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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 5. PERSONNEL [18000 - 22980] (Division 5 added by Stats. 1945, Ch. 123.)

PART 5. THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT [22750 - 22948] (Part 5 added by Stats. 2004, Ch. 69, Sec. 22.)

CHAPTER 1. Public Employees' Health Benefits [22750 - 22944.6] (Chapter 1 added by Stats. 2004, Ch. 69, Sec. 22.)

ARTICLE 7. State Contributions [22870 - 22889] (Article 7 added by Stats. 2004, Ch. 69, Sec. 22.)

22870. (a) The state and each employee or annuitant shall contribute a portion of the cost of providing the benefit coverage afforded under the approved health benefit plan in which the employee or annuitant is enrolled.

(b) An annuitant is entitled to only one employer contribution. If more than one annuitant is receiving an allowance as the survivor of the same employee or annuitant, there shall be only one employer contribution with respect to all of those annuitants.

(c) The contribution of each employee and annuitant shall be the total cost per month of the benefit coverage afforded him or her under the health benefit plan or plans in which he or she is enrolled less the portion thereof to be contributed by the employer. The employer contribution for each employee or annuitant shall commence on the effective date of enrollment.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22871. (a) The employer contribution, with respect to each employee or annuitant who is in the employment of or retired from service with the state, including an academic position with the California State University, or is a survivor of that person, shall be adjusted by the Legislature in the annual Budget Act. Those adjustments shall be based on the principle that the employer contribution for each employee or annuitant shall be an amount equal to 100 percent of the weighted average of the health benefit plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest state enrollment, excluding family members, during the previous benefit year. For each employee or annuitant with enrolled family members, the employer shall contribute an additional 90 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four health benefit plans that had the largest state enrollment, excluding family members, during the previous benefit year. Only the enrollment of, and premiums paid by, state employees and annuitants enrolled in a basic health benefit plan shall be counted for purposes of calculating the employer contribution under this section.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22871.3. (a) The employer contribution for each annuitant enrolled in a basic plan shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(b) The employer contribution for each annuitant enrolled in a Medicare health benefit plan in accordance with Section 22844 shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an annuitant enrolled in a Medicare health benefit plan for self-alone, during the benefit year to which the formula is applied, for the four Medicare health

benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four Medicare health benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. If the annuitant is eligible for Medicare Part A, with or without cost, and Medicare Part B, regardless of whether the annuitant is actually enrolled in Medicare Part A or Part B, the employer contribution shall not exceed the amount calculated under this subdivision.

(c) This section applies to:

- (1) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2016, and who is represented by State Bargaining Unit 9 or 10.
- (2) A state employee related to State Bargaining Unit 9 or 10 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2016.
- (3) A state employee represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is first employed by the state and becomes a state member of the system on or after January 1, 2017.
- (4) A state employee related to State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2017.
- (5) A judicial branch employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017. This paragraph does not apply to a judge who is subject to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.
- (6) A state employee represented by State Bargaining Unit 16 who is first employed by the state and becomes a state member of the system on or after April 1, 2017.
- (7) A state employee related to State Bargaining Unit 16 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after April 1, 2017.
- (8) A state employee that is not related to any state bargaining unit, who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after July 1, 2019.
- (9) An officer or employee of the executive branch of state government who is not a member of the civil service and first employed by the state and becomes a state member of the system on or after July 1, 2019.
- (10) A state employee represented by State Bargaining Unit 5 who is first employed by the state and becomes a state member of the system on or after January 1, 2020.
- (11) A state employee related to State Bargaining Unit 5 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2020.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Amended by Stats. 2019, Ch. 859, Sec. 19. (AB 118) Effective October 13, 2019.)

22871.5. (a) Notwithstanding Section 22871, the employer contribution with respect to each excluded employee, as defined by subdivision (b) of Section 3527, who is otherwise eligible shall be determined by the Department of Human Resources subject to the appropriation of funds by the Legislature.

