

# IN PERSON & VIRTUAL BOARD MEETING

\*The Committee meeting will be held prior to the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

**Attention:** If you have any questions, you may email [PublicComment@lacera.com](mailto:PublicComment@lacera.com). If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

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

## AGENDA

### A REGULAR MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE AND BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:30 A.M., WEDNESDAY, NOVEMBER 1, 2023

*This meeting will be conducted by the Insurance, Benefits and Legislative Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953(f).*

*Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>.*

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

#### COMMITTEE TRUSTEES:

Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe, Trustee  
Ronald Okum, Trustee  
JP Harris, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
  - A. Just Cause
  - B. Action on Emergency Circumstance Requests
  - C. Statement of Persons Present at AB 2449 Teleconference Locations

### III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of October 5, 2023

### IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

If you select oral comment, we will contact you via email with information and instruction as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email [PublicComment@lacera.com](mailto:PublicComment@lacera.com).)

### V. NON-CONSENT ITEMS

#### A. **Federal Engagement – Visit with Congress**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement (1) Approve a visit with Congress by Board trustees as designated by the Chair of the Board of Retirement and by staff as designated by the Chief Executive Officer during the week of January 22, 2024, in Washington, D.C., and (2) Approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Travel Policy.

(Memo dated October 24, 2023)

#### B. **H.R. 4260 – Public Servants Protection and Fairness Act of 2023**

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. 4260, which would enact the "Public Servants Protection and Fairness Act of 2023."

(Memo dated October 20, 2023)

V. NON-CONSENT ITEMS (Continued)

C. **H.R. 5342 – Equal Treatment of Public Servants Act of 2023**

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. 5342, which would enact the “Equal Treatment of Public Servants Act of 2023.”

(Memo dated October 20, 2023)

VI. REPORTS

A. **Engagement Report for October 2023**

Barry W. Lew, Legislative Affairs Officer  
(For Information Only)

B. **Staff Activities Report for October 2023**

Cassandra Smith, Director, Retiree Healthcare  
(For Information Only)

C. **LACERA Claims Experience**

Michael Szeto, Segal Consulting  
(Presentation)

D. **Federal Legislation**

Stephen Murphy, Segal Consulting  
(For Discussion Purposes)

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board’s Regulations.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. 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.**

**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 *and will also be posted on [lacera.com](http://lacera.com) at the same time, [Board Meetings | LACERA](#).***

***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 REGULAR MEETING OF THE INSURANCE, BENEFITS &  
LEGISLATIVE COMMITTEE AND BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:30 A.M. – 8:55 A.M., THURSDAY, OCTOBER 5, 2023

This meeting was conducted by the Insurance, Benefits & Legislative  
Committee both in person and by teleconference under California  
Government Code Section 54953(f)

COMMITTEE TRUSTEES

PRESENT: Les Robbins, Chair (In-Person)

Shawn R. Kehoe, Trustee (In-Person)

Ronald Okum, Trustee (In-Person)

ABSENT: Vivian H. Gray, Vice Chair

JP Harris, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Alan Bernstein, Trustee (In-Person) *(arrived at 8:45 a.m.)*

Keith Knox, Trustee (In-Person)

Antonio Sanchez, Trustee (In-Person)

Herman B. Santos, Trustee (In-Person)

STAFF, ADVISORS AND PARTICIPANTS

Cassandra Smith, Director, Retiree Healthcare

Santos H. Kreimann, Chief Executive Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Barry W. Lew, Legislative Affairs Officer

Segal Consulting

Michael Szeto, Sr. Actuarial Associate

I. CALL TO ORDER

This meeting was called to order by Chair Robbins at 8:30 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of September 6, 2023

Trustee Kehoe made a motion, Trustee Okum seconded, to approve the minutes of the regular meeting of September 6, 2023. The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Robbins

No: None

Absent: Gray, Harris

IV. PUBLIC COMMENT

There were no requests from the public to speak

V. NON-CONSENT ITEMS

A. **H.R. 82 – Social Security Fairness Act of 2023**

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. 82, which would enact the “Social Security Fairness Act of 2023.” (Memo dated September 20, 2023)

Trustee Kehoe made a motion, Trustee Robbins seconded, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Robbins

No: None

Absent: Gray, Harris

V. NON-CONSENT ITEMS (Continued)

B. **S. 597 – Social Security Fairness Act**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a “Support” position on S. 597, which would enact the “Social Security Fairness Act.” (Memo dated September 22, 2023)

Trustee Okum made a motion, Trustee Kehoe seconded, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Robbins

No: None

Absent: Gray, Harris

VI. REPORTS

A. **Engagement Report for September 2023**

Barry W. Lew, Legislative Affairs Officer  
(For Information Only)

The engagement report was discussed. This item was received and filed.

B. **Staff Activities Report for September 2023**

Cassandra Smith, Director, Retiree Healthcare  
(For Information Only)

The staff activities report was discussed. This item was received and filed.

C. **LACERA Claims Experience**

Debbie Donaldson, Segal Consulting  
(For Information Only)

The LACERA Claims Experience reports through August were discussed. This item was received and filed.

VI. REPORTS (Continued)

D. **Federal Legislation**

Stephen Murphy, Segal Consulting  
(For Discussion Purposes)

Segal Consulting had nothing to report on federal legislation.

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

Trustees Kehoe and Santos requested that the Board be advised should trustee support be beneficial in LACERA's legislative efforts.

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

IX. GOOD OF THE ORDER  
(For Information Purposes Only)

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 8:55 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.**

October 24, 2023

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: November 1, 2023 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Federal Engagement – Visit with Congress**

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement:

1. Approve a visit with Congress by Board trustees as designated by the Chair of the Board of Retirement and by staff as designated by the Chief Executive Officer during the week of January 22, 2024, in Washington, D.C.; and
2. Approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Travel Policy.

## **LEGAL AUTHORITY**

The Board of Retirement's Policy on Engagement for Public Policy Issues Relating to Plan Administration and Retirement and Health Care Benefits provides for engagement to promote LACERA's presence and visibility with the legislative, executive, and judicial branches of state and federal governments.

## **DISCUSSION**

The California Delegation consisting of 52 representatives and 2 senators is the largest in Congress. Board members and staff have engaged with members of Congress and their staff on previous visits to Washington, D.C., most recently in January 2023. The visit is a continuing effort of engagement to foster relationships with members of Congress by increasing LACERA's presence and visibility among the members and providing education and information about LACERA's history, organization, and operations.

The National Conference on Public Employee Retirement Systems (NCPERS) will be holding its annual Legislative Conference on January 22-24, 2024, in Washington D.C. The last day of the conference on January 24 will consist of group meetings with Congress arranged by NCPERS. LACERA's federal legislative advocate, Anthony Roda of Williams

& Jensen, advises that since most of the Congressional meetings on January 24 will be group meetings (some of which he will be leading), it may not be feasible to have further individual meetings the following day after the conference as LACERA trustees and staff have done in the past.

The visit will also be an opportunity to continue engagement with Congress on the repeal of the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), modification of the WEP, and educating Congressional members about LACERA.

**IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE** recommend that the Board of Retirement:

1. Approve a visit with Congress by Board trustees as designated by the Chair of the Board of Retirement and by staff as designated by the Chief Executive Officer during the week of January 22, 2024, in Washington, D.C.; and
2. Approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Travel Policy.

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

**Attachment**

NCPERS 2024 Legislative Conference Preliminary Agenda

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Cassandra Smith  
Anthony Roda, Williams & Jensen  
Shane Doucet, Doucet Consulting Solutions



# National Conference on Public Employee Retirement Systems

## *The Voice for Public Pensions*

[Home](#) [Blog](#) [Contact Us](#)

[f](#) [Twitter](#) [in](#) [YouTube](#) [Login](#)

Search  [Q](#)

[Home](#) > [Education](#) > [Legislative Conference](#) > [Legislative Conference Education](#)

[Print Page](#)

## Legislative Conference Education

---

### PRELIMINARY AGENDA

As of 8/31/23

#### MONDAY, JANUARY 22

7:00 AM – 6:00 PM Registration

5:30 PM – 6:30 PM Joint Communications Summit and Legislative Conference Networking Reception

#### TUESDAY, JANUARY 23

7:00 AM – 6:00 PM Registration

7:00 AM – 8:00 AM Breakfast

8:00 AM – 12:00 PM General Session I

- A Preview of the 2024 Presidential, Congressional, and State Elections
- Congressional Activities Impacting Public Pensions
- U.S. House of Representatives Ways & Means Committee
- U.S. Senate Finance Committee
- Public Plan Access to the Social Security Administration's Master Death Files
- NCPERS Federal Priorities

12:00 PM – 1:00 PM Networking Lunch

1:30 PM – 5:00 PM General Session II

- NCPERS 2023 Policymaker of the Year Award Recipient
- State Tax Policies and Revenue Outlook
- The Case for Bringing Back Pensions: A Closer Look at Alaska
- Secure Choice: State-Sponsored Savings Programs for the Private Sector
- State Proposals Impacting State & Local Pensions

5:30 PM – 6:30 PM Networking Reception

### **WEDNESDAY, JANUARY 24**

8:30 AM – 9:30 AM Policy Day Breakfast & Pre-Meeting

9:30 AM – 5:00 PM Policy Day Lounge/Debriefing Room Open

9:00 AM – 5:00 PM Meetings with Congress (Scheduled by NCPERS)

12:00 PM – 1:00 PM Policy Day Lunch

4:00 PM – 6:00 PM Policy Day Closing Happy Hour

Event Registration

---

Annual Conference & Exhibition (ACE)

---

Center for Online Learning

---

Chief Officers Summit

---

FALL Conference

---

Legislative Conference

---

- » About the Legislative Conference
- » Legislative Conference Education
- » Legislative Conference Registration
- » Legislative Conference Sponsorship
- » Hotel Reservations

NCPERS Accredited Fiduciary (NAF) Program

---

NCPERS University

---

Pension Communications Summit

---

Program for Advanced Trustee Studies (PATS)

---

Public Pension Funding Forum

---

Public Safety Conference

---

Trustee Educational Seminar (TEDS)

---

Conference Archives

---

Future Conferences

---

National Conference on Public Employee Retirement Systems  
1201 New York Avenue, NW, Suite 850, Washington, DC 20005

☎ 202-601-2445 🖨 202-688-2387

✉ info@ncpers.org

Copyright © 2023, NCPERS

October 20, 2023

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: November 1, 2023, Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **H.R. 4260—Public Servants Protection and Fairness Act of 2023**

*Author: Neal [D-MA]  
Sponsor: Author and 102 co-sponsors  
Introduced: June 21, 2023  
Status: Referred to House Committee on Ways and Means  
(06/21/2023)*

*Staff Recommendation: Support*

### **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on H.R. 4260, which would enact the “Public Servants Protection and Fairness Act of 2023.”

### **LEGISLATIVE POLICY STANDARD**

LACERA’s legislative policy standard is to support proposals that repeal or modify the Windfall Elimination Provision and Government Pension Offset. (Legislative Policy, page 6.)

### **SUMMARY**

H.R. 4260 would provide a new proportional formula for new retirees eligible for Social Security benefits starting in 2025 who would be subject to the WEP and provide an additional monthly payment to retirees currently affected by the WEP.

### **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 2023, the first \$1,115 of average monthly earnings are multiplied by 90 percent, earnings between \$1,115 and \$6,721 are multiplied by 32 percent, and the earnings over \$6,721 are multiplied by 15 percent. The sum of these amounts is the benefit amount, which 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 \$1,115 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.

*This Bill*

H.R. 4260 is a reintroduction of Representative Richard Neal's 2019 bill, H.R. 4540, on which the Board of Retirement adopted a "Support" position.

Beginning 2025. H.R. 4260 would provide a proportional formula to calculate Social Security benefits for workers who become eligible for benefits in 2025. 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<sup>1</sup> estimates that if the proportional formula in 2018 had been applied to the 1.6 million current beneficiaries affected by the WEP, about 1.1 million (69 percent) of beneficiaries would receive a higher average monthly benefit (on average, \$74 higher from \$474 per month to \$548 per month), whereas 0.5 million (31 percent) of beneficiaries would receive a lower average benefit (about \$55 lower) of \$588 compared to the average benefit of \$643 under the current WEP.

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 a benefit based on the *higher* of the current WEP formula or the proportional formula. Thus, beneficiaries who do not receive a government pension (even though they might have noncovered service) or who have at least 30 years of substantial service would not be subject to any reductions under the proportional formula.

Before 2025. WEP-affected beneficiaries who became eligible for Social Security benefits before 2025 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 2023 is \$557.50 for new beneficiaries with 20 or fewer years of substantial earnings. H.R. 4260 would provide retired workers an amount equal to the WEP reduction up to \$150 per month.<sup>2</sup>

Other provisions. H.R. 4260 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.
- Does not subject beneficiaries who do not receive a government pension or who have 30 years of substantial service to any reduction in benefits.

### Con

---

<sup>1</sup> Goss, S. (2023, June 21). *Letter to Ranking Member Richard Neal on "Public Servants Protection and Fairness Act of 2023."* Social Security Office of the Chief Actuary.  
[https://www.ssa.gov/OACT/solvency/RNeal\\_20230621.pdf](https://www.ssa.gov/OACT/solvency/RNeal_20230621.pdf)

<sup>2</sup> The WEP reduction amount is \$167.25 for those with 27 years of substantial earnings (and \$111.50 for those with 28 years). Therefore, those with 27 or fewer years of substantial earnings would not have a full offset of their WEP reduction based on the additional monthly payment of \$150.

- Does not repeal the WEP for current retirees.
- Additional monthly payment of \$150 for current retirees offsets about one-quarter of the current maximum monthly WEP reduction of \$557.50.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a “Support” position on H.R. 4260, which would enact the “Public Servants Protection and Fairness Act of 2023.”

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

H.R. 4260 (Neal) as introduced on June 21, 2023

Windfall Elimination Provision: Proposals for a New Proportional Formula

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

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

H.R. 82 (2021, reported by the Committee on Ways and Means) 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. 1302 (2021, 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 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 have amended 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 have amended 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 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. 521 (2019, 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. 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.

H.R. 4260

Attachment 1—Board Positions Adopted on Related Legislation

Insurance, Benefits and Legislative Committee

October 20, 2023

Page 2

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**

### *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 Air Traffic Controllers Association (NATCA)  
National Association of Government Employees (NAGE)  
National Association of Police Organizations (NAPO)  
National Association of Retired ASCS/FSA Office Employees (RASCOE)  
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)  
National Treasury Employees Union (NTEU)  
Public Retirees Alliance  
Service Employees International Union (SEIU)  
Social Security Works  
United Postmasters and Managers of America (UPMA)

### *State and Local Organizations*

AFT-Massachusetts  
Association of Texas Professional Educators (ATPE)  
Brentwood Police Officers 'Association  
California Retired County Employees Association (CRCEA)  
California Teachers Association  
California Teachers Association/National Education Association—Retired  
Colorado Education Association  
Foothill-De Anza Community College District Police Officers Association  
Illinois Education Association  
Illinois Federation of Teachers, Kentucky Education Association  
Los Angeles County Employees Retirement Association (LACERA)  
Louisiana Association of Chiefs of Police (LACP)  
Louisiana Federation of Teachers (LFT)  
Louisiana Sheriffs' Association (LSA)  
Maine Association of Retirees  
Maine Education Association  
Mass Retirees  
Massachusetts Coalition of Police (Mass COP)  
Massachusetts Correction Officers Federated Union (MCOFU)

H.R. 4260  
Attachment 2—Support and Opposition  
Insurance, Benefits and Legislative Committee  
October 20, 2023  
Page 2

Massachusetts Organization of State Engineers and Scientists (MOSES)  
Massachusetts Police Association (MPA)  
Massachusetts Teachers Association  
National Education Association—Alaska  
National Education Association—Rhode Island  
New England Police Benevolent Association (NEPBA)  
Oakland Police Officers' Association (OPOA)  
Ohio Education Association  
Ohio Public Employees Retirement System (OPERS)  
Police Officers Research Association of California (PORAC)  
Professional Fire Fighters of Massachusetts (PFFM)  
Retired Educators Association of Massachusetts (REAM)  
Richmond Police Officers Association  
Texas Retired Teachers Association (TRTA)  
Texas State Teachers Association  
Vallejo Police Officers' Association  
Western States Sheriffs' Association (WSSA)

**OPPOSITION**

Unknown

118TH CONGRESS  
1ST SESSION

# H. R. 4260

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

JUNE 21, 2023

Mr. NEAL (for himself, Mr. ALLRED, Mr. AUCHINCLOSS, Ms. BARRAGÁN, Mrs. BEATTY, Mr. BEYER, Mr. BLUMENAUER, Ms. BLUNT ROCHESTER, Ms. BONAMICI, Mr. BOYLE of Pennsylvania, Ms. BROWNLEY, Mr. CARSON, Ms. CLARKE of New York, Ms. CHU, Mr. CONNOLLY, Mr. COURTNEY, Mr. CUELLAR, Mr. DAVIS of Illinois, Ms. DEAN of Pennsylvania, Ms. DELBENE, Mr. DOGGETT, Mr. EVANS, Mr. GARAMENDI, Mr. GARCÍA of Illinois, Ms. GARCIA of Texas, Mr. GOLDEN of Maine, Mr. GOMEZ, Mr. GRIJALVA, Mrs. HAYES, Mr. HIGGINS of New York, Mr. HORSFORD, Mr. HUFFMAN, Mr. JOHNSON of Georgia, Ms. KAPTUR, Mr. KHANNA, Mr. KEATING, Ms. KELLY of Illinois, Mr. KILDEE, Mr. KILMER, Mr. KIM of New Jersey, Mr. KRISHNAMOORTHY, Mr. LARSON of Connecticut, Ms. LEE of California, Ms. LEGER FERNANDEZ, Ms. LOFGREN, Mr. LYNCH, Ms. MATSUI, Mrs. MCBATH, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MENENDEZ, Mr. MFUME, Ms. MOORE of Wisconsin, Mr. MOULTON, Mrs. NAPOLITANO, Mr. NEGUSE, Ms. NORTON, Mr. PALLONE, Mr. PANETTA, Mr. PASCRELL, Mr. PAYNE, Ms. PETERSEN, Mr. PHILLIPS, Ms. PINGREE, Mr. POCAN, Ms. PRESSLEY, Ms. ROSS, Mr. RUIZ, Mr. RUPPERSBERGER, Mr. SARBANES, Ms. SÁNCHEZ, Ms. SCHAKOWSKY, Mr. SCHNEIDER, Ms. SEWELL, Mr. SHERMAN, Ms. SHERRILL, Ms. SLOTKIN, Mr. SMITH of Washington, Ms. STRICKLAND, Mr. TAKANO, Mr. THOMPSON of California, Ms. TITUS, Ms. TLAIB, Ms. TOKUDA, Mr. TONKO, Mrs. TRAHAN, Ms. UNDERWOOD, Mr. VARGAS, Mr. VEASEY, Ms. VELÁZQUEZ, Mrs. WATSON COLEMAN, Ms. WEXTON, Ms. WILLIAMS of Georgia, Ms. WILSON of Florida, and Ms. PLASKETT) 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 2023”.

