

Department of Finance STATE OF CALIFORNIA MANUAL OF STATE FUNDS		Fund: 0833 PAGE 1 Renumbered From:
<u>Legal Title</u> Annuitants' Health Care Coverage Fund		
<u>Legal Citation/Authority</u> Chapter 318, Statutes of 2007 (AB 554) Government Code section 22940		
<u>Fund Classification</u> <u>GAAP Basis</u> Fiduciary/Pension Trust Fund	<u>Fund Classification</u> <u>Legal Basis</u> Nongovernmental/Retirement Fund	
<u>Purpose</u> To prefund health care coverage for annuitants and to pay related administrative costs.		
<u>Administering Agency/Organization Code</u> Public Employees' Retirement System/Org 7900		
<u>Major Revenue Source</u> Prefunding contributions from participating employers.		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Government Code section 22940 provides that the fund is continuously appropriated without regard to fiscal year.		
<u>State Appropriations Limit</u> Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Retirement Fund.		
<u>Comments/Historical Information</u> Chapter 331, Statutes of 1988 originally created this fund in Government Code section 22880. Chapter 69, Statutes of 2004 repealed the fund and moved it to Government Code section 22940. Informed by Finance budget analyst that PERS will use this fund to collect and payout premiums to health care for local agencies. Consequently, fund classification was changed from "Retirement Funds" to "Trust & Agency Funds – Non Federal". If PERS starts depositing State employer contributions into this fund, the classification should be reviewed at that time. Pursuant to the Governor's Reorganization Plan 2, the Administering Agency's Organization Code changed from Org 1900 to Org 7900, effective July 1, 2013. July 2019: Updated the Legal Basis Classification to "Retirement Fund" following confirmation from the Finance budget analyst that state employers' contributions are being deposited into the fund; updated the		

Purpose section to reflect general use of the fund; and updated the Major Revenue Source to reflect contributions from participating employers.