(b) Notwithstanding Section 22871, the employer contribution with respect to each state employee, as defined by subdivision (c) of Section 3513, who is otherwise eligible shall be determined through the collective bargaining process subject to the appropriation of funds by the Legislature.

(Amended by Stats. 2012, Ch. 665, Sec. 155. (SB 1308) Effective January 1, 2013.)

22871.6. (a) Notwithstanding Section 22871, subdivision (b) of Section 22871.5, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Unit 9 shall be as described in subdivision (b).

(b) Effective January 1, 2004, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer contribution provided under this section is not applicable unless and until the effective date of the employee's enrollment in an approved health benefit plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22871.7. (a) Notwithstanding Section 22871, subdivision (b) of Section 22871.5, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Units 5 and 8 shall be as described in subdivision (b).

(b) (1) From January 1, 2004, to December 31, 2005, inclusive, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(2) Beginning January 1, 2006, the employer contribution for each employee shall be an amount equal to 85 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer contribution provided under this section is not applicable unless and until the effective date of the employee's enrollment in an approved health benefit plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22871.8. (a) Notwithstanding Section 22871, subdivision (b) of Section 22871.5, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Units 16 and 19 shall be as described in subdivision (b).

(b) (1) From January 1, 2004, to December 31, 2005, inclusive, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(2) Beginning January 1, 2006, the employer contribution for each employee shall be an amount equal to 85 percent of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(3) Beginning January 1, 2007, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premium for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer contribution provided under this section is not applicable unless and until the effective date of the employee's enrollment in an approved health benefit plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Amended by Stats. 2013, Ch. 391, Sec. 9. (AB 478) Effective September 27, 2013.)

22871.9. (a) Notwithstanding Section 22871, subdivision (b) of Section 22871.5, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Units 1, 4, 10, 11, 14, 15, 17, 20, and 21 shall be as described in subdivision (b).

(b) Effective January 1, 2004, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer contribution provided under this section is not applicable unless and until the effective date of the employee's enrollment in an approved health benefit plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22871.10. (a) Notwithstanding Section 22871.9, or any other provision of this article, the employer contribution with respect to employees in State Bargaining Units 1, 4, 11, 14, 15, 17, 20, and 21 shall be as described in subdivision (b).

(b) Effective with the beginning of the pay period following ratification by the affected union membership and enactment of this section, the employer contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) Effective the first day of the pay period following ratification but no earlier than December 1, 2023, the employer contribution shall include an additional amount of up to \$165 (one hundred sixty-five dollars) toward the monthly employer health benefit contribution for each employee who is enrolled in a CalPERS sponsored health plan.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

(Added by renumbering Section 20871.10 by Stats. 2024, Ch. 80, Sec. 65. (SB 1525) Effective January 1, 2025.)

22872. If an out-of-state employee is enrolled in a health benefit plan, policy, contract, service agreement, or arrangement described in Section 22857 and elects to receive the benefits provided by this part, the state and the employee shall contribute and disburse a portion of the cost of providing the benefit coverage in the same amounts and in a like manner as is provided for contributions,

withholdings, appropriations, and payments for health benefit plans under Sections 22871, 22880, 22881, 22883, 22885, and 22913. Disbursements may be made to any person, association, corporation, insurer, or other entity responsible for providing the benefit coverage, except that the state shall make no contribution to the Public Employees' Contingency Reserve Fund, for other than administrative expense, with respect to an out-of-state employee and the fund may not be made available to any extent or for any purpose other than payment of administrative costs with respect to the employee or the plan, policy, contract, service agreement, or arrangement in which he or she is enrolled under this part.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22873. (a) Notwithstanding Section 22871, a state employee first hired on or after January 1, 1985, may not be vested for the full employer contribution payable for annuitants unless he or she has 10 years of credited state service at the time of retirement. The employer contribution payable for annuitants with less than 10 years of service shall be prorated based on credited state service at the time of retirement. This section shall apply only to state employees who retire for service. For purposes of this section, "state service" includes all municipal, superior, and justice court services rendered by a justice of the Supreme Court or court of appeal, or by a judge of the superior court.

