

# IN PERSON & VIRTUAL BOARD MEETING

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



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, MARCH 6, 2024

*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  
David Ryu, 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 February 7, 2024

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. **Assembly Bill 2770 – Public Employees’ Retirement**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a “Support” position on Assembly Bill 2770, which would provide clarification and technical updates to the County Employees Retirement Law of 1937. (Memo dated February 21, 2024)

VI. REPORTS

A. **Engagement Report for February 2024**

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

B. **Staff Activities Report for February 2024**

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

VI. REPORTS (Continued)

C. **LACERA Claims Experience**  
Michael Szeto, Segal Consulting  
(Presentation)

D. **Federal Legislation**  
Stephen Murphy, Segal Consulting  
(For Information Only)

VII. ITEMS FOR STAFF REVIEW

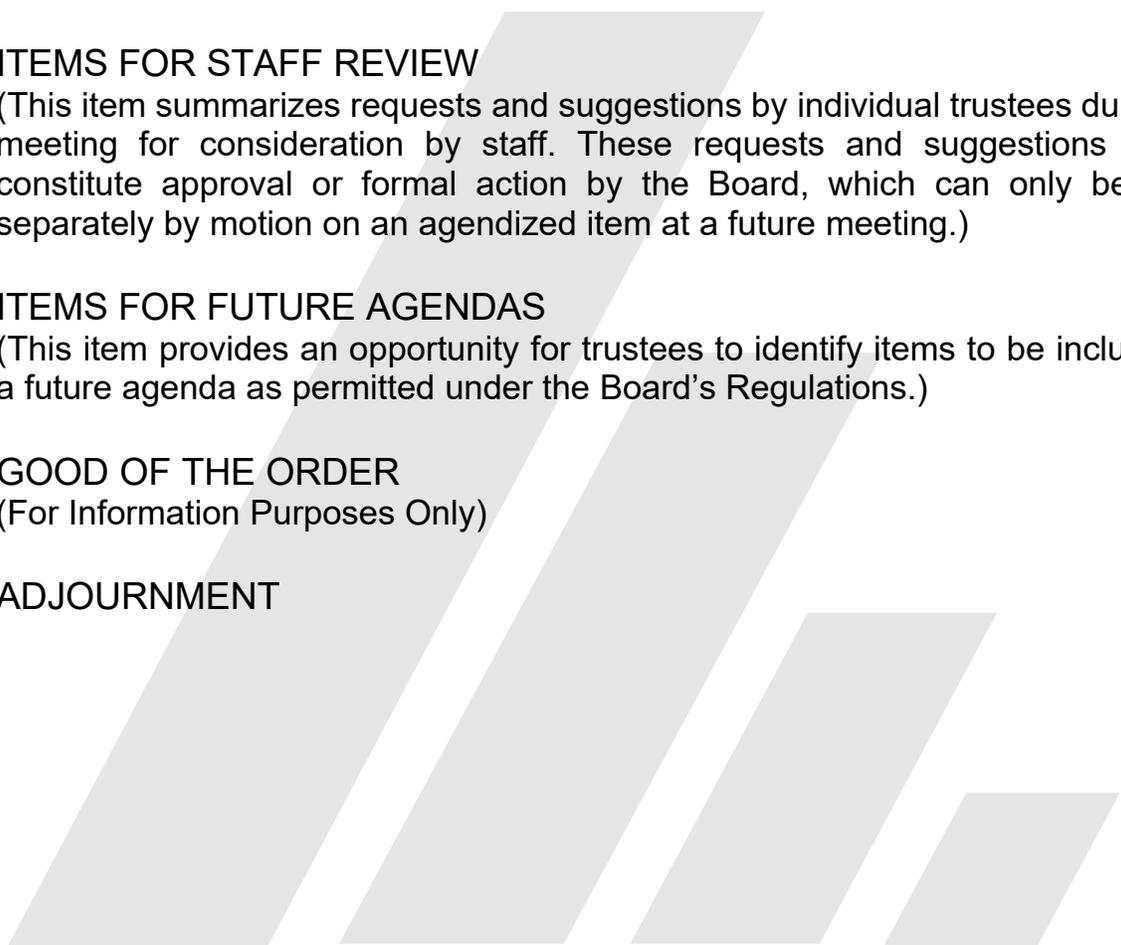
(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

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

8:02 A.M. – 8:55 A.M., WEDNESDAY, FEBRUARY 7, 2024

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

COMMITTEE TRUSTEES

PRESENT: Les Robbins, Chair (In-Person)  
Shawn R. Kehoe, Trustee (In-Person)  
Ronald Okum, Trustee  
(Teleconference under CA Govt. Code Section 54953(e))  
David Ryu, Trustee  
(Teleconference under CA Govt. Code Section 54953(b))

ABSENT: Vivian H. Gray, Vice Chair

OTHER BOARD OF RETIREMENT TRUSTEES

Keith Knox, Trustee (In-Person)  
Wayne Moore, Trustee (In-Person)  
Antonio Sanchez, Trustee (In-Person) (*arrived at 8:41 a.m.*)

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

Stephen Murphy, Sr. Vice President

Debbie Donaldson, Sr. Vice President

Michael Szeto, Sr. Actuarial Associate

Kaiser Permanente

Karen Urban, Vice President, Labor and Trust Funds

Shaughn Knoell, Vice President, Underwriting

Justin Cao, Director, Strategic Accounts

Ramiro Salas, Director, Group Medicare

Bob Gonzalez, Underwriting Manager, Strategic Accounts

Marcelo Fortunato, Senior Consultant Underwriter

I. CALL TO ORDER

This meeting was called to order by Chair Robbins at 8:02 a.m. In the absence of Trustee Gray, the Chair announced that Trustee Ryu, as the alternate, would be a voting member of the Committee.

Trustee Robbins made a motion, Trustee Kehoe seconded, to find the Governor's February 4, 2024 Proclamation of Emergency covering Los Angeles County was a matter not known at the time of agenda posting, and which requires the Committee's immediate attention under California Government Code Section 54954.2(b)(2). The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Ryu, Robbins

No: None

Absent: Gray

Trustee Robbins made a motion, Trustee Kehoe seconded, to confirm the emergency and that the meeting will be proceeding allowing teleconference attendance under Section 54953(e). The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Ryu, Robbins

No: None

Absent: Gray

A quorum has now been established, along with the ability of all trustees attending via teleconference to participate in the meeting.

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 January 3, 2024

Trustee Kehoe made a motion, Trustee Robbins seconded, to approve the minutes of the regular meeting of January 3, 2024. The motion passed by the following roll call vote:

Yes: Kehoe, Okum, Ryu, Robbins

No: None

Absent: Gray

IV. PUBLIC COMMENT

There were no requests from the public to speak

V. NON-CONSENT ITEMS

A. **Two-Year Extension Request for Retiree Healthcare Benefits Consulting Services Contract for the Period July 1, 2024 through June 30, 2026**

Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: That the Committee recommend to the Board of Retirement that an extension of the Retiree Healthcare Benefits Consulting contract be approved with Segal Consulting for the period of July 1, 2024 through June 30, 2026. (Memo dated January 10, 2024)

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

Yes: Kehoe, Okum, Ryu, Robbins

No: None

Absent: Gray

B. **2024-2025 Plan Year Health Insurance Rate Renewals and Benefit Changes for LACERA's Retiree Healthcare Benefits Program**

Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division:

1. Approve the fiscal year 2024-2025 rate renewal proposal and mandatory contractual changes, listed by carrier;
2. Maintain LACERA's administrative fee at \$8 per member, per plan, per month; and
3. Allow a one-time temporary waiver of the 6-month waiting period for members currently enrolled in the Anthem Blue Cross Prudent Buyer medical plan.

(Memo dated January 30, 2024)

V. NON-CONSENT ITEMS (Continued)

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

Yes: Kehoe, Okum, Ryu, Robbins

No: None

Absent: Gray

VI. REPORTS

A. **Engagement Report for January 2024**

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 January 2024**

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

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

C. **LACERA Claims Experience**

Michael Szeto, Segal Consulting  
(For Information Only)

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

D. **Federal Legislation**

Stephen Murphy, Segal Consulting  
(For Discussion Purposes)

Segal Consulting gave an update 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.)

Trustee Kehoe requested staff revisit with the County LACERA's Retiree Healthcare \$8 administrative fee at the 2025-26 rate renewal period.

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.**

February 21, 2024

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: March 6, 2024 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 2770—Public Employees’ Retirement**

*Author: Committee on Public Employment and Retirement*  
*Sponsor: State Association of County Retirement Systems*  
*Introduced: February 15, 2024*  
*Status: Introduced. (02/15/2024)*

*Staff Recommendation: Support*

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement adopt a “Support” position on Assembly Bill 2770, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

## **LEGISLATIVE POLICY STANDARD**

The Board of Retirement’s legislative policy standard is to support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees’ Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems (Legislative Policy, page 6).

## **SUMMARY**

AB 2770 is an omnibus bill that contains additions and amendments to the County Employees Retirement of Law of 1937 (CERL) that provide administrative flexibility and more efficient and effective service to members and stakeholders.

## **ANALYSIS**

### *Return Receipt Requirement (31628, 31783.5)*

If a terminated member does not file proper application to withdraw their accumulated contributions, the board shall send to the member’s last known address a registered or certified letter, notifying them of their rights or obligations. In the case of an estate or person entitled to a deceased member’s accumulated contributions or other benefits, the

board shall attempt to locate the claimant through reasonable means, including sending a registered or certified letter to the claimant's last known address.

This bill would remove the requirement of a return receipt for the letters since recipient signatures can be provided electronically.

*PTSD Presumption Sunset Date (31720.91)*

For the purposes of determining a service-connected disability retirement, post-traumatic stress disorder (PTSD) is presumed to arise out of and the course of employment. Current law repeals the presumption on January 1, 2025.

The bill would instead repeal the presumption on January 1, 2029, to align with the same repeal date for the PTSD presumption that is related to workers' compensation claims.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement adopt a "Support" position on Assembly Bill 2770, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

**Reviewed and Approved:**



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**Luis Lugo, Deputy Chief Executive Officer**

**Attachments**

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 2770 (Committee on Public Employment and Retirement) as introduced on February 15, 2024

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Jean Kim  
Naomi Padron, MKP Government Relations

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

AB 1824 (Chapter 231, Statutes of 2022) made various clarifications and technical updates to the County Employees Retirement Law of 1937. County Employees Retirement Law of 1937. The Board of Retirement adopted a “Support” position.

AB 1971 (Chapter 524, Statutes of 2022) made various amendments to the County Employees Retirement Law of 1937 to provide administrative flexibility and more efficient and effective service to members and stakeholders. The Board of Retirement adopted a “Support” position.

AB 2376 (Chapter 134, Statutes of 2016) clarified the definition of Plan D for purposes of a prospective plan transfer and the applicability of the reciprocal provision on nonconcurrent retirement to Plan E members. The Board of Retirement adopted a “Support” position.

AB 992 (Chapter 40, Statutes of 2015) clarified the ability of members to change their retirement option after being granted a disability retirement. The Board of Retirement adopted a “Support” position.

AB 2474 (Chapter 741, Statutes of 2014) made various amendments to the County Employees Retirement Law of 1937 to conform with the California Public Employees’ Pension Reform Act of 2013. The Board of Retirement adopted a “Support” position.

AB 2473 (Chapter 740, Statutes of 2014) made various amendments to the County Employees Retirement Law of 1937 to conform with federal law. The Board of Retirement adopted a “Support” position.

SB 13 (Chapter 528, Statutes 2013) made various technical and clarifying amendments to the County Employees Retirement Law of 1937 and California Public Employees’ Pension Reform Act of 2013. The Board of Retirement adopted a “Support” position.

AB 1380 (Chapter 247, Statutes 2013) amended various provisions of the County Employees Retirement Law of 1937 to conform with the California Public Employees’ Pension Reform Act of 2013. The Board of Retirement adopted a “Watch” position.

SB 996 (Chapter 792, Statutes of 2012) clarified that for purposes of disability retirement the presumption of heart trouble is a rebuttable presumption. The Board of Retirement adopted a “Support” position.

AB 1902 (Chapter 86, Statutes of 2010) provided technical and clarifying amendments to the provisions of Plan E related to prospective plan transfers and disability retirement, reciprocity, and the crediting of service. The Board of Retirement adopted a “Support” position.

SB 1479 (Chapter 158, Statutes of 2010) provided technical and clarifying amendments to the County Employees Retirement Law of 1937 related to the commencement of membership, exclusion from membership based on monthly compensation rate, advance payments of employer contributions from districts, and compliance with Internal Revenue Service procedures. The Board of Retirement adopted a “Watch” position.

AB 1354 (Chapter 188, Statutes of 2010) amended the County Employees Retirement Law of 1937 to conform with federal law on tax qualification requirements and benefits related to deaths due to military service. The Board of Retirement adopted a “Support” position.

AB 1355 (Chapter 9, Statutes of 2009) updated cross-references related to the calculation of survivor allowances and made other technical changes. The Board of Retirement adopted a “Watch” position.

AB 2770  
Attachment 2—Support and Opposition  
Insurance, Benefits and Legislative Committee  
February 21, 2024  
Page 1

**SUPPORT**

State Association of County Retirement Systems (*Sponsor*)

**OPPOSITION**

None on file.

**ASSEMBLY BILL**

**No. 2770**

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**Introduced by Committee on Public Employment and Retirement  
(Assembly Members McKinnor (Chair), Boerner, Hart,  
Stephanie Nguyen, and Luz Rivas)**

February 15, 2024

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An act to amend Sections 22801, 23200, 23201, 23202, 24600, and 26004 of the Education Code, and to amend Sections 31628, 31720.91, 31783.5, 75521, 75553, 75570, and 75571.5 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2770, as introduced, Committee on Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS), and sets forth the provisions for its administration and the delivery of benefits to its members. Existing law authorizes a member to request to purchase additional service credit and to redeposit accumulated retirement contributions returned to the member, as provided.

This bill would require the member to sign and return the completed statement of contributions and interest required from STRS to purchase service credit at a specific cost no later than 35 calendar days from the date of the offer. The bill would also require a member to sign and return the completed election to repay accumulated retirement contributions from STRS to redeposit at a specific cost no later than 35 calendar days from the date of the offer.

