

Public Agency Vesting

Contracting agencies may adopt Public Agency Vesting under PEMHCA Section 22893 by filing the appropriate *vesting resolution* with CalPERS. This optional provision establishes additional criteria an employee must have in order to receive a post-retirement monthly employer health contribution. Only those hired on or after the effective date of the *vesting resolution* are subject to this criteria.

The vesting schedule for Public Agency employees mirrors the vesting schedule for State employees (see below table). Annuitants subject to vesting will receive a percentage of designated employer contribution for vesting, depending on their total years of CalPERS service credit, towards the cost of their monthly health premium.

Specifically, those subject to vesting must have at least 10 years of CalPERS service credit, 5 of which must be earned at the contracting agency, to receive 50% of the designated employer contribution for vesting. An additional 5% is earned for each additional year of CalPERS service credit. Those who retire for disability are automatically considered 100% vested.

Any difference between the enrolled health premium and employer contribution is called the member share, and will be deducted directly from the annuitant's monthly retirement warrant.

Employer Contribution for Vesting and Vesting Schedule

The designated employer contribution for vesting must be equal or greater than the 100/90 State Annuitant Contribution. These amounts are determined by the 100/90 formula (PEMHCA Section 22871) and are adjusted annually.

100/90 State Annuitant Contribution Amounts for 2021		
Single	Two Party	Family
\$798.00	\$1,519.00	\$1,937.00

Credited Years of Service	Percentage of Contribution	Single	Two Party	Family
10	50%	\$399.00	\$759.50	\$968.50
11	55%	\$438.90	\$835.45	\$1,065.35
12	60%	\$478.80	\$911.40	\$1,162.20

13	65%	\$518.70	\$987.35	\$1,259.05
14	70%	\$558.60	\$1,063.30	\$1,355.90
15	75%	\$598.50	\$1,139.25	\$1,452.75
16	80%	\$638.40	\$1,215.20	\$1,549.60
17	85%	\$678.30	\$1,291.15	\$1,646.45
18	90%	\$718.20	\$1,367.10	\$1,743.30
19	95%	\$758.10	\$1,443.05	\$1,840.15
20	100%	\$798.00	\$1,519.00	\$1,937.00

Examples				
<p>The City of Giants filed a <i>new agency resolution</i> electing to be subject to PEMHCA. This resolution became effective 1/1/2010. The designated non-vesting employer contribution for both active employees and annuitants is the \$700.00. The City also filed a <i>vesting resolution</i> for its "All Employees" group. The vesting resolution became effective 1/1/2015. The designated employer contribution for vesting is the 100/90 State Annuitant Contribution (\$798.00, \$1519.00, and \$1937.00 for single, two party, and family enrollments, respectively).</p>	<p>Jack was hired on 7/1/2010 and is not subject to vesting. He will receive the non-vesting contribution designated for annuitants in the City's original resolution.</p>	<p>Jill was hired on 1/1/2015 and is subject to vesting. She retires on 1/1/2020 and has the required 5 years at City of Giants, but has no other CalPERS service credit. She does not qualify for an employer contribution, but may still enroll at full cost to the member (given she meets the definition of Annuitant under PEMHCA Section 22760 and is eligible to enroll.)</p>	<p>Sam was hired on 1/1/2015 and is subject to vesting. He retires on 1/1/1018. He has over 20 years of total CalPERS service credit earned at previous CalPERS employers, but only 3 of the required 5 years at the City of Giants. He does not qualify for an employer contribution, but may still enroll at full cost to the member (given he meets the definition of Annuitant under PEMHCA Section 22760 and is eligible to enroll.)</p>	<p>Sue was hired on 1/1/2015 and is subject to vesting. She retires on 1/1/2020 and has the required 5 years at City of Giants, and another 10 years of CalPERS service credit earned at previous CalPERS employers. Her total CalPERS service credit is 15 years, thus she is entitled to 75% of the designated employer contribution for vesting. As a single enrollment in 2021, this amounts to 75% of \$798.00, which is \$598.50.</p>

Employer Contribution as Active	\$700.00	\$700.00	\$700.00	\$700.00
Employer Contribution as Annuitant	\$700.00	\$0.00	\$0.00	\$598.50