

## 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 \$5.00 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 2009-10 employer contribution for health premiums maintains the average 100/90 percent contribution formula established in Government Code Section 22871. 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. The retiree is responsible for paying all health benefit plan costs that exceed the average of the four largest benefit plans. The 2009-10 monthly contribution maximums are \$493 for a single enrollee, \$936 for an enrollee and one dependent, and \$1,202 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

### 3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
10 Health and Dental Benefits for Annuitants	-	-	-	\$1,183,495	\$1,207,244	\$1,437,117
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1,183,495</b>	<b>\$1,207,244</b>	<b>\$1,437,117</b>
<b>FUNDING</b>				<b>2008-09*</b>	<b>2009-10*</b>	<b>2010-11*</b>
0001 General Fund				\$1,146,932	\$1,170,681	\$1,401,286
0950 Public Employees Contingency Reserve Fund				36,563	36,563	35,831
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$1,183,495</b>	<b>\$1,207,244</b>	<b>\$1,437,117</b>

### LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 2, Division 5, Part 5.

### DETAILED BUDGET ADJUSTMENTS

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Health and Dental Adjustments	\$-	\$-	-	\$97,758	-\$732	-
• CS 3.90 EO-Health Reduction for Board Adopted Rates	-56,518	-	-	-	-	-
• PPO Rebate	-76,329	-	-	-	-	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>-\$132,847</b>	<b>\$-</b>	<b>-</b>	<b>\$97,758</b>	<b>-\$732</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>-\$132,847</b>	<b>\$-</b>	<b>-</b>	<b>\$97,758</b>	<b>-\$732</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>-\$132,847</b>	<b>\$-</b>	<b>-</b>	<b>\$97,758</b>	<b>-\$732</b>	<b>-</b>

\* Dollars in thousands, except in Salary Range.

## 9650 Health and Dental Benefits for Annuitants - Continued

### Health Benefits

Retirement System <sup>1</sup>	Number of Retirees			Cost by System		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
PERS State Employees	139,729	143,460	147,290	\$1,095,857	\$1,113,881	\$1,332,284
District Agricultural Employees	322	331	340	2,525	2,604	3,114
Legislators	116	119	122	923	906	1,083
Teachers	164	158	152	1,212	1,245	1,489
Judges	1,586	1,628	1,671	13,135	13,358	15,977
<b>Totals</b>	<b>141,917</b>	<b>145,696</b>	<b>149,575</b>	<b>\$1,113,652</b>	<b>\$1,131,994</b>	<b>\$1,353,947</b>

<sup>1</sup>The cost for retirees' health benefits is based on the following average number of retirees covered from each retirement system.

## 9650 Health and Dental Benefits for Annuitants - Continued

### Dental Benefits

Retirement System <sup>1</sup>	Number of Retirees			Cost by System		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
PERS State Employees	114,388	117,934	121,590	\$68,535	\$73,843	\$81,614
District Agricultural Employees	310	320	330	186	203	225
Legislators	109	112	115	66	68	75
Teachers	117	114	110	69	75	83
Judges	1,506	1,553	1,601	987	1,061	1,173
<b>Totals</b>	<b>116,430</b>	<b>120,033</b>	<b>123,746</b>	<b>\$69,843</b>	<b>\$75,250</b>	<b>\$83,170</b>

<sup>1</sup> The cost for retirees' dental benefits is based on the following average number of retirees covered from each retirement system.

## 9650 Health and Dental Benefits for Annuitants - Continued

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,164,392	\$1,303,528	\$1,401,286
Reduction per Section 3.90	-	-56,518	-
Adjustment per Section 3.55	-	-76,329	-
<b>Totals Available</b>	<b>\$1,164,392</b>	<b>\$1,170,681</b>	<b>\$1,401,286</b>
Unexpended balance, estimated savings	-17,460	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,146,932</b>	<b>\$1,170,681</b>	<b>\$1,401,286</b>
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$36,563	\$36,563	\$35,831
<b>TOTALS, EXPENDITURES</b>	<b>\$36,563</b>	<b>\$36,563</b>	<b>\$35,831</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,183,495</b>	<b>\$1,207,244</b>	<b>\$1,437,117</b>

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\* Dollars in thousands, except in Salary Range.