Existing law authorizes members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date of payment.

This bill would instead authorize members to request to redeposit all or a portion of specified contributions with regular interest from the date of refund to the date STRS receives the request to redeposit.

This bill would also make various technical changes.

(2) Existing law, the County Employees Retirement Law of 1937 (CERL), prescribes the rights, benefits, and duties of members of the retirement systems established pursuant to its provisions.

Existing law provides that participants in certain membership categories may be entitled to special benefits if the injury that causes their disability arises in the course of their employment. Existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries, including post-traumatic stress disorder, as defined, arose out of, or in the course of, the member's employment. Existing law authorizes the presumption relating to these injuries to be rebutted by evidence to the contrary, but unless controverted, the applicable governing board of a public retirement system is required to find in accordance with the presumption. Existing law repeals the provisions related to post-traumatic stress disorder on January 1, 2025.

This bill would instead repeal the provisions related to post-traumatic stress disorder on January 1, 2029.

Existing law prescribes the procedures the retirement board must follow to pay a member their accumulated contributions, if the service of a member is discontinued other than by death or retirement, including requiring the board to send to the member, a registered or certified letter, return receipt requested, as specified. Existing law also requires the board to attempt to locate a person or estate entitled to payment of a member's accumulated contributions or any other benefit that fails to claim the payment or cannot be located through means that the board in its sound discretion deems reasonable including, but not limited to, a registered or certified letter, return receipt requested, as specified.

This bill would remove the return receipt requirements.

(3) The Judges' Retirement Law prescribes retirement benefits for judges, as defined, who were first elected or appointed to judicial office before November 9, 1994. Existing law establishes the Judges' Retirement System II, which provides retirement and other benefits to its members and is administered by the Board of Administration of the

Public Employees’ Retirement System . Existing law requires a judge who leaves judicial office before accruing at least 5 years of service to be paid the amount of the judge’s contributions to the system.

Under the Judges’ Retirement System II, a judge is eligible to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service . Existing law, on and after January 1, 2024, and until January 1, 2029, additionally authorizes a judge who is 60 years of age and has 15 years or more of service or 65 years of age and has 10 years or more of service who is not eligible to retire pursuant to the provisions described above to elect to retire and defer receipt of a monthly allowance, subject to specified formulations . Existing law grants a judge who elects to retire under the provisions operative January 1, 2024, benefits and options given to a judge who elects to retire upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, including, among others, requiring the retirement allowance to be increased for the cost of living.

Existing law also permits a member of the Judges’ Retirement System II to select from various optional settlements for the purpose of structuring their retirement benefits.

This bill would make various technical changes to these provisions of the Judges’ Retirement Law.

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

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

1 SECTION 1. Section 22801 of the Education Code is amended  
2 to read:  
3 22801. (a) A member who requests to purchase additional  
4 service credit as provided in this chapter and Chapter 14.2  
5 (commencing with Section 22820) shall pay, prior to retirement,  
6 all contributions with respect to that service at the contribution  
7 rate for additional service credit, adopted by the board as a plan  
8 amendment, in effect on the date of the request to purchase  
9 additional service credit. *A member shall sign and return the*  
10 *completed statement of contributions and interest required from*  
11 *the system to purchase service credit at a specific cost no later*  
12 *than 35 calendar days from the date of the offer.* If the system is  
13 unable to inform the member or beneficiary of the amount required

1 to purchase additional service credit prior to the effective date of  
2 the applicable allowance, the member or beneficiary may make  
3 the required payment within 30 working days after the date of  
4 mailing of the statement of contributions and interest required or  
5 the effective date of the appropriate allowance, whichever is later,  
6 except as provided in subdivision (i). The payment shall be paid  
7 in full before a member or beneficiary receives any adjustment in  
8 the appropriate allowance due because of that payment.  
9 Contributions shall be made in a lump sum, or in not more than  
10 120 monthly installments, not to exceed ~~ten~~ 10 years. No  
11 installment, except the final installment, shall be less than  
12 twenty-five dollars (\$25).

13 (b) If the member is employed to perform creditable service  
14 subject to coverage by the Defined Benefit Program on the date  
15 of the request to purchase additional service credit, the  
16 contributions shall be based upon the compensation earnable in  
17 the current school year or either of the two immediately preceding  
18 school years, whichever is highest.

19 (c) If the member is not employed to perform creditable service  
20 subject to coverage by the Defined Benefit Program on the date  
21 of the request to purchase additional service credit, the  
22 contributions shall be based upon the compensation earnable in  
23 the last school year of credited service or either of the two  
24 immediately preceding school years, whichever is highest, and  
25 additional regular interest shall be added to the contributions from  
26 July 1 of the subsequent year in which the member last performed  
27 creditable service subject to coverage by the Defined Benefit  
28 Program to 20 days after the date of the request.

29 (d) The employer may pay the amount required as employer  
30 contributions for additional service credited under paragraphs (7),  
31 (8), (9), and (10) of subdivision (a) of Section 22803.

32 (e) The Public Employees' Retirement System shall transfer  
33 the actuarial present value of the assets of a person who makes an  
34 election pursuant to paragraph (11) of subdivision (a) of Section  
35 22803.

36 (f) Regular interest shall be charged on the monthly unpaid  
37 balance if the member pays in installments. Regular interest may  
38 not be charged or be payable for the period of a delay caused by  
39 the system's inability or failure to determine and inform the  
40 member or beneficiary of the amount of contributions and interest

1 that is payable. The period of delay shall commence on the 20th  
2 *calendar* day following the day on which the member or  
3 beneficiary who wishes to make payment evidences in writing to  
4 the system that ~~he or she is~~ *they are* ready, willing, and able to  
5 make payment to the system. The period of delay shall cease on  
6 the first day of the month following the mailing of notification of  
7 contributions and interest payable.

8 (g) If the payment described in subdivision (a) is not received  
9 at the system's headquarters office within 120 *calendar* days of  
10 the due date, the election pursuant to this section shall be canceled.  
11 The member shall receive credit for additional service based on  
12 the payments that were made or the member may request a return  
13 of ~~his or her~~ *their* payments.

14 (h) If the election to purchase additional service credit is  
15 canceled as described in subdivision (g), the member may, prior  
16 to the effective date of ~~his or her~~ *their* retirement, elect to purchase  
17 additional service credit pursuant to this section.

18 (i) The measurement of time within which the purchase of  
19 additional service credit described in subdivision (a) shall be made  
20 is subject to Section 22337.

21 SEC. 2. Section 23200 of the Education Code is amended to  
22 read:

23 23200. (a) If a person, whose accumulated retirement  
24 contributions have been refunded, again becomes a member of the  
25 Defined Benefit Program or is subject to Section 23201, the person  
26 may request to redeposit all or a portion of those contributions  
27 with regular interest from the date of refund to the date of ~~payment.~~  
28 *the system receives the request to redeposit.*

29 (b) If a nonmember spouse, as defined in Section 22651,  
30 withdraws accumulated contributions in accordance with Section  
31 22661, the member may redeposit all or a portion of those  
32 contributions pursuant to subdivision (a), providing ~~he or she is~~  
33 *they are* not receiving an allowance under Chapter 26 (commencing  
34 with Section 24100) or Chapter 27 (commencing with Section  
35 24201).

36 (c) If a member requests to redeposit a portion of all  
37 accumulated retirement contributions that were previously refunded  
38 subject to requirements imposed by the board, the member shall  
39 receive pro rata service credit in proportion to the amount  
40 redeposited.

1 SEC. 3. Section 23201 of the Education Code is amended to  
2 read:

3 23201. Any person whose accumulated retirement contributions  
4 were refunded, who wishes to establish concurrent membership,  
5 and who has received, or will qualify to receive, a retirement  
6 allowance from one or more of the retirement systems defined in  
7 Section 22115.2, may request to redeposit all or a portion of the  
8 accumulated retirement contributions that were refunded, with  
9 regular interest from the date of refund to the date of payment, *the*  
10 *system receives the request to redeposit*, without being employed  
11 to perform creditable service subject to coverage under the Defined  
12 Benefit Program.

13 SEC. 4. Section 23202 of the Education Code is amended to  
14 read:

15 23202. (a) An election pursuant to Section 23200 to redeposit  
16 accumulated retirement contributions may be made by a member  
17 anytime prior to the effective date of the member's retirement  
18 under this part.

19 (b) An election to redeposit accumulated retirement  
20 contributions returned to the member shall be considered as an  
21 election to repay accumulated retirement contributions previously  
22 returned, up to but not exceeding the amount required to restore  
23 the total service credit returned, under the provisions of this  
24 chapter. *A member shall sign and return the completed election*  
25 *to repay accumulated retirement contributions from the system to*  
26 *redeposit at a specific cost no later than 35 calendar days from*  
27 *the date of the offer.*

28 (c) If any payment due because of this election is not received  
29 at the system's headquarters office within 120 *calendar* days of  
30 its due date, the election shall be canceled. Upon the cancellation  
31 of election, the member shall receive credit for the payments made  
32 under the election or, at the request of the member, those payments  
33 shall be returned.

34 (d) If the election is canceled, the member may at any time prior  
35 to the effective date of retirement under this part, again elect to  
36 redeposit accumulated retirement contributions previously  
37 withdrawn or returned, in accordance with Section 23200 and all  
38 the laws, rules, and regulations pertaining thereto.

39 SEC. 5. Section 24600 of the Education Code is amended to  
40 read:

1 24600. (a) A retirement allowance under this part begins to  
2 accrue on the effective date of the member's retirement and ceases  
3 on the earlier of the day of the member's death or the day on which  
4 the retirement allowance is terminated for a reason other than the  
5 member's death.

6 (b) A retirement allowance payable to an option beneficiary  
7 under this part begins to accrue on the day following the day of  
8 the retired member's death and ceases on the day of the option  
9 beneficiary's death.

10 (c) A disability allowance under this part begins to accrue on  
11 the effective date of the member's disability allowance and ceases  
12 on the earlier of the day of the member's death or the day on which  
13 the disability allowance is terminated for a reason other than the  
14 member's death.

15 (d) A family allowance under this part begins to accrue on the  
16 day following the day of the member's death and ceases on the  
17 day of the event that terminates eligibility for the allowance.

18 (e) A survivor benefit allowance payable to a surviving spouse  
19 under this part pursuant to Chapter 23 (commencing with Section  
20 23850) begins to accrue on the day the member would have  
21 attained normal retirement age or on the day following the day of  
22 the member's death, as elected by the surviving spouse, and ceases  
23 on the day of the surviving spouse's death.

24 (f) (1) Except as provided in paragraph (2), a child's portion  
25 of an allowance under this part begins to accrue on the effective  
26 date of that allowance and ceases on the earlier of either the  
27 termination of the child's eligibility or the termination of the  
28 allowance.

29 (2) A child's portion of a disability retirement allowance under  
30 Chapter 26 (commencing with Section 24100) ceases on the earlier  
31 of either:

32 (A) The termination date of the child's eligibility.

33 (B) The termination of the allowance for reasons other than  
34 death.

35 (g) Supplemental payments issued under this part pursuant to  
36 Sections 24412 and 24415 to retired members, disabled members,  
37 and beneficiaries shall begin to accrue pursuant to Sections 24412  
38 and 24415 and shall cease to accrue as of the termination dates  
39 specified in subdivisions (a) to (f), inclusive, of this section.

1 (h) Notwithstanding any other provision of this part or other  
2 law, distributions payable under the plan with respect to the  
3 Defined Benefit Program and the Defined Benefit Supplement  
4 Program shall be made in accordance with Section 401(a)(9) of  
5 the Internal Revenue Code of 1986 and related regulations.

6 (1) In the case of a refund of contributions, as described in  
7 Chapter 18 (commencing with Section 23100) of this part and  
8 distribution of an amount equal to the balance of credits in a  
9 member's Defined Benefit Supplement account, as described in  
10 Chapter 38 (commencing with Section 25000) of this part,  
11 payments shall commence not later than April 1 of the calendar  
12 year following the later of (A) the calendar year in which the  
13 member attains the age at which the Internal Revenue Code of  
14 1986 requires a distribution of benefits or (B) the calendar year in  
15 which the member terminates employment within the meaning of  
16 subdivision (i).

17 (2) In the case of a retirement allowance, as defined in Section  
18 22166, payments shall commence not later than April 1 of the  
19 calendar year following the later of (A) the calendar year in which  
20 the member attains the age at which the Internal Revenue Code of  
21 1986 requires a distribution of benefits or (B) the calendar year in  
22 which the member terminates employment within the meaning of  
23 subdivision (i), to continue over the life of the member or the lives  
24 of the member and the member's option beneficiary, or over the  
25 life expectancy of the member or the life expectancy of the member  
26 and the member's option beneficiary.

27 (i) For purposes of subdivision (h), the phrase "terminates  
28 employment" means the later of:

29 (1) The date the member ceases to perform creditable service  
30 subject to coverage under this plan.

31 (2) The date the member ceases employment in a position  
32 subject to coverage under another public retirement system in this  
33 state if the compensation earnable while a member of the other  
34 system may be considered in the determination of final  
35 compensation pursuant to Section 22134 or 22134.5.

36 (3) In the case of a monthly allowance resulting from the death  
37 of a member:

38 (A) If the spouse is the sole beneficiary, payments shall  
39 commence not later than December 31 of the later of the calendar  
40 year in which the member would have attained the age at which

1 the Internal Revenue Code of 1986 requires a distribution of  
2 benefits or the calendar year following the calendar year of the  
3 member's death.

4 (B) If the spouse is not the sole beneficiary, payments shall  
5 commence not later than December 31 of the calendar year  
6 following the calendar year of the member's death.

7 (4) In the case of a distribution of the member's accumulated  
8 retirement contributions resulting from the death of a member or  
9 beneficiary or other lump-sum death benefit that represents the  
10 member's entire interest in the plan, including the death payment,  
11 payments shall be completed ~~not later than December 31 of the~~  
12 ~~calendar year of the fifth anniversary of the date of the member's~~  
13 ~~or beneficiary's death.~~ *in accordance with Section 401(a)(9) of*  
14 *Title 26 of the United States Code and the regulations thereunder.*

15 SEC. 6. Section 26004 of the Education Code is amended to  
16 read:

17 26004. Notwithstanding any other provision of law:

18 (a) The benefits payable to any participant or beneficiary under  
19 this part shall be subject to the limitations imposed by Section 415  
20 of Title 26 of the United States Code.