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

(Amended by Stats. 2005, Ch. 328, Sec. 32. Effective January 1, 2006.)

22874. (a) Notwithstanding Sections 22870, 22871, and 22873, a state employee, defined by subdivision (c) of Section 3513, who becomes a state member of the system after January 1, 1989, may not receive any portion of the employer contribution payable for annuitants unless the person is credited with 10 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited 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 or more ____	100 ____

(c) This section shall apply only to state employees that retire for service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation. Notwithstanding Section 22826, for purposes of this section, credited state service includes service to the state for which the employee, pursuant to Section 20281.5, did not receive credit.

(d) This section does not apply to employees of the California State University, the judicial branch, or the Legislature.

(Amended by Stats. 2005, Ch. 328, Sec. 33. Effective January 1, 2006.)

22874.1. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee, defined by subdivision (c) of Section 3513, who is employed by the state for the first time, and who is represented by State Bargaining Unit 12, who becomes a state member of the system on or after January 1, 2011, may not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Years of Service Contribution	Credited Years Percentage of Employer Contribution
15	50
16	55
17	60
18	65
19	70
20	75
21	80
22	85
23	90
24	95
25 or more	100

(c) This section shall apply only to state employees who retire for service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation. Notwithstanding Section 22826, for purposes of this section, credited state service includes service to the state for which the employee, pursuant to Section 20281.5, did not receive credit.

(d) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2011, who return to state employment on or after January 1, 2011.
- (2) State employees hired prior to January 1, 2011, who were subject to Section 20281.5 during the first 24 months of state employment.
- (3) State employees hired prior to January 1, 2011, who become subject to representation by State Bargaining Unit 12 on or after January 1, 2011.
- (4) State employees on an approved leave of absence employed before January 1, 2011, who return to active employment on or after January 1, 2011.
- (5) State employees hired after January 1, 2011, who are first represented by a state bargaining unit other than State Bargaining Unit 12.
- (6) Employees of the California State University, the judicial branch, or the Legislature.

(e) Notwithstanding Section 22875, this section shall also apply to a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service who met the requirements of this section when employed by the state for the first time.

(Amended by Stats. 2011, Ch. 296, Sec. 130. (AB 1023) Effective January 1, 2012.)

22874.2. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee, as defined by subdivision (c) of Section 3513, who is first employed by the state and becomes a state member of the system on or after January 1, 2016, and is represented by State Bargaining Unit 9 or 10 shall not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Years of Service Contribution	Credited Years Percentage of Employer Contribution
15	50
16	55
17	60
18	65
19	70
20	75
21	80
22	85
23	90
24	95
25 or more	100

(c) This section shall apply only to state employees that retire for service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation.

(d) This section does not apply to:

(1) Former state employees previously employed before January 1, 2016, who return to state employment on or after January 1, 2016.

(2) State employees hired prior to January 1, 2016, who become subject to representation by State Bargaining Unit 9 or 10 on or after January 1, 2016.

(3) State employees on an approved leave of absence employed before January 1, 2016, who return to active employment on or after January 1, 2016.

(4) State employees hired after January 1, 2016, who are first represented by a state bargaining unit other than Bargaining Unit 9 or 10, who later become represented by State Bargaining Unit 9 or 10.

(e) Notwithstanding Section 22875, this section shall also apply to a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and is first employed by the state and becomes a state member of the system on or after January 1, 2016.

(Added by Stats. 2015, Ch. 322, Sec. 22. (SB 99) Effective September 22, 2015.)

22874.3. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee, defined by subdivision (c) of Section 3513, who is first employed by the state and becomes a state member of the system on or after January 1, 2017, and who is represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, 17, 18, 19, 20, or 21 shall not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
15	50
16	55
17	60
18	65

19	70
20	75
21	80
22	85
23	90
24	95
25 or more	100

(c) This section applies only to state employees that retire for service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation.