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—

15 “(i) who first becomes eligible for an old-age or  
16 disability insurance benefit after 2024 and who sub-  
17 sequently becomes entitled to such benefit;

18 “(ii) who has earnings derived from noncovered  
19 service performed in a year after 1977 and is enti-

1 tled to a monthly periodic payment based on such  
2 earnings; and

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

5 the primary insurance amount of such individual shall be  
6 the higher of the amount computed or recomputed under  
7 paragraph (7) without regard to this paragraph or the  
8 amount computed or recomputed under this paragraph.

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

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

16 “(ii) a fraction—

17 “(I) the numerator of which is the individ-  
18 ual’s average indexed monthly earnings (deter-  
19 mined without regard to subparagraph (C)),  
20 and

21 “(II) the denominator of which is an  
22 amount equal to the individual’s average in-  
23 dexed monthly earnings (as determined under  
24 subparagraph (C)),

1 rounded, if not a multiple of \$0.10, to the next lower mul-  
2 tiple of \$0.10.

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

19       “(ii) For purposes of this subparagraph:

20               “(I) The term ‘recorded noncovered earnings’  
21 means earnings derived from noncovered service  
22 (other than noncovered service as a member of a  
23 uniformed service (as defined in section 210(m))) for  
24 which satisfactory evidence is determined by the

1 Commissioner to be available in the records of the  
2 Commissioner.

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

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

1 provided by the individual to the Commissioner and which  
2 the Commissioner considers appropriate as a reasonable  
3 basis for treatment of such earnings as recorded non-  
4 covered earnings.

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

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

21       “(E) In the case of any individual whose primary in-  
22 surance amount would be computed under this paragraph  
23 who first becomes entitled after 1985 to a monthly peri-  
24 odic payment made by a foreign employer or foreign coun-  
25 try that is based in whole or in part upon noncovered serv-

1 ice, the primary insurance amount of such individual shall  
2 be computed or recomputed under paragraph (7) or para-  
3 graph (1), as applicable, for months beginning with the  
4 first month of the individual’s initial entitlement to such  
5 monthly periodic payment.”.

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

9 (1) by striking “hereafter in this paragraph and  
10 in subsection (d)(3)” and inserting “in this para-  
11 graph, paragraph (8), and subsection (d)(3)”; and

12 (2) by striking “shall be computed or recom-  
13 puted” and inserting “shall, subject to paragraph  
14 (8), be computed or recomputed”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply with respect to monthly insurance  
17 benefits payable on or after January 1, 2025.

18 **SEC. 3. ADDITIONAL MONTHLY PAYMENT FOR CERTAIN IN-**  
19 **DIVIDUALS WHOSE BENEFIT AMOUNT IS RE-**  
20 **DUCED BY THE WINDFALL ELIMINATION**  
21 **PROVISION.**

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

1       “(9)(A) For any month beginning at least 270 days  
2 after the date of the enactment of the Public Servants  
3 Protection and Fairness Act of 2023, the Commissioner  
4 of Social Security shall, subject to subparagraphs (D) and  
5 (E), make an additional monthly payment to each indi-  
6 vidual who is an eligible individual for such month, in an  
7 amount equal to the amount determined under subpara-  
8 graph (C) with respect to such eligible individual.

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

12               “(i) first becomes eligible for an old-age or dis-  
13 ability insurance benefit under this title before 2025;  
14 and

15               “(ii) is entitled to an old-age or disability insur-  
16 ance benefit under this title for such month based  
17 on a primary insurance amount that was computed  
18 or recomputed under paragraph (7) (and not subse-  
19 quently recomputed under any other paragraph of  
20 this subsection).

21 For purposes of clause (i), an individual shall be deemed  
22 eligible for a benefit for a month if, upon filing application  
23 therefor in such month, the individual would be entitled  
24 to such benefit for such month. For purposes of clause  
25 (ii), an individual shall be deemed entitled to a benefit

1 based on a primary insurance amount that was computed  
2 or recomputed under paragraph (7) if such benefit would  
3 be based on such a primary insurance amount but for the  
4 application of paragraph (1)(C).

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

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

19               “(I) the 1st month beginning at least 270 days  
20 after the date of the enactment of the Public Serv-  
21 ants Protection and Fairness Act of 2023; or

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

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

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

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

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

17       “(F) Whenever benefit amounts under this title are  
18 increased by any percentage effective with any month as  
19 a result of a determination made under subsection (i),  
20 each additional monthly payment amount payable to an  
21 eligible individual under this paragraph shall be increased  
22 by the same percentage for months beginning with such  
23 month.

24       “(G) The amount of any additional monthly payment  
25 under this paragraph shall be disregarded for purposes of

1 determining the eligibility or benefit amount of an indi-  
2 vidual for supplemental security income benefits payable  
3 under title XVI of the Social Security Act, but only if such  
4 individual—

5           “(i) is eligible for a cash benefit payable under  
6 section 1611, section 1619(a), or section 1631(a)(7)  
7 for the 1st month beginning at least 270 days after  
8 the date of the enactment of the Public Servants  
9 Protection and Fairness Act of 2023;

10           “(ii) is an individual described in section  
11 1619(b) for such month; or

12           “(iii) is eligible for a State supplementary pay-  
13 ment for such month of the type referred to in sec-  
14 tion 1616(a) (or payments of the type described in  
15 section 212(a) of Public Law 93–66) which are paid  
16 by the Commissioner under an agreement referred to  
17 in section 1616(a) (or section 212(a) of Public Law  
18 93–66).”.

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

1 **SEC. 4. IMPROVEMENT IN SOCIAL SECURITY ACCOUNT**  
2 **STATEMENTS FOR PUBLIC SERVANTS.**

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

5 (1) in paragraph (2)—

6 (A) by redesignating subparagraphs (B)  
7 through (E) as subparagraphs (C) through (F);

8 (B) by inserting after subparagraph (A)  
9 the following:

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

18 (C) in subparagraph (E) (as redesignated  
19 by subparagraph (A)), by inserting “(in the  
20 case of an eligible individual described in para-  
21 graph (3)(C)(ii), calculated using a primary in-  
22 surance amount estimated pursuant to para-  
23 graph (8) of section 215(a) and including a no-  
24 tation indicating the use of such method of cal-  
25 culation)” after “account”; and

26 (2) in paragraph (3)(C)(ii)—

1 (A) by striking “wages or self-employment  
2 income” and inserting “wages, self-employment  
3 income, and earnings derived from noncovered  
4 service (within the meaning of section  
5 215(a)(7))”; and

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

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

13 (1) in subsection (a)(2)(F) (as redesignated by  
14 subsection (a)(1)(A) of this section), by striking  
15 “sections 202(k)(5) and 215(a)(7)” and all that fol-  
16 lows through “auxiliary benefits” and inserting “sec-  
17 tions 202(k)(5), 215(a)(7), and 215(a)(8)”; and

18 (2) in subsection (d)(1)—

19 (A) by striking “maximum”; and

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

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply with respect to Social Security ac-  
24 count statements issued on or after January 1, 2025.

1 **SEC. 5. STUDY ON AVAILABILITY OF INFORMATION RELAT-**  
2 **ING TO RETIREMENT PLANS.**

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

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

18 **SEC. 6. HOLD HARMLESS FOR THE SOCIAL SECURITY**  
19 **TRUST FUNDS.**

20 There are appropriated, out of any moneys in the  
21 Treasury not otherwise appropriated, to each of the Fed-  
22 eral Old-Age and Survivors Insurance Trust Fund and the  
23 Federal Disability Insurance Trust Fund for each fiscal  
24 year such amounts as the chief actuary of the Social Secu-  
25 rity Administration shall certify are necessary to place  
26 each such Trust Fund in the same position at the end

1 of such fiscal year as it would have been in if the amend-  
2 ments made by this Act had not been enacted.

○



Updated September 19, 2023

# The Windfall Elimination Provision (WEP) in Social Security: Proposals for a New Proportional Formula

## Background

Social Security is a work-based federal insurance program that provides monthly cash benefits to workers and their eligible family members in the event of a worker’s retirement, disability, or death. Although participation in Social Security is compulsory for most workers, about 6% of workers in paid employment or self-employment are not covered by Social Security (i.e., earnings are not taxable or creditable for program purposes).

The regular Social Security benefit formula is progressive, replacing a greater share of career-average earnings for low-paid workers than for high-paid workers. Career-average earnings in Social Security are calculated as *average indexed monthly earnings* (AIME), which is the monthly average of the highest 35 years of covered earnings after indexing for wage growth. If a person has earnings not covered by Social Security, those noncovered earnings are shown as zeros in their Social Security earnings records. As a result, the regular formula cannot distinguish workers who have low career-average earnings because they worked for many years at low earnings in covered employment from workers who appear to have low career-average earnings because they worked for many years in jobs not covered by Social Security. Therefore, based on the regular formula, a worker who worked in both covered and noncovered employment might receive a higher replacement rate of career-average earnings than a worker with the same earnings who spent an entire career in covered employment (see **Table 1**, column [1]). The windfall elimination provision (WEP) is designed to remove such an unintended advantage, or *windfall*, for certain beneficiaries with earnings not covered by Social Security.

## The Current WEP Formula

The regular Social Security benefit formula applies three factors—90%, 32%, and 15%—to three different brackets of a worker’s AIME. The result is the *primary insurance amount* (PIA), which is the worker’s basic monthly benefit at the full retirement age before any adjustments. Under current law, the WEP reduction is based on years of coverage (YOCs). The amount of substantial covered earnings needed for a YOC is \$29,700 in 2023. For people with 20 or fewer YOCs, the WEP reduces the first factor from 90% to 40%. For each year of substantial covered earnings in excess of 20, the first factor increases by 5%. The WEP factor reaches 90% for those with 30 or more YOCs, and at that point it is phased out. In addition, the WEP reduction cannot exceed one-half of the pension benefit based on the worker’s noncovered employment, and it does not apply to those who do not receive such a pension.

## The Proportional Formula

Shortly before the WEP was enacted in 1983 (P.L. 98-21), the bipartisan National Commission on Social Security Reform (the Greenspan Commission) described two different methods of eliminating the *windfall* benefits: (1) the current-law method of adjusting the first replacement factor (90%) as discussed above; and (2) a proportional formula. The proportional formula for WEP purposes would apply the regular Social Security benefit formula to all past earnings from both covered *and* noncovered employment. The resulting benefit would then be multiplied by the ratio of career-average earnings (AIME) from covered employment only to career-average earnings (AIME) from both covered and noncovered employment.

The proportional formula better reflects the Greenspan Commission’s recommendation for people with some earnings from noncovered employment to receive the same replacement rate as those workers who spent their entire careers in covered employment (see **Table 1**, column [3]), whereas the current-law WEP can only *approximately* achieve that goal (see **Table 1**, column [2]). However, in 1983, the Social Security Administration (SSA) lacked the data on noncovered earnings needed to make the benefit adjustment under the proportional formula, so Congress adopted the current WEP formula instead. As of 2017, SSA has 35 years of data on earnings from both covered and noncovered employment. This data’s availability means that the proportional formula is now an option for Congress to consider.

**Table 1. Illustrative Examples: Replacement Rates (Benefits as a Share of AIME) Under Alternative Formulas**

Employment	Regular Formula (w/o WEP) (1)	Current-Law WEP (2)	Proportional Formula (3)
Covered: 35 years; Noncovered: 0 years	49%	49%	49%
Covered: 15 years; Noncovered: 20 years	72%	38%	49%

**Source:** Congressional Research Service.

**Notes:** The worker is assumed to earn \$45,000 (indexed by average wage growth) per year and becomes eligible for benefits in 2023.

## Comparing the Current WEP and the Proportional Formula

If the proportional formula had applied to current beneficiaries in 2018, SSA’s Office of the Chief Actuary

(OCACT) estimates that about 1.1 million beneficiaries affected by the current WEP (or 69%) would have received a *higher* benefit and about 0.5 million (or 31%) would have received a *lower* benefit. In addition, 13.5 million beneficiaries with some noncovered earnings who were not affected by the current WEP would have received a *lower* benefit. Therefore, if the proportional formula were applied to new beneficiaries, it would generate program savings.

Below are two examples in which beneficiaries affected by the current WEP would receive lower benefits under the proportional formula:

- *Beneficiaries with YOCs near 30.* Certain beneficiaries with YOCs near 30 would have a relatively high replacement factor (e.g., 85% for 29 YOCs) under current law. Therefore, those beneficiaries' benefit reduction under the current WEP might be smaller than under the proportional formula.
- *Beneficiaries with relatively high career-average earnings.* Since the current WEP reduction is limited to the first bracket in the PIA formula, it might under-adjust the benefit for some high earners with noncovered employment, resulting in a smaller benefit reduction under current law than under the proportional formula.

Current beneficiaries who had noncovered earnings and are exempt from the current-law WEP but would receive a lower benefit using the proportional formula might include (1) beneficiaries with 30 or more years of substantial covered earning; (2) beneficiaries who do not receive a pension based on noncovered work; and (3) beneficiaries who fit both categories.

## Legislation in 118<sup>th</sup> Congress

Two bills introduced in 2023 would replace the current-law WEP approach with a proportional formula for certain individuals who would become eligible for Social Security benefits in 2025 or later: (1) H.R. 4260 (the Public Servants Protection and Fairness Act of 2023), introduced by Representative Richard E. Neal; and (2) H.R. 5342 (the Equal Treatment of Public Servants Act of 2023), introduced by Representative Jodey Arrington.

### No Benefit Cuts Relative to Current Law

Because the proportional formula could reduce Social Security benefits for some future beneficiaries with noncovered employment compared to current law, both bills provide a protection provision, wherein individuals would receive a benefit based on the higher of the current WEP formula or the proportional formula. H.R. 4260 would apply the protection provision to all future beneficiaries, and as with current law, the proportional formula would not apply to workers who do not receive a noncovered pension or who have 30 or more years of substantial covered earnings. In contrast, H.R. 5342 would apply the protection provision during the transitional period for new beneficiaries who become eligible for benefits during 2025 through 2067. For those who become eligible in 2068 and later, benefits would be based solely on the proportional formula.

### Additional Monthly Payments to Current Beneficiaries

As discussed earlier, the proportional formula could provide a higher benefit to certain beneficiaries compared to current law, so both bills would provide additional monthly payments to current WEP-affected beneficiaries who are first eligible for benefits *before* 2025. H.R. 4260 would provide worker beneficiaries (but not dependents) an additional monthly payment equal to the lesser of \$150 or the current WEP reduction amount. H.R. 5342 would provide an additional monthly payment of \$100 to workers and \$50 to dependents. The additional monthly payments would begin nine months after enactment of the respective bill, would increase with cost-of-living adjustments, and would be exempt from most benefit adjustments under Social Security. The additional monthly payment under H.R. 4260 would be excluded in determining eligibility and the benefit amount under the Supplemental Security Income program.

### Cost Estimates and Funding Rules

The OCACT estimates that H.R. 4260 would cost about \$30.1 billion from 2023 through 2032, net of additional revenue from income taxation, including \$1.5 billion for the new proportional formula and \$28.7 billion for the additional monthly payments. Over the 75-year projection period, the present value of the overall net cost would be about \$110.1 billion. The bill would provide transfers from the General Fund of the Treasury to the Social Security trust funds in amounts needed to fully offset the bill's costs, so it would have no effect on Social Security's long-term financial outlook.

The OCACT estimates that H.R. 5342 would cost about \$23.9 billion from 2023 through 2032, net of additional revenue from income taxation, including \$1.5 billion for the new proportional formula and \$22.4 billion for the additional monthly payments. Over the 75-year projection period, future savings from the proportional formula would offset the cost of the additional monthly payments and the protection provision during the transitional period, so the bill would have no significant effect on Social Security's long-term financial outlook.

### Other Provisions

The annual Social Security statements that SSA makes available to all eligible workers provide benefit estimates based only on covered employment, with no estimates of the WEP adjustment. Because of this limitation, beneficiaries have argued that they were not given sufficient notice of how much their benefits would be reduced by the WEP. To address this issue, both bills would require SSA to show noncovered as well as covered earnings records on the statements. Moreover, H.R. 4260 would require the statements to include projected benefits using the proportional formula for those workers who would likely be subject to the WEP.

In addition, both bills would require studies on ways to facilitate data exchanges between SSA and state and local governments for purposes of improving WEP administration.

---

Zhe Li, Analyst in Social Policy

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

October 20, 2023

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: November 1, 2023, Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **H.R. 5342—Equal Treatment of Public Servants Act of 2023**

*Author: Arrington [R-TX]  
Sponsor: Author and 28 co-sponsors  
Introduced: September 5, 2023  
Status: Referred to House Committee on Ways and Means  
(09/05/2023)*

*Staff Recommendation: Support*

### **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on H.R. 5342, which would enact the “Equal Treatment of Public Servants Act of 2023.”

### **LEGISLATIVE POLICY STANDARD**

LACERA’s legislative policy standard is to support proposals that repeal or modify the Windfall Elimination Provision and Government Pension Offset. (Legislative Policy, page 6.)

