

# LIVE VIRTUAL COMMITTEE MEETING

\*The Committee meeting will be held following the meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing [PublicComment@lacera.com](mailto:PublicComment@lacera.com). If you would like to remain anonymous at the meeting without stating your name, please let us know.

**Attention:** Public comment requests must be submitted via email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

## AGENDA

### MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE and BOARD OF RETIREMENT\*

#### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810  
PASADENA, CA 91101

THURSDAY, AUGUST 12, 2021 - 9:00 A.M.\*\*

This meeting will be conducted by the Insurance, Benefits and Legislative Committee by teleconference under the Governor's Executive Order N-29-20.

Any person may view the meeting online at  
[https://members.lacera.com/lmpublic/live\\_stream.xhtml](https://members.lacera.com/lmpublic/live_stream.xhtml)

*The Committee may take action on any item on the agenda,  
and agenda items may be taken out of order.*

#### COMMITTEE MEMBERS:

Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald A. Okum  
Wayne Moore, Alternate

#### I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of July 15, 2021

#### II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com). Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.

Verbal Public Comment – You may also request to address the Committee. A request to speak must be submitted via email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com). We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

III. ACTION ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Committee authorize staff to submit a letter of support to the Attorney General's office supporting Providence Health System and Kaiser Permanente constructing a new hospital in the High Desert area. (Memorandum dated July 20, 2021)
- B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Assembly Bill 826, which would define compensation earnable to include any form of remuneration, whether paid in cash or as an in-kind benefit, if specified requirements are met. (Memorandum dated July 30, 2021)
- C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Support" position on H.R. 2337, which would enact the "Public Servants Protection and Fairness Act of 2021." (Memorandum dated July 30, 2021)
- D. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Support" position on S. 1302, which would enact the "Social Security Fairness Act." (Memorandum dated August 1, 2021)

IV. FOR INFORMATION

- A. Engagement Report for July 2021  
Barry W. Lew, Legislative Affairs Officer
- B. Staff Activities Report for July 2021  
Cassandra Smith, Director, Retiree Healthcare
- C. LACERA Claims Experience  
Stephen Murphy, Segal Consulting
- D. Federal Legislation  
Stephen Murphy, Segal Consulting  
*(for discussion purposes)*

V. ITEMS FOR STAFF REVIEW

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

**\*\*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

**Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.**

***Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email [PublicComment@lacera.com](mailto:PublicComment@lacera.com), but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF THE MEETING OF THE  
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

JULY 15, 2021, 10:35 A.M. – 11:05 A.M.

This meeting was conducted by the Insurance, Benefits & Legislative Committee by teleconference under the Governor's Executive Order No. N-29-20.

**COMMITTEE MEMBERS**

PRESENT: Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald Okum  
Wayne Moore, Alternate

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Alan Bernstein  
Keith Knox  
Herman B. Santos

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith, Director, Retiree Healthcare  
Santos H. Kreimann, Chief Executive Officer  
Luis Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Steven Rice, Chief Counsel  
Barry W. Lew, Legislative Affairs Officer  
  
Stephen Murphy, Vice President  
Segal Consulting  
  
Richard Ward, Senior Vice President  
Segal Consulting

The meeting was called to order by Chair Robbins at 10:35 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of June 10, 2021

Mr. Okum made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of June 10, 2021. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Committee recommends the Board of Retirement approve an extension of the Retiree Healthcare Benefits Consulting contract with Segal Consulting for the period of July 1, 2022 through June 30, 2024. (Memorandum dated June 24, 2021)

Mr. Okum made a motion, Ms. Gray seconded, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

A. Engagement Report for June 2021  
Barry W. Lew, Legislative Affairs Officer

The engagement report was discussed.

B. Staff Activities Report for June 2021  
Cassandra Smith, Director, Retiree Healthcare

The staff activities report was discussed.

C. LACERA Claims Experience  
Stephen Murphy, Segal Consulting

The LACERA Claims Experience reports through May 2021 were discussed.

IV. FOR INFORMATION (Continued)

- D. Federal Legislation  
Stephen Murphy, Segal Consulting  
*(for discussion purposes)*

Segal Consulting gave an update on federal legislation.

V. ITEMS FOR STAFF REVIEW

There was nothing to report.

VI. GOOD OF THE ORDER

(For information purposes only)


VII. ADJOURNMENT

The meeting adjourned at 11:05 a.m.

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

July 20, 2021

TO: Insurance, Benefits & Legislative Committee  
Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald A. Okum  
Wayne Moore, Alternate

FROM: Cassandra Smith   
RHC Program Director

FOR: August 12, 2021, Insurance, Benefits & Legislative Committee Meeting

SUBJECT: **SUPPORT LETTER FOR PROVIDENCE AND KAISER PERMANENTE  
PROPOSED VICTORVILLE HOSPITAL**

## **RECOMMENDATION**

Authorize staff to submit a letter of support to the Attorney General's office supporting Providence Health System and Kaiser Permanente constructing a new hospital in the High Desert area.

## **BACKGROUND**

Staff recently received an email seeking LACERA's consideration of sending a support letter supporting the coming together of Providence Health System, Kaiser Permanente, and the St. Mary's Medical Center in Apple Valley to construct and operate a new hospital in the High Desert area.

The new hospital will be a joint effort of Providence and Kaiser Permanente, and thus requires approval by the California State Attorney General. Both Providence and Kaiser Permanente are reaching out to their business and community leaders to ask for their consideration to expressing their support by sending a letter to the Attorney General's office ahead of the hearing. No date has been set for the Attorney General's public meeting yet, but staff confirmed that they are accepting comment letters at this time.

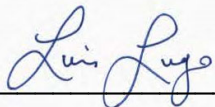
This proposal is expected to be a very positive and well received reaction by the High Desert communities and its residents. Currently, the closest Kaiser Permanente Hospital for those residing within the High Desert (~350,000 residents) is in Fontana, CA.. LACERA has approximately 580+ retirees enrolled in Kaiser Permanente that are residing in the High Desert area that would benefit from having access to a closer local hospital.



Attached is a draft letter of support and FAQ's for your review and consideration in support of the proposal. Should the committee approve support, staff will sign and submit our letter of support.

**IT IS THEREFORE RECOMMENDED THAT** the Insurance Benefits & Legislative Committee authorize staff to submit a letter of support to the Attorney General's office supporting Providence Health System and Kaiser Permanente constructing a new hospital in the High Desert area.

Reviewed and approved by:

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style and is positioned above a horizontal line.

---

Luis Lugo

Deputy Chief Executive Officer

Attachments

[DATE]

(DRAFT)

The Honorable Rob Bonta  
Attorney General, State of California  
1300 I Street  
Sacramento, CA 95814

**SUBJECT: Letter of Support for Partnership between Providence and Kaiser Permanente**

Dear Attorney General Bonta:

I am writing to express strong support for the partnership between Providence and Kaiser Permanente to build and operate a new hospital in the High Desert region of San Bernardino County. As the administrator of healthcare benefits for employees upon retiring from the County of Los Angeles, many of whom reside in the High Desert community, I am excited about the establishment of a state-of-the art, technically advanced hospital that will serve our employees, retirees, and their families.

I represent the **Los Angeles County Employees Retirement Association – LACERA**. We administer and manage the retirement fund for the County of Los Angeles. We are the largest county retirement system in the United States, serving 169,000 members and more than 68,000 retirees. Our membership is comprised of individuals from a diverse range of careers, age groups, and ethnicities. LACERA is an independent governmental entity, separate and distinct from the County of Los Angeles. Our fiduciary responsibility is to promote, enhance, and efficiently administer a financially sound retirement and health care benefits program.

We provide our 68,000 retirees and their eligible family members with Kaiser Permanente health care coverage. For outpatient services in the High Desert our retirees can access either the Kaiser Permanente Victorville or the new Hesperia medical offices. This new hospital will bring advanced inpatient services closer to our High Desert retirees and their families and would be a very welcome improvement in the level of care currently accessible to them in their home communities.

I appreciate that with this new facility, Providence and Kaiser Permanente will tap into each other's strong base of clinical expertise to provide top-quality care to their patients. Additionally, this new hospital will provide future opportunities to increase outpatient services, as well as provide a home to a larger medical community.

The COVID-19 pandemic hit our community hard and demonstrates the need for a new hospital that will meet our growing health care needs. The High Desert needs this key improvement in our local health care infrastructure, and we welcome the investment that Providence and Kaiser Permanente are committing to create a new St. Mary's Medical Center. We support the approval of this partnership so that construction can begin on a new hospital that will provide the highest-quality care to patients and all residents of the High Desert community now and for years to come.

Sincerely,

[NAME]

[TITLE]

## Providence, Kaiser Planned Partnership Frequently Asked Questions

Providence Southern California and Kaiser Permanente are coming together to build and operate a new hospital in Victorville, pending regulatory review and approval. With approximately 260 beds, the new hospital will replace the existing Providence St. Mary Medical Center in the nearby community of Apple Valley. The following are frequently asked questions to shed light on this exciting proposed partnership.

**Q: Why is Providence Southern California/Providence St. Mary Medical Center (PSMMC) partnering with Kaiser Permanente?**

A: To meet the growing health needs in the High Desert, PSMMC sought a like-minded partner who could help extend our Mission of serving and caring for those in our community. Through this exciting new affiliation, PSMMC and Kaiser Permanente will build an innovative new hospital that will provide access to high-quality, affordable care to a greater number of High Desert residents. Additionally, there is a growing need for Kaiser Permanente members in the High Desert to have access to high-quality healthcare.

**Q: Why doesn't PSMMC expand capacity by building a new wing onto the existing hospital?**

A: PSMMC is the top acute care provider in the region in terms of brand reputation, but the ministry is currently not 2030 seismically compliant. The investment required to bring PSMMC to seismic compliance is not financially and operationally feasible. Furthermore, the opportunity to move PSMMC to a centrally located area — in partnering with Kaiser Permanente — will allow for better access to care for the larger High Desert region and pave way for PSMMC to better expand its operations.

**Q: Who will have controlling interest in the new hospital?**

A: Providence will retain controlling interest in the new hospital but partner closely with Kaiser Permanente, which means the High Desert community and Kaiser Permanente members can expect high-quality, affordable healthcare.

**Q: Why doesn't Kaiser Permanente build its own hospital in the High Desert?**

A: To improve the health of our communities, we must engage with each other and our communities in new ways. Through this affiliation, we will better meet the needs of the High Desert community through shared medical expertise and increased access to primary and specialty care.

Kaiser Permanente's mission is to keep health care both affordable and accessible. In the High Desert, this means partnering with an existing hospital system.

**Q: Where will the new hospital be located?**

A: The hospital will be built on acreage purchased in 2007 for a new St. Mary Medical Center campus and will create new construction jobs in the High Desert.

**Q: Who will have operational oversight for the new hospital?**

A: Providence will continue to have primary responsibility for operational oversight, subject to input by Kaiser Permanente. Additionally, Kaiser Permanente physicians will join the PSMMC medical staff and take care of Kaiser Permanente members, just as they do today. A new governance board will be formed to provide representative oversight and guidance for the new hospital.

**Q: Will the new hospital be Catholic?**

A: Yes. The new hospital will retain its Catholic identity and continue to follow the Ethical and Religious Directives (ERDs) for Catholic healthcare.

**Q: Will a Catholic hospital affect Kaiser Permanente members?**

A: No. Kaiser Permanente will continue to arrange for the provision of all the health services covered by Kaiser Permanente benefit plans.

**Q: Can Kaiser Permanente members begin using PSMMC now?**

A: No. Kaiser Permanente members should continue seeking regular appointments at the nearest Kaiser Permanente medical office by calling or visiting [kp.org](http://kp.org) for appointments. As always, emergency services are available at the nearest medical center to the member's location, including PSMMC. As we near completion of the new hospital, we will continue to update members on changes to appointment locations.

**Q: When will the new hospital be operational?**

A: We anticipate the new hospital will open in 2026.

**Q: How many beds will be within the new hospital?**

A: The new hospital is expected to have approximately 250-270 licensed beds, all private rooms, with the possibility of future expansion.

**Q: Will the new hospital provide outpatient services?**

A: Yes. Outpatient services will include outpatient surgery, GI, imaging and lab.

**Q: Will the new hospital still be part of Providence?**

A: Yes. The new hospital will remain part of Providence.

**Q: How will this impact the community benefit and charity care requirements for both organizations?**

A: Both PSMMC and Kaiser Permanente will continue to provide community benefit and will adhere to their current non-profit charity care requirements.

**Q: Will this affiliation impact the employment status of PSMMC caregivers?**

A: No. PSMMC caregivers will remain employed by Providence as they do today. Employment status and all benefits under the Providence system will remain the same.

**Q: Will this affiliation impact the employment status of Kaiser Permanente employees?**

A: No. Kaiser Permanente employees and physicians will remain employed as they do today. Employment status and all benefits under the Kaiser Permanente system will remain the same.

**Q: How will this impact Permanente physicians?**

A: This will not have any impact on partnership or associate status or benefits of Southern California Permanente Medical Group's physicians.

**Q: What will happen with the existing hospital?**

A: To help ensure a smooth and thoughtful transition, PSMMC is looking at every possible opportunity for its current site. To help with this process, PSMMC is seeking input from community stakeholders through an ad hoc committee to help determine the future use of the current hospital. We do know that it will not remain an acute care facility.

**Q: What are some substantial benefits to the new hospital?**

A: The two organizations will tap into each other's strong base of clinical expertise to provide top-quality care to our patients now and in the future. Additionally, the new hospital's centralized location will help us recruit physicians and caregivers, which will enable us to offer more services to our patients.

**Q: Will community investment play a role in the hospital's construction?**

A: Yes! Community investment will be critical in bringing the vision of the new hospital to life. PSMMC Foundation will share more details in the coming months as to how the community can get more involved in this important expansion.



**Q:** How will my donations be used in light of this new partnership?

**A:** All philanthropic support will stay local and continue to benefit Providence St. Mary Medical Center.

July 30, 2021.

TO: Insurance, Benefits and Legislative Committee  
Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald A. Okum  
Wayne Moore, Alternate

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: August 12, 2021 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 826—Compensation Earnable**

*Author: Irwin [D]  
Sponsor: County of Ventura (co-sponsor)  
Service Employees International Union, CA (co-sponsor)  
Introduced: February 16, 2021  
Amended: July 14, 2021  
Status: In SENATE. Read second time and amended. To third reading. (07/14/2021)*

*Staff Recommendation: Watch*

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Watch” position on Assembly Bill 826, which would define compensation earnable to include any form of remuneration, whether paid in cash or as an in-kind benefit, if specified requirements are met.

## **LEGISLATIVE POLICY STANDARD**

AB 826 is not consistent with any of the Board of Retirement’s legislative policy standards that would entail support or opposition. Although the Legislative Policy provides that a “Watch” position indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as the County Employees Retirement Law of 1937 (CERL) (Legislative Policy, page 9), staff is engaging in ongoing discussions regarding the effect of this proposal.

## **SUMMARY**

AB 826 would amend the definition of compensation earnable to include any form of remuneration, whether paid in cash or as an in-kind benefit, if all the following requirements are met:

1. The remuneration is made available to any person in the same grade or class of positions.
2. The remuneration is not expressly excluded from the definition of compensation earnable.
3. The remuneration is paid on or after January 1, 2013, is included in compensation earnable, and the employer and employee paid retirement contributions on that remuneration.
4. As of the bill's operative date, the retirement board has not formally reversed a prior determination that a form of remuneration, to which this bill would otherwise apply, is compensation earnable.

## **ANALYSIS**

### Existing Law

Government Code Section 31460 provides the definition of “compensation,” and Section 31461 provides the definition of “compensation earnable.” A member’s retirement allowance is based on compensation earnable, service credit, and an age factor. Generally, the higher each of these components are, the higher the retirement benefit. A member receives base salary as compensation and may be receiving additional pay items of compensation such as bonuses and buybacks. To the extent that compensation is compensation earnable, it is used in the benefit formula to calculate a retirement allowance.

Beginning in 1997 (due to litigation initiated by an employee organization in the County of Ventura), compensation earnable has expanded to include many pay items in addition to base salary, although the *Ventura County*<sup>1</sup> decision also excluded items such as termination pay. In the wake of the *Ventura County* decision, several lawsuits were filed statewide by county employees and retirees as to whether *Ventura County* should be applied retroactively. Those lawsuits were consolidated into a single proceeding<sup>2</sup> for those retirement systems that did not enter into settlement agreements. Until 2013, the decisions in *Ventura County* and *In re Ret. Cases* guided the treatment of compensation earnable in the CERL retirement systems.

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) was enacted to implement then-Governor Jerry Brown’s *Twelve Point Pension Reform Plan*. PEPRA generally applies to new employees on or after January 1, 2013 and introduced the definition of “pensionable compensation” for the purposes of calculating a retirement allowance for PEPRA members.

---

<sup>1</sup> *Ventura County Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483

<sup>2</sup> *In re Ret. Cases. Eight Coordinated Cases* (2003) 110 Cal.App.4th 426



However, the bill (AB 340, Chapter 296, Statutes of 2012) that added PEPRA to the Government Code also amended Section 31461, which provides the definition of “compensation earnable” for legacy members (i.e., those who are not PEPRA members), and sought to limit or exclude certain items of compensation earnable. This change by PEPRA to Section 31461 is also known as the “PEPRA amendment,” and litigation on this amendment was initiated in the Counties of Alameda, Contra Costa, and Merced by employee organizations. The litigation culminated in the California Supreme Court’s *Alameda*<sup>3</sup> decision on July 30, 2020, which analyzes whether prior settlement agreements (such as those resulting from the *Ventura County* decision) enabled retirement systems to continue to implement them in the face of subsequent contrary legislative changes and the extent to which such legislative changes to a pension plan (such as those relating to compensation earnable) are constitutionally permissible.

### *This Bill*

In implementing the *Alameda* decision, the Ventura County Employees’ Retirement Association (VCERA) determined that it had to exclude cafeteria contributions (also known as “flex benefits”) from compensation earnable.<sup>4</sup> Flex benefits are used to purchase in-kind benefits such as medical and other qualified benefits. Since the inception of flex benefits for VCERA’s members, VCERA has been including the entire amount as compensation earnable to calculate retirement allowances.

VCERA has received objections from its members, labor organizations, and the County of Ventura to its proposed implementation of the *Alameda* decision that would exclude flex benefits as compensation earnable.<sup>5</sup> At its board meeting on October 12, 2020, VCERA deferred taking action to exclude flex benefits as compensation earnable. Since that time, AB 826 has been introduced. The bill is co-sponsored by the County of Ventura and Service Employees International Union, California (SEIU).

As summarized above, AB 826 would allow certain pay items, whether paid as cash or in-kind benefits, to continue to be included as compensation earnable if the retirement board has not taken formal action to reverse a prior determination that the pay item was compensation earnable. As noted in the VCERA CEO’s memo<sup>6</sup> at the VCERA board meeting of July 26, 2021, if AB 826 is enacted, it would enable VCERA to continue to include flex benefits (albeit a portion) as compensation earnable; if it is not enacted,

---

<sup>3</sup> *Alameda County Deputy Sheriff’s Assn. v. Alameda County Employees’ Retirement Assn.* (2020) 9 Cal.5th 1032

<sup>4</sup> Ventura County Employees’ Retirement Association. (2020, October 12). *Board of Retirement Disability Meeting: Item VII.A.* Retrieved from [https://www.vcera.org/sites/main/files/file-attachments/disability\\_meeting\\_agenda\\_for\\_10.12.20\\_public.pdf?1602207301](https://www.vcera.org/sites/main/files/file-attachments/disability_meeting_agenda_for_10.12.20_public.pdf?1602207301)

<sup>5</sup> VCERA recognizes that the entire amount of the flex credit benefit cannot be considered compensation earnable, and its proposed resolution formulates a method by which a portion can be designated as such in compliance with the *Alameda* decision.

<sup>6</sup> Ventura County Employees’ Retirement Association. (2021, July 26). *Board of Retirement Business Meeting: Item IX.A.* Retrieved from [https://www.vcera.org/sites/main/files/file-attachments/2\\_business\\_meeting\\_agenda\\_for\\_july\\_26\\_2021\\_final\\_v7.pdf?1627058166](https://www.vcera.org/sites/main/files/file-attachments/2_business_meeting_agenda_for_july_26_2021_final_v7.pdf?1627058166)

VCERA will need to determine further adjustments to its resolution regarding flex benefits to comply with *Alameda*.

Scope of Bill

Although the bill is co-sponsored by the County of Ventura and SEIU to address an issue that arose within VCERA, the bill's applicability is not limited solely to VCERA but applies to all CERL retirement systems. The feedback from the policy committee staff in the California State Legislature was that the bill could not be county-specific.