21 (b) The amount of compensation that is taken into account in  
22 computing benefits under this part for a plan year shall not exceed  
23 the annual compensation limit applicable to that plan year in  
24 accordance with Section 401(a)(17) of Title 26 of the United States  
25 Code as that section read on the effective date of this section and  
26 as that section may be amended after that date. The determination  
27 of compensation for a 12-month period shall be subject to the  
28 annual compensation limit in effect for the calendar year in which  
29 the 12-month period begins. In a determination of average  
30 compensation over more than one 12-month period, the amount  
31 of compensation taken into account for each 12-month period shall  
32 be subject to the respective annual compensation limit applicable  
33 to that period.

34 (c) Distributions from the plan under this part shall be made in  
35 accordance with Section 401(a)(9) of Title 26 of the United States  
36 Code, including the incidental death benefit requirements of  
37 Section 401(a)(9)(G) and the regulations thereunder. The required  
38 beginning date of benefit payments that represent the entire interest  
39 of the participant shall be as follows:

1 (1) In the case of a lump-sum distribution of a retirement benefit,  
2 disability benefit, or termination benefit, the lump-sum payment  
3 shall be made not later than April 1 of the calendar year following  
4 the later of (A) the calendar year in which the participant attains  
5 the age at which the Internal Revenue Code of 1986 requires a  
6 distribution of benefits or (B) the calendar year in which the  
7 participant terminates all employment subject to coverage by the  
8 plan.

9 (2) In the case of a retirement benefit or disability benefit that  
10 is to be paid in the form of an annuity, payment of the annuity  
11 shall begin not later than April 1 of the calendar year following  
12 the later of (A) the calendar year in which the participant attains  
13 the age at which the Internal Revenue Code of 1986 requires a  
14 distribution of benefits or (B) the calendar year in which the  
15 participant terminates employment in all positions subject to  
16 coverage by the plan, with the annuity to continue over the life of  
17 the participant or the life of the participant and the participant's  
18 option beneficiary, or over a period not to exceed the life  
19 expectancy of the participant or the life expectancy of the  
20 participant and the participant's option beneficiary.

21 (3) In the case of a death benefit, distributions shall commence  
22 as follows:

23 (A) The normal form of the benefit or other lump-sum  
24 distribution shall be paid ~~not later than December 31 of the calendar~~  
25 ~~year in which the fifth anniversary of the participant's or~~  
26 ~~beneficiary's date of death occurs.~~ *in accordance with Section*  
27 *401(a)(9) of Title 26 of the United States Code and the regulations*  
28 *thereunder.*

29 (B) Annuity payments shall commence as follows:

30 (i) If the spouse is the sole beneficiary, not later than December  
31 31 of the later of the calendar year in which the participant would  
32 have attained the age at which the Internal Revenue Code of 1986  
33 requires a distribution of benefits or the calendar year following  
34 the calendar year of the participant's death.

35 (ii) If the spouse is not the sole beneficiary, not later than  
36 December 31 of the calendar year following the calendar year of  
37 the participant's death.

38 (d) If a person becomes entitled to a distribution from the plan  
39 under this part that constitutes an eligible rollover distribution  
40 within the meaning of Section 401(a)(31) of Title 26 of the United

1 States Code, the person may elect under terms and conditions  
2 established by the board to have the distribution or a portion thereof  
3 paid directly to a plan that constitutes an eligible retirement plan  
4 within the meaning of Section 401(a)(31), as specified by that  
5 person. Upon the exercise of the election by a person with respect  
6 to a distribution or a portion thereof, the distribution from the plan  
7 of the amount so designated, once distributable under the terms of  
8 the plan, shall be made in the form of a direct rollover to the  
9 eligible retirement plan so specified.

10 (e) The amount of any benefit from the plan under this part that  
11 is determined on the basis of actuarial assumptions shall be based  
12 on actuarial assumptions adopted by the board pursuant to Section  
13 26213 as a plan amendment with respect to the Cash Balance  
14 Benefit Program and those assumptions shall preclude employer  
15 discretion and comply with Section 401(a)(25) of Title 26 of the  
16 United States Code.

17 SEC. 7. Section 31628 of the Government Code is amended  
18 to read:

19 31628. If the service of a member is discontinued other than  
20 by death or retirement, upon proper application submitted to the  
21 retirement board, ~~he or she~~ *they* shall be paid all of ~~his or her~~ *their*  
22 accumulated contributions, in accordance with this chapter, minus  
23 a withdrawal charge, if a withdrawal charge has been provided for  
24 by the regulations of the board. The board may order payment in  
25 whole or in part withheld for a period not to exceed six months  
26 after date of separation. If a member does not file the proper  
27 application, the board shall send to the member, not more than 90  
28 days after termination of service, at ~~his or her~~ *their* last known  
29 address, a registered or certified ~~letter, return receipt requested,~~  
30 *letter* stating that ~~he or she~~ *they* have money to ~~his or her~~ *their*  
31 credit on the books of the retirement system and that if ~~he or she~~  
32 ~~does~~ *they do* not claim the money within 10 years after date of  
33 notice, in the case of persons first employed before January 1,  
34 1976, or within five years in the case of persons first employed on  
35 and after January 1, 1976, the money will be deposited in and  
36 become a part of the current pension reserve fund.

37 SEC. 8. Section 31720.91 of the Government Code is amended  
38 to read:

39 31720.91. (a) For purposes of a member who retires for  
40 disability from a system established under this chapter on the basis

1 of being permanently incapacitated from the performance of their  
 2 usual and customary duties because of an injury, as described in  
 3 paragraph (1) of subdivision (c), it shall be presumed that the  
 4 disability arose out of, or in the course of, the member's  
 5 employment.

6 (b) The presumption described in subdivision (a) may be  
 7 rebutted by evidence to the contrary, but unless controverted, the  
 8 board shall be bound to find in accordance with the presumption.

9 (c) For purposes of this section:

10 (1) "Injury" means "post-traumatic stress disorder," as diagnosed  
 11 according to the most recent edition of the Diagnostic and  
 12 Statistical Manual of Mental Disorders published by the American  
 13 Psychiatric Association and that develops or manifests itself during  
 14 a period while a member is in the service of a department, office,  
 15 or unit, consistent with paragraph (2).

16 (2) "Member" means a member of a public retirement system,  
 17 established under this chapter, whose job classification is listed in  
 18 Section 3212.15 of the Labor Code.

19 (d) The presumption described in subdivision (a) shall  
 20 additionally apply to a member following termination of service  
 21 for a period of 3 calendar months for each full year of the requisite  
 22 service, but shall not to exceed 60 months regardless of the  
 23 member's length of service, commencing with the last date the  
 24 member actually worked in the classification specified in paragraph  
 25 (2) of subdivision (c).

26 (e) This section shall remain in effect only until January 1, 2025,  
 27 2029, and as of that date is repealed.

28 SEC. 9. Section 31783.5 of the Government Code is amended  
 29 to read:

30 31783.5. (a) Whenever a person or estate entitled to payment  
 31 of a member's accumulated contributions or any other benefit fails  
 32 to claim the payment or cannot be located, the amount owed from  
 33 the retirement fund shall be administered in accordance with  
 34 subdivision (c).

35 (b) The board shall attempt to locate the claimant through ~~such~~  
 36 means ~~as that~~ the board in its sound discretion deems reasonable  
 37 including, but not limited ~~to~~ to, a registered or certified ~~letter,~~  
 38 ~~return receipt requested,~~ *letter* mailed to the last known address  
 39 of the claimant.

1 (c) Notwithstanding any provision of law to the contrary, the  
2 amounts described in subdivision (a) shall be held for the claimant.  
3 If the amounts are not claimed within five years after the last  
4 attempted contact with the claimant, the amounts shall be deposited  
5 in and become a part of the pension reserve fund. The board may  
6 at any time after transfer of unclaimed amounts upon receipt of  
7 information satisfactory to it, authorize the return of amounts so  
8 held in reserve to the credit of the claimant. Those amounts shall  
9 be paid only to claimants who have not yet attained the age for  
10 mandatory distribution under the Internal Revenue Code.

11 SEC. 10. Section 75521 of the Government Code is amended  
12 to read:

13 75521. (a) A judge who leaves judicial office before accruing  
14 at least five years of service shall be paid the amount of the judge's  
15 contributions to the system, and no other amount.

16 (b) Except as provided in Section 75522.5, a judge who leaves  
17 judicial office after accruing five or more years of service and who  
18 is not eligible to elect to retire under Section 75522 shall be paid  
19 the amount of the judge's monetary credits determined pursuant  
20 to Section 75520, including the credits added under subdivision  
21 (b) of that section computed to the last day of the month preceding  
22 the date of distribution, and no other amount.

23 (c) Judges who leave office as described in subdivision (b) are  
24 "retired judges" for purposes of a concurrent retirement with  
25 respect to the benefits provided under Section 20639 and  
26 assignment pursuant to Article 2 (commencing with Section  
27 68540.7) of Chapter 2 and are eligible for benefits provided under  
28 Section 22814.

29 (d) After a judge has withdrawn their accumulated contributions  
30 or the amount of their monetary credits upon leaving judicial office,  
31 the service shall not count in the event ~~the judge~~ *they* later ~~becomes~~  
32 *become* a judge again, until the judge pays into the Judges'  
33 Retirement System II Fund the amount withdrawn, plus interest  
34 thereon at the rate of interest then being required to be paid by  
35 members of the Public Employees' Retirement System under  
36 Section 20750 from the date of withdrawal to the date of payment.

37 SEC. 11. Section 75553 of the Government Code is amended  
38 to read:

39 75553. (a) If a member leaves judicial office after a  
40 nonmember has received a share of the member's contributions

1 or a share of the member’s monetary credits pursuant to Section  
2 75551, the member’s retirement fund rights shall be determined  
3 pursuant to this section.

4 (b) If the member has redeposited the amount paid to the  
5 nonmember, with interest, pursuant to Section 75552, the payment  
6 to the nonmember shall be ignored and the member’s rights shall  
7 be determined as though the payment to the nonmember had not  
8 occurred; and subdivisions (c), (d), and (e) shall not apply.

9 (c) If the member leaves judicial office before accruing at least  
10 five years of service, the member shall be paid the dollar amount  
11 of the member’s contributions to the system minus the amount  
12 paid to the nonmember, and no other amount.

13 (d) If the member leaves office after accruing five or more years  
14 of service and either: (1) elects, pursuant to subdivision (e) of  
15 Section 75522, to receive the amount of the member’s monetary  
16 credits; or (2) is entitled, pursuant to subdivision (b) or (c) of  
17 Section 75521 to receive only the amount of the member’s  
18 monetary credits, the member shall be paid the amount of the  
19 member’s monetary credits as provided in Section 75521 or  
20 subdivision (e) of Section 75522, reduced as provided in  
21 subdivision (d) of Section 75551.

22 (e) If the member elects to retire and receive a monthly  
23 allowance pursuant to either subdivision (d) of Section 75522 or  
24 ~~subdivision (d) of Section 75522.5~~, the judge’s monthly allowance  
25 shall equal the monthly allowance that would have been payable  
26 pursuant to subdivision (d) of Section 75522 or Section 75522.5,  
27 as applicable, based on the judge’s service and salary, multiplied  
28 by a fraction equal to:

29  
30 
$$\frac{\text{NMS}}{\text{S}} + \frac{50\% (\text{MS})}{\text{S}}$$
  
31  
32

33  
34 where: “S” = the member’s total service  
35 “MS” = the member’s service while married to  
36 the nonmember prior to their separation  
37 “NMS” = the member’s service while not married  
38 to the nonmember  
39

1 (f) If, notwithstanding paragraph (1) of subdivision (a) of Section  
2 75551, the judgment did not specify the number of years of service  
3 that accrued during the marriage or other necessary facts, the  
4 system may make its own determination in order to make the  
5 computation in subdivision (e).

6 SEC. 12. Section 75570 of the Government Code is amended  
7 to read:

8 75570. (a) In lieu of electing the unmodified allowance for  
9 the judge's life alone, a judge who elects to retire ~~with~~ *and receive*  
10 a monthly allowance under *either* subdivision (d) of Section 75522  
11 ~~or subdivision (d) of Section 75522.5~~ may elect, on or before the  
12 date of retirement, to have the actuarial equivalent of the judge's  
13 retirement allowance as of the date of retirement applied to a lesser  
14 retirement allowance, in accordance with one of the optional  
15 settlements specified in Section 75571 if the judge retires on or  
16 before December 31, 2017, or Section 75571.5 if the judge retires  
17 on or after January 1, 2018.

18 (b) That election, revocation, or change of election shall be  
19 made by a writing filed with the system within 30 calendar days  
20 after the making of the first payment on account of any retirement  
21 allowance.

22 (c) If there is a spouse who would qualify for the survivor  
23 allowance under subdivision (b) of Section 75590, then the  
24 election, with respect to any optional settlement other than the  
25 optional settlement in subdivision (a) of Section 75571 or  
26 subdivision (b) of Section 75571.5, shall apply only to the portion  
27 of the retirement allowance that exceeds the amount of the  
28 allowance deemed payable to the surviving spouse.

29 SEC. 13. Section 75571.5 of the Government Code is amended  
30 to read:

31 75571.5. This section shall apply to any judge who retires on  
32 or after January 1, 2018.

33 (a) The unmodified allowance consists of the right to have the  
34 maximum retirement allowance paid to the judge for the judge's  
35 life alone. A continuing allowance to the surviving spouse, other  
36 than the benefit provided in subdivision (c) or (d) of Section 75590,  
37 is not provided and there is not a return of unused accumulated  
38 contributions after the death of the judge.

39 (b) The Return of Remaining Contributions Option 1 consists  
40 of the right to have a retirement allowance paid to the judge for

1 the judge's life alone and if the judge dies before the judge receives  
2 in annuity payments the amount of the judge's accumulated  
3 contributions at retirement, to have the balance at death paid to  
4 the judge's surviving spouse, or if none, to the judge's designated  
5 beneficiary, or if none, to the judge's estate.