(d) This section does not apply to:

- (1) Former state employees previously employed before January 1, 2017, who return to state employment on or after January 1, 2017.
- (2) State employees hired before January 1, 2017, who become subject to representation by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, 17, 18, 19, 20, or 21 on or after January 1, 2017.
- (3) State employees on an approved leave of absence employed before January 1, 2017, who return to active employment on or after January 1, 2017.
- (4) State employees hired after January 1, 2017, who are first represented by a state bargaining unit other than Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, 17, 18, 19, 20, or 21, who later become represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, 17, 18, 19, 20, or 21.

(e) Notwithstanding Section 22875, this section also applies to a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after January 1, 2017.

(Amended by Stats. 2018, Ch. 92, Sec. 110. (SB 1289) Effective January 1, 2019.)

22874.4. (a) Notwithstanding Sections 22870, 22871, and 22873, a judicial branch employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017, shall not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
15	50
16	55
17	60
18	65
19	70
20	75
21	80
22	85
23	90

24	95
25 or more	100

(c) This section shall apply only to judicial branch employees who retire for service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation.

(d) This section does not apply to any of the following:

- (1) Former state employees previously employed prior to January 1, 2017, who return to state employment on or after January 1, 2017.
- (2) State employees on an approved leave of absence employed before January 1, 2017, who return to active employment on or after January 1, 2017.
- (3) A judge who retires pursuant to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.

(Added by Stats. 2016, Ch. 35, Sec. 17. (SB 848) Effective June 27, 2016.)

22874.5. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee, defined by subdivision (c) of Section 3513, who is first employed by the state and becomes a state member of the system on or after April 1, 2017, and who is represented by State Bargaining Unit 16 shall not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
15	50
16.	55
17	60
18	65
19	70
20	75
21	80
22	85
23	90
24	95
25 or more	100

(c) This section shall apply only to state employees who retire from service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation.

(d) This section does not apply to:

- (1) Former state employees previously employed before April 1, 2017, who return to state employment on or after April 1, 2017.
- (2) State employees hired prior to April 1, 2017, who become subject to representation by State Bargaining Unit 16 on or after April 1, 2017.
- (3) State employees on an approved leave of absence employed before April 1, 2017, who return to active employment on or after April 1, 2017.
- (4) State employees hired after April 1, 2017, who are first represented by a state bargaining unit other than Bargaining Unit 16, who later become represented by State Bargaining Unit 16.

(e) Notwithstanding Section 22875, this section shall also apply to a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on

or after April 1, 2017.

(Added by Stats. 2017, Ch. 6, Sec. 11. (SB 131) Effective April 28, 2017. Became operative on June 27, 2017, pursuant to Stats. 2017, Ch. 19, Sec. 26, which repealed Stats. 2017, Ch. 6, Sec. 15.)

22874.6. (a) Notwithstanding Section 22870, the following employees of the California State University shall not receive any portion of the employer contribution payable for annuitants unless the person has 10 years of credited state service at the time of retirement:

(1) An employee who is first employed by the California State University and becomes a member of the system on or after July 1, 2017, and is represented by California State University Bargaining Unit 3.

(2) An employee in a nonrepresented employee group under Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 who is first employed by the California State University and becomes a member of the system on or after July 1, 2017.

(b) This section shall apply only to employees of the California State University who retire for service.

(c) This section shall become operative only if it is specifically adopted by action of the Trustees of the California State University or, if required, provided for in a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1.

(Added by Stats. 2017, Ch. 23, Sec. 21. (SB 85) Effective June 27, 2017. Section conditionally operative as prescribed by its own provisions.)

22874.7. (a) Notwithstanding Section 22870, an employee who is first employed by the California State University and becomes a member of the system on or after July 1, 2018, and is represented by California State University Bargaining Unit 1, 2, 4, 5, 6, 7, 9, or 10 shall not receive any portion of the employer contribution payable for annuitants unless the person has 10 years of credited state service at the time of retirement.

(b) This section shall apply only to employees of the California State University who retire for service.

(c) This section shall become operative only if it is specifically adopted by regulation of the Trustees of the California State University or, if required, provided for in a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1.