### **SUMMARY**

H.R. 5342 would provide a new proportional formula for new retirees eligible for Social Security benefits starting in 2025 who would be subject to the WEP, make the proportional formula permanent after 2067, and provide an additional monthly payment to retirees currently affected by the WEP.

### **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 2023, the first \$1,115 of average monthly earnings are multiplied by 90 percent, earnings between \$1,115 and \$6,721 are multiplied by 32 percent, and the earnings over \$6,721 are multiplied by 15 percent. The sum of these amounts is the benefit amount, which 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 \$1,115 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.

#### *This Bill*

H.R. 5342 is a reintroduction of Representative Kevin Brady's 2019 bill, H.R. 3934, on which the Board of Retirement adopted a "Support" position. Representative Arrington was an original cosponsor of H.R. 3934.

Beginning 2025. H.R. 5342 would provide a proportional formula to calculate Social Security benefits for workers who become eligible for benefits in 2025. 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<sup>1</sup> estimates that if the proportional formula in 2018 had been applied to the 1.6 million current beneficiaries affected by the WEP, about 1.1 million (69 percent) of beneficiaries would receive a higher average monthly benefit (on average, \$74 higher from \$474 per month to \$548 per month), whereas 0.5 million (31 percent) of beneficiaries would receive a lower average benefit (about \$55 lower) of \$588 compared to the average benefit of \$643 under the current WEP.

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 a benefit based on the *higher* of the current WEP formula or the proportional formula. Thus, beneficiaries who do not receive a government pension (even though they might have noncovered service) or who have at least 30 years of substantial service would not be subject to any reductions under the proportional formula. However, this protection provision would be applicable to beneficiaries from 2025 through 2067. After 2067, benefits would be based only on the proportional formula.

Before 2025. WEP-affected beneficiaries who became eligible for Social Security benefits before 2025 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 2023 is \$557.50 for new beneficiaries with 20 or fewer years of substantial earnings. H.R. 5342 would provide retired workers an amount equal to \$100 per month and an additional \$50 per month to an eligible dependent.<sup>2</sup>

Other provisions. H.R. 5342 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.
- Does not subject beneficiaries who do not receive a government pension or who have 30 years of substantial service to any reduction in benefits.

---

<sup>1</sup> Goss, S. (2023, September 5). *Letter to Representative Jodey Arrington on "Equal Treatment of Public Servants Act of 2023."* Social Security Office of the Chief Actuary.  
[https://www.ssa.gov/OACT/solvency/JArrington\\_20231016.pdf](https://www.ssa.gov/OACT/solvency/JArrington_20231016.pdf)

<sup>2</sup> The WEP reduction amount is \$111.50 for those with 28 years of substantial earnings (and \$55.75 for those with 29 years). Therefore, those with 28 or fewer years of substantial earnings would not have a full offset of their WEP reduction based on the additional monthly payment of \$100, although the additional payment of \$50 to an eligible dependent may increase the offset.

- Provides an additional \$50 per month for an eligible dependent of a retiree who is affected by the WEP.

Con

- Does not repeal the WEP for current retirees.
- Protection provision expires after 2067.
- Additional monthly payment of \$100 for current retirees offsets less than one-quarter of the current maximum monthly WEP reduction of \$557.50.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a “Support” position on H.R. 5342, which would enact the “Equal Treatment of Public Servants Act of 2023.”

**Reviewed and Approved:**



---

**Steven P. Rice, Chief Counsel**

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

H.R. 5342 (Arrington) as introduced on September 5, 2023

Windfall Elimination Provision: Proposals for a New Proportional Formula

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

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

H.R. 82 (2021, reported by the Committee on Ways and Means) 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. 1302 (2021, 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 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 have amended 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 have amended 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 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. 521 (2019, 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. 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.

H.R. 5342  
Attachment 2—Support and Opposition  
Insurance, Benefits and Legislative Committee  
October 20, 2023  
Page 1

**SUPPORT**

Bipartisan Policy Center  
Texas Retired Teachers Association

**OPPOSITION**

Unknown

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

H.R. 82 (2021, reported by the Committee on Ways and Means) 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. 1302 (2021, 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 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 have amended 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 have amended 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 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. 521 (2019, 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. 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.

H.R. 5342  
Attachment 2—Support and Opposition  
Insurance, Benefits and Legislative Committee  
October 20, 2023  
Page 1

**SUPPORT**

Bipartisan Policy Center  
Texas Retired Teachers Association

**OPPOSITION**

Unknown

118TH CONGRESS  
1ST SESSION

# H. R. 5342

To amend title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2023

Mr. ARRINGTON (for himself, Mr. VICENTE GONZALEZ of Texas, Ms. GRANGER, Ms. VAN DUYNE, Mr. GUTHRIE, Mr. VAN DREW, Mr. LATTA, Mr. WEBER of Texas, Mr. MORAN, Mr. PFLUGER, Mr. MURPHY, Mr. CARTER of Georgia, Mr. CRENSHAW, Mr. GOOD of Virginia, Mr. BACON, Mr. SMUCKER, Mr. TONY GONZALES of Texas, Mr. ROY, and Mr. GOSAR) 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 replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment, and for other purposes.

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 “Equal Treatment of  
5 Public Servants Act of 2023”.

1 **SEC. 2. REPLACEMENT OF THE WINDFALL ELIMINATION**  
2 **PROVISION WITH A FORMULA EQUALIZING**  
3 **BENEFITS FOR CERTAIN INDIVIDUALS WITH**  
4 **NONCOVERED EMPLOYMENT.**

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

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

11 “(i) who first becomes eligible for an old-age or  
12 disability insurance benefit after 2067,

13 “(ii) who subsequently becomes entitled to such  
14 benefit, and

15 “(iii) who has earnings derived from noncovered  
16 service performed in a year after 1977,

17 the primary insurance amount of such individual shall be  
18 the amount computed or recomputed under this para-  
19 graph.

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

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

1           “(ii) a fraction—

2                   “(I) the numerator of which is the individ-  
3           ual’s average indexed monthly earnings (deter-  
4           mined without regard to subparagraph (C)),  
5           and

6                   “(II) the denominator of which is an  
7           amount equal to the individual’s average in-  
8           dexed monthly earnings (as determined under  
9           subparagraph (C)),

10 rounded, if not a multiple of \$0.10, to the next lower mul-  
11 tiple of \$0.10.

12           “(C)(i) For purposes of determining an individual’s  
13 primary insurance amount pursuant to clauses (i) and  
14 (ii)(II) of subparagraph (B), the individual’s average in-  
15 dexed monthly earnings shall be determined by treating  
16 all recorded noncovered earnings (as defined in clause  
17 (ii)(I)) derived by the individual from noncovered service  
18 performed in each year after 1977 as ‘wages’ (as defined  
19 in section 209 for purposes of this title), which shall be  
20 treated as included in the individual’s adjusted total cov-  
21 ered earnings (as defined in clause (ii)(II)) for such cal-  
22 endar year together with amounts consisting of ‘wages’ (as  
23 so defined without regard to this subparagraph) paid dur-  
24 ing such calendar year and self-employment income (as

1 defined in section 211(b)) for taxable years ending with  
2 or during such calendar year.

3 “(ii) For purposes of this subparagraph:

4 “(I) The term ‘recorded noncovered earnings’  
5 means earnings derived from noncovered service  
6 (other than noncovered service as a member of a  
7 uniformed service (as defined in section 210(m)) for  
8 which satisfactory evidence is determined by the  
9 Commissioner to be available in the records of the  
10 Commissioner.

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

19 “(iii) The Commissioner of Social Security shall pro-  
20 vide by regulation or other public guidance for methods  
21 for determining whether satisfactory evidence is available  
22 in the records of the Commissioner for earnings for non-  
23 covered service (other than noncovered service as a mem-  
24 ber of a uniformed service (as defined in section 210(m)))  
25 to be treated as recorded noncovered earnings. Such meth-

1 ods shall provide for reliance on earnings information  
2 which is provided to the Commissioner by employers and  
3 which, as determined by the Commissioner, constitute a  
4 reasonable basis for treatment of earnings for noncovered  
5 service as recorded noncovered earnings. In making deter-  
6 minations under this clause, the Commissioner shall also  
7 take into account any documentary or other evidence of  
8 earnings derived from noncovered service by an individual  
9 which is provided by the individual to the Commissioner  
10 and which the Commissioner considers appropriate as a  
11 reasonable basis for treatment of such earnings as re-  
12 corded noncovered earnings.

13       “(D) Upon the death of an individual whose primary  
14 insurance amount is computed or recomputed under this  
15 paragraph, such primary insurance amount shall be com-  
16 puted or recomputed under paragraph (1) of this sub-  
17 section.

18       “(E) In the case of any individual whose primary in-  
19 surance amount would be computed under this paragraph  
20 who first becomes entitled after 1985 to a monthly peri-  
21 odic payment made by a foreign employer or foreign coun-  
22 try that is based in whole or in part upon noncovered serv-  
23 ice, the primary insurance amount of such individual shall  
24 be computed or recomputed under paragraph (7) or para-  
25 graph (1), as applicable, for months beginning with the

1 first month of the individual’s initial entitlement to such  
2 monthly periodic payment.”.

3 (b) CONFORMING AMENDMENTS.—Section  
4 215(a)(7)(A) of such Act (42 U.S.C. 415(a)(7)(A)) is  
5 amended—

6 (1) in clause (i)—

7 (A) by striking “after 1985” and inserting  
8 “after 1985 and before 2068”; and

9 (B) by striking “or” at the end;

10 (2) in clause (ii)—

11 (A) by striking “after 1985” each place it  
12 appears and inserting “after 1985 and before  
13 2068”; and

14 (B) by adding “or” at the end;

15 (3) by inserting after clause (ii) the following:

16 “(iii) is an individual described in paragraph  
17 (8)(E),”; and

18 (4) by striking “hereafter in this paragraph and  
19 in subsection (d)(3)” and inserting “in this para-  
20 graph, paragraphs (8) and (9), and subsection  
21 (d)(3)”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply with respect to monthly insurance  
24 benefits payable on or after January 1, 2025.

1 **SEC. 3. BENEFIT CALCULATION DURING TRANSITION PE-**  
2 **RIOD.**

3 (a) IN GENERAL.—Section 215(a) of the Social Secu-  
4 rity Act (42 U.S.C. 415(a)), as amended by section 2, is  
5 further amended by inserting after paragraph (8) the fol-  
6 lowing:

7 “(9) In the case of an individual whose primary in-  
8 surance amount would be computed under paragraph (1)  
9 of this subsection—

10 “(A) who first becomes eligible for an old-age  
11 or disability insurance benefit after 2024 and before  
12 2068,

13 “(B) who subsequently becomes entitled to such  
14 benefit, and

15 “(C) who has earnings derived from noncovered  
16 service performed in a year after 1977,

17 the primary insurance amount of such individual shall be  
18 the higher of the amount computed or recomputed under  
19 paragraph (7) without regard to this paragraph or the  
20 amount that would be computed or recomputed under  
21 paragraph (8) if the individual were an individual de-  
22 scribed in subparagraph (A) of such paragraph.”.

23 (b) CONFORMING AMENDMENT.—Section  
24 215(a)(7)(A) of such Act (42 U.S.C. 415(a)(7)(A)), as  
25 amended by section 2(b), is further amended by striking

1 “shall be computed or recomputed” and inserting “shall,  
2 subject to paragraph (9), be computed or recomputed”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to monthly insurance  
5 benefits payable on or after January 1, 2025.

6 **SEC. 4. ADDITIONAL MONTHLY PAYMENT FOR INDIVID-**  
7 **UALS WHOSE BENEFIT AMOUNT IS REDUCED**  
8 **BY THE WINDFALL ELIMINATION PROVISION.**

9 (a) IN GENERAL.—Section 215(a) of such Act (42  
10 U.S.C. 415(a)), as amended by sections 2 and 3, is further  
11 amended by adding at the end the following:

12 “(10)(A) For any month beginning at least 270 days  
13 after the date of enactment of the Equal Treatment of  
14 Public Servants Act of 2023, the Commissioner of Social  
15 Security shall, subject to subparagraphs (C) and (D),  
16 make an additional monthly payment of \$100 to each indi-  
17 vidual who is an eligible individual for such month, and  
18 an additional monthly payment of \$50 to each individual  
19 (other than an eligible individual) who is entitled to a ben-  
20 efit under section 202 for such month on the basis of the  
21 wages and self-employment income of such eligible indi-  
22 vidual.

23 “(B) For purposes of this paragraph, the term ‘eligi-  
24 ble individual’ for a month means an individual who—

1           “(i)(I) first becomes eligible for an old-age or  
2           disability insurance benefit under this title before  
3           2025, or

4           “(II) is an individual described in paragraph  
5           (8)(E), and

6           “(ii) is entitled to an old-age or disability insur-  
7           ance benefit under this title for such month based  
8           on a primary insurance amount that was computed  
9           or recomputed under paragraph (7) (and not subse-  
10          quently recomputed under any other paragraph of  
11          this subsection).

12          “(C) In any case in which this title provides that no  
13          monthly benefit under section 202 or 223 shall be paid  
14          to an individual for a month, no additional monthly pay-  
15          ment shall be paid to the individual for such month. This  
16          subparagraph shall not apply in the case of an individual  
17          whose monthly benefit under section 202 or 223 is re-  
18          duced, regardless of the amount of the reduction, based  
19          on the individual’s receipt of other income or benefits for  
20          such month or the application of section 203(a) or due  
21          to the adjustment or recovery of an overpayment under  
22          section 204.

23          “(D)(i) An individual is not entitled to receive more  
24          than one additional monthly payment for a month under  
25          this paragraph.

1       “(ii) An eligible individual who is entitled to a benefit  
2 under section 202 on the basis of the wages and self-em-  
3 ployment income of another eligible individual for a month  
4 shall receive an additional monthly payment under this  
5 paragraph in the amount of \$100 for such month.

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

10       “(F) Whenever benefit amounts under this title are  
11 increased by any percentage effective with any month as  
12 a result of a determination made under subsection (i),  
13 each of the dollar amounts in subparagraph (A) shall be  
14 increased by the same percentage for months beginning  
15 with such month.”.

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

20 **SEC. 5. REPORTING OF NONCOVERED EARNINGS ON SO-**  
21 **CIAL SECURITY ACCOUNT STATEMENTS.**

22       (a) IN GENERAL.—Section 1143(a)(2) of the Social  
23 Security Act (42 U.S.C. 1320b–13(a)(2)) is amended—

24               (1) by redesignating subparagraphs (B)  
25 through (E) as subparagraphs (C) through (F); and

1           (2) by inserting after subparagraph (A) the fol-  
2           lowing:

3                   “(B) the amount of earnings derived by  
4                   the eligible individual from service performed  
5                   after 1977 which did not constitute employment  
6                   (as defined in section 210), not including serv-  
7                   ice as a member of a uniformed service (as de-  
8                   fined in section 210(m)), as shown by the  
9                   records of the Commissioner at the date of the  
10                  request;”.

11           (b) **EFFECTIVE DATE.**—The amendments made by  
12 this section shall apply with respect to Social Security ac-  
13 count statements issued on or after January 1, 2025.

14 **SEC. 6. STUDY ON PARTNERING WITH STATE AND LOCAL**  
15 **PENSION SYSTEMS.**

16           (a) **STUDY.**—

17                   (1) **IN GENERAL.**—The Commissioner of Social  
18                   Security shall study and test the administrative fea-  
19                   sibility of partnering with State and local pension  
20                   systems, or other governmental entities, to improve  
21                   the collection and sharing of information relating to  
22                   State and local noncovered pensions.

23                   (2) **COORDINATION WITH STATE AND LOCAL**  
24                   **PENSION SYSTEMS.**—In conducting the study de-  
25                   scribed in paragraph (1), the Commissioner shall co-

1       ordinate with State and local pension systems that  
2       reflect the diversity of systems and individual experi-  
3       ences to explore the development of automated data  
4       exchange agreements that facilitate reporting of in-  
5       formation relating to noncovered pensions.

6       (b) REPORT.—The Commissioner of Social Security  
7       shall conclude the study described in subsection (a) not  
8       later than 4 years after the date of enactment of this Act.  
9       As soon as possible after conclusion of the study and not  
10      later than 4½ years after the date of enactment of this  
11      Act, the Commissioner shall submit to the Committee on  
12      Ways and Means of the House of Representatives and the  
13      Committee on Finance of the Senate a report on the re-  
14      sults of the study. Such report shall include the following:

15           (1) A discussion of how the automated data ex-  
16           change agreements could be implemented to cover  
17           noncovered pensions nationally, including the range  
18           of implementation timelines across State and local  
19           pension systems, or with other governmental entities.

20           (2) An analysis of the barriers to developing  
21           automated data exchange agreements and lessons  
22           learned that can help address these barriers.

23           (3) A description of alternative methods for ob-  
24           taining information related to noncovered pensions,

1 and an analysis of the barriers to obtaining non-  
2 covered pension data through such methods.

3 (4) An explanation of how coverage information  
4 is obtained by the Social Security Administration  
5 when an individual purchases service credits to apply  
6 to a new covered or noncovered pension after moving  
7 from another covered or noncovered pension within  
8 the State or in another State.

9 (5) An estimate of the total amount, as of the  
10 date of the enactment of this Act, of noncovered  
11 pensions not reported to the Social Security Admin-  
12 istration as a result of noncompliance with voluntary  
13 reporting policies.

14 (c) STATE AND LOCAL PENSION INFORMATION TO  
15 BE REQUESTED BY THE COMMISSIONER.—Section 202 of  
16 the Social Security Act (42 U.S.C. 402) is amended by  
17 inserting after subsection (l) the following:

18 “(m) STATE AND LOCAL PENSION INFORMATION TO  
19 BE REQUESTED BY THE COMMISSIONER.—

20 “(1) The Commissioner may partner with  
21 States to request information, including the informa-  
22 tion specified in paragraph (2), with respect to any  
23 designated distribution (as defined in section  
24 3405(e)(1) of the Internal Revenue Code of 1986)  
25 from an employer deferred compensation plan (as

1 defined in section 3405(e)(5) of such Code) of the  
2 State (or political subdivision thereof) to a partici-  
3 pant of such plan in any case in which any portion  
4 of such participant's earnings for service under such  
5 plan did not constitute 'employment' as defined in  
6 section 210 for purposes of this title.