6 (c) (1) The 100 Percent Beneficiary Option 2 consists of the  
7 right to have a retirement allowance paid to the judge until the  
8 judge's death and thereafter to have the same monthly allowance  
9 paid to the judge's surviving spouse for life, ~~if~~, *provided that*, with  
10 respect to a judge subject to subdivision (c) or (d) of Section 75590,  
11 the surviving spouse shall receive that portion of the judge's  
12 monthly allowance that exceeds the amount of the allowance  
13 deemed payable pursuant to subdivision (c) or (d) of Section 75590.

14 (2) Upon the death of both the judge and the surviving spouse,  
15 any remaining balance of the judge's accumulated contributions  
16 at retirement not used to fund the allowances paid to the judge and  
17 the surviving spouse pursuant to this subdivision will be paid in a  
18 lump sum to the designated beneficiary of the deceased, or if none,  
19 to the estate of the deceased.

20 (d) (1) The 100 Percent Beneficiary Option 2 with Benefit  
21 Allowance Increase consists of the right to have a retirement  
22 allowance paid to the judge until the judge's death and thereafter  
23 to have the same monthly allowance paid to the judge's surviving  
24 spouse for life; provided that with respect to a judge subject to  
25 subdivision (c) or (d) of Section 75590, the surviving spouse shall  
26 receive that portion of the judge's monthly allowance that exceeds  
27 the amount of the allowance deemed payable pursuant to  
28 subdivision (c) or (d) of Section 75590.

29 (2) If the judge's spouse predeceases the judge and the judge  
30 elected this optional settlement, the judge's allowance shall be  
31 adjusted effective the first day of the month following the death  
32 of the spouse to reflect the benefit that would have been paid had  
33 the judge not elected an optional settlement.

34 (3) If the marriage of a retired judge is dissolved or a legal  
35 separation filed, and the judgment dividing the community property  
36 between the judge and the surviving spouse awards the total interest  
37 in this system to the retired judge, or the marriage is annulled and  
38 confirmed by a court, the retired judge's allowance shall be  
39 adjusted effective the first day of the month following the filing

1 of the judgment with the board to reflect the benefit that would  
2 have been paid had the judge not elected an optional settlement.

3 (e) (1) The 50 Percent Beneficiary Option 3 consists of the  
4 right to have a retirement allowance paid to the judge until the  
5 judge's death and thereafter to have one-half of the monthly  
6 allowance paid to the judge's surviving spouse for life; provided  
7 that with respect to a judge subject to subdivision (c) or (d) of  
8 Section 75590, the surviving spouse shall receive one-half of that  
9 portion of the judge's monthly allowance that exceeds the amount  
10 of the allowance deemed payable pursuant to subdivision (c) or  
11 (d) of Section 75590.

12 (2) Upon the death of both the judge and the surviving spouse,  
13 any remaining balance of the judge's accumulated contributions  
14 at retirement not used to fund the allowances paid to the judge and  
15 the surviving spouse pursuant to this subdivision will be paid in a  
16 lump sum to the designated beneficiary of the deceased, or if none,  
17 to the estate of the deceased.

18 (f) (1) The 50 Percent Beneficiary Option 3 with Benefit  
19 Allowance Increase consists of the right to have a retirement  
20 allowance paid to the judge until the judge's death and thereafter  
21 to have one-half of the monthly allowance paid to the judge's  
22 surviving spouse for life; provided that with respect to a judge  
23 subject to subdivision (c) or (d) of Section 75590, the surviving  
24 spouse shall receive one-half of that portion of the judge's monthly  
25 allowance that exceeds the amount of the allowance deemed  
26 payable pursuant to subdivision (c) or (d) of Section 75590.

27 (2) If the judge's spouse predeceases the judge and the judge  
28 elected this optional settlement, the judge's allowance shall be  
29 adjusted effective the first day of the month following the death  
30 of the spouse to reflect the benefit that would have been paid had  
31 the judge not elected an optional settlement.

32 (3) If the marriage of a retired judge is dissolved or a legal  
33 separation filed, and the judgment dividing the community property  
34 between the judge and the surviving spouse awards the total interest  
35 in this system to the retired judge, or the marriage is annulled and  
36 confirmed by a court, the retired judge's allowance shall be  
37 adjusted effective the first day of the month following the filing  
38 of the judgment with the board to reflect the benefit that would  
39 have been paid had the judge not elected an optional settlement.

1 (g) The Flexible Beneficiary Option 4 consists of the right to  
2 have a retirement allowance paid to a judge until the judge's death,  
3 and thereafter to have a monthly allowance paid to the judge's  
4 surviving spouse for life. Subject to Section 75570.5, the judge  
5 may select the monthly allowance payable to the surviving spouse  
6 from the options below:

7 (1) Specific Dollar Amount to a Surviving Spouse. The judge  
8 may specify that upon the judge's death after retirement, a monthly  
9 allowance in an amount determined by the judge be paid to the  
10 judge's surviving spouse for life.

11 (2) Specific Percentage to a Surviving Spouse. The judge may  
12 specify that upon the judge's death after retirement, a monthly  
13 allowance in an amount equivalent to a specified percentage of  
14 the judge's allowance be paid to the judge's surviving spouse for  
15 life.

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
ENGAGEMENT REPORT  
FEBRUARY 2024  
FOR INFORMATION ONLY**

**NCPERS 2024 Public Retirement Systems Study**

The National Conference on Public Employee Retirement Systems conducted its Annual Public Retirement Systems Study on the retirement practices of public sector plans, now in its 13<sup>th</sup> year. It partnered with Cobalt Community Research to survey 157 state and local government pension funds totaling more than 13.8 million members and with assets exceeding \$2.3 trillion. About 52 percent are local funds, and 48 percent are statewide funds.

The following are key facts of the survey population:

- Employee/retiree type: Public safety (54%), Township/city/village (48%), County (34%), Educational (27%), State (24%), Other (12%).
- Plan type: Defined benefit (91%), Defined contribution (7%), Combination (16%), Cash balance (5%).
- Fiscal year of annual comprehensive financial report: 2023 (28%), 2022 (71%), 2021 (1%).
- Social Security eligibility: Yes (70%), No (30%).
- Medicare eligibility: Yes (99%), No (1%).

The following are key findings from the survey:

- Funds had on average one-year returns of -1.9%.
- Average funded level is 75.4%, down from 77.8% last year.
- Average assumed rate of return is 6.91%, compared to 6.89% last year.
- Average expense for administration and investment fees is 56 basis points, which is less than 64 basis points from the prior year.
- Aggregate average COLA for members is 2.2%, slightly higher than 2% from last year. Funds whose members are not eligible for Social Security tend to have higher COLAs (2.7%) compared to those who are eligible (1.9%).
- Average amortization periods were 20.4 years, down from 20.8 years.
- “How satisfied are you with your readiness to address retirement trends and issues over the next two years?” Responses were an overall 8/10, compared to 7.8/10 from last year.

- Role of ESG in investment decisions: 46% said “somewhat or very important,” compared to 54% from last year.

[\(Source\)](#)

### **IBM Reopens Its Frozen Pension Plan**

IBM has made headlines by reviving a defined benefit pension plan that had been frozen for over 15 years, while halting contributions to employee 401(k) accounts. This move seems to buck the trend of companies shifting away from traditional pensions towards 401(k)s. However, IBM's new plan isn't as generous to long-tenured employees as its predecessor.

From a financial standpoint, IBM stands to gain significantly by saving millions annually from ceasing 401(k) contributions and utilizing a surplus in its pension fund. This maneuver could set a precedent for other companies with well-funded, closed, or frozen pension plans to reshape their employee benefit packages while improving their finances.

The new pension plan, termed a "retirement benefit account," operates within the defined benefit pension plan framework, providing employees with guaranteed returns and immediate vesting. However, this is a reopening of its cash balance plan, which had itself supplanted IBM's traditional pension plan in 1999 and was the subject of an age discrimination lawsuit, on which IBM ultimately prevailed.

IBM's well-funded pension plan surplus allows it to avoid immediate cash outlays for benefits, potentially benefiting its financial performance in the years ahead. The Center for Retirement Research at Boston College issued a brief that examined the implications of IBM's shift. It indicates that this is more of a financial maneuver by IBM that uses plan surpluses rather than corporate cash and that this is not a meaningful change in how the private sector provides retirement income. It concludes that generally it would be large overfunded plans that would be positioned to follow IBM's lead such as Bank of America, JP Morgan Chase, Citigroup, Honeywell, and Deere & Co. [\(Source\)](#) [\(Source\)](#) [\(Source\)](#)

### **Federal Auto-IRA Program**

Representative Richard Neal introduced the Automatic IRA Act of 2024, aiming to establish a federal automatic individual retirement account program. The bill mandates employers with over 10 employees lacking a retirement plan to enroll workers into an IRA, with exemptions such as employers who already have a qualified retirement plan or participate in a state-run auto-IRA program. It also does not apply to sponsors of governmental or church plans.

It permits lifetime income options like annuities for balances over \$200,000, resembling a pension. The proposal garnered industry support from entities like the Insured Retirement Institute and the American Retirement Association, unlike the previously

contested Retirement Savings for Americans Act (RSAA). Unlike the RSAA's federal program with matching contributions, the Automatic IRA Act requires no government match and focuses on IRA plans funded via payroll deduction. It includes default contribution rates escalating to 10%, with options to opt-out or adjust. Employers receive a tax credit for participating. The bill limits investment options to three types, emphasizing "target-date" funds alongside "principal preservation" and "balanced option" funds. Employers with 100+ participants must offer lifetime income options for balances over \$200,000. The Insured Retirement Institute sees this as a solution to retirement savings anxiety. [\(Source\)](#) [\(Source\)](#)

### **Widower Collects \$781,000 in Pension Payments Sent to Deceased Wife**

For 18 years, Owen Burgess, a Queens widower, illicitly obtained over \$781,000 in pension payments meant for his deceased wife, Lenora Burgess, a retired schoolteacher. Lenora had chosen a pension option that ceased payments to her heirs upon her death. Despite Lenora passing away in 2002, Owen failed to notify the Teachers' Retirement System (TRS), enabling him to continue receiving monthly payments of \$3,535.

The TRS only uncovered the deception in August 2020, prompted by whistleblowers, but recovery attempts were hampered as Owen was homeless and embroiled in legal troubles. TRS officials defended their procedures, citing reliance on families to report deaths and periodic database checks, which were not always comprehensive.

Anastasia Coleman, the TRS Inspector General, recommended continued efforts to reclaim the funds from Burgess but did not propose criminal prosecution. She also suggested implementing a new policy requiring retirees to annually certify their status to prevent similar occurrences in the future. Burgess, when contacted, claimed ignorance regarding the ongoing payments, shifting blame to TRS. The case underscores systemic flaws in pension oversight and highlights the need for more robust verification measures to prevent and promptly detect fraudulent activity. [\(Source\)](#)

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
RETIREE HEALTHCARE BENEFITS PROGRAM  
STAFF ACTIVITIES REPORT  
FEBRUARY 2024  
FOR INFORMATION ONLY**

**Centers for Medicare and Medicaid Services (CMS) Medicare Part D  
Retiree Drug Subsidy (RDS) Applications for FY 7/1/2024 – 6/30/2025**

Staff began the process of submitting the RDS applications for the FY 2024-2025 for the following healthcare medical plans:

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

We are working with our carriers and Segal's actuary to ensure that the application process is completed and submitted to CMS/RDS in a timely manner. We will continue to provide updates.

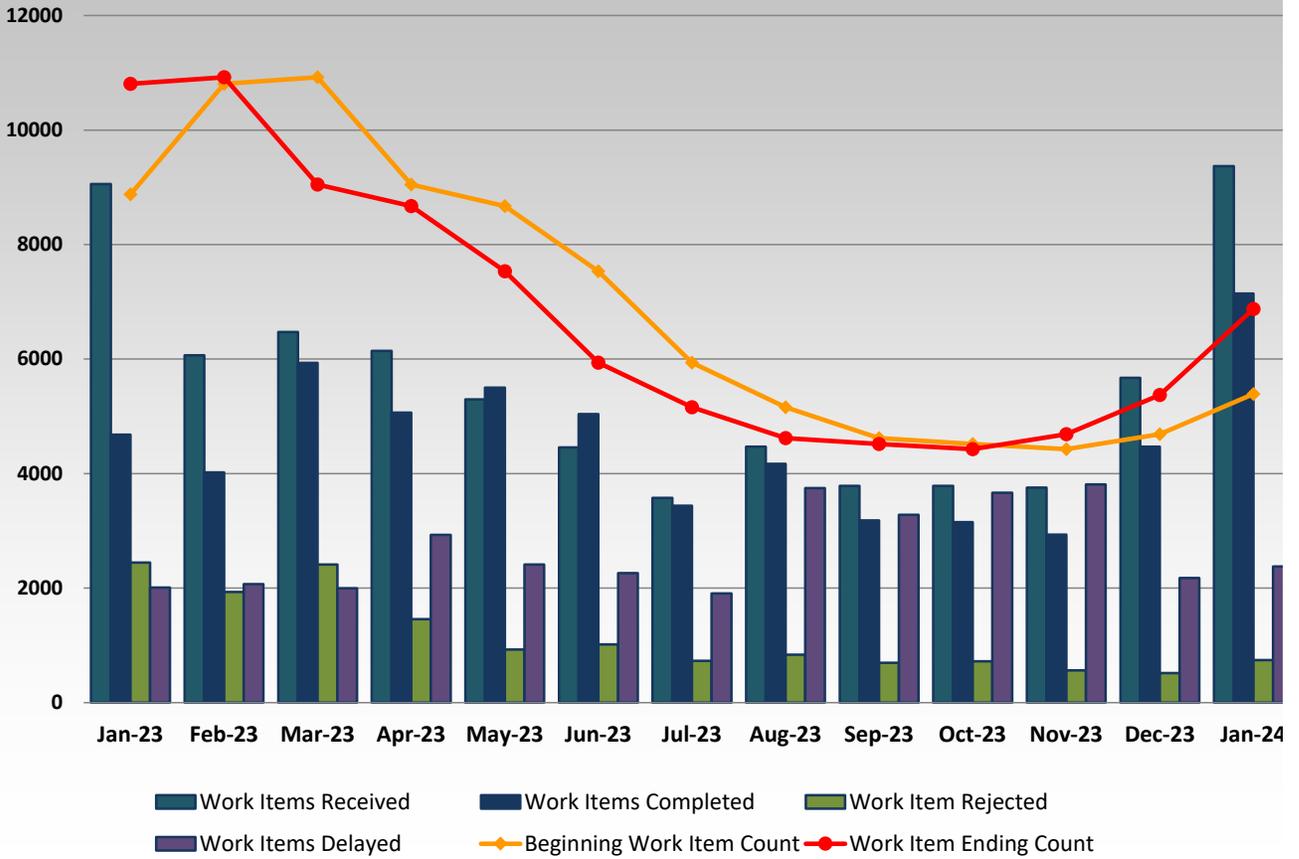
As a background, the Retiree Drug Subsidy (RDS) program was authorized by Medicare Part D of the Medicare Modernization Act and permits employers and unions with qualifying prescription drug plans to receive retiree drug subsidy payments from the federal government.