(Added by Stats. 2018, Ch. 33, Sec. 58. (AB 1809) Effective June 27, 2018. Section conditionally operative as prescribed by its own provisions.)

22874.8. (a) Notwithstanding Section 22870, an employee who is first employed by the California State University and becomes a member of the system on or after July 1, 2019, and is represented by California State University Bargaining Unit 11, shall not receive any portion of the employer contribution payable for annuitants unless the person has 10 years of credited state service at the time of retirement.

(b) This section shall apply only to employees of the California State University who retire for service.

(c) This section shall become operative only if it is specifically adopted by regulation of the Trustees of the California State University or, if required, provided for in a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1.

(Added by Stats. 2019, Ch. 53, Sec. 28. (SB 77) Effective July 1, 2019. Section conditionally operative as prescribed by its own provisions.)

22874.9. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee, defined by subdivision (c) of Section 3513, who is first employed by the state and becomes a state member of the system on or after January 1, 2020, and who is represented by State Bargaining Unit 5, shall not receive any portion of the employer contribution payable for annuitants unless the person is credited with 15 years of state service at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health and dental benefits for an employee subject to this section shall be based on the completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
15	50
16	55
17	60
18	65
19	70
20	75

21	80
22	85
23	90
24	95
25 or more	100

(c) This section applies only to state employees who retire from service. For purposes of this section, "state service" means service rendered as an employee of the state or an appointed or elected officer of the state for compensation.

(d) This section does not apply to:

(1) Former state employees previously employed before January 1, 2020, who return to state employment on or after January 1, 2020.

(2) State employees hired prior to January 1, 2020, who become subject to representation by State Bargaining Unit 5 on or after January 1, 2020.

(3) State employees on an approved leave of absence employed before January 1, 2020, who return to active employment on or after January 1, 2020.

(4) State employees hired after January 1, 2020, who are first represented by a state bargaining unit other than State Bargaining Unit 5, who later become represented by State Bargaining Unit 5.

(e) Notwithstanding Section 22875, this section also applies to a related state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after January 1, 2020.

(Amended by Stats. 2020, Ch. 370, Sec. 153. (SB 1371) Effective January 1, 2021.)

22875. (a) Notwithstanding Sections 22870, 22871, 22873, and 22874, a state employee who becomes a state member of the system after January 1, 1990, and is either excluded from the definition of a state employee in subdivision (c) of Section 3513, or a nonelected officer or employee of the executive branch of government who is not a member of the civil service, may not receive any portion of the employer contribution payable for annuitants, unless the employee is credited with 10 years of state service, as defined by this section, at the time of retirement.

(b) The percentage of the employer contribution payable for postretirement health benefits for an employee subject to this section shall be based on the completed years of credited 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 or more ____	100 ____

(c) This section shall apply only 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 the purposes of this section, "state service" means service rendered as an employee or an appointed or elected officer of the state for compensation. Notwithstanding Section 22826, for purposes of this section, credited state service includes service to the state for which the employee, pursuant to Section 20281.5, did not receive credit.

(f) This section does not apply to employees of the California State University, the judicial branch, or the Legislature.

(Amended by Stats. 2005, Ch. 328, Sec. 34. Effective January 1, 2006.)

22875.5. (a) If the state has assumed from a public agency a function and the related personnel, service rendered by that personnel for compensation as employees or appointed or elective officers of that public agency may not be credited as state service for the purposes of Section 22874, 22874.1, 22874.2, 22874.3, or 22875 unless both of the following apply:

(1) The former employer has paid or agreed to pay the state the amount actuarially determined to equal the cost for any employee health benefits that were vested at the time that the function and the related personnel were assumed by the state.

(2) The Department of Finance finds that the contract contains a benefit factor sufficient to reimburse the state for the amount necessary to fully compensate for the postretirement health benefit costs of those personnel.

(b) For noncontracting public agencies, the state agency that has assumed the function shall certify the completed years of public agency service to be credited to the employee as state service credit under Section 22874, 22874.1, 22874.2, 22874.3, or 22875.