As noted in the attached bill analysis by the staff of the Senate Committee on Labor, Public Employment and Retirement, the bill may create inequitable treatment among the CERL retirement systems with respect to pay items that certain systems may have already taken formal action to reverse their determination of as compensation earnable to comply with *Alameda*. The analysis notes that there may be a risk of litigation from members for certain pay items that were excluded before the potential enactment of AB 826 as well as the need for further proposals to address this inequitable treatment.

Moreover, although it appears the bill's purpose is to clarify the treatment of flex benefits, the bill's language potentially covers *any* form of cash or in-kind remuneration, and this may have unintended consequences for other existing types of pay items or possibly future pay items. AB 826 relates to the definition of compensation earnable, which is a core component in the design of CERL's benefit formula, and staff is engaging in ongoing discussions about the effect of this proposal on LACERA's plan administration. As noted in the *Alameda* decision, the task of a county retirement board is not to design the pension plan but to implement the design enacted by the Legislature (*Alameda*, p. 1066).

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a "Watch" position on Assembly Bill 826, which would define compensation earnable to include any form of remuneration, whether paid in cash or as an in-kind benefit, if specified requirements are met.

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 826 (Irwin) as amended on July 14, 2021

AB 826 Bill Analysis, Senate Committee on Labor, Public Employment and Retirement  
(June 22, 2021)

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Steven P. Rice  
Fern Billingsy  
Johanna Fontenot  
Joe Ackler, Ackler & Associates

**BOARD POSITIONS ADOPTED ON RELATED LEGISLATION**

AB 197 (Chapter 297, Statutes of 2012) enacted technical clarifications to the definition of compensation earnable that was amended by AB 340. The Board of Retirement did not adopt a position.

AB 340 (Chapter 296, Statutes of 2012) enacted the California Public Employees' Pension Reform Act of 2013, amended the County Employees Retirement Law of 1937's (CERL) provisions on compensation earnable, and added new provisions to CERL on the assessment, reporting, and audit of compensation items. The Board of Retirement adopted a "Watch" position.

**SUPPORT**

County of Ventura (Co-Sponsor)  
Service Employees International Union, California (Co-Sponsor)  
Orange County Employees Association

**OPPOSITION**

None on file

AMENDED IN SENATE JULY 14, 2021

AMENDED IN SENATE JUNE 22, 2021

AMENDED IN SENATE JUNE 21, 2021

AMENDED IN ASSEMBLY APRIL 19, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

---

---

**ASSEMBLY BILL**

**No. 826**

**Introduced by Assembly Member Irwin**

February 16, 2021

---

---

An act to amend Section 31461 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 826, as amended, Irwin. County Employees Retirement Law of 1937: compensation earnable.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and other benefits to county and district employees. CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. Existing law, the Public Employees' Pension Reform Act of 2013, prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

This bill would prescribe, for CERL, a definition of compensation earnable that would include any form of remuneration, whether paid in

cash or as in-kind benefits, if specified requirements are met. The bill would state that these provisions are declarative of existing law.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 31461 of the Government Code is  
2 amended to read:

3 31461. (a) “Compensation earnable” by a member means the  
4 average compensation, as determined by the board, for the period  
5 under consideration upon the basis of the average number of days  
6 ordinarily worked by persons in the same grade or class of positions  
7 during the period, and at the same rate of pay. The computation  
8 for any absence shall be based on the compensation of the position  
9 held by the member at the beginning of the absence. Compensation,  
10 as defined in Section 31460, that has been deferred shall be deemed  
11 “compensation earnable” when earned, rather than when paid.

12 (b) Except as provided in subdivision (c), “compensation  
13 earnable” does not include, in any case, the following:

14 (1) Any compensation determined by the board to have been  
15 paid to enhance a member’s retirement benefit under that system.  
16 That compensation may include:

17 (A) Compensation that had previously been provided in kind  
18 to the member by the employer or paid directly by the employer  
19 to a third party other than the retirement system for the benefit of  
20 the member, and which was converted to and received by the  
21 member in the form of a cash payment in the final average salary  
22 period.

23 (B) Any one-time or ad hoc payment made to a member, but  
24 not to all similarly situated members in the member’s grade or  
25 class.

26 (C) Any payment that is made solely due to the termination of  
27 the member’s employment, but is received by the member while  
28 employed, except those payments that do not exceed what is earned  
29 and payable in each 12-month period during the final average  
30 salary period regardless of when reported or paid.

31 (2) Payments for unused vacation, annual leave, personal leave,  
32 sick leave, or compensatory time off, however denominated,  
33 whether paid in a lump sum or otherwise, in an amount that exceeds

1 that which may be earned and payable in each 12-month period  
2 during the final average salary period, regardless of when reported  
3 or paid.

4 (3) Payments for additional services rendered outside of normal  
5 working hours, whether paid in a lump sum or otherwise.

6 (4) Payments made at the termination of employment, except  
7 those payments that do not exceed what is earned and payable in  
8 each 12-month period during the final average salary period,  
9 regardless of when reported or paid.

10 (c) (1) Notwithstanding subdivision (b) and Section 31460,  
11 “compensation earnable” means any form of remuneration, whether  
12 paid in cash or as in-kind benefits, if all of the following  
13 requirements are met:

14 (A) The remuneration is made available to any person in the  
15 same grade or class of positions. For purposes of this subdivision,  
16 “grade or class of positions” means a number of employees  
17 considered together because they share similarities in job duties,  
18 work location, collective bargaining unit, or other logical,  
19 work-related grouping. A single employee shall not be considered  
20 a grade or class of positions.

21 (B) The remuneration is not expressly excluded from  
22 “compensation earnable” pursuant to paragraphs (2) to (4),  
23 inclusive, of subdivision (b).

24 (C) ~~With regard to~~ *The remuneration is paid between on or after*  
25 ~~January 1, 2013, and July 30, 2020;~~ *the remuneration was is*  
26 *included in compensation earnable, and the employer and employee*  
27 *paid contributions to the retirement system based on the*  
28 *remuneration.*

29 (D) On the date that the act adding this subdivision becomes  
30 operative, the board of retirement has not completed a formal  
31 action to reverse a prior determination that a form of remuneration,  
32 to which this subdivision would otherwise apply, is compensation  
33 earnable.

34 (2) This subdivision is declarative of existing law.

35 (d) The terms of subdivision (b) are intended to be consistent  
36 with and not in conflict with the holdings in *Salus v. San Diego*  
37 *County Employees Retirement Association* (2004) 117 Cal.App.4th



1 734 and In re Retirement Cases ~~(2003) 110~~ (2003) 110 Cal.App.4th  
2 426.

O

---

**SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**

**Senator Dave Cortese, Chair**

**2021 - 2022 Regular**

---

<b>Bill No:</b>	AB 826	<b>Hearing Date:</b>	July 12, 2021
<b>Author:</b>	Irwin		
<b>Version:</b>	June 22, 2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Glenn Miles		

**SUBJECT:** County Employees Retirement Law of 1937: compensation earnable

**KEY ISSUE**

Should the Legislature clarify the Public Employees' Pension Reform Act (PEPRA) as upheld by the California Supreme Court's *Alameda* decision<sup>1</sup> so that 37 Act County retirement systems can include specified compensation in legacy members' pension calculations?

**ANALYSIS**

**Existing law:**

- 1) Establishes the County Employees Retirement Law of 1937 Act (referred to as "37 Act" or "CERL") consisting of twenty county retirement systems to provide defined benefit pension benefits to public county or district employees, as specified. (Government Code § 31450 et seq.)
- 2) Provides that 37 Act retirement system members are entitled, upon retirement for service, to receive a retirement allowance consisting of their service retirement annuity, their current service pension, and their prior service pension, as specified. (GC § 31673)
- 3) Establishes benefit provisions for the general defined benefit plan that each member county can adopt by resolution. Existing law also provides specific plan elements by statute to particular systems, as specified. Thus, while 37 Act retirement systems have similar characteristics each has its own particular benefit structure and requirements. (e.g., GC § 31461.1)
- 4) Defines "compensation earnable" and "pensionable compensation"<sup>2</sup>, as specified, in the 37 Act, and as amended by PEPRA, which is the member's compensation that a pension system may include in calculating the member's pension benefit. Existing law also specifically excludes certain forms of compensation from pension benefit calculations in order to prevent manipulation of pension benefits in contravention of the theory and successful operation of a pension system. (GC § 31461 and GC § 7522.34)
- 5) Establishes PEPRA, a comprehensive reform of public pension law designed to stabilize public pension systems while preserving the objective of ensuring that public employees who

---

<sup>1</sup> *Alameda County Deputy Sheriff's Assn. v. Alameda County Employee Retirement Assn.*, S247095 (Cal. Jul. 30, 2020).

<sup>2</sup> Compensation earnable is the terminology used in the 37 Act and "pensionable compensation" is the terminology used in PEPRA.

dedicate a lifetime of service to California receive retirement security in their old age (GC § 7522 et seq.).

- 6) Excludes the following forms of compensation from compensation earnable:
- a) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system, including:
    - (1) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.
    - (2) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.
    - (3) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.
  - b) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
  - c) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
  - d) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid. (GC § 31461)

**This bill:**

1. Amends the definition of "compensation earnable" to include any form of remuneration, whether paid in cash or as in-kind benefits, if all of the following requirements are met:
  - a) The employer made the remuneration available to any person in the same grade or class of positions. "Grade or class of positions" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. The retirement system and employer shall not consider a single employee a grade or class of positions.
  - b) Existing law, as specified, does not *expressly* exclude the remuneration from compensation earnable.
  - c) With regard to remuneration paid between January 1, 2013, and July 30, 2020, the employer and system included the remuneration in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.
  - d) The retirement system's board, on the bill's operative date, has not formally reversed a prior determination that a form of remuneration, to which this bill would otherwise apply, is compensation earnable.

2. States that the bill's change to compensation earnable is "declarative of existing law", thereby immunizing the inclusion of otherwise prohibited remuneration paid between July 1, 2013, and July 30, 2020, from the requirements of PEPRA and the *Alameda* Supreme Court decision.

## COMMENTS

### 1. Background

PEPRA limited the types of compensation that public employers can include for purposes of calculating their employees' pension allowance. PEPRA, as upheld by the California Supreme Court in its 2020 *Alameda* decision, excluded certain items of pay - to legacy employees as well as PEPRA employees - as part of efforts to end pension spiking (i.e., the practice of padding compensation at the end of the employee's career to inflate the life-long pension benefit the employee would get upon retirement). PEPRA provided express examples of remuneration that are excluded per se and also examples of remuneration that a retirement board may exclude if it determined the compensation was paid to enhance a member's pension benefit.<sup>3</sup>

After PEPRA became law in 2013, some 37 Act members and employers believed that its provisions regarding the kinds of remuneration excludable from compensation earnable for *legacy* members were constitutionally infirm. They pursued litigation while their systems waited for the outcome of the litigation before unwinding the contested remuneration from their members' pension benefit calculations, believing that PEPRA's provisions affecting legacy members violated those systems' previous contracts and settlement agreements with those members. However, the Supreme Court in *Alameda* upheld PEPRA's provisions. The court found, in part, that the pension systems' past practices and settlement agreements did not prevent the Legislature from revising the law to achieve the permissible purpose of conforming pension benefits to the theory underlying the 37 Act plans by closing loopholes and proscribing potentially abusive practices. Thus, those 37 Act systems that continued to include affected compensation practices from their legacy members' pension calculations now face the daunting task of reversing and recovering from retirees up to 8 years of pension overpayments and refunding contributions that those retirees and active members have paid on the contested compensation.

### 2. Need for this bill?

According to the author,

AB 826 will ensure specified public employees hired prior to January 1, 2013 do not have their pensions unfairly reduced by clarifying the definition of "compensation earnable", consistent with PEPRA and standing legal precedent.

---

<sup>3</sup> Per se exclusions include, for example, payments for excess unused leave, payments for additional services outside normal work hours, and termination payments made at time of termination. Examples of potential exclusions for compensation to enhance pension benefits include conversions of third party cash or in-kind payments to direct cash payments to the member during the final compensation period, one-time or ad hoc payments made to individuals, and excess termination payments made prior to termination and during the final compensation period. (GC §31461)

The author and the sponsors inform the committee that they need this bill to clarify that certain compensation practices by Ventura County as applied to their legacy employees do qualify as compensation earnable despite PEPRA and *Alameda*.

The author names one particular form of remuneration (a Flexible Benefit Account in which employees are paid an amount which then they must use to purchase health care polices). However, the bill provides authorization to include *any form of cash or in-kind remuneration* in compensation earnable provided the employer paid it to groups of similarly situated employees, PEPRA did not expressly exclude it, the respective retirement board did not previously reject it as compensation earnable, and that the employer and member made conforming pension contributions on the compensation.

### Committee Concerns

#### 1. *Creates Inequitable Treatment Among 37 Act Systems that the Legislature Will Probably Have to Address Eventually*

A 37 Act pension board that has already formally reversed a prior determination that a form of remuneration is compensation earnable will not be able to avail themselves of this bill's provisions as currently drafted. This bill must be particularly galling to those 37 Act systems that actually complied with the Legislature's mandate in PEPRA from its implementation date or that promptly initiated the required pension and contribution adjustments immediately after *Alameda*. They may well face lawsuits by their membership to challenge their exclusion or may seek equitable treatment in this or subsequent legislation.

However, if the bill is amended to include them to grandfather the specified compensation for their legacy members, they face inevitable inequities and administrative complexities at the prospect of having to quickly decide whether to reverse their previous resolutions, recalculate their retirees' and members' respective pension benefits and pension contributions, and recalculate their actuarial assumptions regarding their unfunded liability. Some may well prefer to avoid that outcome but the pressures from their members and retirees are likely to be intense to obtain the same benefit. These challenges, though administrative, are not trivial nor free of cost. In the spirit of equity, the Legislature should consider providing funding to those specific 37 Act systems who incurred costs in timely and faithfully complying with and adjusting to PEPRA only to re-incur costs to reverse all that work should this bill eventually apply to them.

#### 2. *Ambiguity in the Language Regarding Post –July 30, 2020, Compensation and Contributions*

The bill's current language regarding the criteria for remuneration that may be included in compensation earnable is ambiguous and could result in the inclusion of cash/in-kind compensation going forward beyond July 30, 2020, and possibly without requiring conforming employer and employee pension contributions.

The ambiguity stems from the phrase "With regard to..." in Section 31461(c) (1) (C) in the context of Section 31461 (c) (1)'s list of requirements that must be met to qualify for inclusion in compensation earnable.

(c) (1) Notwithstanding subdivision (b) and Section 31460, “compensation earnable” means any form of remuneration, whether paid in cash or as in-kind benefits, if *all of the following requirements* are met:

... (C) *With regard* to remuneration paid between January 1, 2013, and July 30, 2020, the remuneration was included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.

What about compensation paid after July 30, 2020? Is that included? If not, there is no need to say “with regard” and the reference should be clearer. If post- July 30, 2020 compensation is included, do the members and employers have to pay contributions on that compensation? The existing wording makes it seem like the link to contributions only applies to the 2013-2020 period.

Option 1: Grandfather 2013-2020 Cash / In-kind Compensation (Grandfather Ventura- type systems for 2013-2020)

To eliminate this ambiguity and clarify that the bill authorizes only compensation for the 2013-2020 period (when 37 Act systems presumably were confused about the state of the law) the committee recommends the following amendments:

(C) ~~With regard to remuneration~~ **The remuneration was** paid between January 1, 2013, and July 30, 2020, the remuneration was included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.

Option 2: Allow Permanent Cash/ In-Kind Compensation Inclusion but clarify that Post-July 30, 2020 Compensation Also Requires Employer and Employees to Pay Pension Contributions (Clarify that Ventura- type cash and in-kind benefits are permissible under PEPRAs/ Alameda as specified)

To clarify that Ventura-type systems may continue to permanently include Cash / In-Kind Compensation in compensation earnable for legacy employees but that employers and employees must pay pension contributions on that compensation the committee recommends the following:

(C) ~~With regard to remuneration~~ **The remuneration is** paid ~~between~~ **on or after** January 1, 2013, ~~and July 30, 2020~~, the remuneration ~~was~~ **is** included in compensation earnable, and the employer and employee paid contributions to the retirement system based on the remuneration.

## **2. Proponent Arguments**

According to the sponsors,

The *Alameda* decision created confusion among county retirement systems governed by CERL about how to correctly apply the PEPRA definitions to long-standing compensation practices, including the Flexible Benefit Allowance in Ventura County. The *Alameda* decision did not specifically address compensation, like Ventura's Flexible Benefit Allowance, but some have argued that these payments could fall outside the allowed compensation under CERL. In Ventura's case, however, the County has included the Flexible Benefit Allowance in the pension calculation for legacy employees because employees receive the full cash value and it is a regular, set amount paid every pay period; it is not subject to pension spiking or any other manipulation.

AB 826 has been narrowly crafted to clarify the definition of compensation earnable under CERL to include any form of compensation, whether paid in cash or as in-kind benefits, so long as the compensation is made available to any person in the same grade or class of positions. In addition, both the employer and employee must have paid contributions to the retirement system between January 1, 2013 and July 30, 2020 and the board of retirement must not have taken a formal action to reverse a prior determination regarding such forms of compensation. Importantly, AB 826 does not impact any benefit specifically excluded by PEPRA.

**3. Opponent Arguments:**

None received.

**4. Prior Legislation:**

Chapter 296, Statutes of 2012 (AB 340, Furutani), created PEPRA whose key provisions included restrictions on the types of compensation that could be included in determining pension benefits.

**SUPPORT**

County of Ventura (Co-Sponsor)  
Service Employees International Union, California (Co-Sponsor)  
Orange County Employees Association

**OPPOSITION**

None on file.

**-- END --**

July 30, 2021

TO: Insurance, Benefits and Legislative Committee  
Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald A. Okum  
Wayne Moore, Alternate

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: August 12, 2021 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **H.R. 2337—Public Servants Protection and Fairness Act of 2021**

*Author: Neal [D-MA]  
Sponsor: Author and 175 co-sponsors  
Introduced: April 1, 2021  
Status: Referred to House Committee on Ways and Means  
(04/01/2021)*

*Staff Recommendation: Support*

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on H.R. 2337, which would enact the “Public Servants Protection and Fairness Act of 2021.”

## **LEGISLATIVE POLICY STANDARD**

H.R. 2337 would not repeal the Windfall Elimination Provision (WEP) but would provide a proportional formula for new retirees beginning in 2023; the bill does not address the Government Pension Offset (GPO). Although the Board of Retirement (BOR) has traditionally supported repeal<sup>1</sup> of the WEP and GPO, the BOR has also supported H.R. 4540 (Neal, 2019), the prior version of this bill, and honored House Ways & Means Committee Chair Richard Neal’s request in March 2021 to provide updated support letters for his staff to gather support from the bill’s original cosponsors to reintroduce this bill.

---

<sup>1</sup> S. 1302 (Brown), which would repeal the WEP and GPO, is submitted under separate cover at this meeting of August 12, 2021. In May 2021, the Board of Retirement supported H.R. 82 (Davis), which is the House version of S. 1302.



## **SUMMARY**

H.R. 2337 would provide a new proportional formula for retirees eligible for Social Security benefits starting in 2023 and provide an additional monthly payment to retirees currently affected by the WEP.

## **ANALYSIS**

### Existing Law

Social Security benefits are designed to replace a percentage of a worker's pre-retirement earnings. A Social Security benefit is calculated by separating average monthly earnings into three amounts known as "bend points." Each bend point is multiplied by a percentage, and the total of the three amounts is the Social Security benefit.

For example, for a worker who turns 62 in 2021, the first \$996 of average monthly earnings is multiplied by 90 percent, earnings between \$996 and \$6,002 are multiplied by 32 percent, and the earnings over \$6,002 are multiplied by 15 percent. The benefit amount is decreased or increased depending on whether the worker begins receiving benefits before or after full retirement age.

The WEP reduces the Social Security benefit of workers who qualify for a pension from a government employer that does not participate in Social Security, unless the worker has 30 years or more of substantial earnings. The percentage that is multiplied against the first \$996 of average monthly earnings is reduced from 90 percent to as low as 40 percent, based on years of substantial earnings. The reduction of the Social Security benefit under the WEP cannot exceed more than one-half of the worker's government pension amount.

### This Bill

On or after 2023. H.R. 2337 would provide a proportional formula to calculate Social Security benefits for workers who receive a government pension from noncovered employment beginning in 2023. This new formula would prorate the Social Security benefit based on the proportion of covered employment to total covered and noncovered employment.

Social Security's Office of the Chief Actuary estimates that if the proportional formula in 2018 had been applied to current beneficiaries affected by the WEP, about 69 percent of them would have received a higher average monthly benefit (on average, \$74 higher from \$474 per month to \$548 per month), whereas 31 percent would have had no change in their average benefits of \$643 per month.

Since the proportional formula could reduce benefits in some cases even further than the current WEP formula, the bill would also provide a protection provision that all future beneficiaries receive the higher of the benefit under the two formulas.