# Retiree Healthcare Division

## Trend Report

JANUARY 2023- JANUARY 2024

Updated 2/21/2024

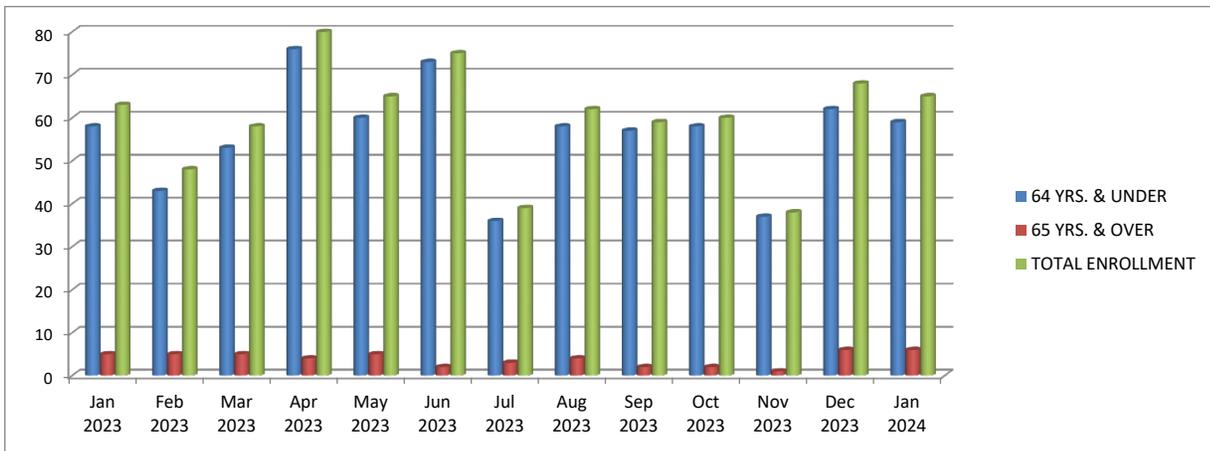


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Jan-23	8879	9057	4680	2448	2010	10808
Feb-23	10808	6067	4019	1934	2070	10922
Mar-23	10922	6472	5934	2411	1999	9049
Apr-23	9049	6144	5065	1458	2930	8670
May-23	8670	5294	5503	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
Oct-23	4515	3784	3151	721	3665	4427
Nov-23	4427	3757	2936	565	3812	4689
Dec-23	4689	5672	4471	516	2175	5374
Jan-24	5390	9371	7145	742	2377	6874

## Retirees Monthly Age Breakdown JANUARY 2023 - JANUARY 2024

### Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
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
Oct 2023	58	2	60
Nov 2023	37	1	38
Dec 2023	62	6	68
Jan 2024	59	6	65



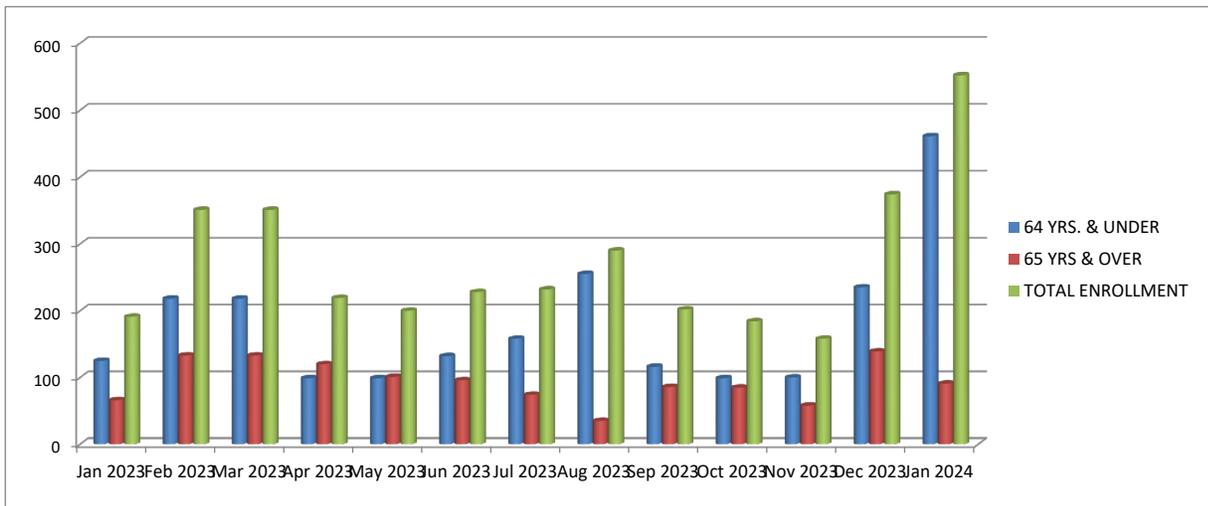
**PLEASE NOTE:**

- Next Report will include the following dates: February 1, 2023 - February 29, 2024

## Retirees Monthly Age Breakdown JANUARY 2023 - JANUARY 2024

### Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
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
Oct 2023	99	85	184
Nov 2023	100	58	158
Dec 2023	235	139	374
Jan 2024	461	91	552



**PLEASE NOTE:**

- Next Report will include the following dates: February 1, 2023, through February 29, 2024.

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 2/29/2024**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>ANTHEM BC III</b>				
240	7556	\$1,204,848.50	2	\$129.57
241	134	\$21,320.70	0	\$0.00
242	924	\$151,346.00	0	\$0.00
243	4506	\$1,472,377.66	0	\$0.00
244	14	\$2,170.90	0	\$0.00
245	60	\$11,312.50	0	\$0.00
246	13	\$2,161.00	0	\$0.00
247	157	\$27,155.20	0	\$0.00
248	15	\$4,464.50	1	\$43.00
249	67	\$21,646.20	0	\$0.00
250	17	\$5,487.30	0	\$0.00
<b>Plan Total:</b>	<b>13,463</b>	<b>\$2,924,290.46</b>	<b>3</b>	<b>\$172.57</b>
<b>CIGNA - PREFERRED with RX</b>				
321	35	\$6,377.40	0	\$0.00
322	7	\$1,027.00	0	\$0.00
324	21	\$5,051.90	0	\$0.00
327	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>64</b>	<b>\$12,561.20</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	21	\$3,403.90	0	\$0.00
397	3	\$494.00	0	\$0.00
398	8	\$2,795.20	0	\$0.00
403	11931	\$1,885,680.91	0	\$0.00
413	1533	\$250,437.94	0	\$0.00
418	6287	\$2,043,797.54	0	\$0.00
419	220	\$32,799.80	0	\$0.00
426	255	\$41,438.30	0	\$0.00
445	2	\$349.40	0	\$0.00
446	1	\$145.10	0	\$0.00
451	36	\$5,833.60	0	\$0.00
455	7	\$1,222.90	0	\$0.00
457	14	\$4,704.60	0	\$0.00
459	1	\$349.40	0	\$0.00
462	85	\$15,336.80	0	\$0.00
465	1	\$174.70	0	\$0.00
466	29	\$9,455.00	0	\$0.00
472	27	\$4,450.70	0	\$0.00
476	2	\$259.00	0	\$0.00
478	14	\$5,131.60	0	\$0.00
479	1	\$144.60	0	\$0.00
482	88	\$13,791.20	0	\$0.00
486	1	\$349.40	0	\$0.00
488	36	\$12,070.30	0	\$0.00
491	1	\$148.50	0	\$0.00
<b>Plan Total:</b>	<b>20,604</b>	<b>\$4,334,764.39</b>	<b>0</b>	<b>\$0.00</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 2/29/2024**

<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	289	\$46,190.30	0	\$0.00
613	95	\$30,282.30	0	\$0.00
620	6	\$976.40	0	\$0.00
622	9	\$1,496.50	0	\$0.00
623	2	\$559.20	0	\$0.00
<b>Plan Total:</b>	<b>401</b>	<b>79,505</b>	<b>0</b>	<b>0</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	2075	\$334,351.50	0	\$0.00
702	383	\$63,383.00	0	\$0.00
703	1343	\$446,386.30	0	\$0.00
704	97	\$16,498.80	0	\$0.00
705	48	\$16,171.20	0	\$0.00
<b>Plan Total:</b>	<b>3,946</b>	<b>\$876,790.80</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>38,478</b>	<b>\$8,227,911.55</b>	<b>3</b>	<b>\$172.57</b>

Medicare Part B Reimbursement and Penalty Report

PAY PERIOD 2/29/2024

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
<b>ANTHEM BC III</b>				
240	7556	\$1,204,848.50	2	\$129.57
241	134	\$21,320.70	0	\$0.00
242	924	\$151,346.00	0	\$0.00
243	4506	\$1,472,377.66	0	\$0.00
244	14	\$2,170.90	0	\$0.00
245	60	\$11,312.50	0	\$0.00
246	13	\$2,161.00	0	\$0.00
247	157	\$27,155.20	0	\$0.00
248	15	\$4,464.50	1	\$43.00
249	67	\$21,646.20	0	\$0.00
250	17	\$5,487.30	0	\$0.00
<b>Plan Total:</b>	<b>13,463</b>	<b>\$2,924,290.46</b>	<b>3</b>	<b>\$172.57</b>
<b>CIGNA - PREFERRED with RX</b>				
321	35	\$6,377.40	0	\$0.00
322	7	\$1,027.00	0	\$0.00
324	21	\$5,051.90	0	\$0.00
327	1	\$104.90	0	\$0.00
<b>Plan Total:</b>	<b>64</b>	<b>\$12,561.20</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
394	21	\$3,403.90	0	\$0.00
397	3	\$494.00	0	\$0.00
398	8	\$2,795.20	0	\$0.00
403	11931	\$1,885,680.91	0	\$0.00
413	1533	\$250,437.94	0	\$0.00
418	6287	\$2,043,797.54	0	\$0.00
419	220	\$32,799.80	0	\$0.00
426	255	\$41,438.30	0	\$0.00
445	2	\$349.40	0	\$0.00
446	1	\$145.10	0	\$0.00
451	36	\$5,833.60	0	\$0.00
455	7	\$1,222.90	0	\$0.00
457	14	\$4,704.60	0	\$0.00
459	1	\$349.40	0	\$0.00
462	85	\$15,336.80	0	\$0.00
465	1	\$174.70	0	\$0.00
466	29	\$9,455.00	0	\$0.00
472	27	\$4,450.70	0	\$0.00
476	2	\$259.00	0	\$0.00
478	14	\$5,131.60	0	\$0.00
479	1	\$144.60	0	\$0.00
482	88	\$13,791.20	0	\$0.00
486	1	\$349.40	0	\$0.00
488	36	\$12,070.30	0	\$0.00
491	1	\$148.50	0	\$0.00
<b>Plan Total:</b>	<b>20,604</b>	<b>\$4,334,764.39</b>	<b>0</b>	<b>\$0.00</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 2/29/2024**

<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	289	\$46,190.30	0	\$0.00
613	95	\$30,282.30	0	\$0.00
620	6	\$976.40	0	\$0.00
622	9	\$1,496.50	0	\$0.00
623	2	\$559.20	0	\$0.00
<b>Plan Total:</b>	<b>401</b>	<b>79,505</b>	<b>0</b>	<b>0</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	2075	\$334,351.50	0	\$0.00
702	383	\$63,383.00	0	\$0.00
703	1343	\$446,386.30	0	\$0.00
704	97	\$16,498.80	0	\$0.00
705	48	\$16,171.20	0	\$0.00
<b>Plan Total:</b>	<b>3,946</b>	<b>\$876,790.80</b>	<b>0</b>	<b>\$0.00</b>
<b>LOCAL 1014</b>				
804	178	\$39,481.80	0	\$0.00
805	202	\$40,355.70	0	\$0.00
806	686	\$264,300.30	0	\$0.00
807	48	\$9,643.40	0	\$0.00
808	17	\$7,057.80	0	\$0.00
812	246	\$47,728.00	0	\$0.00
813	1	\$174.70	0	\$0.00
<b>Plan Total:</b>	<b>1,378</b>	<b>\$408,741.70</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>39,856</b>	<b>\$8,636,653.25</b>	<b>3</b>	<b>\$172.57</b>