(Amended by Stats. 2016, Ch. 12, Sec. 10. (SB 95) Effective May 10, 2016.)

22876. (a) For the purpose of meeting the vesting requirements of Section 22873, employees of the County of Merced who became employees of the state as a result of the state's assuming firefighting functions for that county shall be credited with state service for each completed year of service with the county that would have been credited by the county for the vesting of postretirement health benefits. The definition of "state service" does not apply to employees of the County of Merced who became employees of the state as a result of the state assuming firefighting functions for the county on or before August 1, 1988.

(b) Notwithstanding Section 22875.5, for the purposes of meeting the vesting requirements of Section 22873, 22874, or 22875, employees of the Cities of Rubidoux and Coachella who become employees of the state, on or before December 31, 1990, as a result of the state's assuming firefighting functions for the city, shall be credited with state service for each completed year of service with the city. The city shall identify those employees and provide the corresponding service credit information to the board.

(c) No employee whose firefighting function was transferred to the state after December 31, 1990, shall receive credit toward postretirement health benefits vesting unless the former employer agrees to reimburse the state for the costs of that credit in accordance with Section 22875.5.

(Amended by Stats. 2005, Ch. 328, Sec. 35. Effective January 1, 2006.)

22877. (a) As used in this section, the following definitions shall apply:

(1) "Coinsurance" means the provision of a health benefit plan design that requires the health benefit plan and state employee to share the cost of hospital or medical expenses at a specified ratio.

(2) "Deductible" means the annual amount of out-of-pocket medical expenses that a state employee must pay before the health benefit plan begins paying for expenses.

(3) "Program" means the Rural Health Care Equity Program.

(4) "Rural area" means an area in which there is no board-approved health maintenance organization plan available for enrollment by state employees residing in the area.

(b) (1) The Rural Health Care Equity Program is hereby established for the purpose of funding the subsidization and reimbursement of premium costs, deductibles, coinsurance, and other out-of-pocket health care expenses paid by eligible employees living in rural areas that would otherwise be covered if the state employee was enrolled in a board-approved health maintenance organization plan. The program shall be administered by the Department of Human Resources or by a third-party administrator approved by the Department of Human Resources in a manner consistent with all applicable state and federal laws. The board shall determine the rural area for each subsequent fiscal year, at the same time that premiums for health maintenance organization plans are approved.

(2) Separate accounts shall be maintained within the program for all of the following:

(A) Employees, as defined in subdivision (c) of Section 3513.

(B) Excluded employees, as defined in subdivision (b) of Section 3527.

(c) Moneys in the program shall be allocated to the respective accounts as follows:

(1) The contribution provided by the state with respect to each employee, as defined in subdivision (c) of Section 3513, who lives in a rural area and is otherwise eligible, shall be an amount determined through the collective bargaining process.

(2) The contribution provided by the state with respect to each excluded employee, as defined in subdivision (b) of Section 3527, who lives in a rural area and is otherwise eligible, shall be an amount equal to, but not to exceed, the amount contributed pursuant to paragraph (1).

(3) If an eligible employee enters or leaves service with the state during a fiscal year, contributions for the employee shall be made on a pro rata basis. A similar computation shall be used for anyone entering or leaving the bargaining unit, including a person who enters State Bargaining Unit 5 by promotion during a fiscal year.

(d) Each fund of the State Treasury, other than the General Fund, shall reimburse the General Fund for any sums allocated pursuant to subdivision (c) for employees whose compensation is paid from that fund. That reimbursement shall be accomplished using the following methodology:

(1) On or before December 1 of each year, the Department of Human Resources shall provide a list of active state employees who participated in the program during the previous fiscal year to each employing department.

(2) On or before January 15 of each year, each department that employed an active state employee identified by the Department of Human Resources as a participant in the program shall provide the Department of Human Resources with a list of the funds used to pay each employee's salary, along with the proportion of each employee's salary attributable to each fund.

(3) Using the information provided by the employing departments, the Department of Human Resources shall compile a list of program payments attributable to each fund. On or before February 15 of each year, the Department of Human Resources shall transmit this list to the Department of Finance.