Before 2023. WEP-affected beneficiaries who became eligible for Social Security benefits before 2023 would receive an additional monthly payment that would offset a portion of the WEP reduction. Currently, the maximum dollar amount of monthly WEP reduction in 2021 is \$498 for new beneficiaries with 20 or fewer years of substantial earnings. H.R. 2337 would provide retired workers (but not dependents) an amount equal to the WEP reduction up to \$150 per month.<sup>2</sup>

Other provisions. H.R. 2337 also provides for improvements in the reporting of noncovered earnings in Social Security account statements for estimating the WEP adjustment and for improvements to the collection and sharing of information related to state and local noncovered pensions.

Pro

Provides some Social Security benefit increases to WEP-affected beneficiaries.

Uses a more precise formula than the WEP to calculate a Social Security benefit replacement rate for future retirees based on covered employment.

Con

Does not repeal the WEP for current retirees.

Additional monthly payment of \$150 for current retirees offsets about one-third of the current maximum monthly WEP reduction of \$498.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a “Support” position on H.R. 2337, which would enact the “Public Servants Protection and Fairness Act of 2021.”

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

---

<sup>2</sup> The WEP reduction amount is \$149.40 for those with 27 years of substantial earnings. Therefore, those with less than 27 years of substantial earnings would not have a full offset of their WEP reduction based on the additional monthly payment of \$150.

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

H.R. 2337 (Neal) as introduced on April 1, 2021

Public Servants Protection and Fairness Act of 2021 Summary

Public Servants Protection and Fairness Act of 2021 Section-by-Section Summary

Windfall Elimination Provision Fact Sheet

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Steven P. Rice  
Anthony J. Roda, Williams & Jensen

## **BOARD POSITIONS ADOPTED ON RELATED LEGISLATION**

H.R. 82 (2021, in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 9 (Resolution Chapter 78, Statutes of 2021) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 4540 (2019, held in committee) would amend the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 3934 (2019, held in committee) would amend the Social Security Act to replace the Windfall Elimination Provision with a formula equalizing benefits for certain individuals with noncovered employment. The Board of Retirement adopted a “Support” position.

H.R. 141 (2019, held in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 521 (2019, held in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

SJR 3 (Resolution Chapter 129, Statutes of 2019) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 1205 (2017, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 915 (2017, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

SJR 1 (Resolution Chapter 92, Statutes of 2015) requested the President and the Congress of the United States to pass legislation repealing the Government Pension

H.R. 2337

Attachment 1—Board Positions Adopted on Related Legislation

Insurance, Benefits and Legislative Committee

July 30, 2021

Page 2

Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 711 (2015, held in committee) would have amended the Social Security Act to replace the Windfall Elimination Provision with a new formula for the treatment of noncovered earnings in determining Social Security benefits for individuals who become eligible for benefits after 2016. It would have established a second formula to modify the Windfall Elimination Provision for current beneficiaries. The Board of Retirement adopted a “Watch” position.

H.R. 973 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 1651 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 1332 (2011, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 10 (Resolution Chapter 103, Statutes of 2009) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

S. 484 (2009, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 5 (Resolution Chapter 116, Statutes of 2007) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

## **SUPPORT**

### National Organizations

Alliance for Retired Americans (ARA)  
American Federation of Teachers (AFT)  
Fraternal Order of Police (FOP)  
International Association of Fire Fighters (IAFF)  
International Union of Police Associations (IUPA)  
National Active and Retired Federal Employees Association (NARFE)  
National Association of Retired ASCS/FSA Office Employees (RASCOE)  
National Association of Police Organizations (NAPO)  
National Committee to Preserve Social Security and Medicare (NCPSSM)  
National Conference of State Social Security Administrators (NCSSSA)  
National Education Association (NEA)  
National Sheriffs' Association (NSA)  
Public Retirees Alliance  
Service Employees International Union (SEIU)  
Social Security Works  
United Postmasters and Managers of America (UPMA)

### State and Local Organizations

American Federation of Teachers (AFT)—Massachusetts  
Association of Texas Professional Educators (ATPE)  
Los Angeles County Employees Retirement Association (LACERA)  
Louisiana Association of Chiefs of Police (LACP)  
Louisiana Sheriffs' Association (LSA)  
Mass Retirees  
Massachusetts Coalition of Police (Mass COP)  
New England Police Benevolent Association (NEPBA)  
Oakland Police Officers' Association (OPOA)  
Ohio Public Employees Retirement System (OPERS)  
Police Officers Research Association of California (PORAC)  
Retired Educators Association of Massachusetts (REAM)  
Texas Retired Teachers Association (TRTA)  
Western States Sheriffs' Association (WSSA)

## **OPPOSITION**

Unknown

117TH CONGRESS  
1ST SESSION

# H. R. 2337

To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2021

Mr. NEAL (for himself, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. PASCRELL, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Mr. HIGGINS of New York, Ms. SEWELL, Ms. DELBENE, Ms. CHU, Ms. MOORE of Wisconsin, Mr. KILDEE, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BEYER, Mr. EVANS, Mr. SCHNEIDER, Mr. SUOZZI, Mr. PANETTA, Mr. GOMEZ, Mr. HORSFORD, Ms. PLASKETT, Ms. SPANBERGER, Mr. SCHIFF, Mr. SMITH of Washington, Mr. ESPAILLAT, Mr. GREEN of Texas, Mr. LOWENTHAL, Mr. SIRES, Mr. HASTINGS, Ms. ADAMS, Mr. CARSON, Mr. KIM of New Jersey, Mr. LEVIN of Michigan, Ms. KUSTER, Ms. ESHOO, Mr. BROWN, Mr. DELGADO, Ms. PRESSLEY, Ms. LEE of California, Mr. THOMPSON of Mississippi, Ms. MCCOLLUM, Mr. FOSTER, Mr. KEATING, Mr. RUSH, Mrs. WATSON COLEMAN, Mr. SHERMAN, Mrs. CAROLYN B. MALONEY of New York, Mr. CRIST, Ms. PINGREE, Mr. PAPPAS, Mr. GARCÍA of Illinois, Mrs. AXNE, Mr. ALLRED, Mr. LAMB, Mr. SOTO, Mr. CICILLINE, Mr. TRONE, Mr. KILMER, Ms. DEGETTE, Ms. TITUS, Mr. PAYNE, Mr. RUPPERSBERGER, Mr. PERLMUTTER, Ms. JOHNSON of Texas, Mrs. LURIA, Ms. NORTON, Ms. SLOTKIN, Mr. VELA, Ms. MENG, Mrs. NAPOLITANO, Mr. MEEKS, Mr. SABLAN, Mr. JEFFRIES, Mr. CUELLAR, Ms. SPEIER, Mrs. HAYES, Mr. AUCHINCLOSS, Mr. LANGEVIN, Mr. RASKIN, Ms. SCHAKOWSKY, Mr. GOLDEN, Mr. HUFFMAN, Mr. MCNERNEY, Mr. NADLER, Mr. MCGOVERN, Mr. CASTRO of Texas, Mr. COURTNEY, Mr. NEGUSE, Mr. GARAMENDI, Mr. GOTTHEIMER, Mrs. BEATTY, Mr. VARGAS, Ms. BROWNLEY, Ms. CLARK of Massachusetts, Ms. CASTOR of Florida, Ms. SCHRIER, Ms. BLUNT ROCHESTER, Mrs. TRAHAN, Mr. CORREA, Ms. ROYBAL-ALLARD, Mrs. MCBATH, Ms. DEAN, Mr. VEASEY, Ms. KAPTUR, Mr. DESAULNIER, Mr. POCAN, Ms. SCANLON, Mr. CARTWRIGHT, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. LEVIN of California, Ms. SHERRILL, Ms. BARRAGÁN, Mrs. TORRES of California, Mr. TONKO, Mr. WELCH, Ms. JAYAPAL, Mr. KRISHNAMOORTHY, Ms. TLAIB, Mr. GRIJALVA, Mr. KHANNA, Ms. KELLY of Illinois, Mr. GALLEG0, Mr.

CARBAJAL, Mr. BISHOP of Georgia, Mr. PETERS, Mr. SEAN PATRICK MALONEY of New York, Mr. MOULTON, Mr. LYNCH, Mr. COHEN, Ms. BONAMICI, Ms. GARCIA of Texas, Mr. DEUTCH, Mr. RYAN, Mr. CÁRDENAS, Mrs. DEMINGS, Ms. ESCOBAR, Mr. VICENTE GONZALEZ of Texas, Ms. CLARKE of New York, and Ms. LOFGREN) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

1       *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Public Servants Pro-  
 5 tection and Fairness Act of 2021”.

6 **SEC. 2. ALTERNATIVE FORMULA EQUALIZING BENEFITS**

7                   **FOR CERTAIN INDIVIDUALS WITH NON-**  
 8                   **COVERED EMPLOYMENT.**

9       (a) IN GENERAL.—Section 215(a) of the Social Secu-  
 10 rity Act (42 U.S.C. 415(a)) is amended by inserting after  
 11 paragraph (7) the following:

12       “(8)(A) In the case of an individual whose primary  
 13 insurance amount would be computed under paragraph  
 14 (1) of this subsection—



1           “(i) who first becomes eligible for an old-age or  
2           disability insurance benefit after 2022 and who sub-  
3           sequently becomes entitled to such benefit;

4           “(ii) who has earnings derived from noncovered  
5           service performed in a year after 1977 and is enti-  
6           tled to a monthly periodic payment based on such  
7           earnings; and

8           “(iii) who has less than 30 years of coverage  
9           (as defined for purposes of paragraph (7)(D)),

10          the primary insurance amount of such individual shall be  
11          the higher of the amount computed or recomputed under  
12          paragraph (7) without regard to this paragraph or the  
13          amount computed or recomputed under this paragraph.

14          “(B) The primary insurance amount of an individual  
15          described in subparagraph (A), as computed or recom-  
16          puted under this paragraph, shall be the product derived  
17          by multiplying—

18                 “(i) the individual’s primary insurance amount,  
19                 as determined under paragraph (1) of this sub-  
20                 section and subparagraph (C) of this paragraph, by

21                 “(ii) a fraction—

22                         “(I) the numerator of which is the individ-  
23                         ual’s average indexed monthly earnings (deter-  
24                         mined without regard to subparagraph (C)),

25                         and

1           “(II) the denominator of which is an  
2           amount equal to the individual’s average in-  
3           dexed monthly earnings (as determined under  
4           subparagraph (C)),  
5 rounded, if not a multiple of \$0.10, to the next lower mul-  
6 tiple of \$0.10.

7           “(C)(i) For purposes of determining an individual’s  
8 primary insurance amount and average indexed monthly  
9 earnings pursuant to clauses (i) and (ii)(II) of subpara-  
10 graph (B), the individual’s average indexed monthly earn-  
11 ings shall be determined by treating all recorded non-  
12 covered earnings (as defined in clause (ii)(I)) derived by  
13 the individual from noncovered service performed in each  
14 year after 1977 as ‘wages’ (as defined in section 209 for  
15 purposes of this title), which shall be treated as included  
16 in the individual’s adjusted total covered earnings (as de-  
17 fined in clause (ii)(II)) for such calendar year together  
18 with amounts consisting of ‘wages’ (as so defined without  
19 regard to this subparagraph) paid during such calendar  
20 year and self-employment income (as defined in section  
21 211(b)) for taxable years ending with or during such cal-  
22 endar year.

23           “(ii) For purposes of this subparagraph:

24           “(I) The term ‘recorded noncovered earnings’  
25           means earnings derived from noncovered service

1 (other than noncovered service as a member of a  
2 uniformed service (as defined in section 210(m))) for  
3 which satisfactory evidence is determined by the  
4 Commissioner to be available in the records of the  
5 Commissioner.

6 “(II) The term ‘adjusted total covered earnings’  
7 means, in connection with an individual for any cal-  
8 endar year, the sum of the wages paid to the indi-  
9 vidual during such calendar year (as adjusted under  
10 subsection (b)(3)) plus the self-employment income  
11 derived by the individual during any taxable year  
12 ending with or during such calendar year (as ad-  
13 justed under subsection (b)(3)).

14 “(iii) The Commissioner of Social Security shall pro-  
15 vide by regulation or other public guidance for methods  
16 for determining whether satisfactory evidence is available  
17 in the records of the Commissioner for earnings for non-  
18 covered service (other than noncovered service as a mem-  
19 ber of a uniformed service (as defined in section 210(m)))  
20 to be treated as recorded noncovered earnings. Such meth-  
21 ods shall provide for reliance on earnings information pro-  
22 vided to the Commissioner by employers and which, as de-  
23 termined by the Commissioner, constitute a reasonable  
24 basis for treatment of earnings for noncovered service as  
25 recorded noncovered earnings. In making determinations

1 under this clause, the Commissioner shall also take into  
2 account any documentary or other evidence of earnings de-  
3 rived from noncovered service by an individual which is  
4 provided by the individual to the Commissioner and which  
5 the Commissioner considers appropriate as a reasonable  
6 basis for treatment of such earnings as recorded non-  
7 covered earnings.

8       “(iv) In the case of any individual who, at the time  
9 of application for old-age or disability insurance benefits  
10 under this title, has recorded noncovered earnings in an  
11 amount the Commissioner of Social Security determines  
12 may entitle the individual to a monthly periodic payment  
13 based on such earnings (but whose application does not  
14 report such a monthly periodic payment), the Commis-  
15 sioner shall reconfirm with the individual whether such a  
16 monthly periodic payment is being paid in order to ensure  
17 the proper application of paragraph (7) and this para-  
18 graph.

19       “(D) Upon the death of an individual whose primary  
20 insurance amount is computed or recomputed under this  
21 paragraph, such primary insurance amount shall be com-  
22 puted or recomputed under paragraph (1) of this sub-  
23 section.

24       “(E) In the case of any individual whose primary in-  
25 surance amount would be computed under this paragraph

1 who first becomes entitled after 1985 to a monthly peri-  
2 odic payment made by a foreign employer or foreign coun-  
3 try that is based in whole or in part upon noncovered serv-  
4 ice, the primary insurance amount of such individual shall  
5 be computed or recomputed under paragraph (7) or para-  
6 graph (1), as applicable, for months beginning with the  
7 first month of the individual’s initial entitlement to such  
8 monthly periodic payment.”.

9 (b) CONFORMING AMENDMENTS.—Section  
10 215(a)(7)(A) of such Act (42 U.S.C. 415(a)(7)(A)) is  
11 amended—

12 (1) by striking “hereafter in this paragraph and  
13 in subsection (d)(3)” and inserting “in this para-  
14 graph, paragraph (8), and subsection (d)(3)”; and

15 (2) by striking “shall be computed or recom-  
16 puted” and inserting “shall, subject to paragraph  
17 (8), be computed or recomputed”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply with respect to monthly insurance  
20 benefits payable on or after January 1, 2023.

1 **SEC. 3. ADDITIONAL MONTHLY PAYMENT FOR CERTAIN IN-**  
2 **DIVIDUALS WHOSE BENEFIT AMOUNT IS RE-**  
3 **DUCTION BY THE WINDFALL ELIMINATION**  
4 **PROVISION.**

5 (a) IN GENERAL.—Section 215(a) of such Act (42  
6 U.S.C. 415(a)), as amended by section 2(a), is further  
7 amended by adding at the end the following:

8 “(9)(A) For any month beginning at least 270 days  
9 after the date of the enactment of the Public Servants  
10 Protection and Fairness Act of 2021, the Commissioner  
11 of Social Security shall, subject to subparagraphs (D) and  
12 (E), make an additional monthly payment to each indi-  
13 vidual who is an eligible individual for such month, in an  
14 amount equal to the amount determined under subpara-  
15 graph (C) with respect to such eligible individual.

16 “(B) For purposes of this paragraph, the term ‘eligi-  
17 ble individual’ for a month means an individual (other  
18 than an individual described in paragraph (8)(E)) who—

19 “(i) first becomes eligible for an old-age or dis-  
20 ability insurance benefit under this title before 2023;  
21 and

22 “(ii) is entitled to an old-age or disability insur-  
23 ance benefit under this title for such month based  
24 on a primary insurance amount that was computed  
25 or recomputed under paragraph (7) (and not subse-

1           quently recomputed under any other paragraph of  
2           this subsection).

3 For purposes of clause (i), an individual shall be deemed  
4 eligible for a benefit for a month if, upon filing application  
5 therefor in such month, the individual would be entitled  
6 to such benefit for such month. For purposes of clause  
7 (ii), an individual shall be deemed entitled to a benefit  
8 based on a primary insurance amount that was computed  
9 or recomputed under paragraph (7) if such benefit would  
10 be based on such a primary insurance amount but for the  
11 application of paragraph (1)(C).

12           “(C)(i) The amount determined under this paragraph  
13 with respect to an eligible individual is \$150, except that  
14 in any case in which the amount by which the primary  
15 insurance amount of such eligible individual that would  
16 be computed for the individual’s initial computation month  
17 under this subsection without regard to paragraph (7) ex-  
18 ceeds the primary insurance amount of such eligible indi-  
19 vidual computed for such month under this subsection  
20 (taking paragraph (7) into account) is less than \$150, the  
21 amount determined under this paragraph shall equal the  
22 amount of such excess.

23           “(ii) For purposes of this subparagraph, the term  
24 ‘initial computation month’ means, with respect to an indi-  
25 vidual, the later of—

1           “(I) the 1st month beginning at least 270 days  
2           after the date of the enactment of the Public Serv-  
3           ants Protection and Fairness Act of 2021; or

4           “(II) the 1st month for which the individual’s  
5           primary insurance amount is computed or recom-  
6           puted under paragraph (7).

7           “(D) In any case in which this title provides that no  
8           monthly benefit under section 202 or 223 shall be paid  
9           to an individual for a month, no additional monthly pay-  
10          ment shall be paid to the individual for such month. This  
11          subparagraph shall not apply in the case of an individual  
12          whose monthly benefit under section 202 or 223 is re-  
13          duced, regardless of the amount of the reduction, based  
14          on—

15                 “(i) the individual’s receipt of other income or  
16                 benefits for such month; or

17                 “(ii) the adjustment or recovery of an overpay-  
18                 ment under section 204.

19           “(E) Except for purposes of adjustment or recovery  
20          of an overpayment under section 204, an additional  
21          monthly payment under this paragraph shall not be sub-  
22          ject to any reduction or deduction under this title.

23           “(F) Whenever benefit amounts under this title are  
24          increased by any percentage effective with any month as  
25          a result of a determination made under subsection (i),



1 each additional monthly payment amount payable to an  
2 eligible individual under this paragraph shall be increased  
3 by the same percentage for months beginning with such  
4 month.

5 “(G) The amount of any additional monthly payment  
6 under this paragraph shall be disregarded for purposes of  
7 determining the eligibility or benefit amount of an indi-  
8 vidual for supplemental security income benefits payable  
9 under title XVI of the Social Security Act, but only if such  
10 individual—

11 “(i) is eligible for a cash benefit payable under  
12 section 1611, section 1619(a), or section 1631(a)(7)  
13 for the 1st month beginning at least 270 days after  
14 the date of the enactment of the Public Servants  
15 Protection and Fairness Act of 2021;

16 “(ii) is an individual described in section  
17 1619(b) for such month; or

18 “(iii) is eligible for a State supplementary pay-  
19 ment for such month of the type referred to in sec-  
20 tion 1616(a) (or payments of the type described in  
21 section 212(a) of Public Law 93–66) which are paid  
22 by the Commissioner under an agreement referred to  
23 in section 1616(a) (or section 212(a) of Public Law  
24 93–66).”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to monthly insurance  
3 benefits payable for months beginning at least 270 days  
4 after the date of the enactment of this Act.

5 **SEC. 4. IMPROVEMENT IN SOCIAL SECURITY ACCOUNT**  
6 **STATEMENTS FOR PUBLIC SERVANTS.**

7 (a) IN GENERAL.—Section 1143(a) of the Social Se-  
8 curity Act (42 U.S.C. 1320b–13(a)) is amended—

9 (1) in paragraph (2)—

10 (A) by redesignating subparagraphs (B)  
11 through (E) as subparagraphs (C) through (F);

12 (B) by inserting after subparagraph (A)  
13 the following:

14 “(B) the amount of earnings derived by  
15 the eligible individual from service performed  
16 after 1977 which did not constitute employment  
17 (as defined in section 210), not including serv-  
18 ice as a member of a uniformed service (as de-  
19 fined in section 210(m)), as shown by the  
20 records of the Commissioner at the date of the  
21 request;” and

22 (C) in subparagraph (E) (as redesignated  
23 by subparagraph (A)), by inserting “(in the  
24 case of an eligible individual described in para-  
25 graph (3)(C)(ii), calculated using a primary in-

1 insurance amount estimated pursuant to para-  
2 graph (8) of section 215(a) and including a no-  
3 tation indicating the use of such method of cal-  
4 culation)” after “account”; and

5 (2) in paragraph (3)(C)(ii)—

6 (A) by striking “wages or self-employment  
7 income” and inserting “wages, self-employment  
8 income, and earnings derived from noncovered  
9 service (within the meaning of section  
10 215(a)(7))”; and

11 (B) by striking “of noncovered employ-  
12 ment” and inserting “that the individual’s pri-  
13 mary insurance amount will be computed under  
14 paragraph (7) or (8) of section 215(a)”.

