

**Assembly Bill No. 2383**

\_\_\_\_\_

Passed the Assembly August 31, 2000

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

Passed the Senate August 31, 2000

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2000, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*



## CHAPTER \_\_\_\_\_

An act to add Section 25950 to the Education Code, and to add Article 10 (commencing with Section 22878) to Chapter 1 of Part 5 of Division 5 of Title 2 of the Government Code, relating to health benefits, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2383, Keeley. Public employee health benefits: covered employees: retiree health benefits.

(1) Existing law, the Public Employees' Medical and Hospital Care Act, defines "employee" for purposes of eligibility for benefits under the act and excludes from that definition specified officers and employees who are employed less than half time. Employee contributions under the act are deposited in the Public Employees' Health Care Fund, a continuously appropriated fund.

This bill would make the provisions of that act applicable to specified employees of a school or agency, as defined, at the option of its governing body, and would define annuitants for purposes of these provisions. By expanding eligibility for benefits under the act, the bill would increase the contributions to a continuously appropriated fund, thereby making an appropriation.

(2) Existing law, the Teachers' Retirement Law, provides that the State Teachers' Retirement System shall develop a program to provide health care benefits for members, beneficiaries, children, and dependent parents, as defined.

This bill would require the Teachers' Retirement Board to report to the Legislature, on or before April 1, 2001, on a prescription drug program and a health benefits program for retired members, as specified, and would authorize the Public Employees' Retirement System to submit a proposal to administer a health benefits program for retired members of the State Teachers' Retirement System and their dependents.

Appropriation: yes.



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

SECTION 1. Section 25950 is added to the Education Code, to read:

25950. On or before April 1, 2001, the board shall report to the Legislature on a prescription drug program and a program to provide health benefits to retired members. The report shall include an analysis of all potential methods of financing and administering the programs. These shall include, but are not limited to, (1) the system providing those health benefits under contracts with carriers or other entities that administer health benefits plans, (2) reimbursing employers for the costs of providing those health benefits to retired employees, and (3) crediting employers and employing agencies, against the amount contributed pursuant to Section 22950, a monthly amount, adjusted annually, for each retiree the employer or employing agency certifies is enrolled in one or more health care benefits programs administered or sponsored by the employer or employing agency. The report shall include an estimate of the fiscal impact of each program on the system, including administration and program costs, and recommended statutory language to implement each program.

SEC. 2. Article 10 (commencing with Section 22878) is added to Chapter 1 of Part 5 of Division 5 of Title 2 of the Government Code, to read:

Article 10. Provisions for Schools and Agencies

22878. The provisions of this part apply to schools and agencies, as these terms are defined in this article. The purpose of this article is to set forth provisions which may only be used by schools and agencies, as those terms are defined in this article. If schools and agencies choose to follow the provisions of this article, all conflicting provisions of this part shall be superseded. This article shall not apply to any other employer, employee, annuitant, or family member who has, or elects to have, health care coverage pursuant to this part.



22878.1. The definitions in this part shall govern the interpretation of terms in this article, except that the following definitions shall govern the interpretation of these specific terms as used in this article:

(a) “School” means any contracting agency that is a special district, school district, county board of education, personnel commission of a school district, a county superintendent of schools, or a community college district.

(b) “Agency” means 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 contracting agency that is a public body or agency 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.

22878.2. (a) A school or agency may by resolution filed with the board deem all permanent or regular employees, except members of the State Teachers’ Retirement System, who have an appointment of six months or longer but who are employed on a less than half-time basis, to be employees subject to this part.

(b) An agency or school with employees who are members of the State Teachers’ Retirement System may by resolution filed with the board deem any of the following to be employees subject to this part:

(1) Regular, permanent, probationary, or temporary employees or substitutes who have an appointment for a semester, or for six months, or for half of the school year or longer, but are employed on a less than a half-time basis.

(2) Substitutes who have an appointment for 100 days or more in the school year.

22878.3. As used in this part, the term “annuitant” shall include:



(a) A family member of a deceased retired member of the State Teachers' Retirement System who retired within 120 days of separation from employment, and who prior to his or her death, received a retirement allowance that did not provide for a survivor allowance to family members and who elects coverage as an annuitant prior to January 1, 2003. This subdivision shall not apply to any family member of a retired member of the State Teachers' Retirement System who retired on or after January 1, 2003 from a school contracting under this part prior to January 1, 2001.

(b) A family member of a deceased retired member of the State Teachers' Retirement System who retired within 120 days of separation from employment, who retired before the member's school elected to contract for health benefit coverage under this part, and who, prior to his or her death, received a retirement allowance that did not provide for a survivor allowance to family members and who elects coverage as an annuitant within one calendar year from the date that the member's school elected to contract for health benefit coverage under this part.

SEC. 3. At the request of the Teachers' Retirement Board, the Public Employees' Retirement System may submit a proposal to administer a health benefits program for retired members of the State Teachers' Retirement System and their dependents.



Approved \_\_\_\_\_, 2000

\_\_\_\_\_  
*Governor*

