

Assembly Bill No. 1528

Passed the Assembly August 16, 1999

Chief Clerk of the Assembly

Passed the Senate July 15, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor



CHAPTER _____

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, 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 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 incorporate additional changes to Section 22754 of the Government Code, made by this bill and AB 211 to take effect if both bills are enacted and this bill is enacted last.

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

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

SECTION 1. Section 19849.9 of the Government Code is amended to read:

19849.9. (a) Any appointing power may present to an employee who has completed 25 or more years of state service a certificate, plaque, or other suitable memento and the cost of the same shall be a proper charge against the support appropriation of the department or office in which the employee serves. The cost of any certificate, plaque, or memento shall not exceed the sum of ninety dollars (\$90). A presentation may likewise be made to a retired employee who on the date of his or her retirement had completed 25 or more years of state service.

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

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

19871.2. When an excluded employee is temporarily disabled for more than 22 consecutive working days by an injury or type of injury designated by the director as



qualifying an employee for the benefits of this section, he or she shall receive an enhanced industrial disability leave benefit. The enhanced benefit shall be equivalent to the injured employee's net take home salary on the date of occurrence of injury. Eligibility and benefits may not exceed 52 weeks within a two-year period after the date of occurrence of the injury. For the purposes of this section, "net salary" means the amount of salary received after federal income tax, state income tax, and the employee's retirement contribution has been deducted from the employee's gross salary.

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

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

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

(a) "Board" means the Board of Administration of the Public Employees' Retirement System.

(b) "Employee" means:

(1) Any officer or employee of the State of California or of any agency, department, authority, or instrumentality of the state including the University of California, or any officer or employee who is a local or school member of the Public Employees' Retirement System employed by a contracting agency that has elected to be or otherwise has become subject to this part, or who is a member or retirant of the State Teachers' Retirement System employed by an employer who has elected to become subject to this part, or who is an employee or annuitant of a special district or county subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3) that has elected to become subject



to this part, or who is an employee or annuitant of a special district, as defined in subdivision (i), that has elected to become subject to this part, except persons employed on an intermittent, irregular or less than half-time basis, or employees similarly situated, or employees in respect to whom contributions by the state for any type of plan or program offering prepaid hospital and medical care are otherwise authorized by law.

(2) Any officer or employee who participates in the retirement system of a contracting agency as defined in paragraph (2) of subdivision (g) that has elected to become subject to this part, except persons employed less than half time or who are otherwise determined to be ineligible.

(3) Any annuitant of the Public Employees' Retirement System employed by a contracting agency as defined in subdivision (g) that has elected to become subject to this part who is a person retired under Section 21228.

(4) Notwithstanding paragraph (1), "eligible employee" of the State of California, as it applies to state employees in State Bargaining Unit 16, means (A) a permanent employee appointed half time or more; (B) an employee who is a limited term or temporary authorization appointee who continues coverage based on prior continuous permanent status; (C) an employee who is in a half time or more limited-term appointment shall qualify after working six consecutive months; and (D) an employee appointed half time or more to a temporary appointment in lieu of a permanent appointment; and (E) a permanent intermittent employee who works a minimum of 480 hours in a six-month control period. All other limited-term, nonstatus employees as defined by the Department of Personnel Administration and temporary authorization employees are not eligible.

(c) "Carrier" means a private insurance company holding a valid outstanding certificate of authority from the Insurance Commissioner of the state, a medical society or other medical group, a nonprofit hospital



service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, or nonprofit membership corporation lawfully operating under Section 9200 or Section 9201 of the Corporations Code, or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, or a health maintenance organization approved under Title XIII of the federal Public Health Services Act, that is lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health services under insurance policies or contracts, medical and hospital service agreements, membership contracts, or the like, in consideration of premiums or other periodic charges payable to it.

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

(e) “Annuitant” means:

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

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

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

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

(f) (1) “Family member” means an employee’s or annuitant’s spouse and any unmarried child (including an adopted child, a stepchild, or recognized natural child



who lives with the employee or annuitant in a regular parent-child relationship). The board shall, by regulation, prescribe age limits and other conditions and limitations pertaining to unmarried children.