7 “(2) The information specified in this para-  
8 graph is the following:

9 “(A) The name and Social Security ac-  
10 count number of the participant receiving the  
11 designated distribution.

12 “(B) The dollar amount of the designated  
13 distribution and the date paid.

14 “(C) The date on which the participant  
15 initially became eligible for a designated dis-  
16 tribution under the plan and, if different, the  
17 date of payment of the initial designated dis-  
18 tribution.

19 “(D) The dates of each period of service  
20 under the plan that did not constitute 'employ-  
21 ment' as defined in section 210 for purposes of  
22 this title, and the dates of any other period of  
23 service under the plan.”.

24 (d) DEFINITIONS.—In this section—

1           (1) the term “noncovered pension” means a  
2 pension any part of which is based on noncovered  
3 service (within the meaning of section 215(a)(7) of  
4 the Social Security Act (42 U.S.C. 415(a)(7))); and

5           (2) the term “covered pension” means any  
6 other pension.

○



Updated September 19, 2023

# The Windfall Elimination Provision (WEP) in Social Security: Proposals for a New Proportional Formula

## Background

Social Security is a work-based federal insurance program that provides monthly cash benefits to workers and their eligible family members in the event of a worker’s retirement, disability, or death. Although participation in Social Security is compulsory for most workers, about 6% of workers in paid employment or self-employment are not covered by Social Security (i.e., earnings are not taxable or creditable for program purposes).

The regular Social Security benefit formula is progressive, replacing a greater share of career-average earnings for low-paid workers than for high-paid workers. Career-average earnings in Social Security are calculated as *average indexed monthly earnings* (AIME), which is the monthly average of the highest 35 years of covered earnings after indexing for wage growth. If a person has earnings not covered by Social Security, those noncovered earnings are shown as zeros in their Social Security earnings records. As a result, the regular formula cannot distinguish workers who have low career-average earnings because they worked for many years at low earnings in covered employment from workers who appear to have low career-average earnings because they worked for many years in jobs not covered by Social Security. Therefore, based on the regular formula, a worker who worked in both covered and noncovered employment might receive a higher replacement rate of career-average earnings than a worker with the same earnings who spent an entire career in covered employment (see **Table 1**, column [1]). The windfall elimination provision (WEP) is designed to remove such an unintended advantage, or *windfall*, for certain beneficiaries with earnings not covered by Social Security.

## The Current WEP Formula

The regular Social Security benefit formula applies three factors—90%, 32%, and 15%—to three different brackets of a worker’s AIME. The result is the *primary insurance amount* (PIA), which is the worker’s basic monthly benefit at the full retirement age before any adjustments. Under current law, the WEP reduction is based on years of coverage (YOCs). The amount of substantial covered earnings needed for a YOC is \$29,700 in 2023. For people with 20 or fewer YOCs, the WEP reduces the first factor from 90% to 40%. For each year of substantial covered earnings in excess of 20, the first factor increases by 5%. The WEP factor reaches 90% for those with 30 or more YOCs, and at that point it is phased out. In addition, the WEP reduction cannot exceed one-half of the pension benefit based on the worker’s noncovered employment, and it does not apply to those who do not receive such a pension.

## The Proportional Formula

Shortly before the WEP was enacted in 1983 (P.L. 98-21), the bipartisan National Commission on Social Security Reform (the Greenspan Commission) described two different methods of eliminating the *windfall* benefits: (1) the current-law method of adjusting the first replacement factor (90%) as discussed above; and (2) a proportional formula. The proportional formula for WEP purposes would apply the regular Social Security benefit formula to all past earnings from both covered *and* noncovered employment. The resulting benefit would then be multiplied by the ratio of career-average earnings (AIME) from covered employment only to career-average earnings (AIME) from both covered and noncovered employment.

The proportional formula better reflects the Greenspan Commission’s recommendation for people with some earnings from noncovered employment to receive the same replacement rate as those workers who spent their entire careers in covered employment (see **Table 1**, column [3]), whereas the current-law WEP can only *approximately* achieve that goal (see **Table 1**, column [2]). However, in 1983, the Social Security Administration (SSA) lacked the data on noncovered earnings needed to make the benefit adjustment under the proportional formula, so Congress adopted the current WEP formula instead. As of 2017, SSA has 35 years of data on earnings from both covered and noncovered employment. This data’s availability means that the proportional formula is now an option for Congress to consider.

**Table 1. Illustrative Examples: Replacement Rates (Benefits as a Share of AIME) Under Alternative Formulas**

Employment	Regular Formula (w/o WEP) (1)	Current-Law WEP (2)	Proportional Formula (3)
Covered: 35 years; Noncovered: 0 years	49%	49%	49%
Covered: 15 years; Noncovered: 20 years	72%	38%	49%

**Source:** Congressional Research Service.

**Notes:** The worker is assumed to earn \$45,000 (indexed by average wage growth) per year and becomes eligible for benefits in 2023.

## Comparing the Current WEP and the Proportional Formula

If the proportional formula had applied to current beneficiaries in 2018, SSA’s Office of the Chief Actuary

(OCACT) estimates that about 1.1 million beneficiaries affected by the current WEP (or 69%) would have received a *higher* benefit and about 0.5 million (or 31%) would have received a *lower* benefit. In addition, 13.5 million beneficiaries with some noncovered earnings who were not affected by the current WEP would have received a *lower* benefit. Therefore, if the proportional formula were applied to new beneficiaries, it would generate program savings.

Below are two examples in which beneficiaries affected by the current WEP would receive lower benefits under the proportional formula:

- *Beneficiaries with YOCs near 30.* Certain beneficiaries with YOCs near 30 would have a relatively high replacement factor (e.g., 85% for 29 YOCs) under current law. Therefore, those beneficiaries' benefit reduction under the current WEP might be smaller than under the proportional formula.
- *Beneficiaries with relatively high career-average earnings.* Since the current WEP reduction is limited to the first bracket in the PIA formula, it might under-adjust the benefit for some high earners with noncovered employment, resulting in a smaller benefit reduction under current law than under the proportional formula.

Current beneficiaries who had noncovered earnings and are exempt from the current-law WEP but would receive a lower benefit using the proportional formula might include (1) beneficiaries with 30 or more years of substantial covered earning; (2) beneficiaries who do not receive a pension based on noncovered work; and (3) beneficiaries who fit both categories.

## Legislation in 118<sup>th</sup> Congress

Two bills introduced in 2023 would replace the current-law WEP approach with a proportional formula for certain individuals who would become eligible for Social Security benefits in 2025 or later: (1) H.R. 4260 (the Public Servants Protection and Fairness Act of 2023), introduced by Representative Richard E. Neal; and (2) H.R. 5342 (the Equal Treatment of Public Servants Act of 2023), introduced by Representative Jodey Arrington.

### No Benefit Cuts Relative to Current Law

Because the proportional formula could reduce Social Security benefits for some future beneficiaries with noncovered employment compared to current law, both bills provide a protection provision, wherein individuals would receive a benefit based on the higher of the current WEP formula or the proportional formula. H.R. 4260 would apply the protection provision to all future beneficiaries, and as with current law, the proportional formula would not apply to workers who do not receive a noncovered pension or who have 30 or more years of substantial covered earnings. In contrast, H.R. 5342 would apply the protection provision during the transitional period for new beneficiaries who become eligible for benefits during 2025 through 2067. For those who become eligible in 2068 and later, benefits would be based solely on the proportional formula.

### Additional Monthly Payments to Current Beneficiaries

As discussed earlier, the proportional formula could provide a higher benefit to certain beneficiaries compared to current law, so both bills would provide additional monthly payments to current WEP-affected beneficiaries who are first eligible for benefits *before* 2025. H.R. 4260 would provide worker beneficiaries (but not dependents) an additional monthly payment equal to the lesser of \$150 or the current WEP reduction amount. H.R. 5342 would provide an additional monthly payment of \$100 to workers and \$50 to dependents. The additional monthly payments would begin nine months after enactment of the respective bill, would increase with cost-of-living adjustments, and would be exempt from most benefit adjustments under Social Security. The additional monthly payment under H.R. 4260 would be excluded in determining eligibility and the benefit amount under the Supplemental Security Income program.

### Cost Estimates and Funding Rules

The OCACT estimates that H.R. 4260 would cost about \$30.1 billion from 2023 through 2032, net of additional revenue from income taxation, including \$1.5 billion for the new proportional formula and \$28.7 billion for the additional monthly payments. Over the 75-year projection period, the present value of the overall net cost would be about \$110.1 billion. The bill would provide transfers from the General Fund of the Treasury to the Social Security trust funds in amounts needed to fully offset the bill's costs, so it would have no effect on Social Security's long-term financial outlook.

The OCACT estimates that H.R. 5342 would cost about \$23.9 billion from 2023 through 2032, net of additional revenue from income taxation, including \$1.5 billion for the new proportional formula and \$22.4 billion for the additional monthly payments. Over the 75-year projection period, future savings from the proportional formula would offset the cost of the additional monthly payments and the protection provision during the transitional period, so the bill would have no significant effect on Social Security's long-term financial outlook.

### Other Provisions

The annual Social Security statements that SSA makes available to all eligible workers provide benefit estimates based only on covered employment, with no estimates of the WEP adjustment. Because of this limitation, beneficiaries have argued that they were not given sufficient notice of how much their benefits would be reduced by the WEP. To address this issue, both bills would require SSA to show noncovered as well as covered earnings records on the statements. Moreover, H.R. 4260 would require the statements to include projected benefits using the proportional formula for those workers who would likely be subject to the WEP.

In addition, both bills would require studies on ways to facilitate data exchanges between SSA and state and local governments for purposes of improving WEP administration.

---

Zhe Li, Analyst in Social Policy

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
ENGAGEMENT REPORT  
OCTOBER 2023  
FOR INFORMATION ONLY**

**Low Account Balances and Gender Savings Gap in Public Sector Workers**

According to two recent research studies by the Employee Benefit Research Institute (EBRI) and the National Association of Government Defined Contribution Administrators (NAGDCA) at the Public Retirement Research Lab (PRRL), public sector workers with defined contribution plans have low account balances, and women continue to lag behind male counterparts in terms of savings. The analyses are from data for 267 plans that include 457(b), 401(a), 401(k), and 403(b) plans and includes over 2.5 million public employees. The following are key findings:

**Account Balances**

- Half of public plan participants in their 60s have account balances lower than \$40,000.
- The median account balance of participants in their 40s is about \$18,000, as of year-end 2021.

**Contributions**

- The mean contribution for participants in their 20s was about \$1,600 per year (\$130 per month).
- The mean contribution rate for participants in their 20s was 2.7% and increases with age to 9.5% in their 60s.

**Loan Usage**

- Percentage of participants who take plan loans range from 1.7% in their 20s to 9.6% in their 40s and decreases to 5.2% in their 60s.
- For those in their 40s, the average outstanding loan was about \$9,500.

For behaviors analyzed by gender, the key finding is that men have larger account balances than women across all age groups. The difference is driven by two key forces:

- Men contribute more than women to their retirement accounts in terms of dollars and percentage of salary.
  - The median dollar contribution for women in their 30s is \$1,686, whereas the median contribution for similarly aged men is \$2,391.
  - As a percentage of salary, the median contribution rate is similar for men and women in their 20s (2.2% and 2.1%, respectively). The contribute rate widens with age: 30s (men: 3.6%, women: 3.1%), 50s (men: 5.4%, women: 4.1%).

- Men take on more equity risk in their portfolios compared to women.
  - Men in their 40s average 51 % allocated to equities, whereas women allocate 37%.

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

### **Older Participants Increasingly Carry Debt into Retirement**

A recent report published by the Center for Retirement Research at Boston College found that the share of older Americans with debt has been on the rise over the last several decades. The share of Americans aged 65 and older grew from 38% in 1989 to 63% in 2019. The report's data ends before the Covid-19 pandemic, and future research may shed more light as more data becomes available.

Having debt does always signal financial distress. The report distinguishes, for example, low-interest mortgage debt to buy a house, which is financially savvy, with carrying unpaid credit card balances at a high interest rate, student loan debt, and medical debt. The latter types of debt put older households at higher risk of financial distress.

The report also distinguishes low-risk and high-risk borrowers. The latter are subdivided into four subgroups by size:

- Financially constrained (33%): These households have no levels of wealth, are overleveraged, and struggle to pay for the essentials.
- Credit card borrowers (26%): Middle-wealth households with no apparent need to borrow compared to the financially constrained group.
- “Too much house” (19%): Housing debt consumes more than 40 % of income.
- Wealthy spenders (20%): Although in the top third of wealth distribution, these borrowers spend a quarter of income toward debt payments. About 80% have credit card debt, and more than a third have second homes.

The researchers recognize that no “one-size-fits-all” solution exists to reduce exposure for high-risk borrowers. For example, credit card borrowers could benefit from traditional financial counseling and better consumer disclosures, whereas those with housing debt can benefit from refinancing or downsizing. [\(Source\)](#) [\(Source\)](#)

### **Social Security COLA: 3.2% for 2024**

The Social Security Administration (SSA) announced that the cost-of-living adjustment (COLA) for the 71 million beneficiaries of Social Security benefits will be 3.2% beginning 2024. Monthly benefits will increase an average \$59 to an average of \$1,907.

The 2024 COLA is lower than the increase of 5.9% for 2022 and 8.7% for 2023 but is higher than the average COLA of 2.6% over the last 20 years.

For beneficiaries who continue to work, the earnings limit for workers younger than full retirement age will be \$22,320, and those who reach full retirement age in 2024 will be \$59,520. The SSA deducts \$1 of benefits for every \$3 earned over the earnings limits until the worker reaches full retirement age. [\(Source\)](#) [\(Source\)](#)

### **Social Security COLA Announcement Prompts Call for Better Inflation Protection**

According to a survey conducted by The Senior Citizens League (TSCl), an advocacy group for seniors established in 1992, 80% of retirees believe Congress should provide a COLA that more accurately reflects the inflation experienced by older adults.

The Social Security COLA is currently calculated with the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers, which does not survey retired households with people older than age 62. Retirees tend to spend a larger share of their income on housing and medical costs, which rise more quickly than overall inflation.

TSCl believes that a “senior” CPI would have resulted in 4% for 2024 instead of the announced 3.2%. According to TSCl, Social Security benefits have lost about 36% purchasing power since 2000.

At the same time, the need for Social Security benefit increases can conflict with sustainability since the Social Security trust fund is projected to be depleted by 2033, where benefits will be reduced to 80% unless the issue is addressed by Congress.

[\(Source\)](#)

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
 RETIREE HEALTHCARE BENEFITS PROGRAM  
 STAFF ACTIVITIES REPORT  
 OCTOBER 2023  
 FOR INFORMATION ONLY**

**Centers for Medicare and Medicaid Services (CMS) Medicare Part D Retiree Drug Subsidy (RDS) Program Reconciliation Plan Year 7/1/2021 – 6/30/2022**

Staff completed and successfully submitted the RDS subsidy payment request to CMS/RDS. Total subsidy amount received is **\$12,681,546**. Below is a breakdown and total amount of the subsidy payments received:

<b>PLAN</b>	<b>SUBSIDY AMOUNT RECEIVED</b>
Anthem Blue Cross	\$11,115,882
Cigna Medical	\$212,801
Kaiser Permanente	\$358,781
LACFF Local 1014	\$994,082
<b>TOTAL</b>	<b>\$12,681,546*</b>

\*\$12,463,947 for FY 2020-2021

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.

**2024 Medicare Parts A & B Premiums Announced**

The Center for Medicare & Medicaid Services (CMS) has announced the upcoming 2024 Part B Premium and Deductible. The standard Part B premium for 2024 will be \$174.70 an increase of \$9.80 per month from \$164.90 for a single party and \$349.40 for the 2-party reimbursements in 2024.

Staff and Segal are working on the annual analysis report needed for submission to the Board of Supervisor's (BOS) seeking final approval to continue the Medicare Part B Reimbursement Program. As you know this is an annual process that is required to continue reimbursing eligible retirees and their eligible dependents. We are also working with the CEO's office to get this item placed on the BOS agenda and will report back upon finding out the actual date in which this item will be presented to the Board.