## Medical and Dental Vision Insurance Premiums March 2024

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	449	\$427,340.24	\$64,129.33	\$368,921.47	\$433,050.80	\$0.00	\$433,050.80
202	234	\$441,773.12	\$36,801.92	\$389,995.84	\$426,797.76	(\$3,743.84)	\$423,053.92
203	76	\$160,548.48	\$27,335.48	\$135,325.48	\$162,660.96	\$0.00	\$162,660.96
204	31	\$37,915.17	\$9,270.85	\$27,421.25	\$36,692.10	\$0.00	\$36,692.10
<b>SUBTOTAL</b>	<b>790</b>	<b>\$1,067,577.01</b>	<b>\$137,537.58</b>	<b>\$921,664.04</b>	<b>\$1,059,201.62</b>	<b>(\$3,743.84)</b>	<b>\$1,055,457.78</b>
<b>Anthem Blue Cross I</b>							
211	542	\$749,167.90	\$45,322.68	\$702,733.48	\$748,056.16	\$1,374.62	\$749,430.78
212	236	\$599,680.84	\$31,743.47	\$532,328.35	\$564,071.82	\$2,478.02	\$566,549.84
213	72	\$213,377.54	\$22,375.83	\$185,155.75	\$207,531.58	\$0.00	\$207,531.58
214	21	\$40,010.30	\$3,200.81	\$33,172.19	\$36,373.00	\$0.00	\$36,373.00
215	1	\$464.72	\$18.59	\$446.13	\$464.72	\$0.00	\$464.72
<b>SUBTOTAL</b>	<b>872</b>	<b>\$1,602,701.30</b>	<b>\$102,661.38</b>	<b>\$1,453,835.90</b>	<b>\$1,556,497.28</b>	<b>\$3,852.64</b>	<b>\$1,560,349.92</b>
<b>Anthem Blue Cross II</b>							
221	2,370	\$3,263,347.88	\$169,380.07	\$3,103,193.23	\$3,272,573.30	(\$8,247.72)	\$3,264,325.58
222	2,029	\$5,035,336.64	\$112,204.51	\$4,861,905.47	\$4,974,109.98	\$2,478.02	\$4,976,588.00
223	921	\$2,694,987.56	\$106,747.36	\$2,585,317.22	\$2,692,064.58	\$0.00	\$2,692,064.58
224	239	\$440,113.30	\$41,246.95	\$384,317.15	\$425,564.10	\$0.00	\$425,564.10
<b>SUBTOTAL</b>	<b>5,559</b>	<b>\$11,433,785.38</b>	<b>\$429,578.89</b>	<b>\$10,934,733.07</b>	<b>\$11,364,311.96</b>	<b>(\$5,769.70)</b>	<b>\$11,358,542.26</b>

## Medical and Dental Vision Insurance Premiums March 2024

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Anthem Blue Cross III</b>							
240	7,595	\$4,254,652.06	\$561,235.28	\$3,707,416.03	\$4,268,651.31	(\$7,279.61)	\$4,261,371.70
241	135	\$241,596.00	\$22,620.50	\$218,975.50	\$241,596.00	\$0.00	\$241,596.00
242	928	\$1,669,696.80	\$102,078.74	\$1,531,826.06	\$1,633,904.80	\$0.00	\$1,633,904.80
243	4,508	\$5,042,869.20	\$526,571.18	\$4,477,301.02	\$5,003,872.20	\$0.00	\$5,003,872.20
244	14	\$14,033.88	\$1,664.01	\$12,369.87	\$14,033.88	\$0.00	\$14,033.88
245	60	\$61,147.62	\$5,393.03	\$63,773.95	\$69,166.98	\$0.00	\$69,166.98
246	13	\$29,014.83	\$2,231.91	\$26,782.92	\$29,014.83	\$0.00	\$29,014.83
247	163	\$363,801.33	\$21,828.09	\$337,509.42	\$359,337.51	\$0.00	\$359,337.51
248	15	\$23,346.45	\$1,992.22	\$21,354.23	\$23,346.45	\$0.00	\$23,346.45
249	67	\$107,393.67	\$4,326.88	\$96,841.07	\$101,167.95	\$0.00	\$101,167.95
250	17	\$29,652.25	\$2,267.52	\$27,384.73	\$29,652.25	\$0.00	\$29,652.25
<b>SUBTOTAL</b>	<b>13,515</b>	<b>\$11,837,204.09</b>	<b>\$1,252,209.36</b>	<b>\$10,521,534.80</b>	<b>\$11,773,744.16</b>	<b>(\$7,279.61)</b>	<b>\$11,766,464.55</b>
<b>CIGNA Network Model Plan</b>							
301	230	\$411,143.40	\$107,352.34	\$303,791.06	\$411,143.40	\$0.00	\$411,143.40
302	59	\$190,421.32	\$47,142.20	\$143,279.12	\$190,421.32	\$0.00	\$190,421.32
303	8	\$30,487.92	\$7,034.51	\$19,642.42	\$26,676.93	\$0.00	\$26,676.93
304	14	\$33,206.46	\$13,593.75	\$17,240.82	\$30,834.57	\$0.00	\$30,834.57
<b>SUBTOTAL</b>	<b>311</b>	<b>\$665,259.10</b>	<b>\$175,122.80</b>	<b>\$483,953.42</b>	<b>\$659,076.22</b>	<b>\$0.00</b>	<b>\$659,076.22</b>
<b>CIGNA Preferred w/ Rx - Phoenix, AZ</b>							
321	35	\$12,140.10	\$2,101.41	\$14,934.36	\$17,035.77	\$0.00	\$17,035.77
322	7	\$12,507.32	\$714.70	\$11,792.62	\$12,507.32	\$0.00	\$12,507.32
324	20	\$14,400.12	\$399.04	\$7,066.62	\$7,465.66	\$0.00	\$7,465.66
327	1	\$2,370.95	\$474.19	\$1,896.76	\$2,370.95	\$0.00	\$2,370.95
<b>SUBTOTAL</b>	<b>63</b>	<b>\$41,418.49</b>	<b>\$3,689.34</b>	<b>\$35,690.36</b>	<b>\$39,379.70</b>	<b>\$0.00</b>	<b>\$39,379.70</b>

## Medical and Dental Vision Insurance Premiums

### March 2024

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser/Senior Advantage</b>							
401	1,530	\$1,945,549.97	\$150,833.37	\$1,809,784.08	\$1,960,617.45	\$7,594.86	\$1,968,212.31
403	11,940	\$3,003,610.28	\$267,447.67	\$2,721,696.37	\$2,989,144.04	(\$4,780.94)	\$2,984,363.10
404	479	\$568,381.40	\$10,252.22	\$558,129.18	\$568,381.40	(\$3,559.80)	\$564,821.60
405	1,397	\$1,775,816.00	\$19,204.27	\$1,752,806.41	\$1,772,010.68	\$1,268.44	\$1,773,279.12
411	1,863	\$4,714,122.16	\$210,368.44	\$4,438,386.08	\$4,648,754.52	(\$250.28)	\$4,648,504.24
413	1,522	\$2,325,474.78	\$108,009.26	\$2,179,763.27	\$2,287,772.53	\$0.00	\$2,287,772.53
414	51	\$127,109.32	\$782.21	\$121,438.29	\$122,220.50	\$0.00	\$122,220.50
418	6,262	\$3,102,142.88	\$226,640.17	\$2,862,298.07	\$3,088,938.24	(\$10,343.76)	\$3,078,594.48
419	222	\$318,640.24	\$4,286.70	\$308,638.02	\$312,924.72	(\$1,428.88)	\$311,495.84
420	106	\$250,711.20	\$1,135.30	\$249,575.90	\$250,711.20	\$0.00	\$250,711.20
421	8	\$10,126.48	\$1,164.54	\$8,961.94	\$10,126.48	\$8,860.67	\$18,987.15
422	265	\$674,508.75	\$1,717.85	\$660,159.65	\$661,877.50	\$0.00	\$661,877.50
426	256	\$388,255.04	\$3,263.18	\$383,481.14	\$386,744.32	\$0.00	\$386,744.32
428	43	\$107,669.76	\$489.40	\$102,286.28	\$102,775.68	\$0.00	\$102,775.68
430	146	\$369,216.48	\$3,388.73	\$365,827.75	\$369,216.48	\$7,586.64	\$376,803.12
<b>SUBTOTAL</b>	<b>26,090</b>	<b>\$19,681,334.74</b>	<b>\$1,008,983.31</b>	<b>\$18,523,232.43</b>	<b>\$19,532,215.74</b>	<b>\$4,946.95</b>	<b>\$19,537,162.69</b>

## Medical and Dental Vision Insurance Premiums March 2024

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Colorado</b>							
450	2	\$2,206.50	\$441.30	\$1,765.20	\$2,206.50	\$0.00	\$2,206.50
451	37	\$11,022.30	\$1,543.11	\$9,479.19	\$11,022.30	\$0.00	\$11,022.30
453	9	\$21,956.04	\$0.00	\$21,956.04	\$21,956.04	\$0.00	\$21,956.04
454	1	\$3,293.85	\$721.63	\$2,572.22	\$3,293.85	\$0.00	\$3,293.85
455	7	\$9,752.05	\$0.00	\$9,752.05	\$9,752.05	\$0.00	\$9,752.05
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>71</b>	<b>\$58,142.99</b>	<b>\$3,713.84</b>	<b>\$54,429.15</b>	<b>\$58,142.99</b>	<b>\$0.00</b>	<b>\$58,142.99</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	12	\$15,546.00	\$1,269.59	\$14,276.41	\$15,546.00	\$0.00	\$15,546.00
462	85	\$34,311.93	\$6,398.98	\$30,766.92	\$37,165.90	\$0.00	\$37,165.90
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	29	\$22,642.62	\$1,639.63	\$21,002.99	\$22,642.62	\$0.00	\$22,642.62
<b>SUBTOTAL</b>	<b>145</b>	<b>\$103,810.57</b>	<b>\$10,967.09</b>	<b>\$95,697.45</b>	<b>\$106,664.54</b>	<b>\$0.00</b>	<b>\$106,664.54</b>

## Medical and Dental Vision Insurance Premiums March 2024

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	27	\$11,750.40	\$1,549.29	\$10,201.11	\$11,750.40	\$0.00	\$11,750.40
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	4	\$11,391.68	\$0.00	\$11,391.68	\$11,391.68	\$0.00	\$11,391.68
476	2	\$2,763.68	\$1,216.02	\$1,547.66	\$2,763.68	\$0.00	\$2,763.68
478	14	\$12,073.60	\$1,448.83	\$11,487.17	\$12,936.00	\$0.00	\$12,936.00
479	1	\$2,409.76	\$0.00	\$2,409.76	\$2,409.76	\$0.00	\$2,409.76
<b>SUBTOTAL</b>	<b>59</b>	<b>\$56,732.56</b>	<b>\$5,697.32</b>	<b>\$51,897.64</b>	<b>\$57,594.96</b>	<b>\$0.00</b>	<b>\$57,594.96</b>
<b>Kaiser - Oregon</b>							
481	2	\$2,336.86	\$584.21	\$1,752.65	\$2,336.86	\$0.00	\$2,336.86
482	88	\$43,822.24	\$6,513.59	\$37,806.63	\$44,320.22	\$0.00	\$44,320.22
483	2	\$2,914.32	\$494.99	\$2,419.33	\$2,914.32	\$0.00	\$2,914.32
484	7	\$16,302.02	\$0.00	\$16,302.02	\$16,302.02	\$0.00	\$16,302.02
486	1	\$1,658.41	\$0.00	\$3,316.82	\$3,316.82	\$0.00	\$3,316.82
488	36	\$35,566.56	\$5,315.24	\$30,251.32	\$35,566.56	(\$987.96)	\$34,578.60
491	1	\$1,682.42	\$0.00	\$1,682.42	\$1,682.42	\$0.00	\$1,682.42
498	1	\$5,235.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>SUBTOTAL</b>	<b>138</b>	<b>\$109,518.01</b>	<b>\$12,908.03</b>	<b>\$93,531.19</b>	<b>\$106,439.22</b>	<b>(\$987.96)</b>	<b>\$105,451.26</b>
<b>SCAN Health Plan</b>							
611	289	\$72,091.10	\$15,636.27	\$56,206.24	\$71,842.51	\$0.00	\$71,842.51
613	94	\$46,472.10	\$9,871.65	\$36,111.27	\$45,982.92	(\$489.18)	\$45,493.74
<b>SUBTOTAL</b>	<b>383</b>	<b>\$118,563.20</b>	<b>\$25,507.92</b>	<b>\$92,317.51</b>	<b>\$117,825.43</b>	<b>(\$489.18)</b>	<b>\$117,336.25</b>

## Medical and Dental Vision Insurance Premiums March 2024

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>SCAN Health Plan, AZ</b>							
620	6	\$1,491.54	\$328.14	\$1,163.40	\$1,491.54	\$0.00	\$1,491.54
<b>SUBTOTAL</b>	<b>6</b>	<b>\$1,491.54</b>	<b>\$328.14</b>	<b>\$1,163.40</b>	<b>\$1,491.54</b>	<b>\$0.00</b>	<b>\$1,491.54</b>
<b>SCAN Health Plan, NV</b>							
622	10	\$2,485.90	\$308.25	\$2,177.65	\$2,485.90	\$0.00	\$2,485.90
623	2	\$978.36	\$0.00	\$978.36	\$978.36	\$0.00	\$978.36
<b>SUBTOTAL</b>	<b>12</b>	<b>\$3,464.26</b>	<b>\$308.25</b>	<b>\$3,156.01</b>	<b>\$3,464.26</b>	<b>\$0.00</b>	<b>\$3,464.26</b>
<b>UHC Medicare Adv.</b>							
701	2,069	\$672,484.80	\$76,682.19	\$590,306.34	\$666,988.53	(\$2,175.00)	\$664,813.53
702	382	\$656,665.47	\$35,022.07	\$609,601.60	\$644,623.67	\$0.00	\$644,623.67
703	1,337	\$858,943.90	\$80,187.19	\$783,368.45	\$863,555.64	\$0.00	\$863,555.64
704	101	\$195,275.42	\$11,329.84	\$178,145.32	\$189,475.16	\$0.00	\$189,475.16
705	48	\$42,011.04	\$2,135.59	\$39,875.45	\$42,011.04	\$0.00	\$42,011.04
706	3	\$1,184.61	\$157.94	\$1,026.67	\$1,184.61	\$0.00	\$1,184.61
<b>SUBTOTAL</b>	<b>3,940</b>	<b>\$2,426,565.24</b>	<b>\$205,514.82</b>	<b>\$2,202,323.83</b>	<b>\$2,407,838.65</b>	<b>(\$2,175.00)</b>	<b>\$2,405,663.65</b>
<b>United Healthcare</b>							
707	529	\$732,195.00	\$59,662.04	\$669,769.96	\$729,432.00	\$0.00	\$729,432.00
708	461	\$1,170,713.76	\$62,502.58	\$1,103,165.00	\$1,165,667.58	\$0.00	\$1,165,667.58
709	372	\$1,112,878.92	\$75,726.88	\$1,031,168.82	\$1,106,895.70	\$0.00	\$1,106,895.70
<b>SUBTOTAL</b>	<b>1,362</b>	<b>\$3,015,787.68</b>	<b>\$197,891.50</b>	<b>\$2,804,103.78</b>	<b>\$3,001,995.28</b>	<b>\$0.00</b>	<b>\$3,001,995.28</b>