(2) Notwithstanding paragraph (1), this paragraph shall apply only to state employees, as defined in Section 19815, that are in State Bargaining Unit 5. “Family member” only means an employee’s legal spouse and any unmarried child, adopted child, stepchild, recognized natural child, or legal ward living with the employee in a regular parent-child relationship.

(g) “Contracting agency” means:

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

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

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

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

SEC. 3.5. Section 22754 of the Government Code is amended to read:

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



(a) “Board” means the Board of Administration of the Public Employees’ Retirement System.

(b) “Employee” means:

(1) Any officer or employee of the State of California or of any agency, department, authority, or instrumentality of the state including the University of California, or any officer or employee who is a local or school member of the Public Employees’ Retirement System employed by a contracting agency that has elected to be or otherwise has become subject to this part, or who is a member or retirant of the State Teachers’ Retirement System employed by an employer who has elected to become subject to this part, or who is an employee or annuitant of a special district or county subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3) that has elected to become subject to this part, or who is an employee or annuitant of a special district, as defined in subdivision (i), that has elected to become subject to this part, except persons employed on an intermittent, irregular or less than half-time basis, or employees similarly situated, or employees in respect to whom contributions by the state for any type of plan or program offering prepaid hospital and medical care are otherwise authorized by law.

(2) Any officer or employee who participates in the retirement system of a contracting agency as defined in paragraph (2) of subdivision (g) that has elected to become subject to this part, except persons employed less than half time or who are otherwise determined to be ineligible.

(3) Any annuitant of the Public Employees’ Retirement System employed by a contracting agency as defined in subdivision (g) that has elected to become subject to this part who is a person retired under Section 21228.

(4) Notwithstanding paragraph (1), “eligible employee” of the State of California, as it applies to state employees in State Bargaining Unit 16, means (A) a permanent employee appointed half time or more; (B)



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

(5) Any teaching associate, lecturer, coach, or interpreter employed by the California State University who is appointed to work in an academic year classification for at least six weighted teaching units for one semester, or for at least six weighted teaching units for two or more consecutive quarter terms. This subdivision shall not apply to a state member employed by the California State University, unless provided for in a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, or authorized by the Trustees of the California State University for employees excluded from collective bargaining.

(c) “Carrier” means a private insurance company holding a valid outstanding certificate of authority from the Insurance Commissioner of the state, a medical society or other medical group, a nonprofit hospital service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, or nonprofit membership corporation lawfully operating under Section 9200 or Section 9201 of the Corporations Code, or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, or a health maintenance organization approved under Title XIII of the federal Public Health Services Act, that is lawfully engaged in providing, arranging, paying for, or reimbursing the cost



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

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

(e) “Annuitant” means:

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

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

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

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

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

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



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

(g) “Contracting agency” means:

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

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

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

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

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

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

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



the funding provision of the plan and the member’s completed years of state service at retirement as shown 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

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

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

(e) For purposes of this section, “state service” means service rendered as an employee or an appointed or elected officer of the state for compensation. In those cases where the state assumes or has assumed from a public agency a function and the related personnel, service rendered by that personnel for compensation as employees or appointed or elected officers of that local public agency shall not be credited, at retirement, as state service for the purposes of this section, unless the former employer has paid or agreed to pay the state agency the amount actuarially determined to equal the cost for any employee dental benefits that were vested at the time that the function and the related personnel were assumed by the state. For noncontracting local public agencies the state department shall certify the completed years of local agency service to be credited to the employee to the



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

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

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

SEC. 5. Section 3.5 of this bill incorporates amendments to Section 22754 of the Government Code proposed by both this bill and AB 211. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2000, but this bill becomes operative first, (2) each bill amends Section 22754 of the Government Code, and (3) this bill is enacted after AB 211, in which case Section 22754 of the Government Code, as amended by Section 3 of this bill, shall remain operative only until the operative date of AB 211, at which time Section 3.5 of this bill shall become operative.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

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



Approved _____, 1999

Governor

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