15 (b) CONFORMING AMENDMENTS.—Section 1143 of  
16 the Social Security Act (42 U.S.C. 1320b–13) is amend-  
17 ed—

18 (1) in subsection (a)(2)(F) (as redesignated by  
19 subsection (a)(1)(A) of this section), by striking  
20 “sections 202(k)(5) and 215(a)(7)” and all that fol-  
21 lows through “auxiliary benefits” and inserting “sec-  
22 tions 202(k)(5), 215(a)(7), and 215(a)(8)”; and

23 (2) in subsection (d)(1)—

24 (A) by striking “maximum”; and

1 (B) by striking “section 215(a)(7)” and in-  
2 serting “sections 215(a)(7) and 215(a)(8)”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to Social Security ac-  
5 count statements issued on or after January 1, 2023.

6 **SEC. 5. STUDY ON AVAILABILITY OF INFORMATION RELAT-**  
7 **ING TO RETIREMENT PLANS.**

8 (a) IN GENERAL.—The Comptroller General shall  
9 conduct a study to determine the extent to which State  
10 and local governments (or their designees) that maintain  
11 retirement plans for their employees possess or otherwise  
12 have access to information sufficient to determine what  
13 amount of a participant’s benefits under such plan are  
14 based on noncovered service (within the meaning of section  
15 215(a)(7) of the Social Security Act (42 U.S.C.  
16 415(a)(7))).

17 (b) REPORT.—Not later than 2 years after the date  
18 of the enactment of this Act, the Comptroller General shall  
19 submit a report to the Committee on Ways and Means  
20 of the House of Representatives and the Committee on  
21 Finance of the Senate on the results of the study described  
22 in subsection (a).

1 **SEC. 6. HOLD HARMLESS FOR THE SOCIAL SECURITY**  
2 **TRUST FUNDS.**

3       There are appropriated, out of any moneys in the  
4 Treasury not otherwise appropriated, to each of the Fed-  
5 eral Old-Age and Survivors Insurance Trust Fund and the  
6 Federal Disability Insurance Trust Fund for each fiscal  
7 year such amounts as the chief actuary of the Social Secu-  
8 rity Administration shall certify are necessary to place  
9 each such Trust Fund in the same position at the end  
10 of such fiscal year as it would have been in if the amend-  
11 ments made by this Act had not been enacted.

○



## HOUSE COMMITTEE ON WAYS & MEANS

CHAIRMAN RICHARD E. NEAL

### *Public Servants Protection and Fairness Act of 2021*

The Public Servants Protection and Fairness Act of 2021 fixes the Windfall Elimination Provision (WEP) by introducing a new proportional formula, provides meaningful WEP relief to current retirees, includes a benefit guarantee so that no current or future retirees can be worse off as a result of the bill, and ensures that public servants across the nation can retire with the security and dignity they deserve.

Originally, the WEP was intended to equalize the Social Security benefit formula for workers with similar earnings histories, both inside and outside of the Social Security system. However, in practice, it has unfairly penalized many public employees. Currently, 1.9 million Social Security beneficiaries are affected by the WEP. The much-needed reform in this bill provides meaningful WEP relief to current retirees and public employees while treating all workers fairly.

#### ***Current Retirees: Immediate Relief Payments***

The bill provides immediate relief to current Social Security beneficiaries affected by the WEP. Current beneficiaries (and those turning 62 before 2023) who are affected by the WEP due to their own public service work will receive an extra \$150 a month, starting nine months after enactment and continuing for as long as the eligible individuals are receiving Social Security benefits. The relief amount cannot exceed the size of each person's current WEP reduction.

#### ***Future Retirees: New Formula and Benefit Guarantee***

Future retirees (those turning 62 in 2023 and later) will be eligible for a new, fairer benefit formula, called the Public Servant Protection (PSP) formula. The PSP formula calculates benefit amounts based on the proportion of lifetime earnings covered by Social Security.

The Public Servants Protection and Fairness Act of 2021 includes critical protections to ensure that no one receives a lower benefit a result of this legislation. First, it *maintains the current WEP exemptions* (i.e., for individuals not receiving a pension, and for those with 30 years of coverage) and extends them to the PSP as well. That is, people are exempt from both the PSP and the WEP if they have 30 or more years of coverage or if they do not receive any pension based on their state or local employment.

In addition, the bill provides *a benefit guarantee* for all future retirees: if someone's PSP benefit is not as high as their WEP benefit, they will automatically receive the higher benefit. This guarantee is permanent, applying to all future retirees.

About seven in 10 future retirees affected by the WEP will receive a higher benefit under the new PSP formula, with the increase averaging about \$75 a month. The remaining three in 10 are protected by the benefit guarantee and will see no change in benefits because they already receive higher benefits under the WEP than they would under the proportional formula due to their specific earnings patterns. They will get to keep that higher amount. Finally, the bill shields millions of other public servants from being newly subjected to the WEP or PSP.

#### ***Additional Provisions***

The bill also improves the *Social Security Statement* for affected workers, so that future benefit amounts will not be a surprise. Finally, it protects the Social Security trust funds with general revenue transfers to cover these costs, so as not to penalize other workers' retirement security even as we correct the urgent problems with the WEP.



## ***Public Servants Protection and Fairness Act of 2021*** **Section-by-Section Summary**

### **Section 1: Title.**

The short title for the bill is the Public Servants Protection and Fairness Act of 2021.

### **Section 2: Alternative Formula Equalizing Benefits for Certain Individuals with Non-Covered Employment.**

This section creates an alternative formula for new retirees who become eligible for benefits starting in 2023. It creates a new Public Servant Protection (PSP) formula based on all employment in covered and noncovered jobs, paying Social Security benefits in proportion to the share of a worker's earnings that were covered for Social Security purposes. The PSP formula will apply to workers who are receiving a pension based on noncovered earnings *and* who have less than 30 years of substantial work in Social Security covered employment. Individuals will receive the higher of the two formulas, PSP or the current Windfall Elimination Provision (WEP). This approach ensures both *fairness* (an equitable benefit formula based on actual earnings) and *protection* (no benefit cuts relative to current law) for all public servants.

### **Section 3: Additional Monthly Payment for Certain Individuals Whose Benefit Amount is Reduced by the Windfall Elimination Provision.**

This section provides immediate relief to current retirees (and those becoming eligible before 2023) who are affected by the WEP. This is intended to assist those WEP workers who are ineligible for the new formula simply because of their age. The relief payments will be \$150 a month to public-servant retirees affected by the WEP. The relief payments will begin nine months after enactment of the bill and will continue each month for as long as the eligible individuals are receiving Social Security benefits. The relief payment is limited to the amount of each worker's current WEP reduction.

### **Section 4: Improvement in Social Security Account Statements for Public Servants.**

Social Security is required by law to mail annual *Social Security Statements* to all workers, informing them of their projected benefit amounts and prompting them to check the accuracy of their earnings records. This section requires the *Statements* to show noncovered as well as covered earnings records, and to use the new PSP formula for calculating the projected benefits for workers likely to be subject to this formula – in order to ensure that workers have the most accurate benefit projection possible.

**Section 5: Study on Availability of Information Relating to Retirement Plans.**

This section requires the Government Accountability Office (GAO) to report to Congress within two years on the extent to which state and local governments know whether the public employee pensions they pay are based on noncovered service. This will fill a critical knowledge gap for determining the feasibility of data exchanges or other reporting mechanisms on noncovered pensions.

**Section 6: Hold Harmless for the Social Security Trust Funds.**

This section provides for transfers from general revenues to cover all costs of this bill in order to place the Social Security trust funds in the same position as they would have been without the bill. This approach ensures that the bill does not penalize other workers' retirement security even as we correct the urgent problems with the WEP.





# Windfall Elimination Provision

## Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

## When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached age 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

## How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2021, the first \$996 of average monthly earnings is multiplied by 90 percent; earnings between \$996 and \$6,002 are multiplied by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA, which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2021, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,537 (approximately 50 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,798 (approximately 35 percent) plus COLAs. However, if either of these workers start benefits earlier than their FRA, we'll reduce their monthly benefit.

## Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

## Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was exempt from Social Security coverage on December 31, 1983, unless the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

## Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit [www.ssa.gov/benefits/retirement/planner/wep.html](http://www.ssa.gov/benefits/retirement/planner/wep.html).

## A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

## Contacting Social Security

The most convenient way to do business with us from anywhere, on any device, is to visit [www.ssa.gov](http://www.ssa.gov). There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a personal *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and get estimates of future benefits. You can also print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and request a replacement Social Security card (if you have no changes and your state participates).

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings	Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1989	\$8,925	2013	\$21,075
1955–1958	\$1,050	1990	\$9,525	2014	\$21,750
1959–1965	\$1,200	1991	\$9,900	2015–2016	\$22,050
1966–1967	\$1,650	1992	\$10,350	2017	\$23,625
1968–1971	\$1,950	1993	\$10,725	2018	\$23,850
1972	\$2,250	1994	\$11,250	2019	\$24,675
1973	\$2,700	1995	\$11,325	2020	\$25,575
1974	\$3,300	1996	\$11,625	2021	\$26,550
1975	\$3,525	1997	\$12,150		
1976	\$3,825	1998	\$12,675		
1977	\$4,125	1999	\$13,425		
1978	\$4,425	2000	\$14,175		
1979	\$4,725	2001	\$14,925		
1980	\$5,100	2002	\$15,750		
1981	\$5,550	2003	\$16,125		
1982	\$6,075	2004	\$16,275		
1983	\$6,675	2005	\$16,725		
1984	\$7,050	2006	\$17,475		
1985	\$7,425	2007	\$18,150		
1986	\$7,875	2008	\$18,975		
1987	\$8,175	2009–2011	\$19,800		
1988	\$8,400	2012	\$20,475		


Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today  
and tomorrow

August 1, 2021

TO: Insurance, Benefits and Legislative Committee  
Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald A. Okum  
Wayne Moore, Alternate

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: August 12, 2021 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **S. 1302—Social Security Fairness Act**

*Author: Brown [D-OH]  
Sponsor: Author and 33 co-sponsors  
Introduced: April 22, 2021  
Status: Read twice and referred to the Senate Committee on Finance  
(04/22/2021)*

*Staff Recommendation: Support*

### **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on S. 1302, which would enact the “Social Security Fairness Act.”

### **LEGISLATIVE POLICY STANDARD**

LACERA’s legislative policy standard is to support proposals that have a positive impact upon LACERA’s members (page 6). In addition, the Board Policy on Engagement (pages 2-3) provides that the Board has a full range of positions that may be lawfully taken to further Board objectives, including preventing adverse impact upon existing rights and interests. S. 1302 would repeal<sup>1</sup> the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), which reduce or eliminate the Social Security benefits that LACERA members may have earned through service with the County of Los Angeles before January 1, 1983 (the effective date that the County withdrew its employees from Social Security) or through employment outside of the County.

---

<sup>1</sup> H.R. 2337 (Neal), which would not repeal the WEP and GPO but would provide a new proportional formula for new retirees eligible for Social Security and provide an additional monthly payment to retirees currently affected by the WEP, is submitted under separate cover at this meeting of August 12, 2021.

## **SUMMARY**

S. 1302 would repeal the Windfall Elimination Provision and the Government Pension Offset of the Social Security Act.

## **ANALYSIS**

### *Participation in Social Security by the County of Los Angeles*

Prior to July 1, 1964. Employees of the County were not covered under Social Security because the County did not participate in Social Security.

July 1, 1964 through December 31, 1982. The County elected to participate in the Social Security system effective July 1, 1964. General members who were hired before July 1, 1964 were given the option to elect Social Security coverage and pay Social Security taxes retroactive to January 1, 1959 or date of hire, whichever was later. General members who were hired on or after July 1, 1964 were mandatorily covered under Social Security. Safety members were never participants under Social Security.

On and after January 1, 1983. The County withdrew its participation from Social Security effective January 1, 1983. As a result, some LACERA members may not have earned sufficient credits under County employment to be fully insured under Social Security, unless they had other employment that was covered by Social Security.

### *Windfall Elimination Provision (WEP)*

Social Security benefits are designed to replace a percentage of a worker's pre-retirement earnings. A Social Security benefit is calculated by separating average monthly earnings into three amounts known as "bend points." Each bend point is multiplied by a percentage, and the total of the three amounts is the Social Security benefit.

For example, for a worker who turns 62 in 2021, the first \$996 of average monthly earnings is multiplied by 90 percent, earnings between \$996 and \$6,002 are multiplied by 32 percent, and earnings over \$6,002 are multiplied by 15 percent. The benefit amount is decreased or increased depending on whether the worker begins receiving benefits before or after full retirement age.

For workers who qualify for a pension from a government employer that does not participate in Social Security, the percentage that is multiplied against the first \$996 of average monthly earnings is reduced from 90 percent to as low as 40 percent, based on years of substantial earnings. Those who have 30 years or more of substantial earnings do not see a reduction of the 90-percent factor. Note that to protect workers who receive a low government pension, the reduction of the Social Security benefit under the WEP cannot exceed more than one-half of the worker's government pension amount.

*Government Pension Offset (GPO)*

Under the GPO, dependent benefits paid by Social Security to a spouse, widow, or widower would be offset by two-thirds of the government pension paid to that person. Therefore, in some cases, if a person receives a government pension and two-thirds of the pension benefit is greater than his or her own Social Security dependent benefits, the GPO will eliminate the Social Security dependent benefit.

*Social Security Beneficiaries Affected by WEP and GPO*

According to analyses of the WEP<sup>2</sup> and GPO<sup>3</sup> by the Congressional Research Service, as of December 2020, the WEP affects 273,399 beneficiaries in California, consisting of retired workers, disabled workers, and spouses and children. Nationwide, the WEP affects 1,948,427 beneficiaries. The GPO affects 101,789 beneficiaries in California, consisting of spouses and widow(er)s. Nationwide, the GPO affects 716,662 beneficiaries.

*Conclusion*

For LACERA members who are eligible for a pension, the WEP and GPO reduce and, in some cases, eliminate the Social Security benefits that they earned through covered employment with the County of Los Angeles or become eligible for through their spouses. LACERA has traditionally supported legislation to repeal the WEP and GPO as well as resolutions by the California State Legislature urging the President and Congress of the United States to repeal the provisions.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a “Support” position on S. 1302, which would enact the “Social Security Fairness Act.”

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

---

<sup>2</sup> Li, Z. (2021). *Social Security: The Windfall Elimination Provision (WEP)*. (CRS Report No. 98-35, updated February 4, 2021). Retrieved from <https://crsreports.congress.gov/product/pdf/RS/98-35>

<sup>3</sup> Li, Z. (2021). *Social Security: The Government Pension Offset (GPO)*. (CRS Report No. RL32453, updated February 8, 2021). Retrieved from <https://crsreports.congress.gov/product/pdf/RL/RL32453>

S. 1302  
Insurance, Benefits and Legislative Committee  
August 1, 2021  
Page 4

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation  
Attachment 2—Support and Opposition  
S. 1302 (Brown) as introduced on April 22, 2021  
Windfall Elimination Provision Fact Sheet  
Government Pension Offset Fact Sheet

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Steven P. Rice  
Tony Roda, Williams & Jensen



## **BOARD POSITIONS ADOPTED ON RELATED LEGISLATION**

H.R. 82 (2021, in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 9 (Resolution Chapter 78, Statutes of 2021) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 4540 (2019, held in committee) would amend the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 3934 (2019, held in committee) would amend the Social Security Act to replace the Windfall Elimination Provision with a formula equalizing benefits for certain individuals with noncovered employment. The Board of Retirement adopted a “Support” position.

SJR 3 (Resolution Chapter 129, Statutes of 2019) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 141 (2019, held in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 521 (2019, held in committee) would amend the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 1205 (2017, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 915 (2017, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

SJR 1 (Resolution Chapter 92, Statutes of 2015) requested the President and the Congress of the United States to pass legislation repealing the Government Pension

Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 711 (2015, held in committee) would have amended the Social Security Act to replace the Windfall Elimination Provision with a new formula for the treatment of noncovered earnings in determining Social Security benefits for individuals who become eligible for benefits after 2016. It would have established a second formula to modify the Windfall Elimination Provision for current beneficiaries. The Board of Retirement adopted a “Watch” position.

H.R. 973 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 1651 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 1332 (2011, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 10 (Resolution Chapter 103, Statutes of 2009) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

S. 484 (2009, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 5 (Resolution Chapter 116, Statutes of 2007) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.



**SUPPORT**

Social Security Works

AFSCME

National Education Association

American Federation of Teachers

National Active and Retired Federal Employee Association

Strengthen Social Security Coalition

International Union of Police Associations

National Association of Police Organizations

Fraternal Order of Police

**OPPOSITION**

Unknown

117TH CONGRESS  
1ST SESSION

# S. 1302

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

---

## IN THE SENATE OF THE UNITED STATES

APRIL 22, 2021

Mr. BROWN (for himself, Ms. COLLINS, Ms. MURKOWSKI, Mr. CASSIDY, Ms. SMITH, Ms. WARREN, Mr. BENNET, Mr. REED, Mr. LEAHY, Mr. CASEY, Mr. MURPHY, Mrs. MURRAY, Mr. MENENDEZ, Mr. WHITEHOUSE, Ms. STABENOW, Ms. CORTEZ MASTO, Mr. BLUMENTHAL, Ms. HASSAN, Mr. MERKLEY, Ms. BALDWIN, Ms. KLOBUCHAR, Mr. VAN HOLLEN, Mr. BOOKER, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Fair-  
5 ness Act”.

1 **SEC. 2. REPEAL OF GOVERNMENT PENSION OFFSET PROVI-**  
2 **SION.**

3 (a) IN GENERAL.—Section 202(k) of the Social Secu-  
4 rity Act (42 U.S.C. 402(k)) is amended by striking para-  
5 graph (5).

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 202(b)(2) of the Social Security Act  
8 (42 U.S.C. 402(b)(2)) is amended by striking “sub-  
9 sections (k)(5) and (q)” and inserting “subsection  
10 (q)”.

11 (2) Section 202(c)(2) of such Act (42 U.S.C.  
12 402(c)(2)) is amended by striking “subsections  
13 (k)(5) and (q)” and inserting “subsection (q)”.

14 (3) Section 202(e)(2)(A) of such Act (42  
15 U.S.C. 402(e)(2)(A)) is amended by striking “sub-  
16 section (k)(5), subsection (q),” and inserting “sub-  
17 section (q)”.

18 (4) Section 202(f)(2)(A) of such Act (42 U.S.C.  
19 402(f)(2)(A)) is amended by striking “subsection  
20 (k)(5), subsection (q)” and inserting “subsection  
21 (q)”.

22 **SEC. 3. REPEAL OF WINDFALL ELIMINATION PROVISIONS.**

23 (a) IN GENERAL.—Section 215 of the Social Security  
24 Act (42 U.S.C. 415) is amended—

25 (1) in subsection (a), by striking paragraph (7);

1           (2) in subsection (d), by striking paragraph (3);

2           and

3           (3) in subsection (f), by striking paragraph (9).

4           (b) CONFORMING AMENDMENTS.—Subsections (e)(2)  
5 and (f)(2) of section 202 of such Act (42 U.S.C. 402) are  
6 each amended by striking “section 215(f)(5), 215(f)(6),  
7 or 215(f)(9)(B)” in subparagraphs (C) and (D)(i) and in-  
8 serting “paragraph (5) or (6) of section 215(f)”.

9           **SEC. 4. EFFECTIVE DATE.**

10           The amendments made by this Act shall apply with  
11 respect to monthly insurance benefits payable under title  
12 II of the Social Security Act for months after December  
13 2021. Notwithstanding section 215(f) of the Social Secu-  
14 rity Act, the Commissioner of Social Security shall adjust  
15 primary insurance amounts to the extent necessary to take  
16 into account the amendments made by section 3.

○



# Windfall Elimination Provision

## Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

## When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached age 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

## How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2021, the first \$996 of average monthly earnings is multiplied by 90 percent; earnings between \$996 and \$6,002 are multiplied by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA, which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2021, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,537 (approximately 50 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,798 (approximately 35 percent) plus COLAs. However, if either of these workers start benefits earlier than their FRA, we'll reduce their monthly benefit.

## Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

## Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was exempt from Social Security coverage on December 31, 1983, unless the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

## Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit [www.ssa.gov/benefits/retirement/planner/wep.html](http://www.ssa.gov/benefits/retirement/planner/wep.html).