## Medicare Part B Income-Related Monthly Adjustment Amounts

Since 2007, the Part B monthly premium has been based on income. The 2024 Part B total premiums for high-income beneficiaries are shown in the following table:

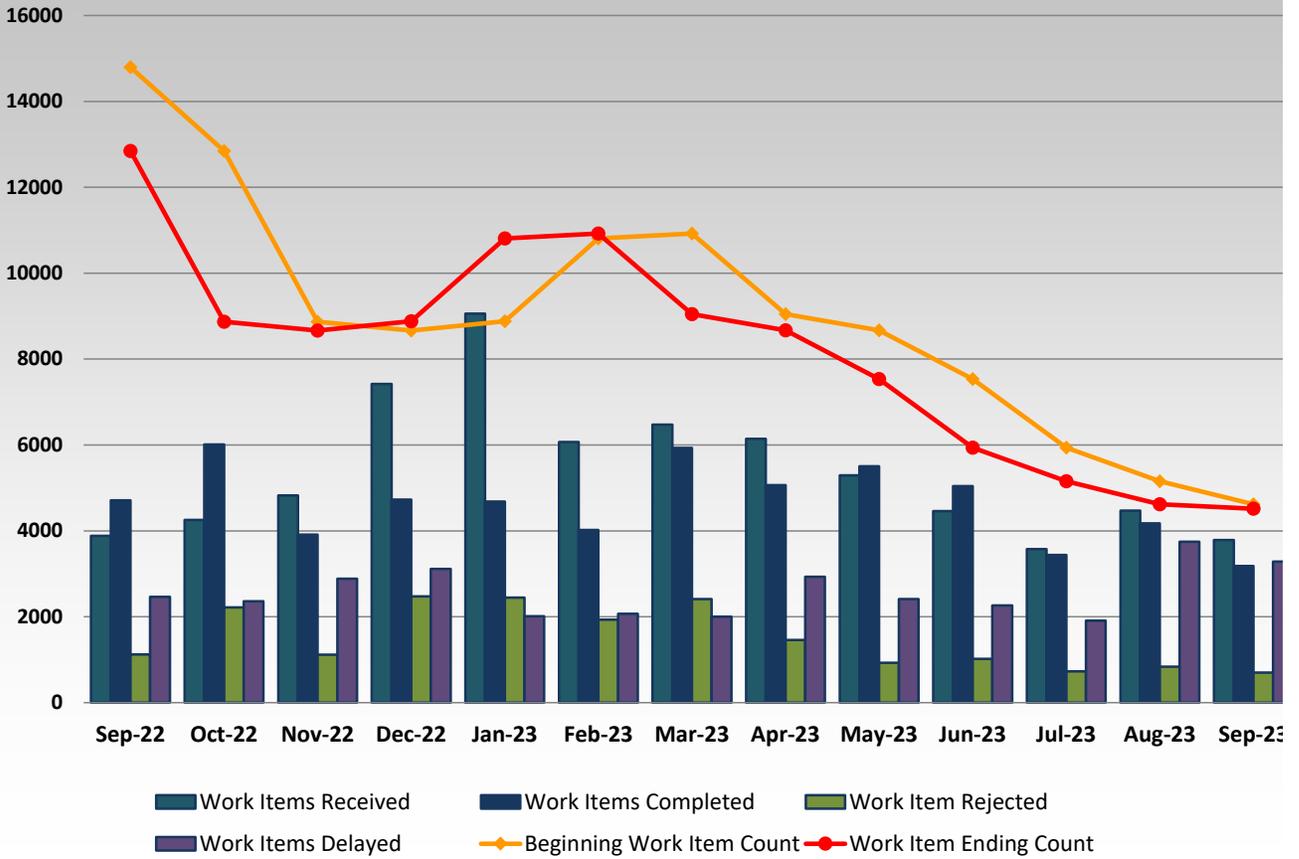
<b>Full Part B Coverage</b>			
<b>Beneficiaries who file individual tax returns with modified adjusted gross income:</b>	<b>Beneficiaries who file joint tax returns with modified adjusted gross income:</b>	<b>Income-Related Monthly Adjustment Amount</b>	<b>Total Monthly Premium Amount</b>
Less than or equal to \$103,000	Less than or equal to \$206,000	\$0.00	\$174.70
Greater than \$103,000 and less than or equal to \$129,000	Greater than \$206,000 and less than or equal to \$258,000	\$69.90	\$244.60
Greater than \$129,000 and less than or equal to \$161,000	Greater than \$258,000 and less than or equal to \$322,000	\$174.70	\$349.40
Greater than \$161,000 and less than or equal to \$193,000	Greater than \$322,000 and less than or equal to \$386,000	\$279.50	\$454.20
Greater than \$193,000 and less than \$500,000	Greater than \$386,000 and less than \$750,000	\$384.30	\$559.00
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$419.30	\$594.00

# Retiree Healthcare Division

## Trend Report

SEPT. 2022 - SEPT. 2023

Updated 10/23/2023

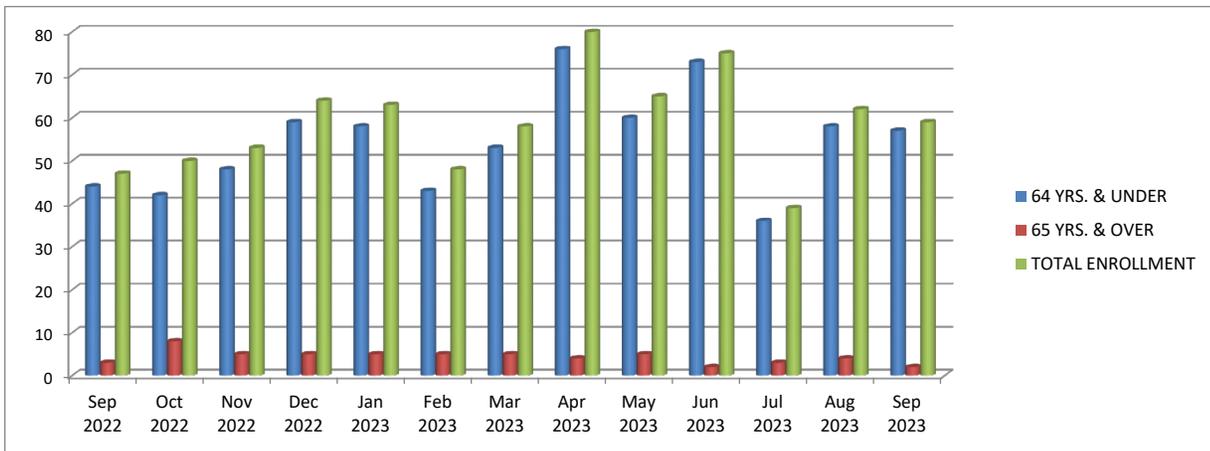


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Sep-22	14795	3885	4712	1121	2464	12847
Oct-22	12847	4252	6013	2218	2361	8868
Nov-22	8868	4822	3911	1114	2884	8665
Dec-22	8665	7418	4728	2476	3116	8879
Jan-23	8879	9057	4680	2448	2010	10808
Feb-23	10808	6067	4019	1934	2070	10922
Mar-23	10922	6472	5934	2411	1999	9049
Apr-23	9049	6144	5065	1458	2930	8670
May-23	8670	5294	5503	926	2412	7535
Jun-23	7535	4458	5039	1018	2263	5939
Jul-23	5939	3576	3438	730	1908	5157
Aug-23	5157	4471	4172	836	3746	4620
Sep-23	4620	3787	3181	698	3282	4515

## Retirees Monthly Age Breakdown SEPT. 2022 - SEPT. 2023

### Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Sep 2022	44	3	47
Oct 2022	42	8	50
Nov 2022	48	5	53
Dec 2022	59	5	64
Jan 2023	58	5	63
Feb 2023	43	5	48
Mar 2023	53	5	58
Apr 2023	76	4	80
May 2023	60	5	65
Jun 2023	73	2	75
Jul 2023	36	3	39
Aug 2023	58	4	62
Sep 2023	57	2	59



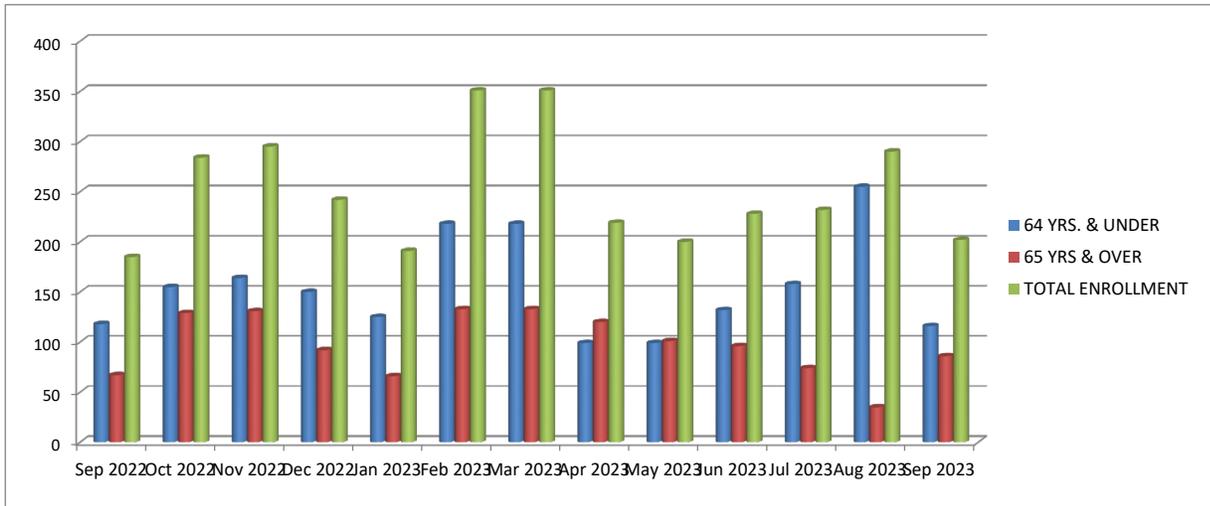
**PLEASE NOTE:**

- Next Report will include the following dates: October 1, 2022, through October 31, 2023.

## Retirees Monthly Age Breakdown SEPT. 2022 - SEPT. 2023

### Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Sep 2022	118	67	185
Oct 2022	155	129	284
Nov 2022	164	131	295
Dec 2022	150	92	242
Jan 2023	125	66	191
Feb 2023	218	133	351
Mar 2023	218	133	351
Apr 2023	99	120	219
May 2023	99	101	200
Jun 2023	132	96	228
Jul 2023	158	74	232
Aug 2023	255	35	290
Sep 2023	116	86	202



**PLEASE NOTE:**

- Next Report will include the following dates: October 1, 2022, through October 31, 2023.

Medicare Part B Reimbursement and Penalty Report				
		PAY PERIOD	10/31/2023	
Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
<b>ANTHEM BC III</b>				
240	7499	\$1,140,055.95	2	\$129.57
241	134	\$20,020.80	0	\$0.00
242	935	\$145,700.94	0	\$0.00
243	4502	\$1,391,382.01	0	\$0.00
244	17	\$2,587.20	0	\$0.00
245	55	\$8,613.20	0	\$0.00
246	15	\$2,162.40	0	\$0.00
247	151	\$24,025.50	0	\$0.00
248	15	\$4,327.30	1	\$43.00
249	69	\$21,600.00	0	\$0.00
250	17	\$5,252.10	0	\$0.00
<b>Plan Total:</b>	<b>13,409</b>	<b>\$2,765,727.40</b>	<b>3</b>	<b>\$172.57</b>
<b>CIGNA - PREFERRED with RX</b>				
321	33	\$4,653.50	0	\$0.00
322	7	\$997.60	0	\$0.00
324	21	\$6,446.10	0	\$0.00
327	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>62</b>	<b>\$12,202.10</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	19	\$3,058.70	0	\$0.00
397	4	\$144.60	0	\$0.00
398	8	\$2,622.00	0	\$0.00
403	11875	\$1,774,942.48	0	\$0.00
413	1547	\$239,516.64	0	\$0.00
418	6306	\$1,932,940.19	0	\$0.00
419	228	\$31,280.80	0	\$0.00
426	250	\$38,157.40	0	\$0.00
427	1	(\$268.00)	0	\$0.00
445	2	\$329.80	0	\$0.00
446	1	\$145.10	0	\$0.00
451	36	\$5,177.20	0	\$0.00
455	6	\$989.40	0	\$0.00
457	14	\$4,508.60	0	\$0.00
459	1	\$329.80	0	\$0.00
462	85	\$13,803.60	0	\$0.00
465	1	\$164.90	0	\$0.00
466	30	\$9,117.70	0	\$0.00
472	28	\$4,298.20	0	\$0.00
476	2	\$259.00	0	\$0.00
478	13	\$4,217.20	0	\$0.00
479	1	\$144.60	0	\$0.00
482	85	\$12,912.40	0	\$0.00
488	40	\$12,360.10	0	\$0.00
491	1	\$148.50	0	\$0.00
<b>Plan Total:</b>	<b>20,584</b>	<b>\$4,091,300.91</b>	<b>0</b>	<b>\$0.00</b>

<b>Medicare Part B Reimbursement and Penalty Report</b>				
		<b>PAY PERIOD</b>	<b>10/31/2023</b>	
<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	288	\$43,660.40	0	\$0.00
613	90	\$27,423.70	0	\$0.00
620	5	\$773.30	0	\$0.00
622	8	\$1,421.30	0	\$0.00
623	2	\$539.60	0	\$0.00
<b>Plan Total:</b>	<b>393</b>	<b>73,818</b>	<b>0</b>	<b>0</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	2046	\$313,444.50	1	\$36.50
702	383	\$61,608.00	0	\$0.00
703	1338	\$413,901.90	0	\$0.00
704	97	\$15,708.80	0	\$0.00
705	45	\$14,575.10	0	\$0.00
<b>Plan Total:</b>	<b>3,909</b>	<b>\$819,238.30</b>	<b>1</b>	<b>\$36.50</b>
<b>Grand Total:</b>	<b>38,357</b>	<b>\$7,762,287.01</b>	<b>4</b>	<b>\$209.07</b>

Medicare Part B Reimbursement and Penalty Report				
		PAY PERIOD	10/31/2023	
Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
<b>ANTHEM BC III</b>				
240	7499	\$1,140,055.95	2	\$129.57
241	134	\$20,020.80	0	\$0.00
242	935	\$145,700.94	0	\$0.00
243	4502	\$1,391,382.01	0	\$0.00
244	17	\$2,587.20	0	\$0.00
245	55	\$8,613.20	0	\$0.00
246	15	\$2,162.40	0	\$0.00
247	151	\$24,025.50	0	\$0.00
248	15	\$4,327.30	1	\$43.00
249	69	\$21,600.00	0	\$0.00
250	17	\$5,252.10	0	\$0.00
<b>Plan Total:</b>	<b>13,409</b>	<b>\$2,765,727.40</b>	<b>3</b>	<b>\$172.57</b>
<b>CIGNA - PREFERRED with RX</b>				
321	33	\$4,653.50	0	\$0.00
322	7	\$997.60	0	\$0.00
324	21	\$6,446.10	0	\$0.00
327	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>62</b>	<b>\$12,202.10</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	19	\$3,058.70	0	\$0.00
397	4	\$144.60	0	\$0.00
398	8	\$2,622.00	0	\$0.00
403	11875	\$1,774,942.48	0	\$0.00
413	1547	\$239,516.64	0	\$0.00
418	6306	\$1,932,940.19	0	\$0.00
419	228	\$31,280.80	0	\$0.00
426	250	\$38,157.40	0	\$0.00
427	1	(\$268.00)	0	\$0.00
445	2	\$329.80	0	\$0.00
446	1	\$145.10	0	\$0.00
451	36	\$5,177.20	0	\$0.00
455	6	\$989.40	0	\$0.00
457	14	\$4,508.60	0	\$0.00
459	1	\$329.80	0	\$0.00
462	85	\$13,803.60	0	\$0.00
465	1	\$164.90	0	\$0.00
466	30	\$9,117.70	0	\$0.00
472	28	\$4,298.20	0	\$0.00
476	2	\$259.00	0	\$0.00
478	13	\$4,217.20	0	\$0.00
479	1	\$144.60	0	\$0.00
482	85	\$12,912.40	0	\$0.00
488	40	\$12,360.10	0	\$0.00
491	1	\$148.50	0	\$0.00
<b>Plan Total:</b>	<b>20,584</b>	<b>\$4,091,300.91</b>	<b>0</b>	<b>\$0.00</b>

<b>Medicare Part B Reimbursement and Penalty Report</b>				
		<b>PAY PERIOD</b>	<b>10/31/2023</b>	
<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	288	\$43,660.40	0	\$0.00
613	90	\$27,423.70	0	\$0.00
620	5	\$773.30	0	\$0.00
622	8	\$1,421.30	0	\$0.00
623	2	\$539.60	0	\$0.00
<b>Plan Total:</b>	<b>393</b>	<b>73,818</b>	<b>0</b>	<b>0</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	2046	\$313,444.50	1	\$36.50
702	383	\$61,608.00	0	\$0.00
703	1338	\$413,901.90	0	\$0.00
704	97	\$15,708.80	0	\$0.00
705	45	\$14,575.10	0	\$0.00
<b>Plan Total:</b>	<b>3,909</b>	<b>\$819,238.30</b>	<b>1</b>	<b>\$36.50</b>
<b>LOCAL 1014</b>				
804	181	\$39,405.90	0	\$0.00
805	222	\$42,705.60	0	\$0.00
806	701	\$260,887.10	0	\$0.00
807	48	\$10,255.50	0	\$0.00
808	16	\$5,276.80	0	\$0.00
812	253	\$45,477.30	0	\$0.00
813	1	\$164.90	0	\$0.00
<b>Plan Total:</b>	<b>1,422</b>	<b>\$404,173.10</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>39,779</b>	<b>\$8,166,460.11</b>	<b>4</b>	<b>\$209.07</b>

