retirement allowance under any state or University of
13 California retirement system to which the state was a
14 contributing party.

15 (2) A family member receiving an allowance as the
16 survivor of an annuitant who has retired as provided in
17 paragraph (1), or as the survivor of a deceased employee
18 under Section 21541, ~~21546, or 21571~~ 21545, or 21546 or
19 similar provisions of any other state retirement system.

20 (3) Any employee who has retired under the
21 retirement system provided by a contracting agency as
22 defined in paragraph (2) of subdivision (g) and who
23 receives a retirement allowance from that retirement
24 system, or a surviving family member who receives the
25 retirement allowance in place of the deceased.

26 (4) Any person who was a state member for 30 years
27 or more and who, at the time of retirement, was a local
28 member employed by a contracting agency.

29 (f) (1) “Family member” means an employee’s or
30 annuitant’s spouse and any unmarried child (including an
31 adopted child, a stepchild, or recognized natural child
32 who lives with the employee or annuitant in a regular
33 parent-child relationship). The board shall, by regulation,
34 prescribe age limits and other conditions and limitations
35 pertaining to unmarried children.

36 (2) Notwithstanding paragraph (1), this paragraph
37 shall apply only to state employees, as defined in Section
38 19815, that are in State Bargaining Unit 5. “Family
39 member” only means an employee’s legal spouse and any
40 unmarried child, adopted child, stepchild, recognized



1 natural child, or legal ward living with the employee in
2 a regular parent-child relationship.

3 (g) “Contracting agency” means:

4 (1) Any contracting agency as defined in Section
5 20022, any county or special district subject to the County
6 Employees Retirement Law of 1937 (Chapter 3
7 (commencing with Section 31450) of Part 3 of Division 4
8 of Title 3), and any special district, school district, county
9 board of education, personnel commission of a school
10 district or a county superintendent of schools.

11 (2) Any public body or agency of, or within California
12 not covered by the Public Employees’ Retirement
13 System or subject to the County Employees Retirement
14 Law of 1937 (Chapter 3 (commencing with Section
15 31450) of Part 3 of Division 4 of Title 3), ~~which that~~
16 provides a retirement system for its employees funded
17 wholly or in part by public funds.

18 (h) “Employer” means the state, any contracting
19 agency employing an employee, and any agency ~~which~~
20 *that* has elected to become subject to this part pursuant
21 to Section 22856.

22 (i) “Special district” means a nonprofit, self-governed
23 public agency, within the State of California and
24 comprised solely of public employees, performing a
25 governmental rather than proprietary function.

26 SEC. 4. Section 22955 of the Government Code is
27 amended to read:

28 22955. (a) Notwithstanding Sections 22953 and
29 22954, an employee in State Bargaining Unit 6, 8, or 16
30 who becomes a state member of the Public Employees’
31 Retirement System after January 1, 1999, and who is
32 included in the definition of state employee in subdivision
33 (c) of Section 3513 shall not receive any portion of the
34 employer’s contribution payable for annuitants, pursuant
35 to Sections 22953 and 22954, unless the employee is
36 credited with 10 years or more of state service, as defined
37 by this section, at the time of retirement.

38 (b) The percentage of employer’s contribution
39 amount payable for postretirement dental care benefits
40 for an employee subject to this section shall be based on



1 the funding provision of the plan and the member's
2 completed years of state service at retirement as shown
3 in the following table:

Credited Years of Service	Percentage of Employer Contribution
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20	100

19
20 (c) This section shall only apply to state employees
21 who retire for service.

22 (d) Benefits provided to an employee subject to this
23 section shall be applicable to all future state service.

24 (e) For purposes of this section, "state service" means
25 service rendered as an employee or an appointed or
26 elected officer of the state for compensation. In those
27 cases where the state assumes or has assumed from a
28 public agency a function and the related personnel,
29 service rendered by that personnel for compensation as
30 employees or appointed or elected officers of that local
31 public agency shall not be credited, at retirement, as state
32 service for the purposes of this section, unless the former
33 employer has paid or agreed to pay the state agency the
34 amount actuarially determined to equal the cost for any
35 employee dental benefits that were vested at the time
36 that the function and the related personnel were assumed
37 by the state. For noncontracting local public agencies the
38 state department shall certify the completed years of
39 local agency service to be credited to the employee to the



1 Public Employees' Retirement System at the time of
2 separation for retirement.

3 (f) Whenever the state contracts to assume a local
4 public agency function, completed years of service
5 rendered by the personnel for compensation as
6 employees or appointed or elected officers of the local
7 public agency shall be credited as state service only upon
8 a finding by the Department of Finance that the contract
9 contains a benefit factor sufficient to reimburse the state
10 for the amount necessary to compensate the state fully for
11 postretirement dental benefit costs for those personnel.

12 (g) This section shall not apply to employees of the
13 California State University or the Legislature.

14 SEC. 5. This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or
16 safety within the meaning of Article IV of the
17 Constitution and shall go into immediate effect. The facts
18 constituting the necessity are:

19 In order for collective bargaining agreements to be
20 implemented during the 1998-99 fiscal year, the act must
21 take effect immediately.