## Medical and Dental Vision Insurance Premiums March 2024

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Local 1014 Firefighters</b>							
801	83	\$110,780.10	\$3,790.57	\$104,320.13	\$108,110.70	\$0.00	\$108,110.70
802	333	\$801,384.48	\$25,894.58	\$768,270.22	\$794,164.80	\$0.00	\$794,164.80
803	372	\$1,056,022.44	\$30,828.99	\$1,028,032.22	\$1,058,861.21	\$2,838.77	\$1,061,699.98
804	195	\$260,266.50	\$7,928.11	\$253,673.09	\$261,601.20	(\$42,151.20)	\$219,450.00
805	222	\$534,256.32	\$16,854.70	\$514,995.06	\$531,849.76	(\$40,355.70)	\$491,494.06
806	716	\$1,723,096.96	\$36,820.32	\$1,681,463.52	\$1,718,283.84	(\$266,706.86)	\$1,451,576.98
807	53	\$150,454.81	\$1,930.36	\$148,524.45	\$150,454.81	(\$12,482.17)	\$137,972.64
808	17	\$48,259.09	\$227.10	\$48,031.99	\$48,259.09	(\$7,057.80)	\$41,201.29
809	15	\$20,020.50	\$2,856.26	\$17,164.24	\$20,020.50	\$0.00	\$20,020.50
810	8	\$19,252.48	\$2,262.16	\$16,990.32	\$19,252.48	\$0.00	\$19,252.48
811	4	\$11,355.08	\$2,611.67	\$8,743.41	\$11,355.08	\$0.00	\$11,355.08
812	251	\$335,009.70	\$20,607.78	\$315,736.62	\$336,344.40	(\$45,058.60)	\$291,285.80
813	1	\$2,406.56	\$0.00	\$2,406.56	\$2,406.56	(\$174.70)	\$2,231.86
<b>SUBTOTAL</b>	<b>2,270</b>	<b>\$5,072,565.02</b>	<b>\$152,612.60</b>	<b>\$4,908,351.83</b>	<b>\$5,060,964.43</b>	<b>(\$411,148.26)</b>	<b>\$4,649,816.17</b>
<b>Kaiser - Washington</b>							
393	5	\$8,202.05	\$1,328.95	\$6,873.10	\$8,202.05	\$0.00	\$8,202.05
394	21	\$9,397.92	\$1,691.62	\$7,706.30	\$9,397.92	\$0.00	\$9,397.92
395	4	\$12,225.48	\$1,735.05	\$7,434.06	\$9,169.11	\$0.00	\$9,169.11
397	3	\$5,590.44	\$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>41</b>	<b>\$42,512.21</b>	<b>\$6,384.47</b>	<b>\$33,071.37</b>	<b>\$39,455.84</b>	<b>\$0.00</b>	<b>\$39,455.84</b>
<b>Medical Plan Total</b>	<b>55,627</b>	<b>\$57,338,433.39</b>	<b>\$3,731,616.64</b>	<b>\$53,214,687.18</b>	<b>\$56,946,303.82</b>	<b>(\$422,793.96)</b>	<b>\$56,523,509.86</b>

## Medical and Dental Vision Insurance Premiums March 2024

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	26,325	\$1,386,906.36	\$142,952.14	\$1,253,888.06	\$1,396,840.20	(\$1,478.23)	\$1,395,361.97
502	24,208	\$2,661,245.35	\$199,413.97	\$2,453,364.84	\$2,652,778.81	(\$2,443.26)	\$2,650,335.55
503	9	\$583.38	\$36.30	\$547.08	\$583.38	\$0.00	\$583.38
<b>SUBTOTAL</b>	<b>50,542</b>	<b>\$4,048,735.09</b>	<b>\$342,402.41</b>	<b>\$3,707,799.98</b>	<b>\$4,050,202.39</b>	<b>(\$3,921.49)</b>	<b>\$4,046,280.90</b>
<b>CIGNA Dental HMO/Vision</b>							
901	4,100	\$190,732.00	\$20,867.30	\$171,826.18	\$192,693.48	(\$46.52)	\$192,646.96
902	3,078	\$294,224.64	\$21,625.04	\$270,496.20	\$292,121.24	\$190.56	\$292,311.80
903	3	\$141.33	\$37.69	\$103.64	\$141.33	\$329.77	\$471.10
<b>SUBTOTAL</b>	<b>7,181</b>	<b>\$485,097.97</b>	<b>\$42,530.03</b>	<b>\$442,426.02</b>	<b>\$484,956.05</b>	<b>\$473.81</b>	<b>\$485,429.86</b>
<b>Dental/Vision Plan Total</b>	<b>57,723</b>	<b>\$4,533,833.06</b>	<b>\$384,932.44</b>	<b>\$4,150,226.00</b>	<b>\$4,535,158.44</b>	<b>(\$3,447.68)</b>	<b>\$4,531,710.76</b>
<b>GRAND TOTALS</b>	<b>113,350</b>	<b>\$61,872,266.45</b>	<b>\$4,116,549.08</b>	<b>\$57,364,913.18</b>	<b>\$61,481,462.26</b>	<b>(\$426,241.64)</b>	<b>\$61,055,220.62</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
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**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
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**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>
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**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**

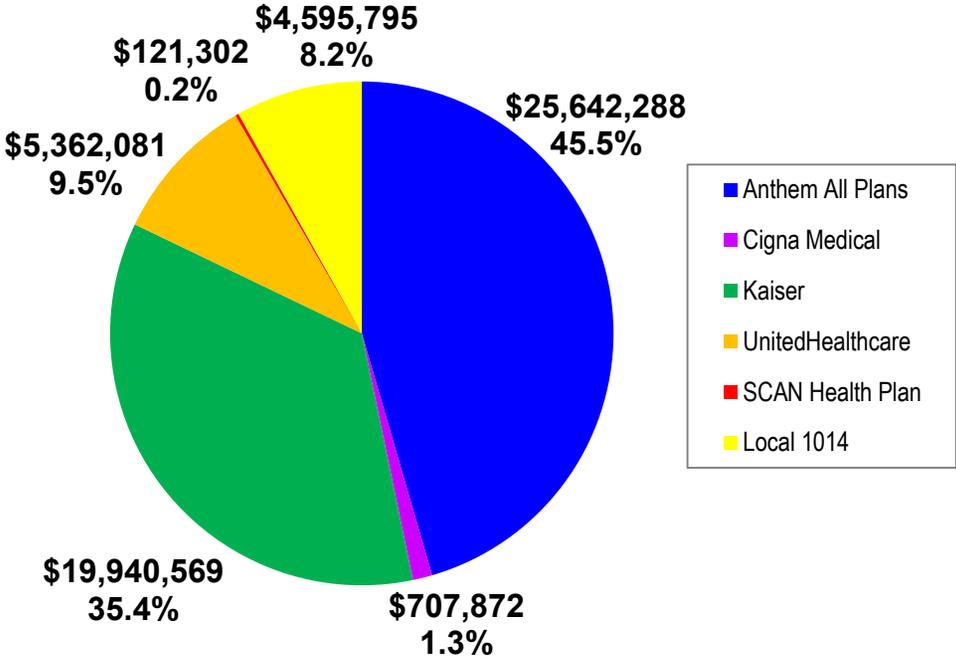
\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

**Los Angeles County Employees Retirement Association**  
**Premium & Enrollment**  
*Coverage Month Ending January 2024*

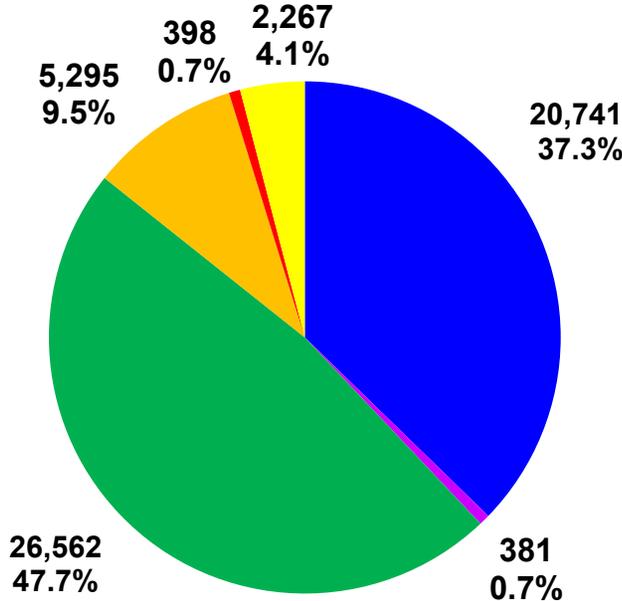
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$25,642,288	45.5%	20,741	37.3%
Cigna Medical	\$707,872	1.3%	381	0.7%
Kaiser	\$19,940,569	35.4%	26,562	47.7%
UnitedHealthcare	\$5,362,081	9.5%	5,295	9.5%
SCAN Health Plan	\$121,302	0.2%	398	0.7%
Local 1014	\$4,595,795	8.1%	2,267	4.1%
<b>Combined Medical</b>	<b>\$56,369,908</b>	<b>100.0%</b>	<b>55,644</b>	<b>100.0%</b>

<b>Cigna Dental &amp; Vision (PPO and HMO)</b>	<b>\$4,495,868</b>	<b>57,623</b>
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**Monthly Premium**

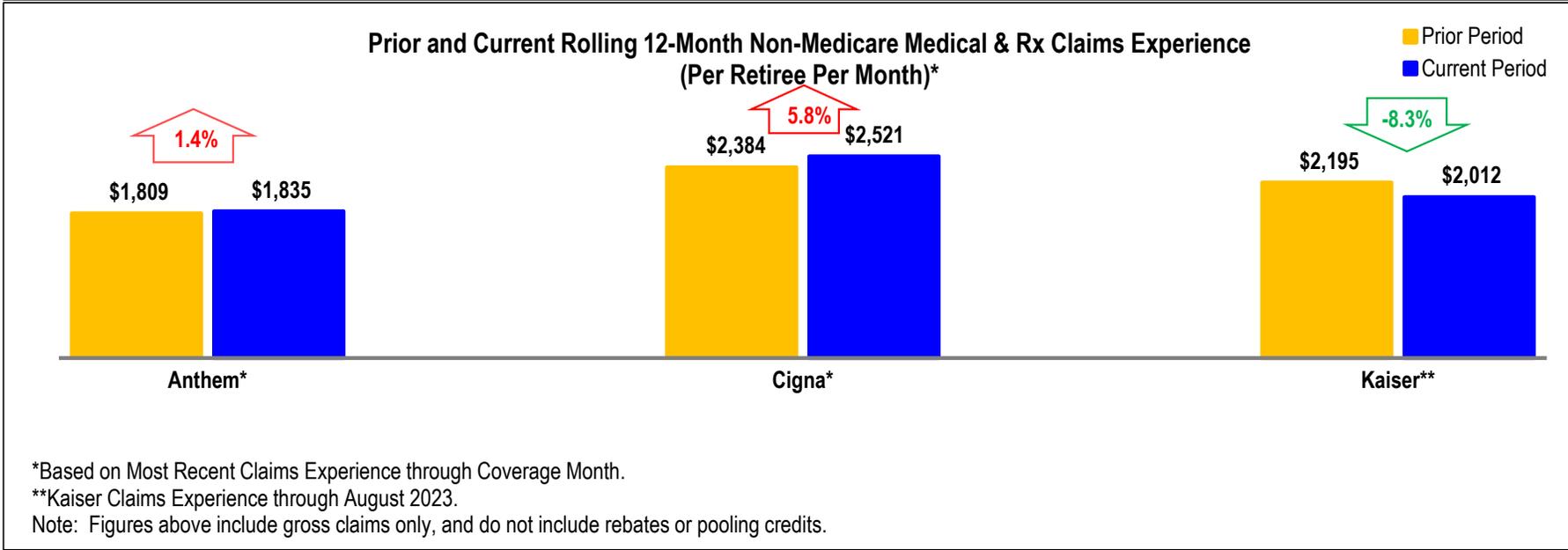
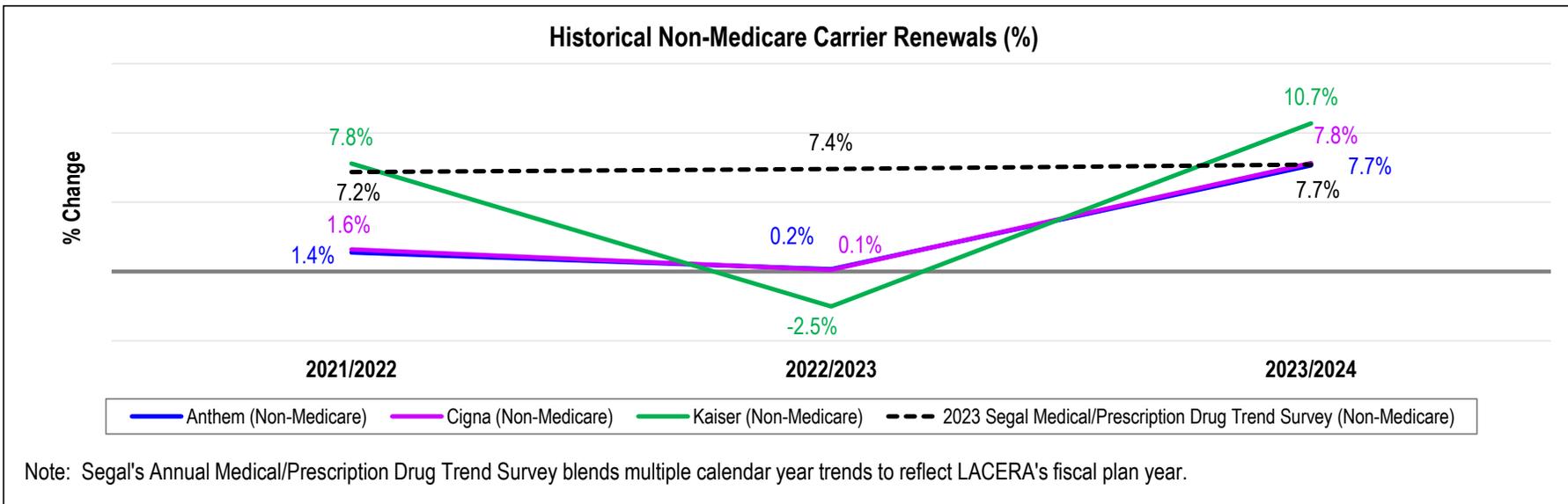


