

9650 Health and Dental Benefits for Annuitants

This program provides funding for health and dental benefit services for retired state employees and their dependents.

The program began on January 1, 1962, with an employer contribution of \$5 per month toward the cost of a basic health plan. Since then, major medical plans, Medicare, and plans supplementing Medicare have been developed. Dental care was added in 1982.

The 2016-17 employer contribution for health premiums maintains the average 100/90 percent contribution formula established in Government Code Section 22871 for fully vested members. Under this formula, the state averages the premiums of the four largest health benefit plans in order to calculate the maximum amount the state contributes towards retiree health benefits. The state also contributes 90 percent of this average towards the health benefit costs of each of the retiree's dependents. Vesting schedules and employer contributions may vary by employee bargaining unit contract.

The retiree is responsible for paying all health benefit plan costs that exceed the state contribution. Premiums are determined on a calendar-year basis; therefore, the state contribution will vary during the fiscal year. The 2016 monthly contribution maximums are \$705 for a single enrollee, \$1,343 for an enrollee and one dependent, and \$1,727 for an enrollee and two or more dependents. The 2017 monthly contribution maximums are \$707 for a single enrollee, \$1,349 for an enrollee and one dependent, and \$1,727 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

Effective July 1, 2012, funding for health benefits for California State University annuitants is displayed in Organization Code 6645 under Higher Education. This funding was previously budgeted within Organization Code 9650.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
7750 Health and Dental Benefits for Annuitants	-	-	-	\$1,461,932	\$1,584,931	\$1,658,956
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$1,461,932	\$1,584,931	\$1,658,956
FUNDING				2014-15*	2015-16*	2016-17*
0001 General Fund				\$1,455,932	\$1,580,331	\$1,654,356
0950 Public Employees Contingency Reserve Fund				6,000	4,600	4,600
TOTALS, EXPENDITURES, ALL FUNDS				\$1,461,932	\$1,584,931	\$1,658,956

LEGAL CITATIONS AND AUTHORITY

Government Code, title 2, division 5, part 5.

DETAILED BUDGET ADJUSTMENTS

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Revised Expenditure Authority per Provision 5 of Item 9650-001-0001	-\$36,681	\$-	-	\$-	\$-	-
• Miscellaneous Baseline Adjustments	-	-	-	37,344	-	-
Totals, Other Workload Budget Adjustments	-\$36,681	\$-	-	\$37,344	\$-	-
Totals, Workload Budget Adjustments	-\$36,681	\$-	-	\$37,344	\$-	-
Totals, Budget Adjustments	-\$36,681	\$-	-	\$37,344	\$-	-

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,553,336	\$1,617,012	\$1,654,356
Revised Expenditure Authority per Provision 5 of Item 9650-001-0001	-38,266	-36,681	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

9650 Health and Dental Benefits for Annuitants - Continued

1 STATE OPERATIONS	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
Totals Available	\$1,515,070	\$1,580,331	\$1,654,356
Unexpended balance, estimated savings	<u>-59,138</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$1,455,932	\$1,580,331	\$1,654,356
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$6,000</u>	<u>\$4,600</u>	<u>\$4,600</u>
TOTALS, EXPENDITURES	\$6,000	\$4,600	\$4,600
Total Expenditures, All Funds, (State Operations)	\$1,461,932	\$1,584,931	\$1,658,956

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.