## A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

## Contacting Social Security

The most convenient way to do business with us from anywhere, on any device, is to visit [www.ssa.gov](http://www.ssa.gov). There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a personal *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and get estimates of future benefits. You can also print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and request a replacement Social Security card (if you have no changes and your state participates).

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings	Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1989	\$8,925	2013	\$21,075
1955–1958	\$1,050	1990	\$9,525	2014	\$21,750
1959–1965	\$1,200	1991	\$9,900	2015–2016	\$22,050
1966–1967	\$1,650	1992	\$10,350	2017	\$23,625
1968–1971	\$1,950	1993	\$10,725	2018	\$23,850
1972	\$2,250	1994	\$11,250	2019	\$24,675
1973	\$2,700	1995	\$11,325	2020	\$25,575
1974	\$3,300	1996	\$11,625	2021	\$26,550
1975	\$3,525	1997	\$12,150		
1976	\$3,825	1998	\$12,675		
1977	\$4,125	1999	\$13,425		
1978	\$4,425	2000	\$14,175		
1979	\$4,725	2001	\$14,925		
1980	\$5,100	2002	\$15,750		
1981	\$5,550	2003	\$16,125		
1982	\$6,075	2004	\$16,275		
1983	\$6,675	2005	\$16,725		
1984	\$7,050	2006	\$17,475		
1985	\$7,425	2007	\$18,150		
1986	\$7,875	2008	\$18,975		
1987	\$8,175	2009–2011	\$19,800		
1988	\$8,400	2012	\$20,475		

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today  
and tomorrow

Social Security Administration  
Publication No. 05-10045  
January 2021 (Recycle prior editions)  
Windfall Elimination Provision  
Produced and published at U.S. taxpayer expense



# Government Pension Offset

## A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

## How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security ( $\$500 - \$400 = \$100$ ). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

## Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 spouse's benefit on her husband's record, we couldn't pay that spouse's benefit because her own benefit offsets it. Before enactment of the Government Pension Offset law, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full spouse's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security retirement benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

## When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
  - Your last day of employment (that your pension is based on) is before July 1, 2004; or
  - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
  - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain



conditions, we require fewer than 60 months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
  - Your last day of service (that your pension is based on) is before July 1, 2004;
  - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
  - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

**Note:** A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

## What about Medicare?

Even if you don't get benefit payments from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

## Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, go online to read *Windfall Elimination Provision* (Publication No. 05-10045).

## Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today  
and tomorrow

Social Security Administration  
Publication No. 05-10007 | ICN 451453 | Unit of Issue — HD (one hundred)  
May 2019 (Recycle prior editions)  
Government Pension Offset  
Produced and published at U.S. taxpayer expense



**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
ENGAGEMENT REPORT  
JULY 2021  
FOR INFORMATION ONLY**

**Little Hoover Commission: Online Meetings**

The Little Hoover Commission is an independent California state oversight agency that investigates government operations and makes recommendations to the Governor and Legislature on efficiency, economy, and improved service in state operations. It recently released a report entitled *The Government of Tomorrow: Online Meetings*. The report contains two recommendations to increase public access to meetings while capturing efficiency and cost savings from technology, given the experience of holding public meetings during the Covid pandemic.

Recommendation 1 asks that the Legislature amend the Bagley-Keene Act (which is the open meeting law that applies to the state, whereas the Brown Act applies to local agencies) to require that boards and commissions provide public access to meetings in both a physical location and a teleconferencing option. This removes the hurdle to requiring the public to travel to a physical location to access the meeting.

Recommendation 2 asks that the Bagley-Keene Act be amended to allow members of state boards and commissions to participate remotely without requiring public disclosure and accessibility of the board members' locations. Alternatively, the amendment could limit the disclosure and accessibility exemption to a board member's private residence.

The report notes that although the Bagley-Keene Act and the Brown Act contain nearly identical provisions, there are different policy considerations between state and local governments, especially in terms of geographic reach. The report recommends that policymakers consider whether Brown Act amendments are also needed.

[\(Source\)](#) [\(Source\)](#)

Staff Note: AB 339 would amend the Brown Act to require that jurisdictions containing at least 250,000 people include an opportunity for members of the public to attend a meeting through a telephonic or internet-based service option.

**Generational Views of Retirement**

The National Institute on Retirement Security (NIRS) recently released a report entitled *Generational Views of Retirement in the United States*. The report examines the national sentiment of various generations about retirement against the backdrop of the ongoing pandemic and the changes to the U.S. retirement system over the past several decades. The report finds that—

- Millennials and Generation X are most concerned about the pandemic's impact on their retirement. Across generations, most of those concerned about the pandemic's impact plan to delay their retirement.
- Millennials and Generation X are most pessimistic about retirement with broad generational agreement that the U.S. faces a retirement crisis.
- There is broad support across generations for Social Security, including support for increasing contributions and expanding benefits.
- All generations have favorable views of defined benefit plans, with Millennials holding the most favorable views. There is wide agreement that pensions are better than 401(k) plans in providing retirement security. ([Source](#)) ([Source](#))

### **Baby Boomer Retirements and the Economy**

Millions of workers were laid off at the start of the pandemic last year. As the economy has begun to reopen, the experience of the pandemic-induced recession is different for older workers compared to younger workers. Although the current labor shortage has put pressure on younger workers to get back to work, older workers are reassessing their finances and concluding that they are better off retiring now than returning to work. The number of adults 55 and older in the labor force has plateaued this year and is down compared to last fall, whereas workers 25 to 54 have made significant strides going back to work.

Even before the pandemic, labor trends were adversely affected by a low birth rate that projected the working-age population to grow at a fraction of recent decades. Coupled with the increasing retirement of baby boomers, a smaller labor force suggests slower economic growth and potentially negative effects on overall productivity. These factors will have huge implications for public finances in terms of reduced tax revenues.

In the first quarter of 2021, 30.3 million baby boomers reported being out of the labor force, which is 2.7 million more than the first quarter of 2020, a higher rate than the average growth rate of 2 million retired boomers over the past decade. ([Source](#))

### **U.S. Population Growth Grinding to a Halt**

The Covid-19 pandemic has exacerbated America's already weak population growth. In half of all states last year, more people died than were born. Early estimates for the year ended July 1, 2020 show a 0.35 percent population growth, the lowest ever documented, and is expected to remain flat in 2021. Population growth has important influence on the labor market and the U.S.'s fiscal and economic strength.

According to one projection, in 2021 the U.S. will record at least 300,000 fewer births because of an uncertain economy and the pandemic dissuading women from having babies. A longer-term decline stems from millennials having fewer children and other

factors such as extended financial insecurity among young adults and women's rising educational attainment.

Although a declining Covid death rate would ease the problem on population growth, other mortality pressures including rising drug-overdose deaths, fatalities from homicides, and rise in some chronic diseases last year drove down U.S. life expectancy by 1.5 years, the largest drop since World War II.

Across the U.S. over the past decade, there were more deaths than births in 55 percent of U.S. counties for the year ended June 30, 2020 compared to about 37 percent of counties in the previous decade. In every county type (from large metro core to rural), the births-to-death ratio was lower in the second half of the past decade (2015-20) than the first half (2010-15). The pressure is especially acute in small towns and rural counties where a combination of aging residents and fewer young people have pushed death higher on average than births along with a continuing exodus of younger people.

Over time, a lower fertility rate will lead to a higher ratio of retirees to taxpaying workers, which is expected to raise the cost of Social Security and Medicare. ([Source](#))

## **Other Pension News**

### **CalSavers Lawsuit**

The Ninth Circuit Court of Appeals has rejected the Howard Jarvis Taxpayers Association's (HJTA) petition for a rehearing on its lawsuit to strike down the CalSavers program. The decision would let stand the Ninth Circuit's May 6 determination that the CalSavers program is not preempted by ERISA. The remaining option for the HJTA would be to appeal to the U.S. Supreme Court.

CalSavers has passed its June 30, 2021 milestone that require California companies with 50 or more workers to enroll in the program if they do not already offer a workplace retirement plan. The next milestone is June 30, 2022 for companies with 5 or more workers. Currently the program has more than 200,000 accounts from 11,000 employers with assets of \$87 million. ([Source](#))

### **Hawaii Pension Forfeiture Law**

Hawaii Governor David Ige signed into law a bill that would provide for court-ordered benefit forfeitures from the Hawaii Employees' Retirement System. It would authorize the state court to order the forfeiture of one-half of a member's retirement benefits if they are convicted of a work-related felony. It also prohibits a beneficiary from receiving the benefits if they are convicted of a felony under the same circumstances as the member. The new law applies to felonies committed after the effective date (June 24, 2021) of the bill. ([Source](#))

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
RETIREE HEALTHCARE BENEFITS PROGRAM  
STAFF ACTIVITIES REPORT  
JULY 2021  
FOR INFORMATION ONLY**

**Centers for Medicare and Medicaid Services (CMS) Medicare Part D Retiree Drug Subsidy (RDS) Reconciliation Plan Year 7/1/2020 – 6/30/2021**

In collaboration with our carriers, staff began the payment subsidy request process for the following RDS applications for plan year 2020/2021:

- Anthem Blue Cross
- Cigna Medical
- Kaiser
- Local 1014

We will keep the Board apprised of the subsidy payment status from the federal government, as we move towards completing the required steps.

As a background, the Retiree Drug Subsidy (RDS) program was authorized by Medicare Part D of the Medicare Modernization Act and permits employers and unions with qualifying prescription drug plans to receive retiree drug subsidy payments from the federal government

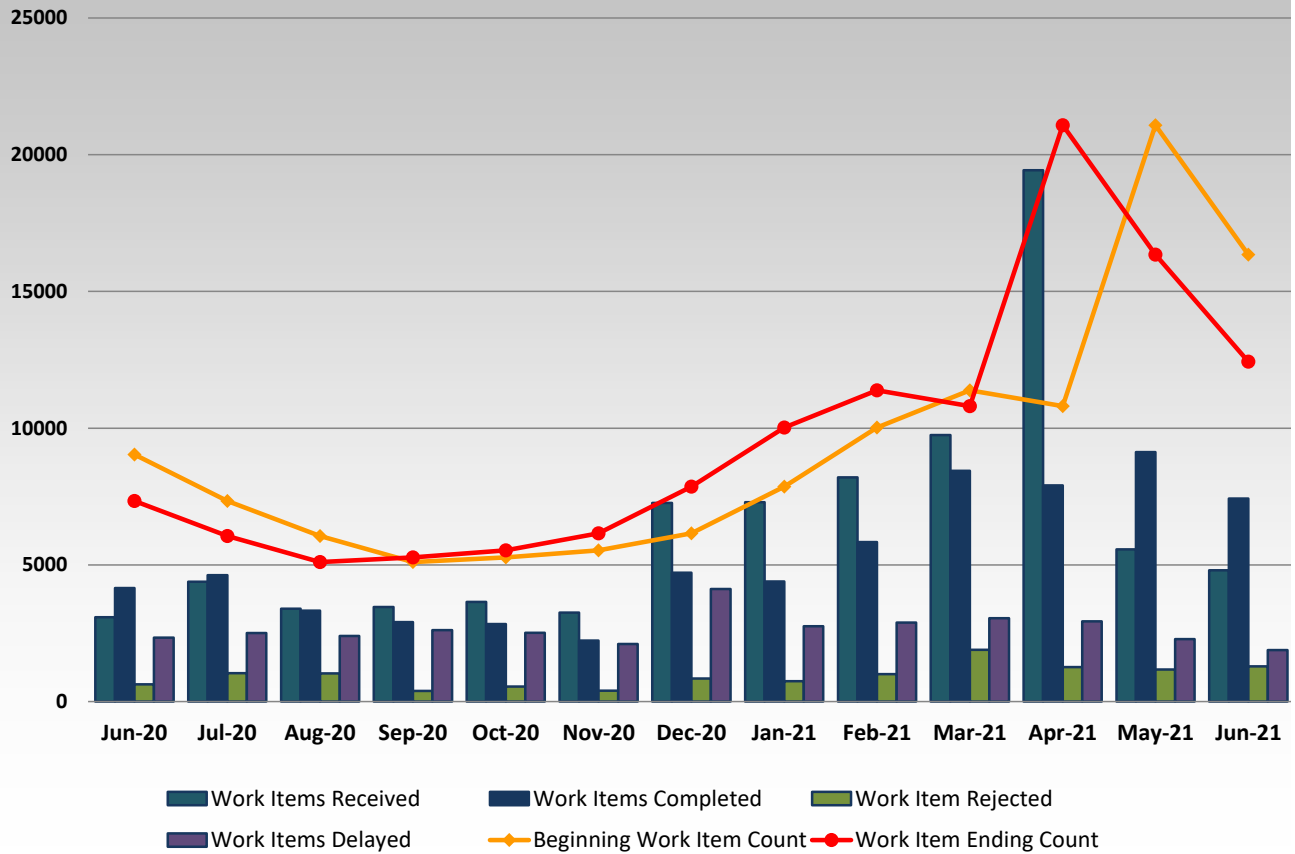
Kudos to staff and carriers the support and assistance.

# Retiree Healthcare Division

## Trend Report

JUNE 2020 ~ JUNE 2021

Updated 7/27/2021

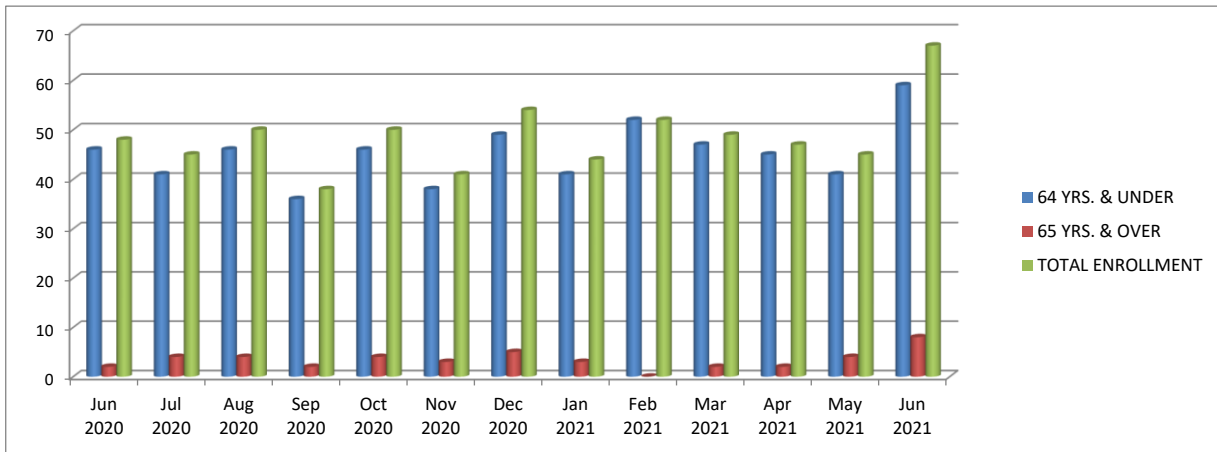


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Jun-20	9034	3084	4150	633	2334	7335
Jul-20	7335	4382	4623	1038	2510	6056
Aug-20	6056	3397	3324	1027	2400	5102
Sep-20	5102	3458	2903	386	2612	5271
Oct-20	5271	3648	2837	549	2514	5533
Nov-20	5533	3250	2235	396	2110	6152
Dec-20	6152	7263	4709	842	4117	7864
Jan-21	7864	7289	4388	746	2760	10019
Feb-21	10019	8195	5830	999	2885	11385
Mar-21	11385	9749	8436	1890	3046	10808
Apr-21	10808	19437	7902	1262	2932	21081
May-21	21081	5563	9121	1175	2288	16348
Jun-21	16348	4797	7421	1289	1884	12435

**Retirees Monthly Age Breakdown  
JUNE, 2020 ~ JUNE, 2021**

**Disability Retirement**

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Jun 2020	46	2	48
Jul 2020	41	4	45
Aug 2020	46	4	50
Sep 2020	36	2	38
Oct 2020	46	4	50
Nov 2020	38	3	41
Dec 2020	49	5	54
Jan 2021	41	3	44
Feb 2021	52	0	52
Mar 2021	47	2	49
Apr 2021	45	2	47
May 2021	41	4	45
Jun 2021	59	8	67



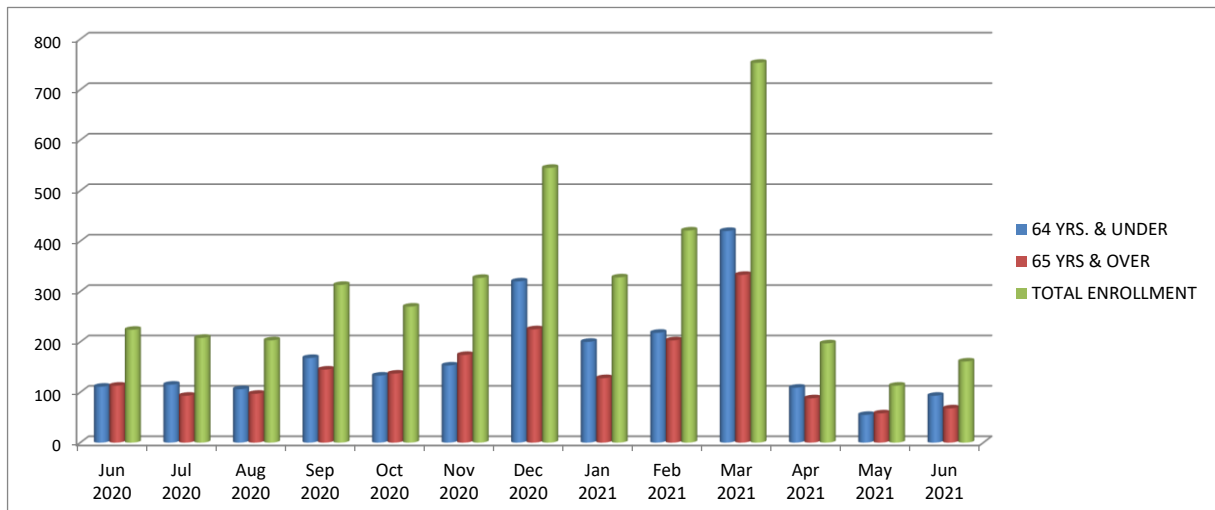
**PLEASE NOTE:**

- Next Report will include the following dates: July 1, 2021 through July 31, 2021.

## Retirees Monthly Age Breakdown JUNE, 2020 ~ JUNE, 2021

### Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Jun 2020	111	113	224
Jul 2020	115	93	208
Aug 2020	106	97	203
Sep 2020	168	145	313
Oct 2020	133	137	270
Nov 2020	153	174	327
Dec 2020	320	225	545
Jan 2021	200	128	328
Feb 2021	218	203	421
Mar 2021	420	333	753
Apr 2021	109	88	197
May 2021	55	58	113
Jun 2021	93	68	161



**PLEASE NOTE:**

- Next Report will include the following dates: July 1, 2021 through July 31, 2021.