(4) The Department of Finance shall certify to the Controller the amount to be transferred from the unencumbered balance of each fund to the General Fund.

(5) The Controller shall transfer to the General Fund from the unencumbered balance of each impacted fund the amount specified by the Department of Finance.

(6) To ensure the equitable allocation of costs, the Director of the Department of Human Resources or the Director of Finance may require an audit of departmental reports.

(e) Notwithstanding any other law and subject to the availability of funds, moneys within the program shall be disbursed for the benefit of eligible employees. The disbursements shall subsidize the preferred provider plan premiums for the employee by an amount equal to the difference between the weighted average of board-approved health maintenance organization premiums and the lowest board-approved preferred provider plan premium available under this part, and reimburse the employee for a portion or all of his or her incurred deductible, coinsurance, and other out-of-pocket health-related expenses that would otherwise be covered if the employee and his or her family members were enrolled in a board-approved health maintenance organization plan. These subsidies and reimbursements shall be provided as determined by the Department of Human Resources, which may include, but is not limited to, a supplemental insurance plan, a medical reimbursement account, or a medical spending account plan.

(f) Subject to subdivision (h), moneys remaining in an account of the program at the end of any fiscal year shall remain in the account for use in subsequent fiscal years, until the account is terminated. Moneys remaining in a program account upon termination, after payment of all expenses and claims incurred prior to the date of termination, shall be deposited in the General Fund.

(g) The Legislature finds and declares that the program shall be operated for the exclusive benefit of employees of State Bargaining Unit 5.

(h) This section shall be operative only to the extent that funding is provided in the annual Budget Act or another statute and solely for the benefit of employees of State Bargaining Unit 5.

(i) This section shall cease to be operative on July 3, 2010, or on an earlier date if the board makes a formal determination that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board.

(j) Notwithstanding any other law, on and after July 1, 2009, the benefits of the Rural Health Care Equity Program shall be available only to employees in State Bargaining Unit 5, and shall not be available to any other employees. Pursuant to subdivision (f), any moneys that remain in the accounts of the program on July 1, 2009, other than moneys attributable to employees in State Bargaining Unit 5 on that date, shall be deposited in the General Fund. Benefits of the Rural Health Care Equity Program shall cease to be

available to employees in State Bargaining Unit 5, on and after July 3, 2010, and any moneys remaining in the accounts of the program shall be deposited in the General Fund.

(Amended by Stats. 2018, Ch. 903, Sec. 17. (SB 1504) Effective January 1, 2019. Inoperative on July 3, 2010, or sooner, as provided in subd. (i).

Note: See this section, as modified on July 1, 2012, in Governor's Reorganization Plan No. 1 of 2011.)

22878. A health benefit plan offered by the California Association of Highway Patrolmen may rebate funds to participants enrolled in the basic and Medicare health benefit plans sponsored by the association, in order to ensure that participant out-of-pocket costs remain at a reasonable and competitive level as determined by the Board of Trustees of the California Association of Highway Patrolmen Health Benefits Trust. The payments shall be made from the special reserves of the health benefits trust fund. The amount of funds shall be limited to the portion of special reserves for that health benefit plan that is in excess of the amount necessary to fund the risk up to the reinsurance attachment level. Administrative costs incurred by the state for the implementation of this section shall be reimbursed by the health benefits trust from the same funds.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22879. (a) The board shall pay monthly to an employee or annuitant who is enrolled in, or whose family member is enrolled in, a Medicare health benefit plan under this part the amount of the Medicare Part B premiums, exclusive of penalties, except as provided in Section 22831. This payment may not exceed the difference between the maximum employer contribution and the amount contributed by the employer toward the cost of premiums for the health benefit plan in which the employee or annuitant and the employee's or annuitant's family members are enrolled. No payment may be made in any month if the difference is less than one dollar (\$1).

(b) This section shall be applicable only to state employees, annuitants who retired while state employees, and the family members of those persons.