## Medical and Dental Vision Insurance Premiums November 2023

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	461	\$438,761.36	\$66,051.87	\$377,213.03	\$443,264.90	\$0.00	\$443,264.90
202	242	\$454,876.56	\$39,310.30	\$406,613.67	\$445,923.97	(\$1,871.92)	\$444,052.05
203	74	\$156,323.52	\$25,561.00	\$128,650.04	\$154,211.04	\$0.00	\$154,211.04
204	29	\$35,469.03	\$10,151.45	\$25,317.58	\$35,469.03	\$0.00	\$35,469.03
<b>SUBTOTAL</b>	<b>806</b>	<b>\$1,085,430.47</b>	<b>\$141,074.62</b>	<b>\$937,794.32</b>	<b>\$1,078,868.94</b>	<b>(\$1,871.92)</b>	<b>\$1,076,997.02</b>
<b>Anthem Blue Cross I</b>							
211	567	\$779,409.54	\$50,309.37	\$740,513.42	\$790,822.79	(\$1,374.62)	\$789,448.17
212	237	\$589,768.76	\$26,005.83	\$538,121.19	\$564,127.02	\$0.00	\$564,127.02
213	73	\$213,377.54	\$24,099.57	\$189,277.97	\$213,377.54	\$0.00	\$213,377.54
214	21	\$38,191.65	\$3,564.54	\$38,264.41	\$41,828.95	\$0.00	\$41,828.95
215	1	\$464.72	\$18.59	\$446.13	\$464.72	\$0.00	\$464.72
<b>SUBTOTAL</b>	<b>899</b>	<b>\$1,621,212.21</b>	<b>\$103,997.90</b>	<b>\$1,506,623.12</b>	<b>\$1,610,621.02</b>	<b>(\$1,374.62)</b>	<b>\$1,609,246.40</b>
<b>Anthem Blue Cross II</b>							
221	2,356	\$3,238,604.72	\$175,270.78	\$3,090,910.97	\$3,266,181.75	\$2,848.47	\$3,269,030.22
222	2,034	\$5,057,638.82	\$115,971.09	\$4,841,878.51	\$4,957,849.60	\$0.00	\$4,957,849.60
223	926	\$2,712,525.44	\$107,390.41	\$2,575,905.23	\$2,683,295.64	\$5,845.96	\$2,689,141.60
224	231	\$420,108.15	\$40,192.12	\$381,734.68	\$421,926.80	(\$1,818.95)	\$420,107.85
<b>SUBTOTAL</b>	<b>5,547</b>	<b>\$11,428,877.13</b>	<b>\$438,824.40</b>	<b>\$10,890,429.39</b>	<b>\$11,329,253.79</b>	<b>\$6,875.48</b>	<b>\$11,336,129.27</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Anthem Blue Cross III</b>							
240	7,551	\$4,229,453.41	\$563,323.21	\$3,723,103.79	\$4,286,427.00	(\$8,959.52)	\$4,277,467.48
241	134	\$243,385.60	\$21,510.96	\$225,193.90	\$246,704.86	\$0.00	\$246,704.86
242	937	\$1,689,382.40	\$97,822.36	\$1,563,586.29	\$1,661,408.65	(\$1,789.60)	\$1,659,619.05
243	4,509	\$5,048,440.20	\$527,072.74	\$4,380,169.49	\$4,907,242.23	(\$3,342.60)	\$4,903,899.63
244	17	\$17,041.14	\$1,664.01	\$15,377.13	\$17,041.14	\$0.00	\$17,041.14
245	56	\$56,135.52	\$5,072.25	\$51,063.27	\$56,135.52	\$0.00	\$56,135.52
246	15	\$33,478.65	\$2,231.91	\$31,246.74	\$33,478.65	\$0.00	\$33,478.65
247	154	\$343,714.14	\$20,488.93	\$320,993.30	\$341,482.23	\$0.00	\$341,482.23
248	15	\$23,346.45	\$1,992.22	\$21,354.23	\$23,346.45	\$0.00	\$23,346.45
249	70	\$110,506.53	\$4,824.94	\$101,012.30	\$105,837.24	\$0.00	\$105,837.24
250	17	\$29,652.25	\$2,267.52	\$27,384.73	\$29,652.25	\$0.00	\$29,652.25
<b>SUBTOTAL</b>	<b>13,475</b>	<b>\$11,824,536.29</b>	<b>\$1,248,271.05</b>	<b>\$10,460,485.17</b>	<b>\$11,708,756.22</b>	<b>(\$14,091.72)</b>	<b>\$11,694,664.50</b>
<b>CIGNA Network Model Plan</b>							
301	234	\$418,293.72	\$109,442.73	\$314,081.96	\$423,524.69	(\$1,787.58)	\$421,737.11
302	59	\$193,648.80	\$46,448.16	\$140,984.06	\$187,432.22	\$0.00	\$187,432.22
303	10	\$38,109.90	\$8,810.53	\$25,488.38	\$34,298.91	\$0.00	\$34,298.91
304	14	\$33,206.46	\$15,056.31	\$18,150.15	\$33,206.46	\$0.00	\$33,206.46
<b>SUBTOTAL</b>	<b>317</b>	<b>\$683,258.88</b>	<b>\$179,757.73</b>	<b>\$498,704.55</b>	<b>\$678,462.28</b>	<b>(\$1,787.58)</b>	<b>\$676,674.70</b>
<b>CIGNA Preferred w/ Rx - Phoenix, AZ</b>							
321	33	\$11,446.38	\$1,470.70	\$9,975.68	\$11,446.38	\$0.00	\$11,446.38
322	7	\$12,507.32	\$714.70	\$11,792.62	\$12,507.32	\$0.00	\$12,507.32
324	21	\$14,400.12	\$1,645.74	\$12,754.38	\$14,400.12	(\$685.72)	\$13,714.40
327	1	\$2,370.95	\$474.19	\$1,896.76	\$2,370.95	\$0.00	\$2,370.95
<b>SUBTOTAL</b>	<b>62</b>	<b>\$40,724.77</b>	<b>\$4,305.33</b>	<b>\$36,419.44</b>	<b>\$40,724.77</b>	<b>(\$685.72)</b>	<b>\$40,039.05</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser/Senior Advantage</b>							
401	1,542	\$1,964,537.12	\$153,862.60	\$1,812,685.51	\$1,966,548.11	(\$1,265.81)	\$1,965,282.30
403	11,908	\$2,990,595.72	\$270,234.88	\$2,731,940.41	\$3,002,175.29	(\$4,267.77)	\$2,997,907.52
404	494	\$586,180.40	\$11,106.57	\$575,073.83	\$586,180.40	\$7.63	\$586,188.03
405	1,377	\$1,747,910.32	\$19,001.33	\$1,725,103.67	\$1,744,105.00	(\$6,448.38)	\$1,737,656.62
411	1,884	\$4,769,641.80	\$211,075.14	\$4,470,500.96	\$4,681,576.10	\$5,047.24	\$4,686,623.34
413	1,543	\$2,349,604.22	\$113,742.84	\$2,190,002.03	\$2,303,744.87	\$1,508.09	\$2,305,252.96
414	54	\$131,998.14	\$782.21	\$131,215.93	\$131,998.14	\$0.00	\$131,998.14
418	6,272	\$3,108,546.16	\$218,627.04	\$2,844,902.38	\$3,063,529.42	(\$8,373.52)	\$3,055,155.90
419	225	\$327,213.52	\$4,572.48	\$316,925.52	\$321,498.00	\$0.00	\$321,498.00
420	107	\$253,076.40	\$1,135.30	\$251,941.10	\$253,076.40	\$0.00	\$253,076.40
421	8	\$10,126.48	\$658.21	\$10,734.08	\$11,392.29	\$1,265.81	\$12,658.10
422	272	\$689,666.25	\$2,728.35	\$710,244.40	\$712,972.75	\$0.00	\$712,972.75
426	249	\$377,680.00	\$2,658.88	\$375,021.12	\$377,680.00	(\$1,510.72)	\$376,169.28
427	0	\$1,432.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
428	44	\$107,669.76	\$489.40	\$107,180.36	\$107,669.76	\$0.00	\$107,669.76
430	143	\$361,629.84	\$3,388.73	\$358,241.11	\$361,629.84	\$0.00	\$361,629.84
<b>SUBTOTAL</b>	<b>26,122</b>	<b>\$19,777,508.19</b>	<b>\$1,014,063.96</b>	<b>\$18,611,712.41</b>	<b>\$19,625,776.37</b>	<b>(\$14,037.43)</b>	<b>\$19,611,738.94</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Colorado</b>							
450	3	\$3,309.75	\$441.30	\$2,868.45	\$3,309.75	\$0.00	\$3,309.75
451	36	\$10,724.40	\$1,841.01	\$9,479.19	\$11,320.20	\$0.00	\$11,320.20
453	8	\$19,516.48	\$0.00	\$19,516.48	\$19,516.48	\$0.00	\$19,516.48
454	1	\$3,293.85	\$721.63	\$2,572.22	\$3,293.85	\$0.00	\$3,293.85
455	6	\$8,358.90	\$0.00	\$8,358.90	\$8,358.90	\$0.00	\$8,358.90
457	14	\$8,229.20	\$940.48	\$7,288.72	\$8,229.20	\$0.00	\$8,229.20
459	1	\$1,683.05	\$67.32	\$1,615.73	\$1,683.05	\$0.00	\$1,683.05
<b>SUBTOTAL</b>	<b>69</b>	<b>\$55,115.63</b>	<b>\$4,011.74</b>	<b>\$51,699.69</b>	<b>\$55,711.43</b>	<b>\$0.00</b>	<b>\$55,711.43</b>
<b>Kaiser - Georgia</b>							
441	4	\$5,182.00	\$0.00	\$5,182.00	\$5,182.00	\$0.00	\$5,182.00
442	7	\$9,068.50	\$0.00	\$9,068.50	\$9,068.50	\$0.00	\$9,068.50
445	2	\$3,363.78	\$0.00	\$3,363.78	\$3,363.78	\$0.00	\$3,363.78
446	1	\$1,681.89	\$0.00	\$1,681.89	\$1,681.89	\$0.00	\$1,681.89
461	15	\$19,432.50	\$2,435.54	\$15,701.46	\$18,137.00	\$0.00	\$18,137.00
462	85	\$33,917.54	\$4,716.87	\$34,638.54	\$39,355.41	\$0.00	\$39,355.41
463	4	\$10,331.96	\$1,658.89	\$8,673.07	\$10,331.96	\$0.00	\$10,331.96
465	1	\$1,681.89	\$0.00	\$1,681.89	\$1,681.89	\$0.00	\$1,681.89
466	30	\$23,423.40	\$1,639.63	\$21,783.77	\$23,423.40	\$0.00	\$23,423.40
<b>SUBTOTAL</b>	<b>149</b>	<b>\$108,083.46</b>	<b>\$10,450.93</b>	<b>\$101,774.90</b>	<b>\$112,225.83</b>	<b>\$0.00</b>	<b>\$112,225.83</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Hawaii</b>							
471	5	\$4,773.20	\$267.30	\$4,505.90	\$4,773.20	\$0.00	\$4,773.20
472	28	\$12,185.60	\$1,740.78	\$10,444.82	\$12,185.60	\$0.00	\$12,185.60
473	2	\$3,965.12	\$1,215.88	\$2,749.24	\$3,965.12	\$0.00	\$3,965.12
474	4	\$7,605.12	\$0.00	\$7,605.12	\$7,605.12	\$0.00	\$7,605.12
475	3	\$8,543.76	\$0.00	\$8,543.76	\$8,543.76	\$0.00	\$8,543.76
476	2	\$2,763.68	\$1,216.02	\$1,547.66	\$2,763.68	\$0.00	\$2,763.68
478	13	\$11,211.20	\$1,448.83	\$9,762.37	\$11,211.20	(\$862.40)	\$10,348.80
479	1	\$2,409.76	\$0.00	\$2,409.76	\$2,409.76	\$0.00	\$2,409.76
<b>SUBTOTAL</b>	<b>58</b>	<b>\$53,457.44</b>	<b>\$5,888.81</b>	<b>\$47,568.63</b>	<b>\$53,457.44</b>	<b>(\$862.40)</b>	<b>\$52,595.04</b>
<b>Kaiser - Oregon</b>							
481	2	\$2,336.86	\$584.21	\$1,752.65	\$2,336.86	\$0.00	\$2,336.86
482	85	\$42,328.30	\$6,513.59	\$35,814.71	\$42,328.30	\$0.00	\$42,328.30
483	2	\$2,914.32	\$494.99	\$2,419.33	\$2,914.32	\$0.00	\$2,914.32
484	6	\$13,973.16	\$0.00	\$18,630.88	\$18,630.88	\$0.00	\$18,630.88
488	39	\$39,518.40	\$5,789.46	\$33,728.94	\$39,518.40	\$0.00	\$39,518.40
491	1	\$1,682.42	\$0.00	\$1,682.42	\$1,682.42	\$0.00	\$1,682.42
498	2	\$5,235.18	\$279.14	\$4,956.04	\$5,235.18	\$0.00	\$5,235.18
<b>SUBTOTAL</b>	<b>137</b>	<b>\$107,988.64</b>	<b>\$13,661.39</b>	<b>\$98,984.97</b>	<b>\$112,646.36</b>	<b>\$0.00</b>	<b>\$112,646.36</b>
<b>SCAN Health Plan</b>							
611	288	\$71,842.51	\$15,313.11	\$55,783.63	\$71,096.74	\$0.00	\$71,096.74
613	90	\$44,026.20	\$9,284.64	\$34,741.56	\$44,026.20	\$0.00	\$44,026.20
<b>SUBTOTAL</b>	<b>378</b>	<b>\$115,868.71</b>	<b>\$24,597.75</b>	<b>\$90,525.19</b>	<b>\$115,122.94</b>	<b>\$0.00</b>	<b>\$115,122.94</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>SCAN Health Plan, AZ</b>							
620	5	\$1,242.95	\$198.87	\$1,044.08	\$1,242.95	\$0.00	\$1,242.95
<b>SUBTOTAL</b>	<b>5</b>	<b>\$1,242.95</b>	<b>\$198.87</b>	<b>\$1,044.08</b>	<b>\$1,242.95</b>	<b>\$0.00</b>	<b>\$1,242.95</b>
<b>SCAN Health Plan, NV</b>							
622	8	\$1,988.72	\$159.10	\$1,829.62	\$1,988.72	\$0.00	\$1,988.72
623	2	\$978.36	\$0.00	\$978.36	\$978.36	\$0.00	\$978.36
<b>SUBTOTAL</b>	<b>10</b>	<b>\$2,967.08</b>	<b>\$159.10</b>	<b>\$2,807.98</b>	<b>\$2,967.08</b>	<b>\$0.00</b>	<b>\$2,967.08</b>
<b>UHC Medicare Adv.</b>							
701	2,051	\$664,402.05	\$77,798.40	\$583,529.32	\$661,327.72	(\$279.19)	\$661,048.53
702	386	\$654,968.66	\$34,377.31	\$617,197.73	\$651,575.04	\$0.00	\$651,575.04
703	1,331	\$855,750.80	\$81,137.39	\$772,313.45	\$853,450.84	(\$1,277.24)	\$852,173.60
704	102	\$197,208.84	\$11,059.16	\$182,282.84	\$193,342.00	\$0.00	\$193,342.00
705	45	\$39,385.35	\$2,450.68	\$37,809.90	\$40,260.58	\$0.00	\$40,260.58
706	3	\$1,184.61	\$157.94	\$1,026.67	\$1,184.61	\$0.00	\$1,184.61
<b>SUBTOTAL</b>	<b>3,918</b>	<b>\$2,412,900.31</b>	<b>\$206,980.88</b>	<b>\$2,194,159.91</b>	<b>\$2,401,140.79</b>	<b>(\$1,556.43)</b>	<b>\$2,399,584.36</b>
<b>United Healthcare</b>							
707	509	\$707,328.00	\$57,275.24	\$663,551.97	\$720,827.21	\$0.00	\$720,827.21
708	455	\$1,150,529.04	\$66,924.35	\$1,090,897.44	\$1,157,821.79	(\$2,478.02)	\$1,155,343.77
709	377	\$1,130,828.58	\$75,852.06	\$1,017,969.71	\$1,093,821.77	\$0.00	\$1,093,821.77
<b>SUBTOTAL</b>	<b>1,341</b>	<b>\$2,988,685.62</b>	<b>\$200,051.65</b>	<b>\$2,772,419.12</b>	<b>\$2,972,470.77</b>	<b>(\$2,478.02)</b>	<b>\$2,969,992.75</b>

## Medical and Dental Vision Insurance Premiums November 2023

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Local 1014 Firefighters</b>							
801	85	\$113,449.50	\$3,897.35	\$106,882.75	\$110,780.10	\$0.00	\$110,780.10
802	335	\$806,197.60	\$25,990.84	\$777,800.20	\$803,791.04	\$2,406.56	\$806,197.60
803	371	\$1,053,183.67	\$30,261.23	\$1,027,180.60	\$1,057,441.83	\$2,838.77	\$1,060,280.60
804	189	\$252,258.30	\$7,928.11	\$253,597.90	\$261,526.01	(\$78,284.30)	\$183,241.71
805	226	\$543,882.56	\$16,084.60	\$527,797.96	\$543,882.56	(\$85,345.30)	\$458,537.26
806	703	\$1,691,811.68	\$37,831.08	\$1,632,457.14	\$1,670,288.22	(\$523,224.66)	\$1,147,063.56
807	50	\$141,938.50	\$2,384.56	\$139,553.94	\$141,938.50	(\$19,851.40)	\$122,087.10
808	16	\$45,420.32	\$227.10	\$45,193.22	\$45,420.32	(\$10,553.50)	\$34,866.82
809	17	\$22,689.90	\$3,523.61	\$19,166.29	\$22,689.90	\$0.00	\$22,689.90
810	9	\$21,659.04	\$2,839.73	\$18,819.31	\$21,659.04	\$0.00	\$21,659.04
811	3	\$8,516.31	\$2,043.92	\$6,472.39	\$8,516.31	\$0.00	\$8,516.31
812	254	\$339,013.80	\$21,034.88	\$319,313.62	\$340,348.50	(\$89,619.90)	\$250,728.60
813	1	\$2,406.56	\$0.00	\$2,406.56	\$2,406.56	(\$329.80)	\$2,076.76
<b>SUBTOTAL</b>	<b>2,259</b>	<b>\$5,042,427.74</b>	<b>\$154,047.01</b>	<b>\$4,876,641.88</b>	<b>\$5,030,688.89</b>	<b>(\$801,963.53)</b>	<b>\$4,228,725.36</b>
<b>Kaiser - Washington</b>							
393	6	\$9,842.46	\$1,759.69	\$8,082.77	\$9,842.46	\$0.00	\$9,842.46
394	20	\$8,950.40	\$1,888.53	\$7,509.39	\$9,397.92	\$0.00	\$9,397.92
395	3	\$12,225.48	\$578.35	\$2,478.02	\$3,056.37	\$0.00	\$3,056.37
397	3	\$7,453.92	\$670.85	\$4,919.59	\$5,590.44	\$0.00	\$5,590.44
398	8	\$7,096.32	\$958.00	\$6,138.32	\$7,096.32	\$0.00	\$7,096.32
<b>SUBTOTAL</b>	<b>40</b>	<b>\$45,568.58</b>	<b>\$5,855.42</b>	<b>\$29,128.09</b>	<b>\$34,983.51</b>	<b>\$0.00</b>	<b>\$34,983.51</b>
<b>Medical Plan Total</b>	<b>55,592</b>	<b>\$57,395,854.10</b>	<b>\$3,756,198.54</b>	<b>\$53,208,922.84</b>	<b>\$56,965,121.38</b>	<b>(\$833,833.89)</b>	<b>\$56,131,287.49</b>