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 7/31/2021**

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
<b>ANTHEM BC III</b>				
240	7013	\$986,712.70	2	\$148.30
241	140	\$19,899.50	0	\$0.00
242	867	\$120,007.10	0	\$0.00
243	4193	\$1,195,756.94	1	\$54.20
244	17	\$2,276.40	0	\$0.00
245	59	\$8,256.70	0	\$0.00
246	22	\$2,874.00	0	\$0.00
247	137	\$22,028.30	0	\$0.00
248	11	\$2,873.10	1	\$43.00
249	51	\$14,728.20	0	\$0.00
250	16	\$4,368.10	0	\$0.00
<b>Plan Total:</b>	<b>12,526</b>	<b>\$2,379,781.04</b>	<b>4</b>	<b>\$245.50</b>
<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
321	27	\$3,558.30	0	\$0.00
322	5	\$651.40	0	\$0.00
324	21	\$6,125.70	0	\$0.00
327	3	\$401.90	0	\$0.00
329	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>57</b>	<b>\$10,964.00</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	12	\$1,752.30	0	\$0.00
397	4	\$569.30	0	\$0.00
398	3	\$887.10	0	\$0.00
403	11373	\$1,574,465.63	4	\$104.30
413	1592	\$228,704.90	0	\$0.00
418	5923	\$1,673,706.30	0	\$0.00
419	259	\$33,513.30	0	\$0.00
426	231	\$31,953.80	0	\$0.00
427	52	\$6,397.30	0	\$0.00
445	3	\$441.50	0	\$0.00
446	2	\$295.50	0	\$0.00
451	38	\$5,220.40	0	\$0.00
455	4	\$590.10	0	\$0.00
457	9	\$2,231.40	0	\$0.00
458	2	\$297.00	0	\$0.00
462	67	\$9,426.30	0	\$0.00
465	7	\$981.90	0	\$0.00
466	29	\$8,188.70	0	\$0.00
472	33	\$4,559.40	0	\$0.00
476	3	\$393.00	0	\$0.00
478	18	\$5,101.90	0	\$0.00
479	1	\$144.60	0	\$0.00
482	79	\$11,301.60	0	\$0.00
486	3	\$427.10	0	\$0.00
488	46	\$12,299.00	0	\$0.00
491	2	\$282.50	0	\$0.00
<b>Plan Total:</b>	<b>19,795</b>	<b>\$3,614,131.83</b>	<b>4</b>	<b>\$104.30</b>



**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 7/31/2021**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	321	\$43,804.80	0	\$0.00
613	89	\$24,749.20	0	\$0.00
<b>Plan Total:</b>	<b>410</b>	<b>\$68,554.00</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1828	\$257,792.60	1	\$36.50
702	398	\$54,762.60	0	\$0.00
703	1183	\$343,912.70	0	\$0.00
704	89	\$11,853.00	0	\$0.00
705	39	\$12,190.30	0	\$0.00
<b>Plan Total:</b>	<b>3,537</b>	<b>\$680,511.20</b>	<b>1</b>	<b>\$36.50</b>
<b>Grand Total:</b>	<b>36,325</b>	<b>\$6,753,942.07</b>	<b>9</b>	<b>\$386.30</b>

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 7/31/2021**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>ANTHEM BC III</b>				
240	7013	\$986,712.70	2	\$148.30
241	140	\$19,899.50	0	\$0.00
242	867	\$120,007.10	0	\$0.00
243	4193	\$1,195,756.94	1	\$54.20
244	17	\$2,276.40	0	\$0.00
245	59	\$8,256.70	0	\$0.00
246	22	\$2,874.00	0	\$0.00
247	137	\$22,028.30	0	\$0.00
248	11	\$2,873.10	1	\$43.00
249	51	\$14,728.20	0	\$0.00
250	16	\$4,368.10	0	\$0.00
<b>Plan Total:</b>	<b>12,526</b>	<b>\$2,379,781.04</b>	<b>4</b>	<b>\$245.50</b>
<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
321	27	\$3,558.30	0	\$0.00
322	5	\$651.40	0	\$0.00
324	21	\$6,125.70	0	\$0.00
327	3	\$401.90	0	\$0.00
329	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>57</b>	<b>\$10,964.00</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	12	\$1,752.30	0	\$0.00
397	4	\$569.30	0	\$0.00
398	3	\$887.10	0	\$0.00
403	11373	\$1,574,465.63	4	\$104.30
413	1592	\$228,704.90	0	\$0.00
418	5923	\$1,673,706.30	0	\$0.00
419	259	\$33,513.30	0	\$0.00
426	231	\$31,953.80	0	\$0.00
427	52	\$6,397.30	0	\$0.00
445	3	\$441.50	0	\$0.00
446	2	\$295.50	0	\$0.00
451	38	\$5,220.40	0	\$0.00
455	4	\$590.10	0	\$0.00
457	9	\$2,231.40	0	\$0.00
458	2	\$297.00	0	\$0.00
462	67	\$9,426.30	0	\$0.00
465	7	\$981.90	0	\$0.00
466	29	\$8,188.70	0	\$0.00
472	33	\$4,559.40	0	\$0.00
476	3	\$393.00	0	\$0.00
478	18	\$5,101.90	0	\$0.00
479	1	\$144.60	0	\$0.00
482	79	\$11,301.60	0	\$0.00
486	3	\$427.10	0	\$0.00
488	46	\$12,299.00	0	\$0.00
491	2	\$282.50	0	\$0.00
<b>Plan Total:</b>	<b>19,795</b>	<b>\$3,614,131.83</b>	<b>4</b>	<b>\$104.30</b>

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 7/31/2021**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	321	\$43,804.80	0	\$0.00
613	89	\$24,749.20	0	\$0.00
<b>Plan Total:</b>	<b>410</b>	<b>\$68,554.00</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1828	\$257,792.60	1	\$36.50
702	398	\$54,762.60	0	\$0.00
703	1183	\$343,912.70	0	\$0.00
704	89	\$11,853.00	0	\$0.00
705	39	\$12,190.30	0	\$0.00
<b>Plan Total:</b>	<b>3,537</b>	<b>\$680,511.20</b>	<b>1</b>	<b>\$36.50</b>
<b>LOCAL 1014</b>				
804	183	\$33,497.70	0	\$0.00
805	182	\$29,878.20	0	\$0.00
806	647	\$214,727.10	0	\$0.00
807	53	\$9,355.50	0	\$0.00
808	15	\$5,227.20	0	\$0.00
812	242	\$39,738.60	0	\$0.00
813	1	\$148.50	0	\$0.00
<b>Plan Total:</b>	<b>1,323</b>	<b>\$332,572.80</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>37,648</b>	<b>\$7,086,514.87</b>	<b>9</b>	<b>\$386.30</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Medical Plan</b>							
<b>Anthem Blue Cross Prudent Buyer Plan</b>							
201	520	\$461,845.61	\$71,138.35	\$392,073.53	\$463,211.88	(\$2,770.01)	\$460,441.87
202	282	\$493,095.00	\$42,353.79	\$447,268.71	\$489,622.50	\$0.00	\$489,622.50
203	77	\$152,825.40	\$34,131.00	\$112,277.40	\$146,408.40	\$0.00	\$146,408.40
204	26	\$29,500.38	\$11,955.62	\$21,259.69	\$33,215.31	\$0.00	\$33,215.31
<b>SUBTOTAL</b>	<b>905</b>	<b>\$1,137,266.39</b>	<b>\$159,578.76</b>	<b>\$972,879.33</b>	<b>\$1,132,458.09</b>	<b>(\$2,770.01)</b>	<b>\$1,129,688.08</b>
<b>Anthem Blue Cross I</b>							
211	637	\$814,969.60	\$48,845.31	\$812,280.28	\$861,125.59	(\$3,783.31)	\$857,342.28
212	246	\$571,469.94	\$28,996.91	\$510,941.68	\$539,938.59	\$0.00	\$539,938.59
213	60	\$165,130.66	\$21,494.06	\$138,222.48	\$159,716.54	\$0.00	\$159,716.54
214	18	\$30,321.54	\$3,807.02	\$26,514.52	\$30,321.54	\$0.00	\$30,321.54
215	2	\$861.78	\$34.48	\$827.30	\$861.78	\$0.00	\$861.78
<b>SUBTOTAL</b>	<b>963</b>	<b>\$1,582,753.52</b>	<b>\$103,177.78</b>	<b>\$1,488,786.26</b>	<b>\$1,591,964.04</b>	<b>(\$3,783.31)</b>	<b>\$1,588,180.73</b>
<b>Anthem Blue Cross II</b>							
221	2,226	\$2,849,846.82	\$158,341.34	\$2,751,912.01	\$2,910,253.35	(\$6,403.81)	\$2,903,849.54
222	1,992	\$4,617,660.72	\$108,576.78	\$4,368,189.03	\$4,476,765.81	(\$2,295.06)	\$4,474,470.75
223	846	\$2,311,829.24	\$83,928.97	\$2,203,336.54	\$2,287,265.51	\$0.00	\$2,287,265.51
224	184	\$309,953.52	\$31,086.57	\$305,331.13	\$336,417.70	\$0.00	\$336,417.70
<b>SUBTOTAL</b>	<b>5,248</b>	<b>\$10,089,290.30</b>	<b>\$381,933.66</b>	<b>\$9,628,768.71</b>	<b>\$10,010,702.37</b>	<b>(\$8,698.87)</b>	<b>\$10,002,003.50</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Anthem Blue Cross III</b>							
240	7,038	\$3,656,918.60	\$519,980.93	\$3,209,698.18	\$3,729,679.11	(\$13,487.74)	\$3,716,191.37
241	140	\$233,725.83	\$26,359.63	\$213,804.52	\$240,164.15	(\$1,657.63)	\$238,506.52
242	856	\$1,465,344.92	\$87,005.79	\$1,243,375.22	\$1,330,381.01	\$0.00	\$1,330,381.01
243	4,198	\$4,354,072.68	\$484,550.50	\$3,849,077.42	\$4,333,627.92	(\$3,156.44)	\$4,330,471.48
244	17	\$15,788.92	\$2,953.45	\$12,835.47	\$15,788.92	\$0.00	\$15,788.92
245	56	\$54,796.84	\$6,288.38	\$48,481.64	\$54,770.02	(\$901.94)	\$53,868.08
246	22	\$45,477.96	\$3,348.83	\$42,129.13	\$45,477.96	\$0.00	\$45,477.96
247	140	\$291,472.38	\$20,112.72	\$293,558.82	\$313,671.54	\$0.00	\$313,671.54
248	11	\$15,859.03	\$403.69	\$15,455.34	\$15,859.03	\$0.00	\$15,859.03
249	53	\$77,853.42	\$5,824.58	\$62,062.01	\$67,886.59	\$0.00	\$67,886.59
250	16	\$25,850.24	\$840.13	\$31,332.21	\$32,172.34	\$0.00	\$32,172.34
<b>SUBTOTAL</b>	<b>12,547</b>	<b>\$10,237,160.82</b>	<b>\$1,157,668.63</b>	<b>\$9,021,809.96</b>	<b>\$10,179,478.59</b>	<b>(\$19,203.75)</b>	<b>\$10,160,274.84</b>
<b>CIGNA Network Model Plan</b>							
301	257	\$427,198.98	\$111,240.70	\$317,560.69	\$428,801.39	(\$26.70)	\$428,774.69
302	77	\$230,160.70	\$57,663.99	\$172,496.71	\$230,160.70	(\$17,417.58)	\$212,743.12
303	6	\$24,706.43	\$3,270.42	\$7,375.09	\$10,645.51	\$0.00	\$10,645.51
304	14	\$32,953.80	\$11,271.89	\$15,126.61	\$26,398.50	\$0.00	\$26,398.50
<b>SUBTOTAL</b>	<b>354</b>	<b>\$715,019.91</b>	<b>\$183,447.00</b>	<b>\$512,559.10</b>	<b>\$696,006.10</b>	<b>(\$17,444.28)</b>	<b>\$678,561.82</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>CIGNA Healthspring Pref w/ Rx - Phoenix, AZ</b>							
321	28	\$10,765.72	\$1,445.69	\$9,320.03	\$10,765.72	\$0.00	\$10,765.72
322	6	\$10,306.68	\$687.11	\$7,901.79	\$8,588.90	\$0.00	\$8,588.90
324	21	\$15,980.58	\$1,917.68	\$14,062.90	\$15,980.58	\$0.00	\$15,980.58
327	3	\$6,776.55	\$451.77	\$6,324.78	\$6,776.55	\$0.00	\$6,776.55
329	1	\$1,342.91	\$0.00	\$1,342.91	\$1,342.91	\$0.00	\$1,342.91
<b>SUBTOTAL</b>	<b>59</b>	<b>\$45,172.44</b>	<b>\$4,502.25</b>	<b>\$38,952.41</b>	<b>\$43,454.66</b>	<b>\$0.00</b>	<b>\$43,454.66</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser/Senior Advantage</b>							
401	1,550	\$1,848,852.88	\$160,578.53	\$1,733,055.68	\$1,893,634.21	(\$5,780.37)	\$1,887,853.84
403	11,396	\$2,995,187.76	\$290,439.82	\$2,740,399.31	\$3,030,839.13	(\$9,822.10)	\$3,021,017.03
404	555	\$655,795.09	\$14,293.17	\$662,699.06	\$676,992.23	(\$8,065.06)	\$668,927.17
405	1,151	\$1,355,742.72	\$20,227.85	\$1,336,597.55	\$1,356,825.40	(\$3,530.58)	\$1,353,294.82
411	1,829	\$4,351,501.86	\$192,979.21	\$4,062,312.97	\$4,255,292.18	(\$7,014.78)	\$4,248,277.40
413	1,573	\$2,300,275.64	\$110,361.20	\$2,106,914.21	\$2,217,275.41	(\$1,426.97)	\$2,215,848.44
414	88	\$208,482.50	\$2,436.20	\$194,588.80	\$197,025.00	\$0.00	\$197,025.00
418	5,885	\$3,057,982.40	\$230,014.46	\$2,847,334.62	\$3,077,349.08	\$7,631.79	\$3,084,980.87
419	258	\$376,408.23	\$4,779.47	\$375,620.15	\$380,399.62	(\$26,145.80)	\$354,253.82
420	123	\$288,649.02	\$1,126.44	\$287,522.58	\$288,649.02	\$0.00	\$288,649.02
421	9	\$10,558.17	\$2,299.34	\$8,258.83	\$10,558.17	\$0.00	\$10,558.17
422	250	\$590,181.48	\$2,342.00	\$602,909.71	\$605,251.71	\$0.00	\$605,251.71
423	4	\$11,712.50	(\$5,270.76)	(\$21,885.45)	(\$27,156.21)	\$0.00	(\$27,156.21)
426	229	\$330,491.70	\$1,888.54	\$327,151.70	\$329,040.24	(\$2,117.44)	\$326,922.80
427	50	\$80,147.76	\$2,118.20	\$23,605.93	\$25,724.13	\$0.00	\$25,724.13
428	54	\$129,042.65	\$844.65	\$118,906.70	\$119,751.35	(\$2,346.23)	\$117,405.12
429	3	\$7,040.22	\$0.00	\$7,040.22	\$7,040.22	\$0.00	\$7,040.22
430	143	\$335,437.96	\$3,800.07	\$331,637.89	\$335,437.96	\$0.00	\$335,437.96
431	5	\$11,731.15	\$0.00	\$11,731.15	\$11,731.15	\$0.00	\$11,731.15
<b>SUBTOTAL</b>	<b>25,155</b>	<b>\$18,945,221.69</b>	<b>\$1,035,258.39</b>	<b>\$17,756,401.61</b>	<b>\$18,791,660.00</b>	<b>(\$58,617.54)</b>	<b>\$18,733,042.46</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Colorado</b>							
450	5	\$6,169.02	(\$49.83)	\$3,112.58	\$3,062.75	\$0.00	\$3,062.75
451	38	\$11,664.48	\$1,313.80	\$10,350.68	\$11,664.48	\$0.00	\$11,664.48
453	6	\$13,637.34	\$0.00	\$13,637.34	\$13,637.34	\$0.00	\$13,637.34
454	1	\$3,068.62	\$361.56	\$2,707.06	\$3,068.62	\$0.00	\$3,068.62
455	4	\$5,308.52	\$0.00	\$5,308.52	\$5,308.52	\$0.00	\$5,308.52
457	9	\$5,453.28	\$1,272.44	\$4,180.84	\$5,453.28	\$0.00	\$5,453.28
458	2	\$4,575.94	\$91.52	\$4,484.42	\$4,575.94	\$0.00	\$4,575.94
<b>SUBTOTAL</b>	<b>65</b>	<b>\$49,877.20</b>	<b>\$2,989.49</b>	<b>\$43,781.44</b>	<b>\$46,770.93</b>	<b>\$0.00</b>	<b>\$46,770.93</b>
<b>Kaiser - Georgia</b>							
441	3	\$3,396.99	\$0.00	\$3,396.99	\$3,396.99	\$0.00	\$3,396.99
442	6	\$6,793.98	\$0.00	\$6,793.98	\$6,793.98	\$0.00	\$6,793.98
445	3	\$4,643.40	\$0.00	\$4,643.40	\$4,643.40	\$0.00	\$4,643.40
446	2	\$3,095.60	\$0.00	\$3,095.60	\$3,095.60	\$0.00	\$3,095.60
461	16	\$18,117.28	\$2,400.52	\$15,716.76	\$18,117.28	\$0.00	\$18,117.28
462	68	\$28,795.96	\$3,624.90	\$25,171.06	\$28,795.96	\$0.00	\$28,795.96
463	2	\$4,513.34	\$1,128.33	\$3,385.01	\$4,513.34	\$0.00	\$4,513.34
465	7	\$10,834.60	\$928.68	\$9,905.92	\$10,834.60	\$0.00	\$10,834.60
466	29	\$24,329.26	\$872.50	\$23,456.76	\$24,329.26	\$0.00	\$24,329.26
<b>SUBTOTAL</b>	<b>136</b>	<b>\$104,520.41</b>	<b>\$8,954.93</b>	<b>\$95,565.48</b>	<b>\$104,520.41</b>	<b>\$0.00</b>	<b>\$104,520.41</b>



## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Hawaii</b>							
471	4	\$3,766.44	\$263.65	\$3,502.79	\$3,766.44	\$0.00	\$3,766.44
472	33	\$15,469.08	\$2,446.92	\$13,022.16	\$15,469.08	\$0.00	\$15,469.08
473	1	\$1,819.99	\$546.60	\$1,273.39	\$1,819.99	\$0.00	\$1,819.99
474	5	\$9,376.15	\$0.00	\$7,500.92	\$7,500.92	\$0.00	\$7,500.92
475	1	\$2,808.84	\$101.78	\$2,707.06	\$2,808.84	\$0.00	\$2,808.84
476	3	\$4,207.11	\$1,935.26	\$2,271.85	\$4,207.11	\$0.00	\$4,207.11
478	18	\$16,731.36	\$2,007.77	\$14,723.59	\$16,731.36	\$0.00	\$16,731.36
479	1	\$2,280.75	\$0.00	\$2,280.75	\$2,280.75	\$0.00	\$2,280.75
<b>SUBTOTAL</b>	<b>66</b>	<b>\$56,459.72</b>	<b>\$7,301.98</b>	<b>\$47,282.51</b>	<b>\$54,584.49</b>	<b>\$0.00</b>	<b>\$54,584.49</b>
<b>Kaiser - Oregon</b>							
481	4	\$4,618.64	\$854.45	\$3,764.19	\$4,618.64	\$0.00	\$4,618.64
482	80	\$38,348.80	\$6,711.02	\$31,637.78	\$38,348.80	\$0.00	\$38,348.80
484	3	\$6,903.96	\$294.18	\$6,609.78	\$6,903.96	\$0.00	\$6,903.96
486	3	\$4,878.06	\$650.41	\$4,227.65	\$4,878.06	\$0.00	\$4,878.06
488	44	\$43,733.12	\$5,190.95	\$35,690.01	\$40,880.96	\$0.00	\$40,880.96
489	1	\$1,096.82	\$0.00	\$1,096.82	\$1,096.82	\$0.00	\$1,096.82
491	2	\$3,136.36	\$0.00	\$3,136.36	\$3,136.36	\$0.00	\$3,136.36
495	1	\$2,686.64	\$391.58	\$2,295.06	\$2,686.64	\$0.00	\$2,686.64
498	2	\$4,987.96	\$397.84	\$4,590.12	\$4,987.96	\$0.00	\$4,987.96
<b>SUBTOTAL</b>	<b>140</b>	<b>\$110,390.36</b>	<b>\$14,490.43</b>	<b>\$93,047.77</b>	<b>\$107,538.20</b>	<b>\$0.00</b>	<b>\$107,538.20</b>
<b>SCAN Health Plan</b>							
611	318	\$91,035.60	\$19,574.16	\$70,327.04	\$89,901.20	\$0.00	\$89,901.20
613	88	\$49,768.80	\$8,164.35	\$41,045.25	\$49,209.60	\$0.00	\$49,209.60
<b>SUBTOTAL</b>	<b>406</b>	<b>\$140,804.40</b>	<b>\$27,738.51</b>	<b>\$111,372.29</b>	<b>\$139,110.80</b>	<b>\$0.00</b>	<b>\$139,110.80</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>UHC Medicare Adv.</b>							
701	1,827	\$616,712.85	\$74,525.50	\$555,438.30	\$629,963.80	(\$4,414.05)	\$625,549.75
702	387	\$646,598.70	\$35,364.51	\$538,216.65	\$573,581.16	\$300.00	\$573,881.16
703	1,177	\$787,241.60	\$83,319.87	\$722,860.53	\$806,180.40	(\$1,343.20)	\$804,837.20
704	89	\$168,665.73	\$10,881.66	\$139,682.20	\$150,563.86	\$0.00	\$150,563.86
705	38	\$34,396.83	\$2,400.43	\$33,767.73	\$36,168.16	\$0.00	\$36,168.16
706	1	\$362.92	\$14.52	\$348.40	\$362.92	\$0.00	\$362.92
<b>SUBTOTAL</b>	<b>3,519</b>	<b>\$2,253,978.63</b>	<b>\$206,506.49</b>	<b>\$1,990,313.81</b>	<b>\$2,196,820.30</b>	<b>(\$5,457.25)</b>	<b>\$2,191,363.05</b>
<b>United Healthcare</b>							
707	468	\$599,806.57	\$56,004.72	\$550,160.91	\$606,165.63	\$2,466.34	\$608,631.97
708	438	\$1,030,361.90	\$41,439.53	\$968,147.53	\$1,009,587.06	\$0.00	\$1,009,587.06
709	374	\$1,032,214.00	\$65,648.44	\$974,497.91	\$1,040,146.35	\$2,669.40	\$1,042,815.75
<b>SUBTOTAL</b>	<b>1,280</b>	<b>\$2,662,382.47</b>	<b>\$163,092.69</b>	<b>\$2,492,806.35</b>	<b>\$2,655,899.04</b>	<b>\$5,135.74</b>	<b>\$2,661,034.78</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Local 1014 Firefighters</b>							
801	70	\$86,382.10	\$2,690.17	\$87,295.82	\$89,985.99	\$0.00	\$89,985.99
802	327	\$727,584.81	\$20,114.25	\$694,297.46	\$714,411.71	\$6,586.55	\$720,998.26
803	324	\$850,383.36	\$23,569.27	\$829,438.73	\$853,008.00	\$0.00	\$853,008.00
804	183	\$225,827.49	\$6,540.32	\$219,287.17	\$225,827.49	(\$33,497.70)	\$192,329.79
805	182	\$404,955.46	\$12,638.13	\$392,317.33	\$404,955.46	(\$29,878.20)	\$375,077.26
806	648	\$1,441,819.44	\$35,066.35	\$1,402,303.03	\$1,437,369.38	(\$214,727.10)	\$1,222,642.28
807	53	\$139,105.92	\$2,204.70	\$136,901.22	\$139,105.92	(\$9,355.50)	\$129,750.42
808	15	\$39,369.60	\$209.97	\$39,159.63	\$39,369.60	(\$5,227.20)	\$34,142.40
809	22	\$27,148.66	\$3,159.11	\$23,989.55	\$27,148.66	\$0.00	\$27,148.66
810	10	\$22,250.30	\$3,337.53	\$18,922.77	\$22,260.30	\$0.00	\$22,260.30
811	3	\$7,873.92	\$419.94	\$7,453.98	\$7,873.92	\$0.00	\$7,873.92
812	242	\$298,635.26	\$22,385.17	\$276,274.64	\$298,659.81	(\$38,529.12)	\$260,130.69
813	1	\$2,225.03	\$0.00	\$2,225.03	\$2,225.03	(\$148.50)	\$2,076.53
<b>SUBTOTAL</b>	<b>2,080</b>	<b>\$4,273,561.35</b>	<b>\$132,334.91</b>	<b>\$4,129,866.36</b>	<b>\$4,262,201.27</b>	<b>(\$324,776.77)</b>	<b>\$3,937,424.50</b>
<b>Kaiser - Washington</b>							
393	5	\$6,211.70	\$397.55	\$5,814.15	\$6,211.70	\$0.00	\$6,211.70
394	12	\$5,228.40	\$618.69	\$4,609.71	\$5,228.40	\$0.00	\$5,228.40
395	3	\$6,939.00	\$512.83	\$6,426.17	\$6,939.00	\$0.00	\$6,939.00
396	1	\$3,867.64	\$1,160.58	\$2,707.06	\$3,867.64	\$0.00	\$3,867.64
397	5	\$7,531.80	\$120.51	\$5,904.93	\$6,025.44	\$0.00	\$6,025.44
398	3	\$2,590.20	\$483.50	\$2,970.10	\$3,453.60	\$0.00	\$3,453.60
<b>SUBTOTAL</b>	<b>29</b>	<b>\$32,368.74</b>	<b>\$3,293.66</b>	<b>\$28,432.12</b>	<b>\$31,725.78</b>	<b>\$0.00</b>	<b>\$31,725.78</b>
<b>Medical Plan Total</b>	<b>52,952</b>	<b>\$52,436,228.35</b>	<b>\$3,592,269.56</b>	<b>\$48,452,625.51</b>	<b>\$52,044,895.07</b>	<b>(\$435,616.04)</b>	<b>\$51,609,279.03</b>

