

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 2010-11 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 2010-11 monthly contribution maximums are \$542 for a single enrollee, \$1,030 for an enrollee and one dependent, and \$1,326 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
10 Health and Dental Benefits for Annuitants	-	-	-	\$1,182,497	\$1,393,549	\$1,553,587
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$1,182,497	\$1,393,549	\$1,553,587
FUNDING				2009-10*	2010-11*	2011-12*
0001 General Fund				\$1,145,934	\$1,357,718	\$1,515,187
0950 Public Employees Contingency Reserve Fund				36,563	35,831	38,400
TOTALS, EXPENDITURES, ALL FUNDS				\$1,182,497	\$1,393,549	\$1,553,587

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

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

DETAILED BUDGET ADJUSTMENTS

	2010-11*			2011-12*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Adjustment to Health and Dental Benefits Rates	\$-	\$-	-	\$157,469	\$2,569	-
Totals, Other Workload Budget Adjustments	\$-	\$-	-	\$157,469	\$2,569	-
Totals, Workload Budget Adjustments	\$-	\$-	-	\$157,469	\$2,569	-
Totals, Budget Adjustments	\$-	\$-	-	\$157,469	\$2,569	-

* Dollars in thousands, except in Salary Range.

9650 Health and Dental Benefits for Annuitants - Continued

Health Benefits

Retirement System ¹	Number of Retirees			Cost by System		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
PERS State Employees	144,027	148,002	152,087	\$1,089,633	\$1,289,237	\$1,440,203
District Agricultural Employees	329	338	347	2,401	2,879	3,217
Legislators	112	115	118	827	916	1,023
Teachers	157	150	144	1,063	1,309	1,462
Judges	1,636	1,676	1,717	12,134	14,396	16,082
Totals	146,261	150,281	154,413	\$1,106,058	\$1,308,737	\$1,461,987

¹The 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 ¹	Number of Retirees			Cost by System		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
PERS State Employees	119,779	124,355	129,105	\$75,047	\$83,269	\$89,933
District Agricultural Employees	318	330	343	195	221	238
Legislators	102	106	110	72	76	82
Teachers	115	113	111	71	76	82
Judges	1,571	1,619	1,669	1,054	1,170	1,265
Totals	121,885	126,523	131,338	\$76,439	\$84,812	\$91,600

¹ 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

1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,303,528	\$1,357,718	\$1,515,187
Adjustment per Section 3.55	-76,329	-	-
Allocation to Various Departments	<u>-56,518</u>	<u>-</u>	<u>-</u>
Totals Available	\$1,170,681	\$1,357,718	\$1,515,187
Unexpended balance, estimated savings	<u>-24,747</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$1,145,934	\$1,357,718	\$1,515,187
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$36,563</u>	<u>\$35,831</u>	<u>\$38,400</u>
TOTALS, EXPENDITURES	\$36,563	\$35,831	\$38,400
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$1,182,497	\$1,393,549	\$1,553,587

* Dollars in thousands, except in Salary Range.