## Medical and Dental Vision Insurance Premiums November 2023

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	26,209	\$1,380,900.84	\$143,972.66	\$1,253,654.96	\$1,397,627.62	(\$1,630.55)	\$1,395,997.07
502	24,235	\$2,666,845.66	\$197,145.97	\$2,439,928.57	\$2,637,074.54	(\$2,864.99)	\$2,634,209.55
503	10	\$648.20	\$38.89	\$674.13	\$713.02	\$64.82	\$777.84
<b>SUBTOTAL</b>	<b>50,454</b>	<b>\$4,048,394.70</b>	<b>\$341,157.52</b>	<b>\$3,694,257.66</b>	<b>\$4,035,415.18</b>	<b>(\$4,430.72)</b>	<b>\$4,030,984.46</b>
<b>CIGNA Dental HMO/Vision</b>							
901	4,037	\$188,033.84	\$20,908.28	\$170,060.43	\$190,968.71	(\$61.21)	\$190,907.50
902	3,061	\$292,128.48	\$22,070.95	\$267,938.09	\$290,009.04	\$95.28	\$290,104.32
903	2	\$94.22	\$16.96	\$77.26	\$94.22	\$0.00	\$94.22
<b>SUBTOTAL</b>	<b>7,100</b>	<b>\$480,256.54</b>	<b>\$42,996.19</b>	<b>\$438,075.78</b>	<b>\$481,071.97</b>	<b>\$34.07</b>	<b>\$481,106.04</b>
<b>Dental/Vision Plan Total</b>	<b>57,554</b>	<b>\$4,528,651.24</b>	<b>\$384,153.71</b>	<b>\$4,132,333.44</b>	<b>\$4,516,487.15</b>	<b>(\$4,396.65)</b>	<b>\$4,512,090.50</b>
<b>GRAND TOTALS</b>	<b>113,146</b>	<b>\$61,924,505.34</b>	<b>\$4,140,352.25</b>	<b>\$57,341,256.28</b>	<b>\$61,481,608.53</b>	<b>(\$838,230.54)</b>	<b>\$60,643,377.99</b>

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Anthem Blue Cross Prudent Buyer Plan</u></b>		
\$630.26	201	Retiree Only
\$1,239.88	202	Retiree and Spouse/Domestic Partner
\$1,399.26	203	Retiree, Spouse/Domestic Partner and Children
\$810.01	204	Retiree and Children
\$172.06	205	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan I</u></b>		
<b>\$904.25</b>	211	Retiree Only
<b>\$1,630.31</b>	212	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	213	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan II</u></b>		
<b>\$904.25</b>	221	Retiree Only
<b>\$1,630.31</b>	222	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	223	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan III</u></b>		
\$365.20	240	Retiree Only with Medicare
\$1,167.61	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,167.61	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$726.87	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$653.93	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$653.93	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$1,456.25	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,456.25	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,015.45	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,015.45	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$1,138.02	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
-----------------------------------	-------	----------------------------

**CIGNA Network Model Plan**

\$1,143.49	301	Retiree Only
\$2,064.71	302	Retiree and Spouse/Domestic Partner
\$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
\$1,517.57	304	Retiree and Children
\$378.87	305	Survivor Children Only Rates

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

\$328.00	321	Retiree Only with Medicare
\$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
\$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
\$702.09	325	Retiree and Children
\$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
\$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

**Kaiser**

\$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
\$235.64	403	Retiree Only ("Senior Advantage")
\$894.95	404	Retiree Only ("Excess I")
\$795.39	405	Retiree Only - ("Excess II")
\$1,408.39	406	Retiree Only ("Excess III")
\$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
\$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
\$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
\$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
\$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser (continued)</u></b>		
N/A	424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
N/A	425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
\$1,026.03	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$1,639.03	427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
\$1,685.34	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,298.34	429	Retiree and Family One family member is "Excess I"; others are "Excess III")
\$1,585.78	430	Retiree and Family (Two or more family members are "Excess II")
\$2,198.78	431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
\$2,811.78	432	Retiree and Family (Two or more family members are "Excess III")
<b><u>Kaiser Colorado</u></b>		
\$793.06	450	Retiree Only ("Basic" under age 65)
\$327.27	451	Retiree Only ("Senior Advantage")
\$1,754.57	453	Retiree and Family (Two family members are "Basic")
\$2,369.25	454	Retiree and Family (Three or more family members are "Basic")
\$1,115.33	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$649.55	457	Retiree and Family (Two family members are "Senior Advantage")
\$1,857.56	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,437.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")
<b><u>Kaiser Georgia</u></b>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
-----------------------------------	-------	----------------------------

**Kaiser Georgia (continued)**

\$1,689.48	463	Retiree and Family (Two family members are "Basic")
\$2,531.72	464	Retiree and Family (Three or more family members are "Basic")
\$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
\$2,045.59	467	Retiree and Family ( One family member is "Senior Advantage"; two or more are "Basic")
\$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")

**Kaiser Hawaii**

\$795.16	471	Retiree Only ("Basic" under age 65)
\$346.45	472	Retiree Only ("Senior Advantage")
\$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,585.31	474	Retiree and Family (Two family members are "Basic")
\$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
\$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$2,171.58	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)
\$687.90	478	Retiree and Family (Two family members are "Senior Advantage")
\$1,722.87	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**

\$806.67	481	Retiree Only ("Basic" under age 65)
\$465.92	482	Retiree Only ("Senior Advantage")
\$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,608.34	484	Retiree and Family (Two family members are "Basic")
\$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
\$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
\$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
\$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

\*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser Oregon (continued)</u></b>		
\$1,571.76	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
\$1,666.19	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$2,069.26	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,728.51	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$2,405.54	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,216.68	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,216.68	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$2,006.94	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.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<b><u>SCAN Health Plan</u></b>		
\$304.00	611	Retiree Only with SCAN
\$603.00	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.)
<b><u>United Healthcare Medicare Advantage (UHCMA)</u></b>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$293.62	701	Retiree Only with Secure Horizons
\$1,203.81	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$582.24	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$1,360.59	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)
\$739.02	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)
\$261.24	706	Survivor Children Only Rates
<b><u>United Healthcare (UHC)</u></b>		
(For members and dependents under age 65 [no Medicare])		
\$915.18	707	Retiree Only
\$1,671.68	708	Retiree and 1 Dependent
\$1,982.16	709	Retiree and 2 Or More Dependents
<b><u>Local 1014 Firefighters</u></b>		
\$914.03	801	Member Under 65
\$1,648.06	802	Member + 1 Under 65
\$1,944.04	803	Member + 2 Under 65
\$914.03	804	Member with Medicare
\$1,648.06	805	Member + 1; 1 Medicare
\$1,648.06	806	Member + 1; 2 Medicare
\$1,944.04	807	Member + 2; 1 Medicare
\$1,944.04	808	Member + 2; 2 Medicare

\*Benchmark premiums are bolded.

<b>PREMIUMS*</b>	<b>CARRIER DEDUCTION CODES</b>	<b>DEDUCTION CODE DEFINITIONS</b>
------------------	--	-----------------------------------

**Local 1014 Firefighters (continued)**

\$914.03	809	Surviving Spouse Under 65
\$1,648.06	810	Surviving Spouse + 1; Under 65
\$1,944.04	811	Surviving Spouse + 2 Under 65
\$914.03	812	Surviving Spouse with Medicare
\$1,648.06	813	Surviving Spouse + 1; 1 Medicare
\$1,944.04	814	Spouse + 1; 1 Medicare
\$1,648.06	815	Surviving Spouse + 1; 2 Medicare

**CIGNA Indemnity - Dental/Vision**

<b>\$46.55</b>	501	Retiree Only
<b>\$99.61</b>	502	Retiree and Dependent(s)
\$57.81	503	Survivor Children Only Rates

**CIGNA HMO - Dental/Vision**

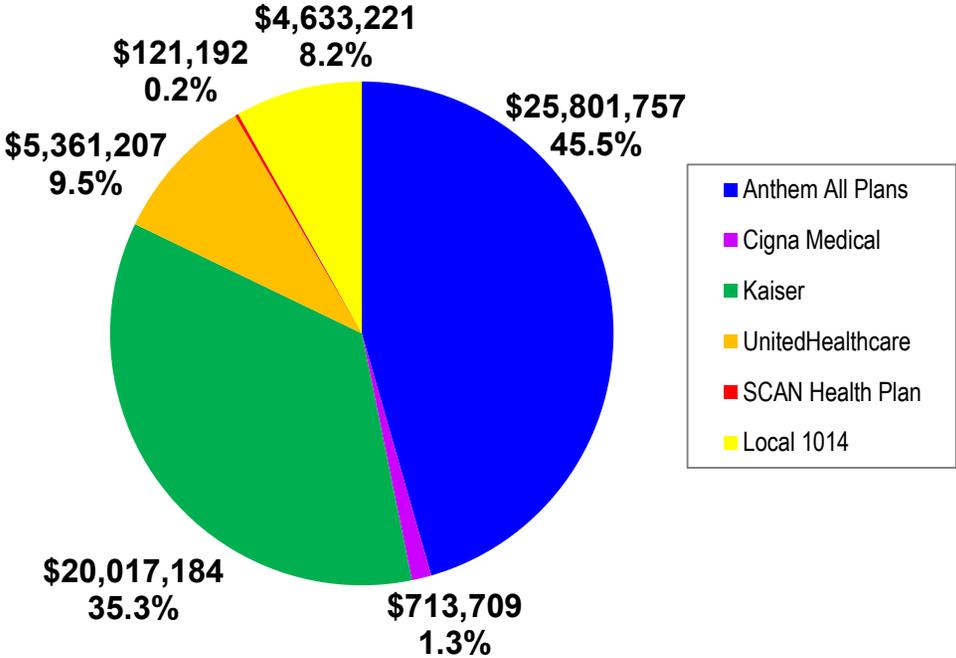
\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

**Los Angeles County Employees Retirement Association**  
**Premium & Enrollment**  
*Coverage Month Ending September 2023*

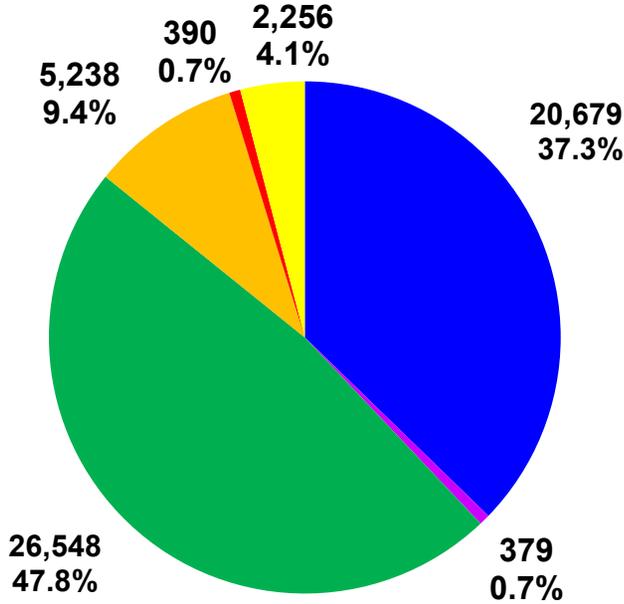
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$25,801,757	45.5%	20,679	37.3%
Cigna Medical	\$713,709	1.3%	379	0.7%
Kaiser	\$20,017,184	35.3%	26,548	47.8%
UnitedHealthcare	\$5,361,207	9.5%	5,238	9.4%
SCAN Health Plan	\$121,192	0.2%	390	0.7%
Local 1014	\$4,633,221	8.2%	2,256	4.1%
<b>Combined Medical</b>	<b>\$56,648,270</b>	<b>100.0%</b>	<b>55,490</b>	<b>100.0%</b>

<b>Cigna Dental &amp; Vision (PPO and HMO)</b>	<b>\$4,525,483</b>	<b>57,452</b>
--	--------------------	---------------

**Monthly Premium**

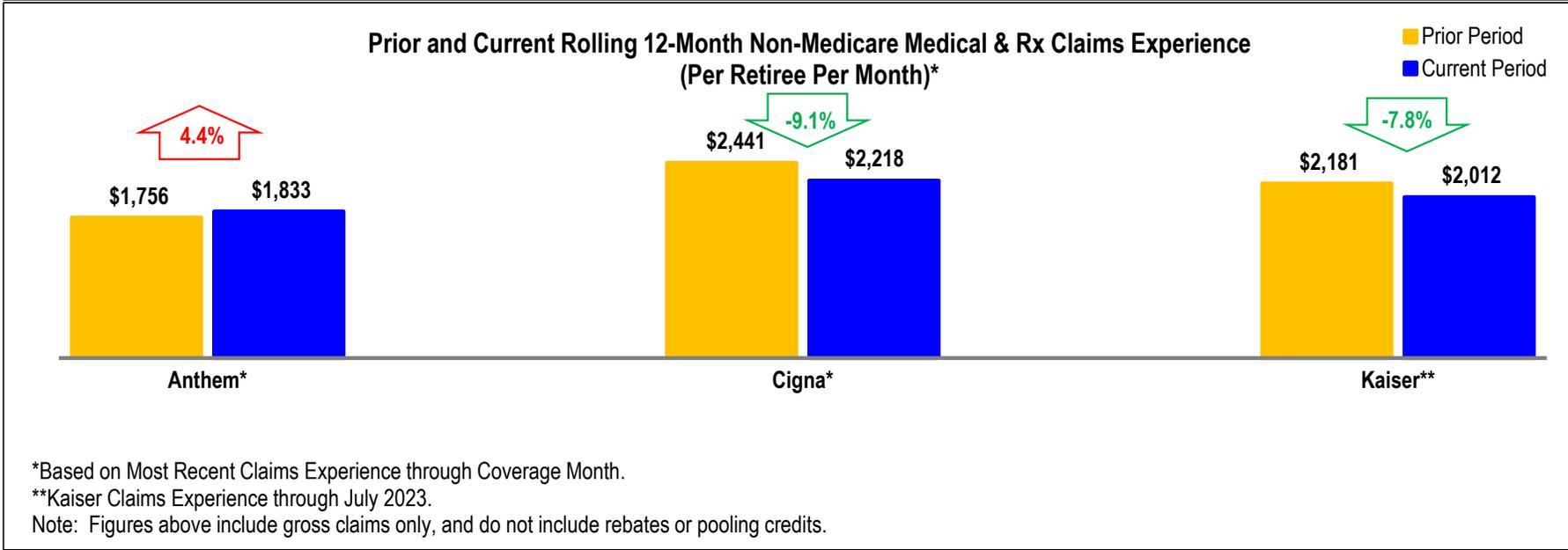
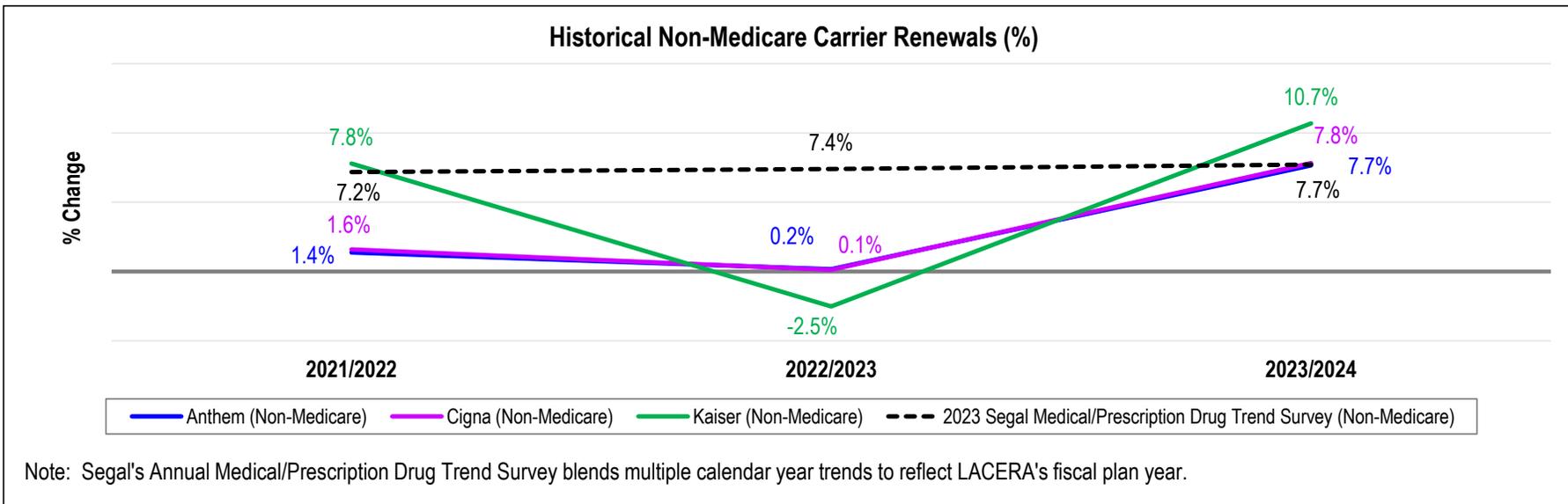