## Medical and Dental Vision Insurance Premiums August 2021

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Dental/Vision Plan</b>							
<b>CIGNA Indemnity Dental/Vision</b>							
501	24,974	\$1,284,875.69	\$140,002.43	\$1,173,389.24	\$1,313,391.67	(\$3,132.61)	\$1,310,259.06
502	23,380	\$2,505,925.02	\$192,966.12	\$2,313,349.22	\$2,506,315.34	(\$4,070.68)	\$2,502,244.66
503	9	\$568.98	\$37.94	\$531.04	\$568.98	\$0.00	\$568.98
<b>SUBTOTAL</b>	<b>48,363</b>	<b>\$3,791,369.69</b>	<b>\$333,006.49</b>	<b>\$3,487,269.50</b>	<b>\$3,820,275.99</b>	<b>(\$7,203.29)</b>	<b>\$3,813,072.70</b>
<b>CIGNA Dental HMO/Vision</b>							
901	3,519	\$163,361.51	\$20,353.85	\$149,219.64	\$169,573.49	(\$556.86)	\$169,016.63
902	2,531	\$241,932.60	\$19,851.10	\$224,463.16	\$244,314.26	\$214.81	\$244,529.07
903	1	\$46.91	\$20.64	\$26.27	\$46.91	\$0.00	\$46.91
<b>SUBTOTAL</b>	<b>6,051</b>	<b>\$405,341.02</b>	<b>\$40,225.59</b>	<b>\$373,709.07</b>	<b>\$413,934.66</b>	<b>(\$342.05)</b>	<b>\$413,592.61</b>
<b>Dental/Vision Plan Total</b>	<b>54,414</b>	<b>\$4,196,710.71</b>	<b>\$373,232.08</b>	<b>\$3,860,978.57</b>	<b>\$4,234,210.65</b>	<b>(\$7,545.34)</b>	<b>\$4,226,665.31</b>
<b>GRAND TOTALS</b>	<b>107,366</b>	<b>\$56,632,939.06</b>	<b>\$3,965,501.64</b>	<b>\$52,313,604.08</b>	<b>\$56,279,105.72</b>	<b>(\$443,161.38)</b>	<b>\$55,835,944.34</b>

**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

**Anthem Blue Cross Prudent Buyer Plan**

201	Retiree Only
202	Retiree and Spouse/Domestic Partner
203	Retiree, Spouse/Domestic Partner and Children
204	Retiree and Children
205	Survivor Children Only Rates

**Anthem Blue Cross Plan I**

211	Retiree Only
212	Retiree and Spouse/Domestic Partner
213	Retiree, Spouse/Domestic Partner and Children
214	Retiree and Children
215	Survivor Children Only Rates

**Anthem Blue Cross Plan II**

221	Retiree Only
222	Retiree and Spouse/Domestic Partner
223	Retiree, Spouse/Domestic Partner and Children
224	Retiree and Children
225	Survivor Children Only Rates

**Anthem Blue Cross Plan III**

240	Retiree Only with Medicare
241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
243	Retiree and Spouse/Domestic Partner - Both with Medicare
244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

**CIGNA Network Model Plan**

301	Retiree Only
302	Retiree and Spouse/Domestic Partner
303	Retiree, Spouse/Domestic Partner and Children
304	Retiree and Children
305	Survivor Children Only Rates

**CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)**

321	Retiree Only with Medicare
322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
324	Retiree and Spouse/Domestic Partner -Both with Medicare
325	Retiree and Children
327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

**Kaiser**

401	Retiree Only ("Basic")
402	Retiree Only ("Supplement")
403	Retiree Only ("Senior Advantage")
404	Retiree Only ("Excess I")
405	Retiree Only - ("Excess II")
406	Retiree Only ("Excess III")
411	Retiree and Family (All family members are "Basic")
412	Retiree and Family (One family member is "Supplement"; others are "Basic")
413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
414	Retiree and Family (One family member is "Excess I"; others are "Basic")
415	Retiree and Family (Two or more family members are "Supplement")
416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
418	Retiree and Family (Two or more family members are "Senior Advantage")
419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
420	Retiree and Family (Two or more family members are "Excess I")
421	Survivor Children Only Rates
422	Retiree and Family (One family member is "Excess II"; others are "Basic")
423	Retiree and Family (One family member is "Excess III"; others are "Basic")

**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

**Kaiser (continued)**

424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
429	Retiree and Family One family member is "Excess I"; others are "Excess III")
430	Retiree and Family (Two or more family members are "Excess II")
431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
432	Retiree and Family (Two or more family members are "Excess III")

**Kaiser Colorado**

450	Retiree Only ("Basic" under age 65)
451	Retiree Only ("Senior Advantage")
453	Retiree and Family (Two family members are "Basic")
454	Retiree and Family (Three or more family members are "Basic")
455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
457	Retiree and Family (Two family members are "Senior Advantage")
458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

**Kaiser Georgia**

440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
441	Retiree Only ("Basic over age 65 with Medicare Part A only)
442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
461	Retiree Only ("Basic" under age 65)
462	Retiree Only ("Senior Advantage")

**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

**Kaiser Georgia (continued)**

463	Retiree and Family (Two family members are "Basic")
464	Retiree and Family (Three or more family members are "Basic")
465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
466	Retiree and Family (Two family members are "Senior Advantage")
467	Retiree and Family ( One family member is "Senior Advantage"; two or more are "Basic")
468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")

**Kaiser Hawaii**

471	Retiree Only ("Basic" under age 65)
472	Retiree Only ("Senior Advantage")
473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
474	Retiree and Family (Two family members are "Basic")
475	Retiree and Family (Three or more family members are "Basic")
476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
478	Retiree and Family (Two family members are "Senior Advantage")
479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

**Kaiser Oregon**

481	Retiree Only ("Basic" under age 65)
482	Retiree Only ("Senior Advantage")
483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
484	Retiree and Family (Two family members are "Basic")
485	Retiree and Family (Three or more family members are "Basic")
486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
487	Retiree Only (Medicare Cost "Supplement" program)
488	Retiree and Family (Two family members are "Senior Advantage")
489	Retiree Only (Over age 65 with Medicare Part A only)
490	Retiree Only (Over age 65 with Medicare Part B only)



**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

**Kaiser Oregon (continued)**

491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)

**Kaiser Rate Category Definitions**

**"Basic"** - includes those who are under age 65

**Medicare Cost ("Supplement")**

-Includes people who have both Part A and Part B of Medicare, who were enrolled in Kaiser's Medicare supplement ("M" coverage) before July 1, 1987, and who chose to stay in that Kaiser arrangement.

-It is not open to new enrollments.

-People who have left it cannot return to it.

**"Senior Advantage"**

-Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

**"Excess I"**

-Is for participants who have Medicare Part A only.

**"Excess II"**

-Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

**"Excess III"**

-Is for participants in the Excess Plan who either have Medicare Parts A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA. Premium is above the Anthem Blue Cross I and II Benchmark rate and II Benchmark.

**CARRIER  
DEDUCTION CODES**

**DEDUCTION CODE DEFINITIONS**

---

**SCAN Health Plan**

611	Retiree Only with SCAN
613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)

**United Healthcare Group Medicare Advantage Plan (UHCMA)**

(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)

701	Retiree Only with Secure Horizons
702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)

**United Healthcare (UHC)**

(For members and dependents under age 65 [no Medicare])

707	Retiree Only
708	Retiree and 1 Dependent
709	Retiree and 2 Or More Dependents

**Local 1014 Firefighters**

801	Member Under 65
802	Member + 1 Under 65
803	Member + 2 Under 65
804	Member with Medicare
805	Member + 1; 1 Medicare
806	Member + 1; 2 Medicare
807	Member + 2; 1 Medicare
808	Member + 2; 2 Medicare
809	Surviving Spouse Under 65

**CARRIER  
DEDUCTION CODES****DEDUCTION CODE DEFINITIONS**

---

**Local 1014 Firefighters (continued)**

810	Surviving Spouse + 1; Under 65
811	Surviving Spouse + 2 Under 65
812	Surviving Spouse with Medicare
814	Spouse + 1; 1 Medicare
815	Surviving Spouse + 1; 2 Medicare

**CIGNA Indemnity - Dental/Vision**

501	Retiree Only
502	Retiree and Dependent(s)
503	Survivor Children Only Rates

**CIGNA HMO - Dental/Vision**

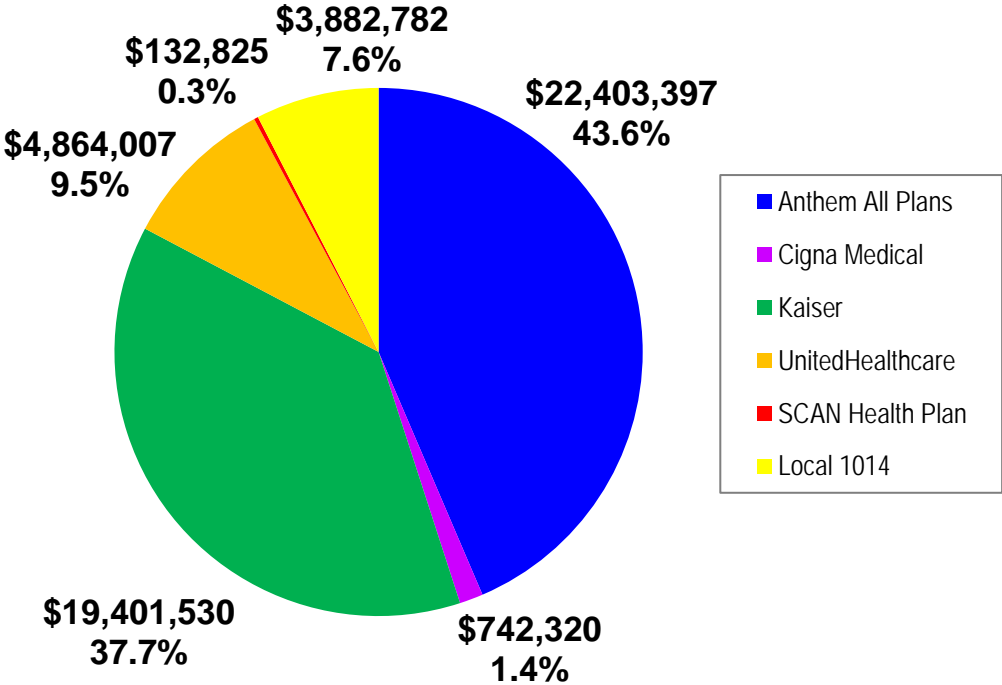
901	Retiree Only
902	Retiree and Dependent(s)
903	Survivor Children Only Rates

**Los Angeles County Employees Retirement Association**  
**Premium & Enrollment**  
*Coverage Month Ending June 2021*

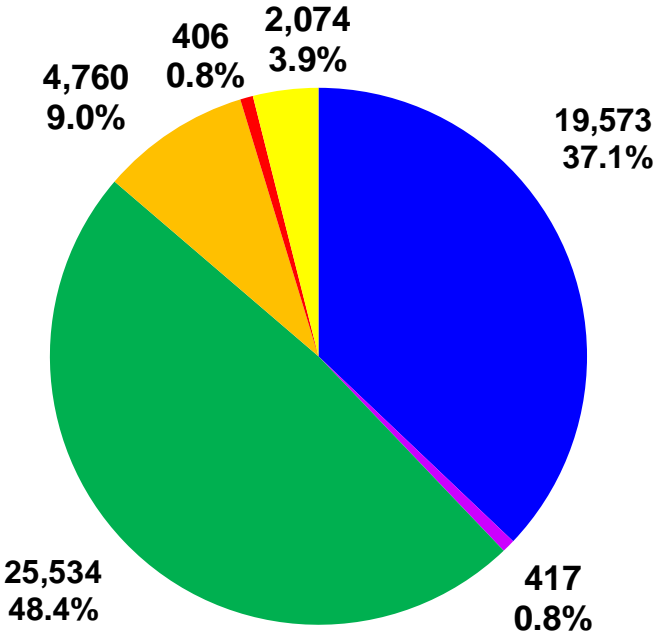
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$22,403,397	43.6%	19,573	37.1%
Cigna Medical	\$742,320	1.4%	417	0.8%
Kaiser	\$19,401,530	37.7%	25,534	48.4%
UnitedHealthcare	\$4,864,007	9.5%	4,760	9.0%
SCAN Health Plan	\$132,825	0.3%	406	0.8%
Local 1014	\$3,882,782	7.6%	2,074	3.9%
<b>Combined Medical</b>	<b>\$51,426,861</b>	<b>100.0%</b>	<b>52,764</b>	<b>100.0%</b>

<b>Cigna Dental &amp; Vision (PPO and HMO)</b>	<b>\$4,227,541</b>	<b>54,197</b>
--	--------------------	---------------

**Monthly Premium**

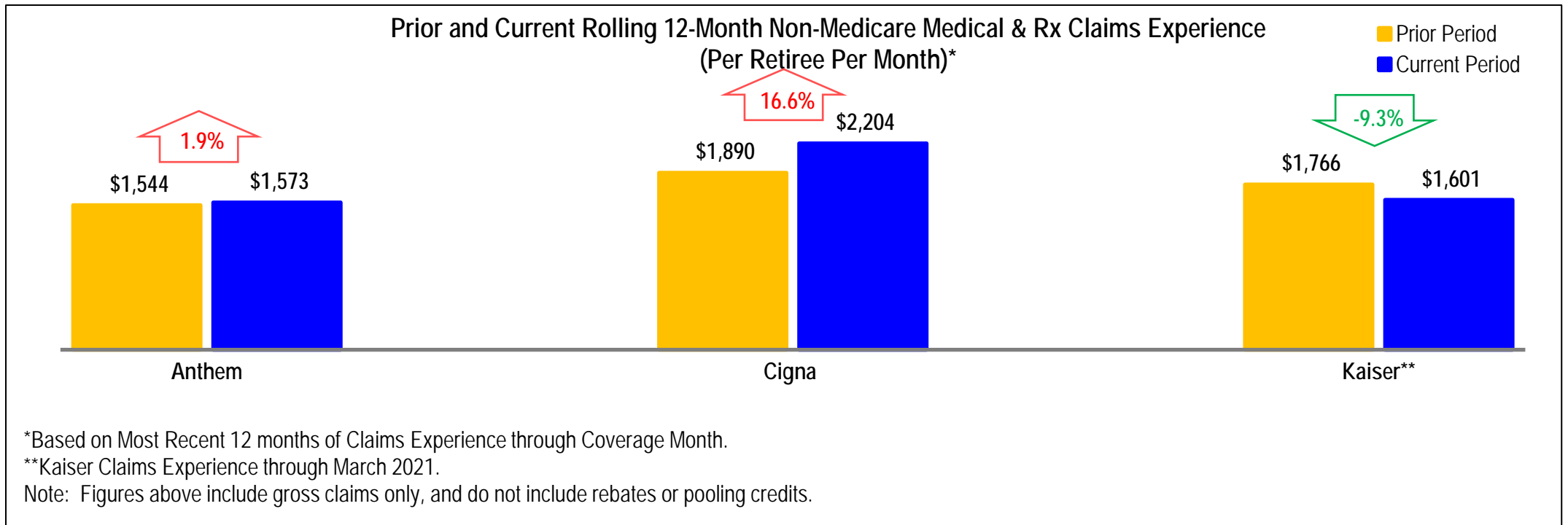
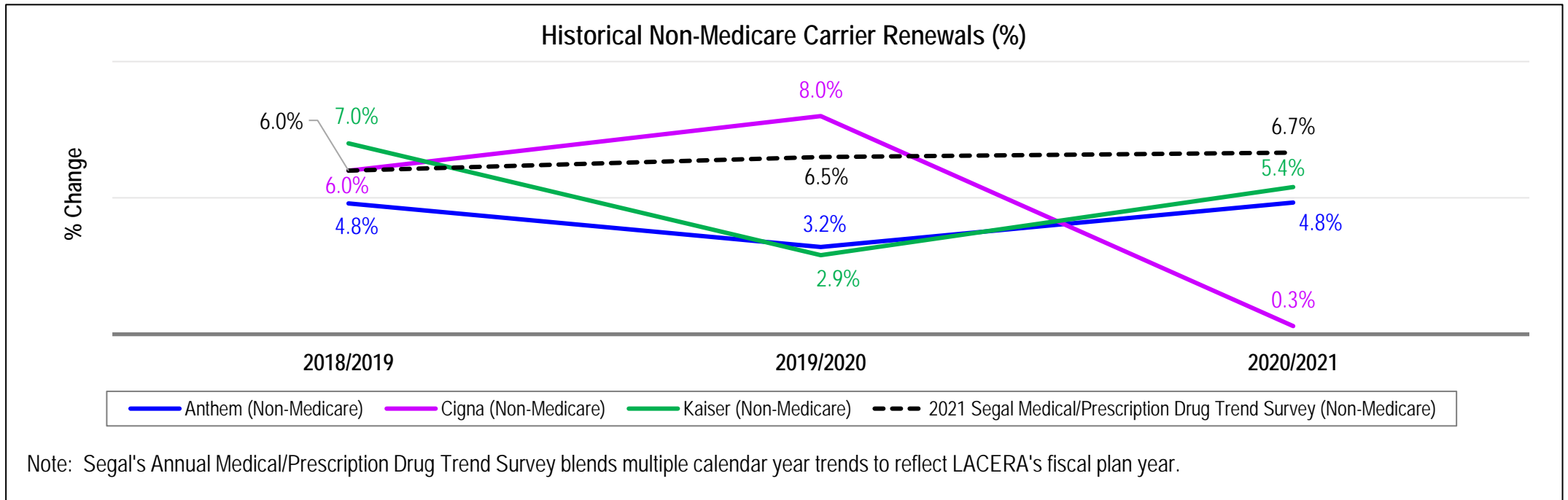


