### Legal Title
Annuitants' Health Care Coverage Fund

### Legal Citation/Authority
Chapter 318, Statutes of 2007 (AB 554)  
Government Code section 22940

<table>
<thead>
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<th>Fund Classification</th>
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<tr>
<td>GAAP Basis</td>
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<tr>
<td>Fiduciary/Pension Trust Fund</td>
<td>Nongovernmental/Trust &amp; Agency Funds – Non-Federal</td>
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### Purpose
This is a trust fund for prefunding health care coverage for local government annuitants and paying related administrative costs.

### Administering Agency/Organization Code
Public Employees' Retirement System/Org 7900

### Major Revenue Source
Local Government Employer Contributions.

### Disposition of Fund (upon abolishment)
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.

### Appropriation Authority
Government Code section 22940 provides that the fund is continuously appropriated without regard to fiscal year.

### State Appropriations Limit
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 Trust and Agency Fund.

### Comments/Historical Information
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Chapter 69, Statutes of 2004 repealed the fund and moved it to Government Code section 22940.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.