**Retirees**



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

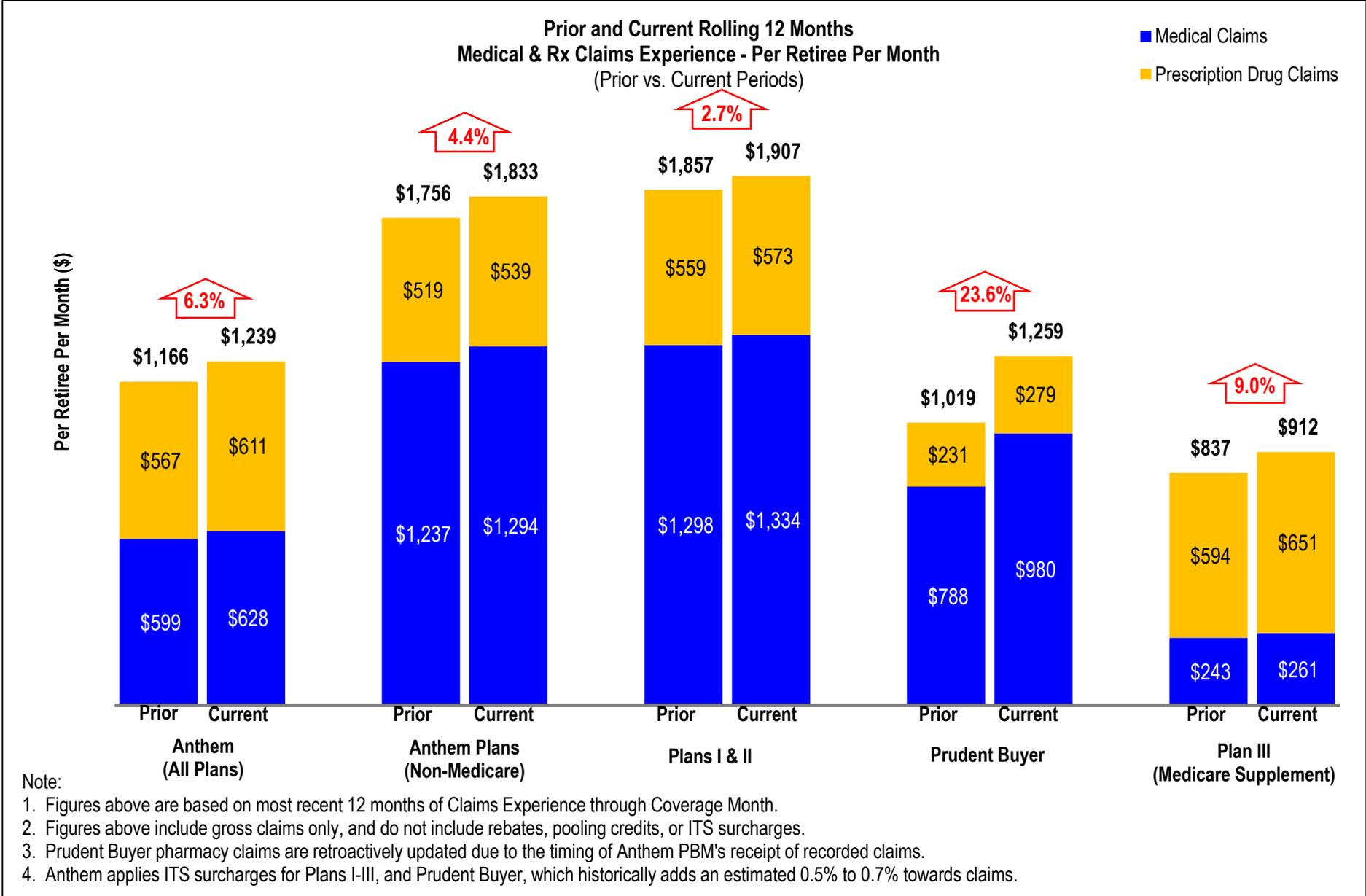
**Los Angeles County Employees Retirement Association**  
**Claims Experience by Carrier**  
*Coverage Month Ending September 2023*



# Los Angeles County Employees Retirement Association

## Anthem Claims Experience By Plan

Coverage Month Ending September 2023



# Los Angeles County Employees Retirement Association

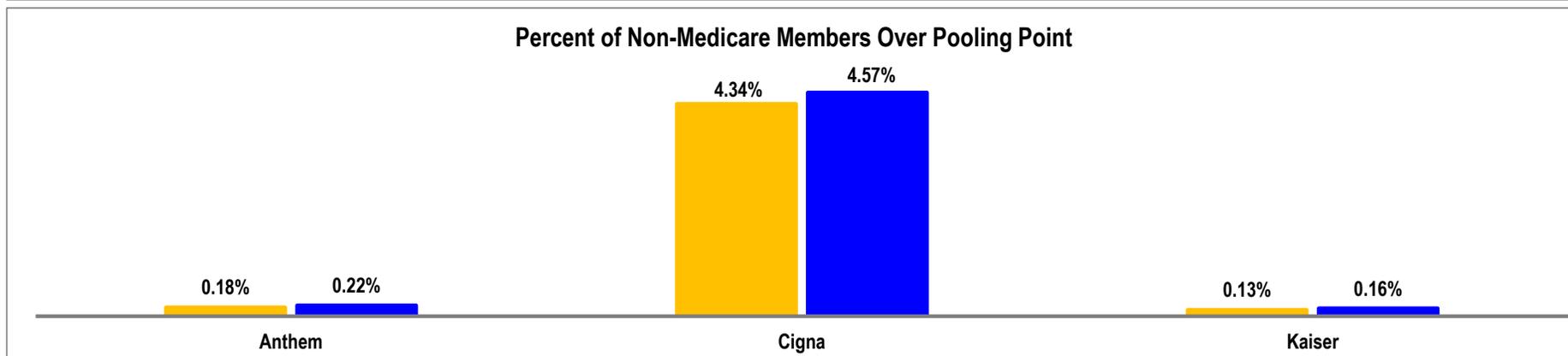
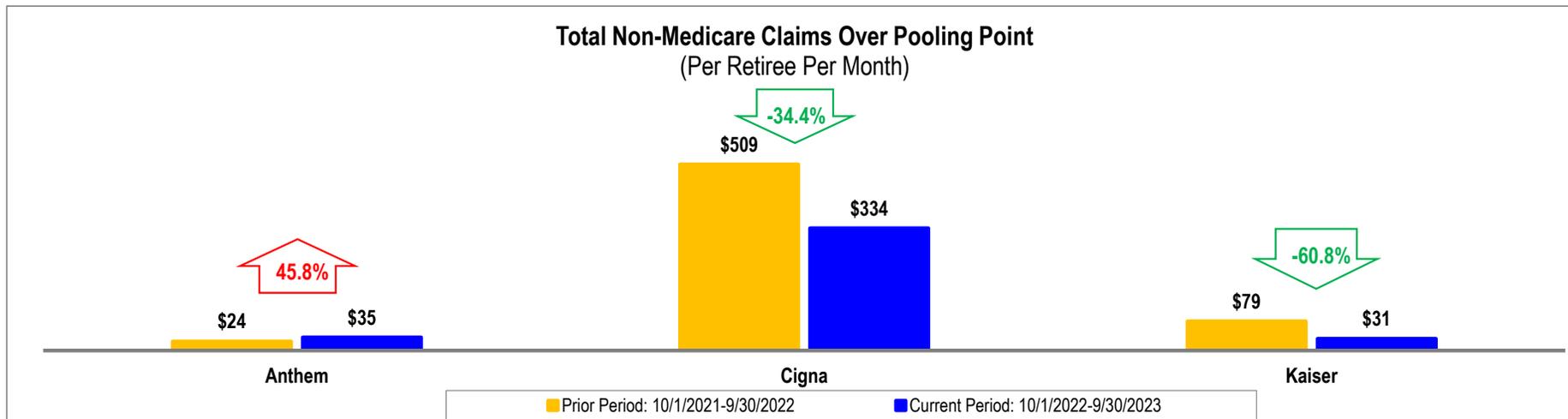
## Kaiser Utilization

### Coverage Month Ending September 2023

- Kaiser insures approximately 26,000 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 8/1/2022 - 7/31/2023	Prior Period 8/1/2021 - 7/31/2022	Change
<b>Average Contract Size</b>	<b>2.36</b>	<b>2.37</b>	<b>-0.42%</b>
<b>Average Members</b>	<b>9,021</b>	<b>8,881</b>	<b>1.58%</b>
Inpatient Claims Per Member Per Month	\$241.26	\$292.06	-17.39%
Outpatient Claims Per Member Per Month	\$343.60	\$369.52	-7.01%
Pharmacy Per Member Per Month	\$132.64	\$118.76	11.69%
Other Per Member Per Month	\$135.07	\$140.11	-3.60%
<b>Total Claims Per Member Per Month</b>	<b>\$852.57</b>	<b>\$920.45</b>	<b>-7.37%</b>
<b>Total Paid Claims</b>	<b>\$92,295,049</b>	<b>\$98,100,209</b>	<b>-5.92%</b>
Large Claims over \$525,000 Pooling Point			
Number of Claims over Pooling Point	6	5	
Amount over Pooling Point	\$1,428,418	\$3,569,358	-59.98%
% of Total Paid Claims	<b>1.55%</b>	<b>3.64%</b>	
Inpatient Days / 1000	423.6	449.7	-5.80%
Inpatient Admits / 1000	54.3	57.2	-5.07%
Outpatient Visits / 1000	14,115.0	14,639.7	-3.58%
Pharmacy Scripts Per Member Per Year	10.4	10.3	0.97%

**Los Angeles County Employees Retirement Association**  
 High Cost Claimants (Anthem, Cigna, & Kaiser)  
 Coverage Month Ending September 2023



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

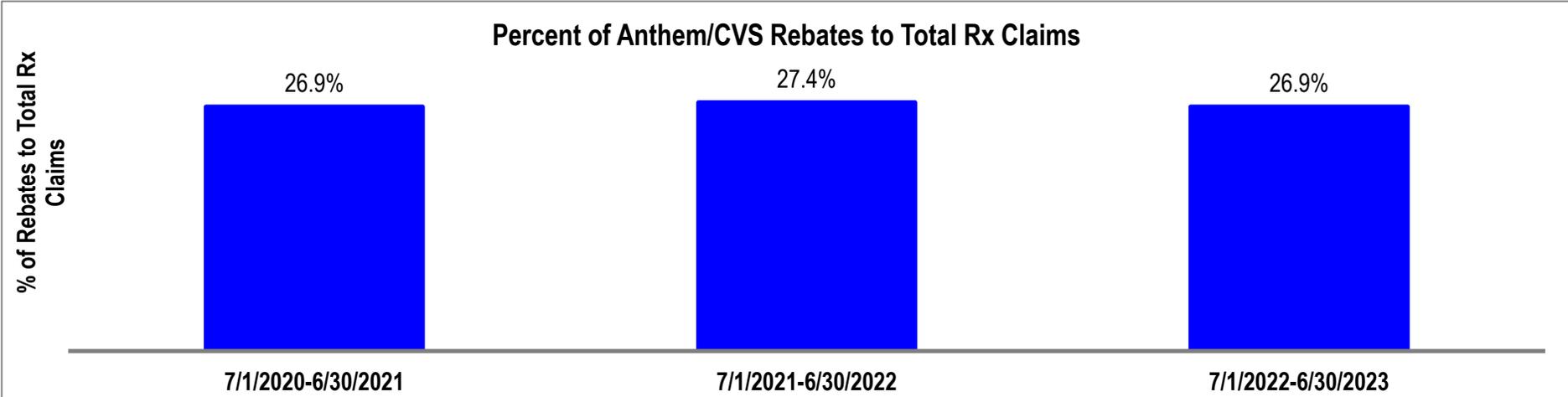
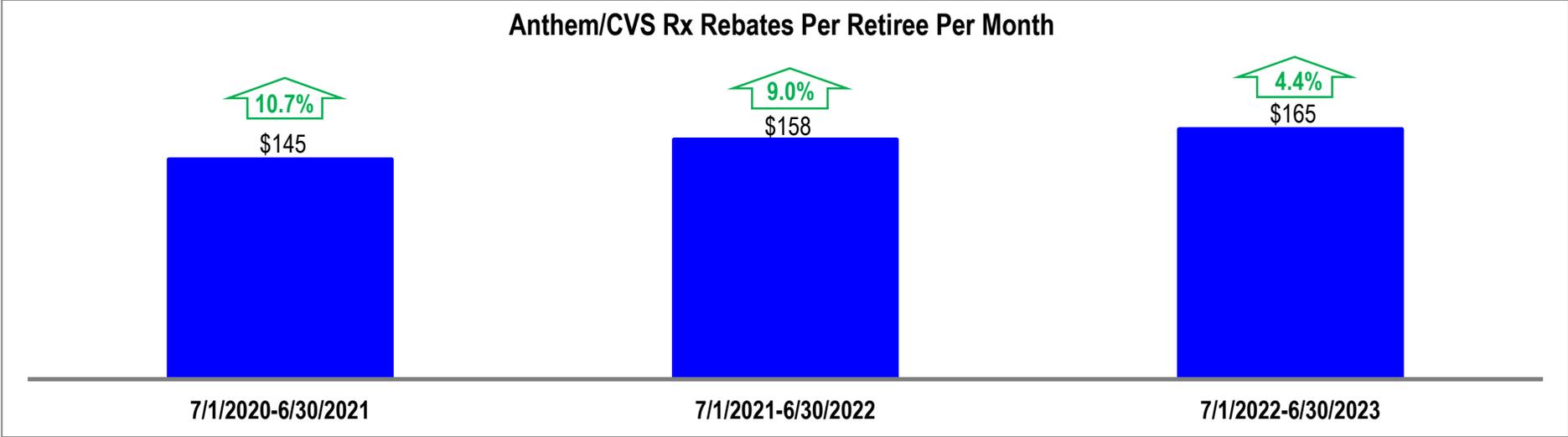
Plan sponsors mitigate the financial risk associated with individual large claimants through reinsurance. Claims exceeding the specified individual pooling threshold are deducted from the carrier's renewal calculation. The pooling credit is offset by the carrier's pooling expense, which is applied to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

Anthem and Cigna figures are based on the most recent Claims Experience through Coverage Month. Kaiser's figures are based on Claims Experience period between August through July.

**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 \$525,000.

**Los Angeles County Employees Retirement Association**  
Prescription Drug Rebates (Anthem)  
*Coverage Month Ending September 2023*



**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.

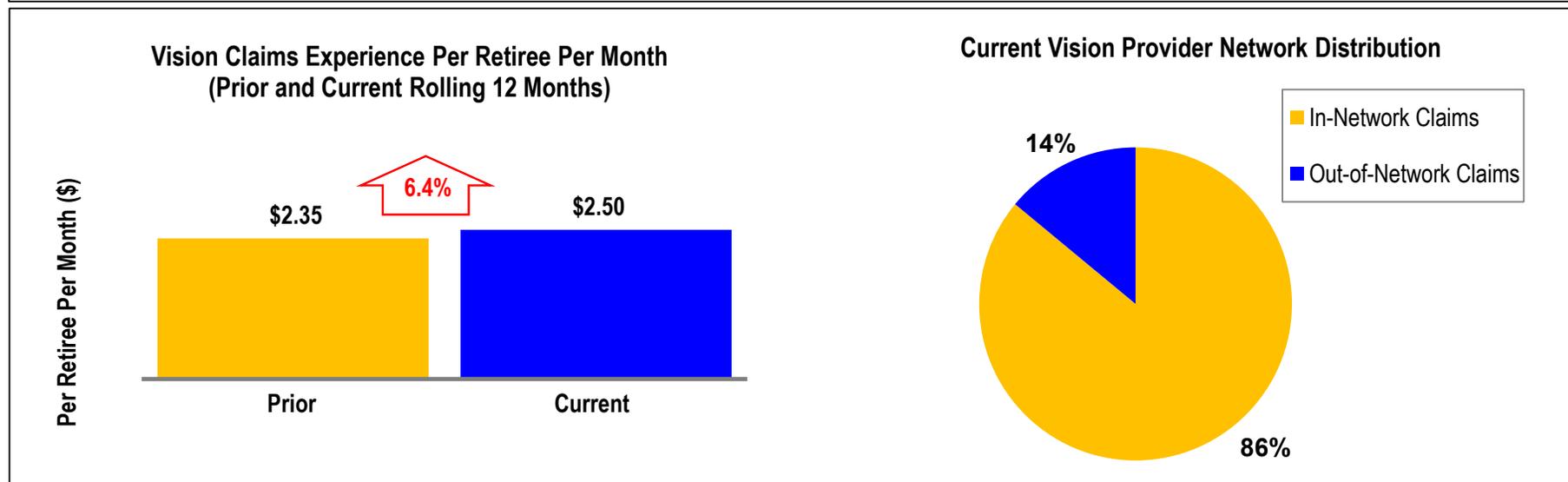
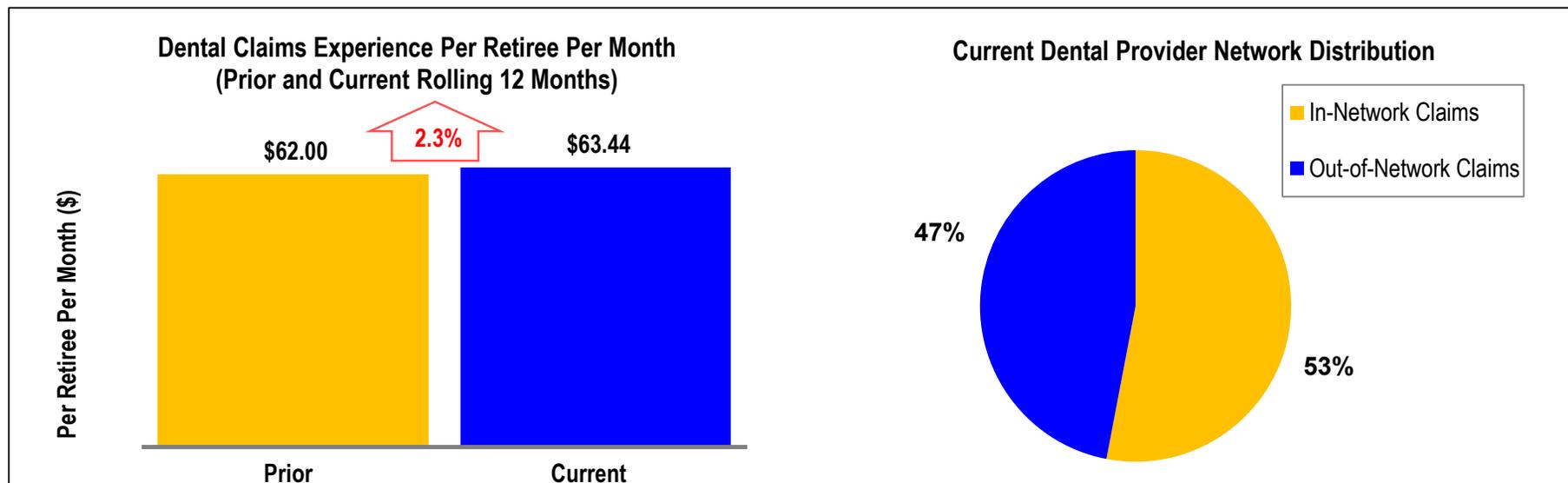
**Note:**

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

# Los Angeles County Employees Retirement Association

Cigna Dental & Vision Claims Experience

Coverage Month Ending September 2023



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.