(c) With respect to an annuitant, the board shall pay to the annuitant the amount required by this section from the same source from which the annuitant's allowance is paid. Those amounts are hereby appropriated monthly from the General Fund to reimburse the board for those payments.

(d) There is hereby appropriated from the appropriate funds the amounts required by this section to be paid to active state employees.

(e) This section does not apply to:

(1) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2016, and who is represented by State Bargaining Unit 9 or 10.

(2) A state employee related to State Bargaining Unit 9 or 10 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after January 1, 2016.

(3) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017, and who is represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21.

(4) A state employee related to State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after January 1, 2017.

(5) A judicial branch employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017. This paragraph does not apply to a judge who is subject to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.

(6) A state employee who is first employed by the state and becomes a state member of the system on or after April 1, 2017, and who is represented by State Bargaining Unit 16.

(7) A state employee related to State Bargaining Unit 16 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after April 1, 2017.

(8) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2020, and who is represented by State Bargaining Unit 5.

(9) A state employee related to State Bargaining Unit 5 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after January 1, 2020.

(Amended by Stats. 2019, Ch. 859, Sec. 21. (AB 118) Effective October 13, 2019.)

22880. The contributions of each employee and annuitant shall be withheld from the monthly salary or retirement allowance payable to him or her.

The employer contribution required of the state, as provided by Sections 22881 and 22883, for any month shall be charged to the same fund used for payment of salaries and wages from which the employee contribution is deducted.

The employer contribution required of the state on account of each annuitant shall be payable from the funds appropriated for that purpose.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22881. From the General Fund in the State Treasury, there is hereby appropriated monthly the employer contribution required of the state under Sections 22820, 22834, 22870, 22871, and 22885 for:

(a) All employees whose compensation is paid from the General Fund.

(b) All employees whose compensation is paid from funds of, or funds appropriated to, the California State University.

(c) All employees who are employed by the Department of Education or the Department of Rehabilitation and whose compensation is paid from the Vocational Education Federal Fund, the Vocational Rehabilitation Federal Fund, or any other fund received, in whole or in part, as a donation to the state under restrictions preventing its use for such contributions.

(d) All employees whose compensation is paid from the Senate Contingent Fund, Assembly Contingent Fund, or the Contingent Fund of the Assembly and Senate.

(e) All annuitants.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22883. (a) Each fund in the State Treasury, other than the General Fund and the Central Service Cost Recovery Fund, shall be charged a fair share of the employer contribution for annuitants in accordance with Article 2 (commencing with Section 11270) of Chapter 3 of Part 1 of Division 3.

(b) From each fund in the State Treasury, other than the General Fund and the Central Service Cost Recovery Fund, there is hereby appropriated monthly the employer contribution required under Sections 22870, 22871, and 22885 for all employees whose compensation is paid from that fund.

(Amended by Stats. 2008, Ch. 751, Sec. 45. Effective September 30, 2008.)

22885. (a) The state shall, in addition to the contributions required by Section 22870, contribute additional amounts necessary to provide funds for the administration of this part and for the establishment and continuation of the Public Employees' Contingency Reserve Fund.

(b) The additional contributions shall be in amounts reasonably adequate to pay the administrative expenses and to establish and maintain the account within the Public Employees' Contingency Reserve Fund provided by subdivision (b) of Section 22910, as determined by the board and as adopted by the Legislature in an appropriate control section of the annual Budget Act, but may not exceed, for each employee or annuitant, the following amounts:

(1) For administrative expenses, 2 percent of the total of the contributions made by the employee or annuitant and by the state on behalf of the employee or annuitant for enrollment in a health benefit plan.

(2) For the account within the Public Employees' Contingency Reserve Fund provided by subdivision (b) of Section 22910, 4 percent of the total of the contributions made by the employee or annuitant and by the state on behalf of the employee or annuitant for enrollment in a health benefit plan.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22889. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Chapter 7 (commencing with Section 3750) of Part 1 of Division 9 of the Family Code and Section 14124.94 of the Welfare and Institutions Code.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)