**Retirees**

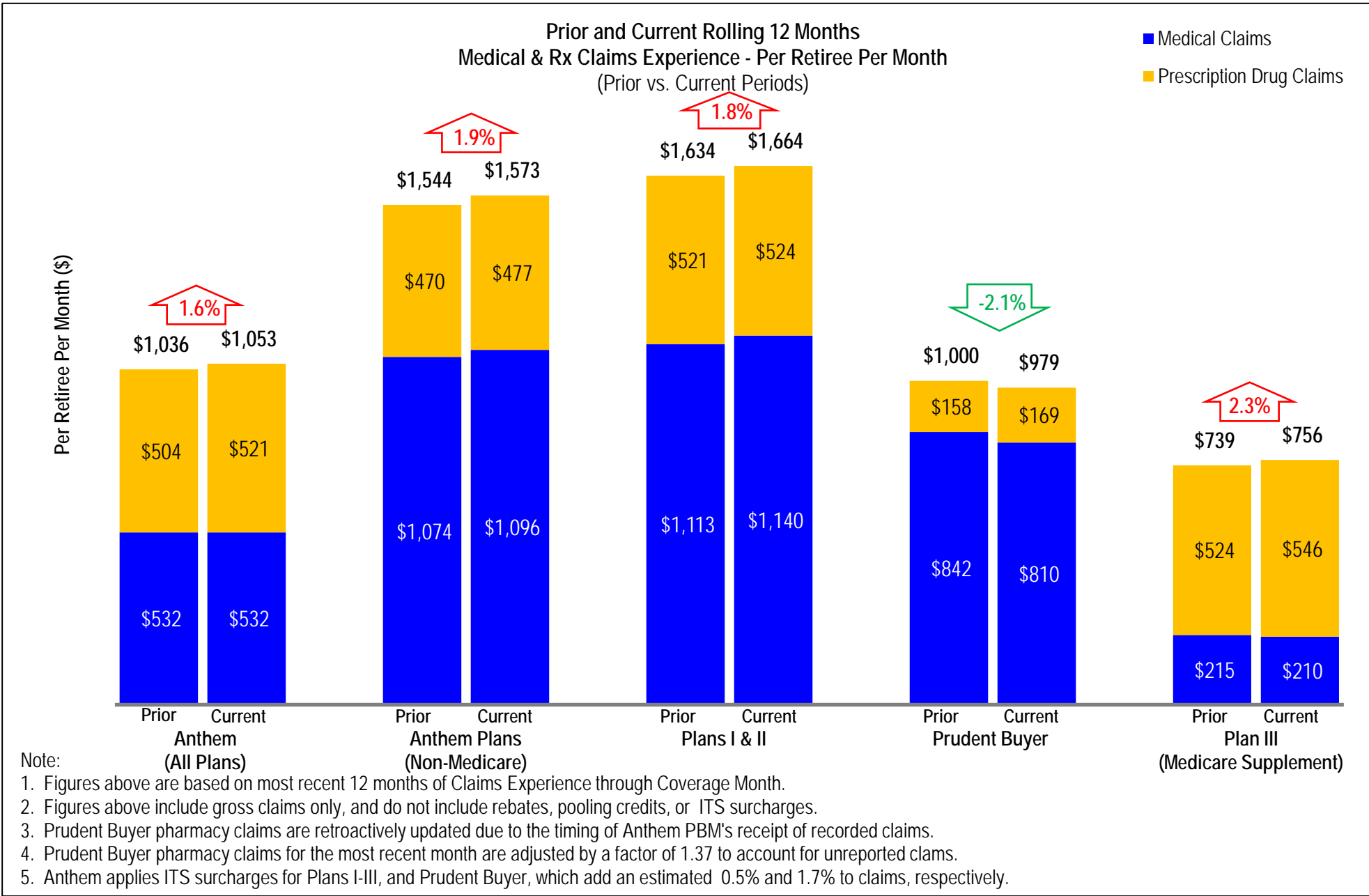


Note: Premiums include LACERA's Administrative Fee of \$8.00 per member, per plan, per month.

**Los Angeles County Employees Retirement Association**  
**Claims Experience by Carrier**  
*Coverage Month Ending June 2021*



**Los Angeles County Employees Retirement Association**  
**Anthem Claims Experience By Plan**  
*Coverage Month Ending June 2021*



# Los Angeles County Employees Retirement Association

## Kaiser Utilization

### Coverage Month Ending June 2021

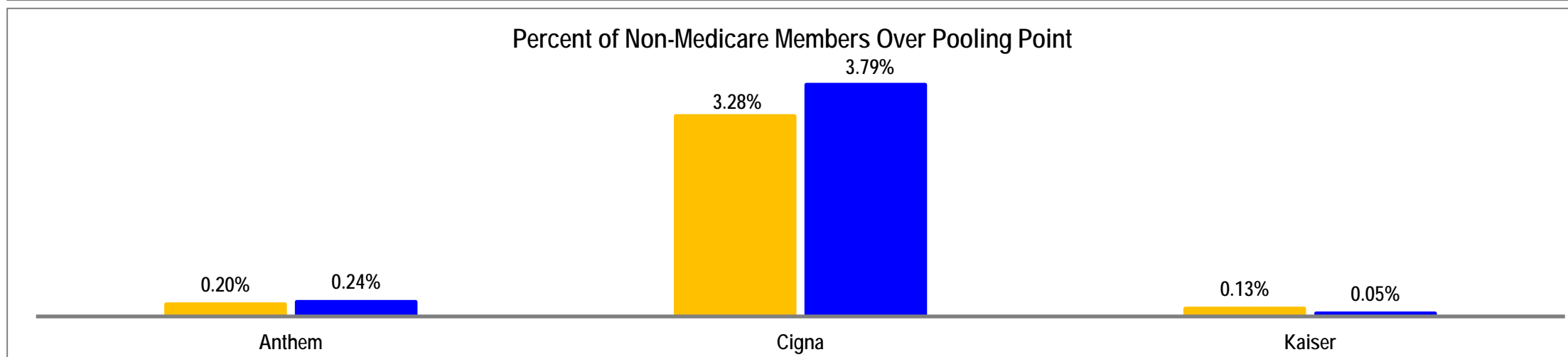
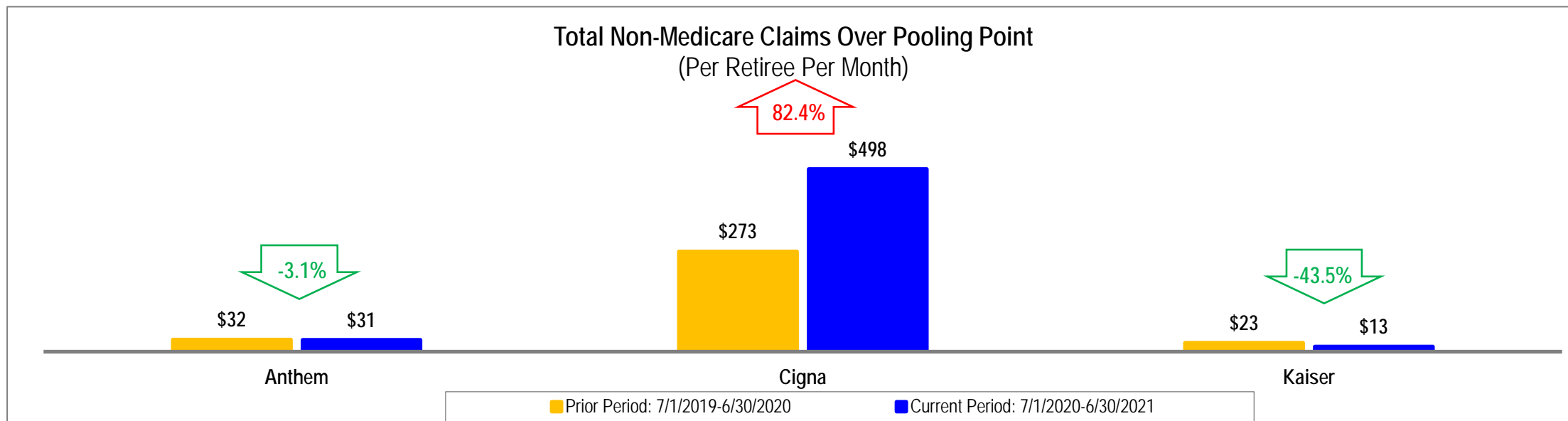
- Kaiser insures approximately 25,000 LACERA retirees with the majority enrolled in Medicare Advantage plans.
- Kaiser's Periodic Utilization Report (PUR) monitors utilization patterns of LACERA's non-Medicare population in Southern California.

Category	Current Period 4/1/2020 - 3/31/2021	Prior Period 4/1/2019 - 3/31/2020	Change
<b>Average Contract Size</b>	<b>2.39</b>	<b>2.38</b>	<b>0.42%</b>
<b>Average Members</b>	<b>8,862</b>	<b>8,819</b>	<b>0.49%</b>
Inpatient Claims Per Member Per Month	\$161.13	\$160.29	0.52%
Outpatient Claims Per Member Per Month	\$283.77	\$361.75	-21.56%
Pharmacy Per Member Per Month	\$111.23	\$102.87	8.13%
Other Per Member Per Month	\$113.76	\$116.76	-2.57%
<b>Total Claims Per Member Per Month</b>	<b>\$669.89</b>	<b>\$741.67</b>	<b>-9.68%</b>
<b>Total Paid Claims</b>	<b>\$71,242,911</b>	<b>\$78,488,825</b>	<b>-9.23%</b>
Large Claims over \$475,000 Pooling Point			
Number of Claims over Pooling Point	2	5	
Amount over Pooling Point	\$572,472	\$1,014,884	-43.59%
% of Total Paid Claims	<b>0.80%</b>	<b>1.29%</b>	
Inpatient Days / 1000	327.3	324.1	0.99%
Inpatient Admits / 1000	49.4	51.4	-3.89%
Outpatient Visits / 1000	11,461.3	13,223.5	-13.33%
Pharmacy Scripts Per Member Per Year	10.1	10.4	-2.88%

# Los Angeles County Employees Retirement Association

High Cost Claimants (Anthem, Cigna, & Kaiser)

Coverage Month Ending June 2021



#### **Stop-Loss & Pooling Points Overview:**

Plan sponsors mitigate the financial risk associated with individual large claimants through reinsurance. Claims exceeding the specified individual pooling threshold are deducted from the carrier's renewal calculation. The pooling credit is offset by the carrier's pooling expense, which is applied to all policyholders.

Anthem and Cigna's figures are based on most recent 12 months of Claims Experience through Coverage Month. Kaiser's figures are based on claims experience period between April through March.

#### **Pooling Points by Carrier:**

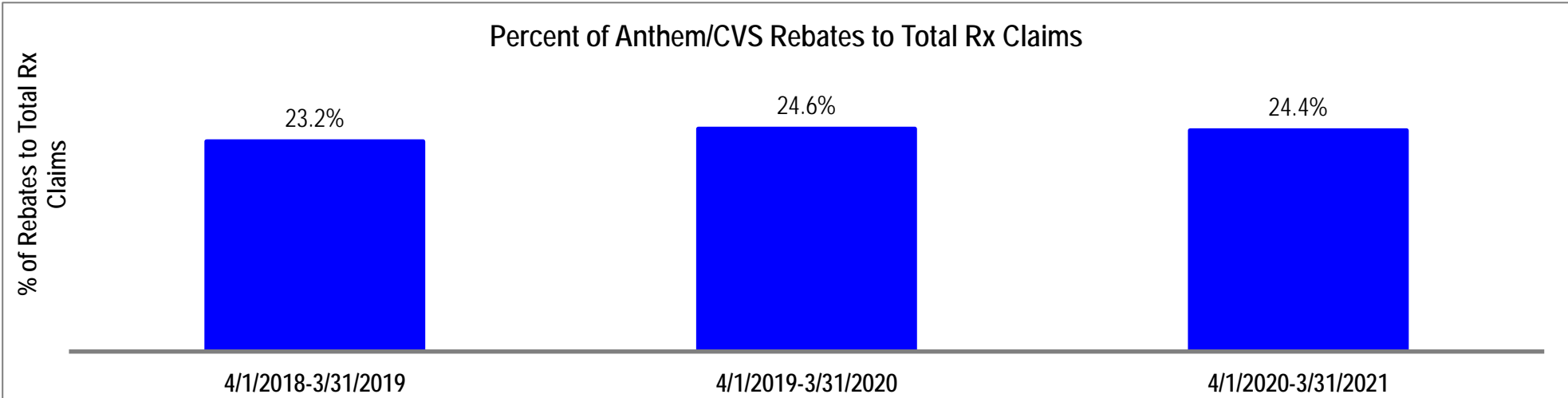
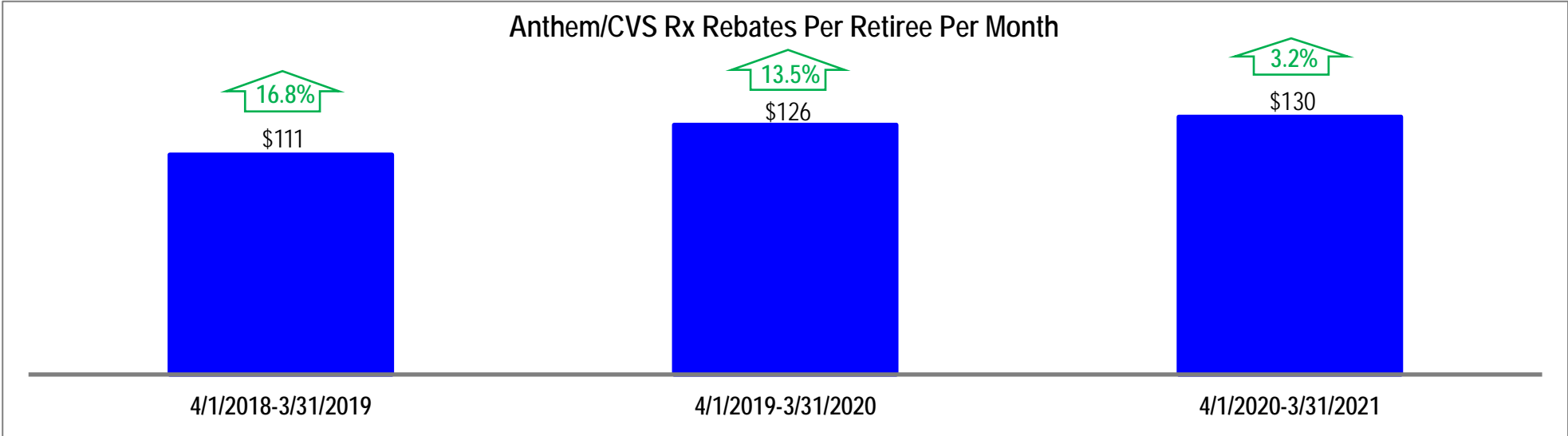
1. Anthem's pooling points are \$350,000 for Plans I & II, and \$300,000 for Prudent Buyer.
2. Cigna's pooling point is \$100,000.
3. Kaiser's pooling point is \$475,000.



# Los Angeles County Employees Retirement Association

## Prescription Drug Rebates (Anthem)

Coverage Month Ending June 2021



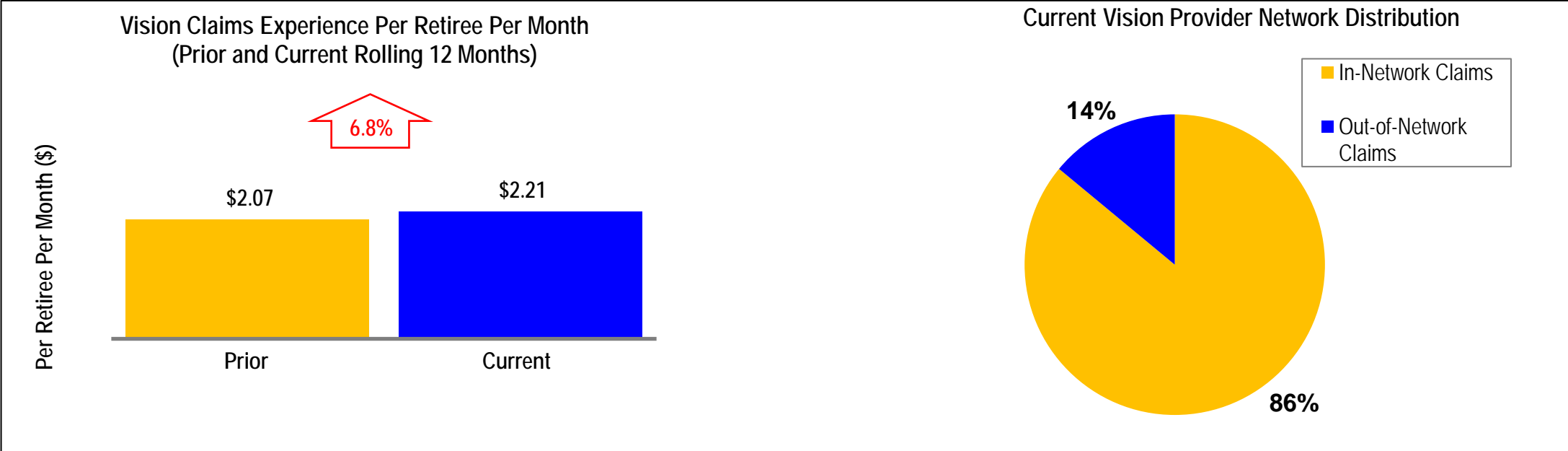
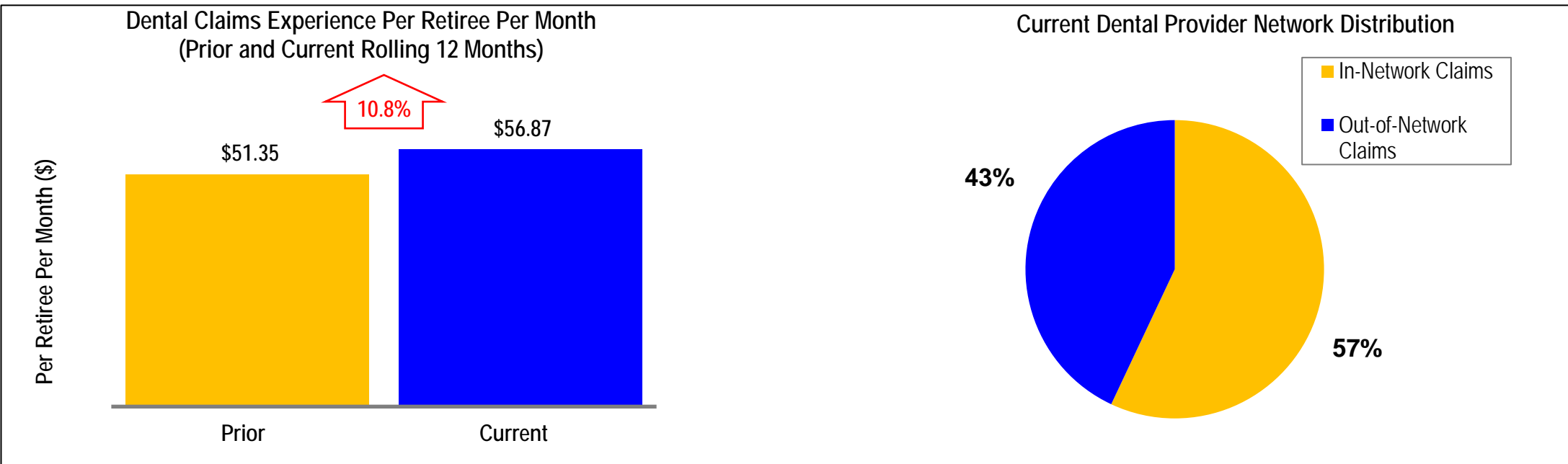
**Rebates Overview:**

Pharmacy Benefit Managers negotiate volume-based rebates with drug manufacturers of brand medications. Manufacturer rebates are passed on to plan sponsors and are used to offset pharmaceutical claims expenses.

**Note:**

1. Prescription Claims and Rebates Data were provided by CVS.
2. Anthem Prudent Buyer prescription drugs are provided by Express Scripts Inc. and are not included in the charts above.

**Los Angeles County Employees Retirement Association**  
**Cigna Dental & Vision Claims Experience**  
*Coverage Month Ending June 2021*



Notes:  
 1. Figures above are based on most recent 12 months of Claims Experience through Coverage Month.  
 2. Dental Claims Experience reflects passive use of Cigna's PPO Dental Network.