**Retirees**



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

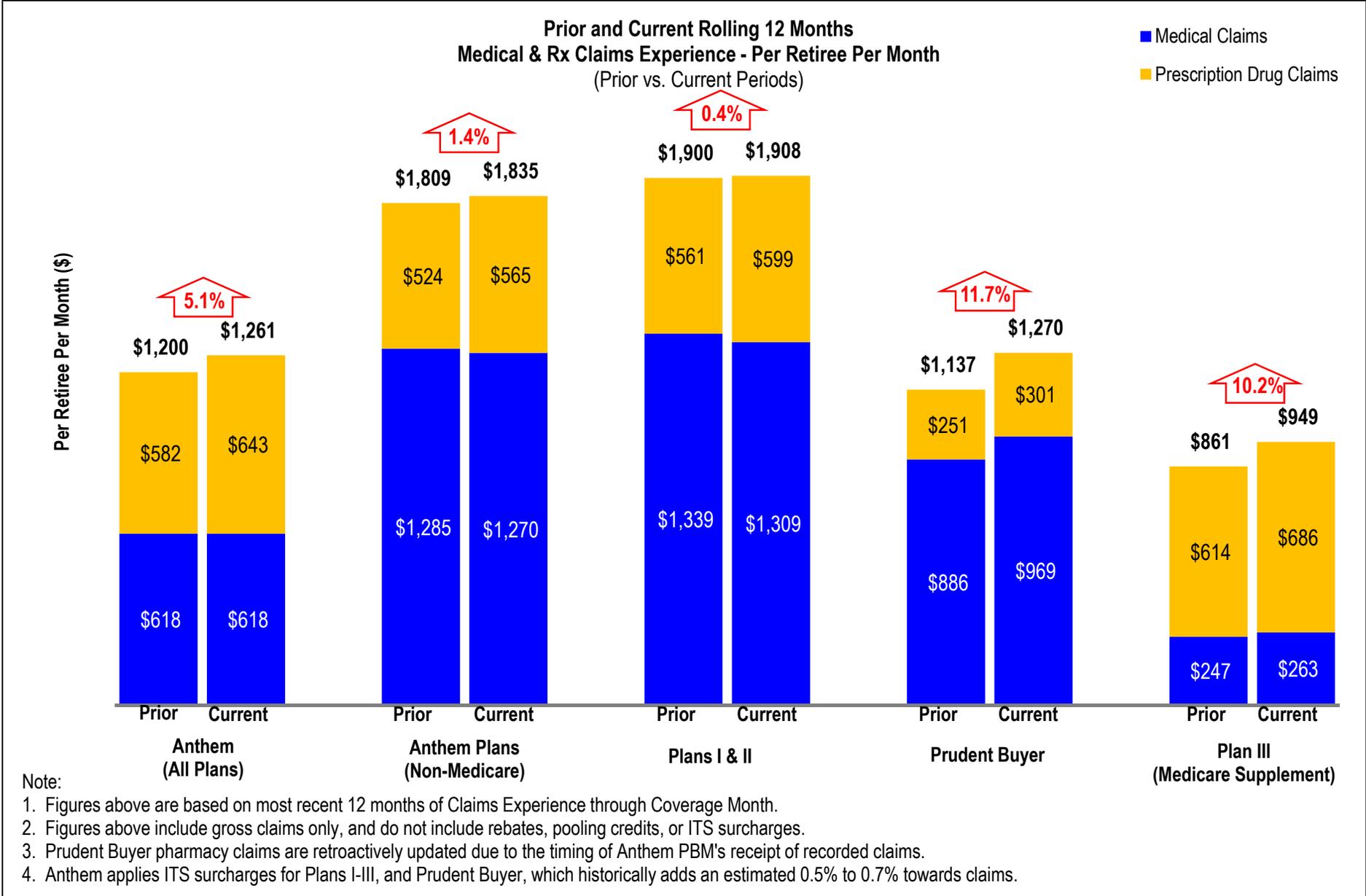
**Los Angeles County Employees Retirement Association**  
**Claims Experience by Carrier**  
*Coverage Month Ending January 2024*



# Los Angeles County Employees Retirement Association

## Anthem Claims Experience By Plan

Coverage Month Ending January 2024



# Los Angeles County Employees Retirement Association

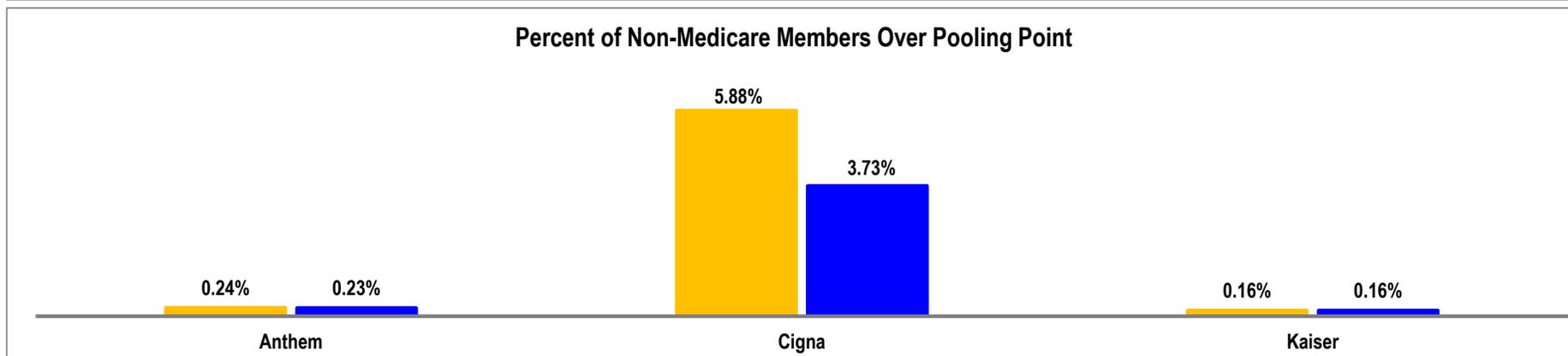
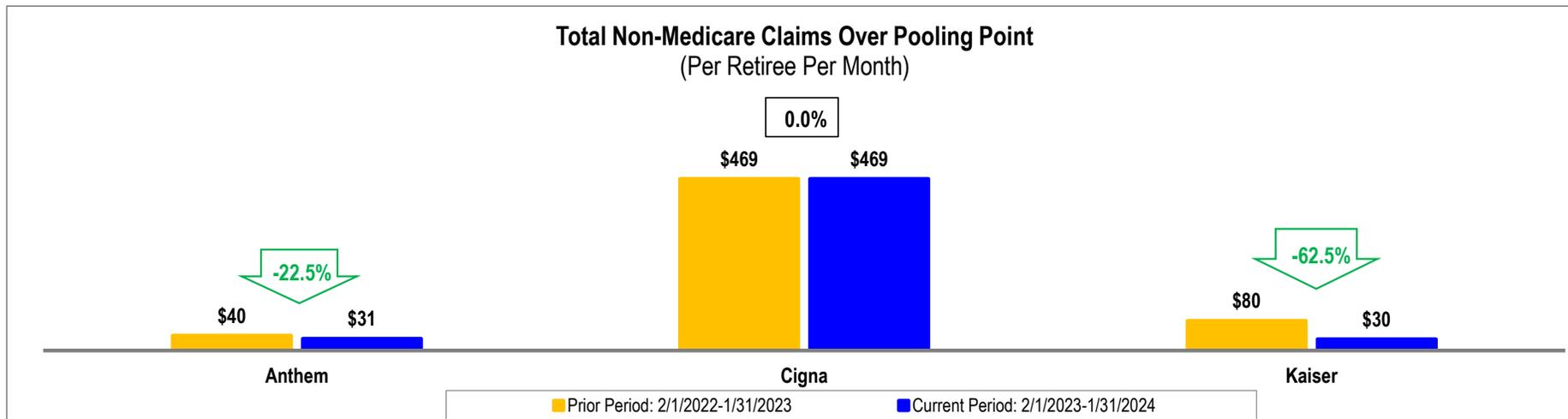
## Kaiser Utilization

### Coverage Month Ending January 2024

- 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 9/1/2022 - 8/31/2023	Prior Period 9/1/2021 - 8/31/2022	Change
<b>Average Contract Size</b>	<b>2.36</b>	<b>2.37</b>	<b>-0.42%</b>
<b>Average Members</b>	<b>9,005</b>	<b>8,908</b>	<b>1.09%</b>
Inpatient Claims Per Member Per Month	\$236.83	\$297.74	-20.46%
Outpatient Claims Per Member Per Month	\$346.85	\$368.08	-5.77%
Pharmacy Per Member Per Month	\$133.88	\$119.97	11.59%
Other Per Member Per Month	\$135.44	\$140.69	-3.73%
<b>Total Claims Per Member Per Month</b>	<b>\$853.00</b>	<b>\$926.48</b>	<b>-7.93%</b>
<b>Total Paid Claims</b>	<b>\$92,175,937</b>	<b>\$99,036,150</b>	<b>-6.93%</b>
Large Claims over \$525,000 Pooling Point			
Number of Claims over Pooling Point	6	6	
Amount over Pooling Point	\$1,358,332	\$3,593,397	-62.20%
% of Total Paid Claims	<b>1.47%</b>	<b>3.63%</b>	
Inpatient Days / 1000	409.7	456.0	-10.15%
Inpatient Admits / 1000	52.7	57.5	-8.35%
Outpatient Visits / 1000	14,087.7	14,679.8	-4.03%
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 January 2024



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

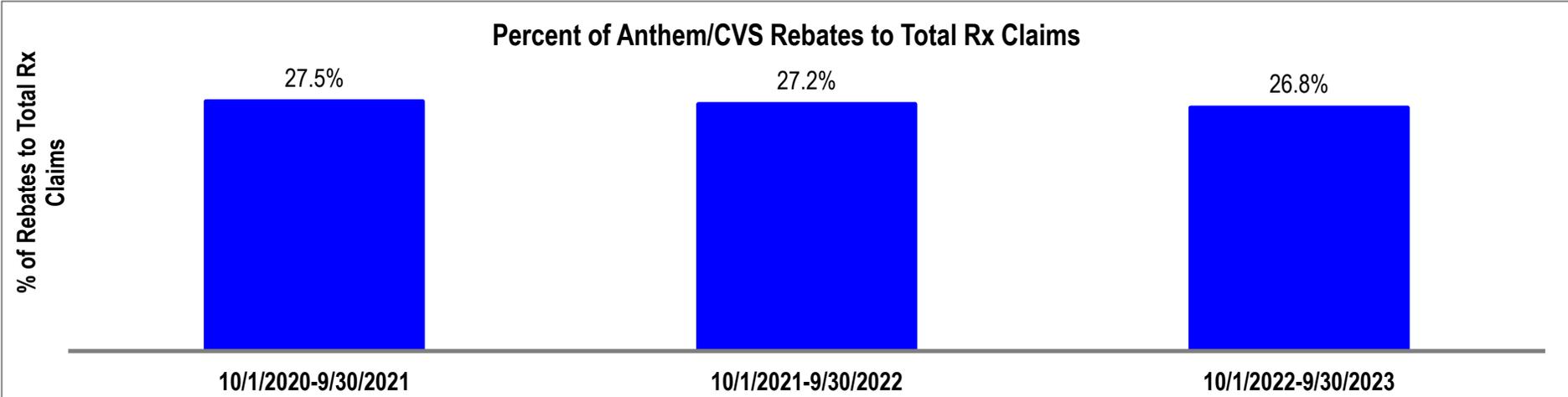
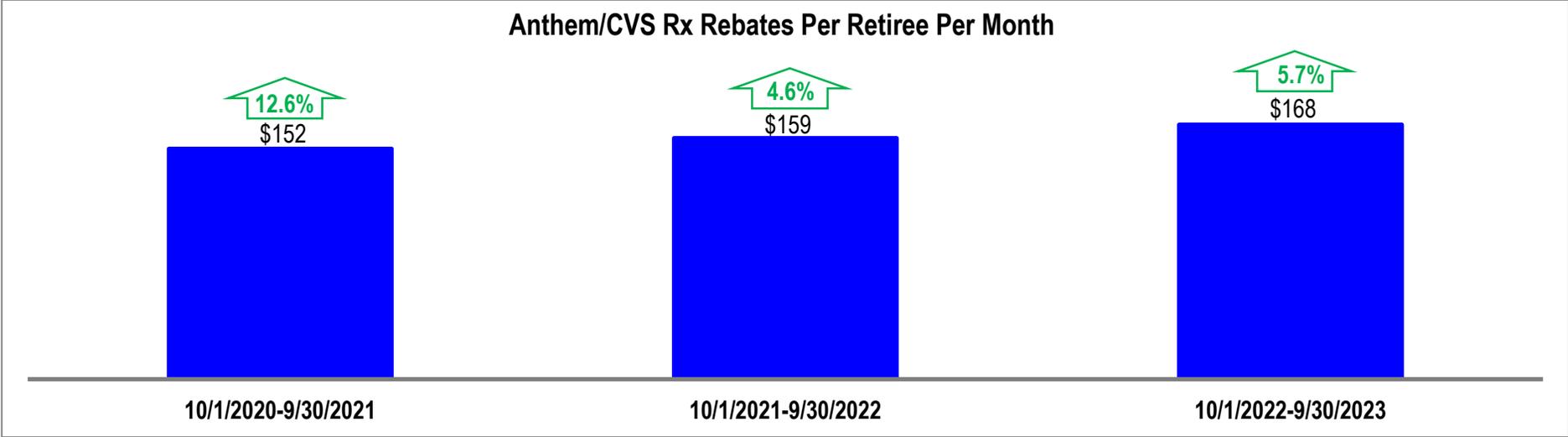
Plan sponsors mitigate the financial risk associated with individual large claimants through reinsurance. Claims exceeding the specified individual pooling threshold are deducted from the carrier's renewal calculation. The pooling credit is offset by the carrier's pooling expense, which is applied to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

**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 January 2024*



**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.

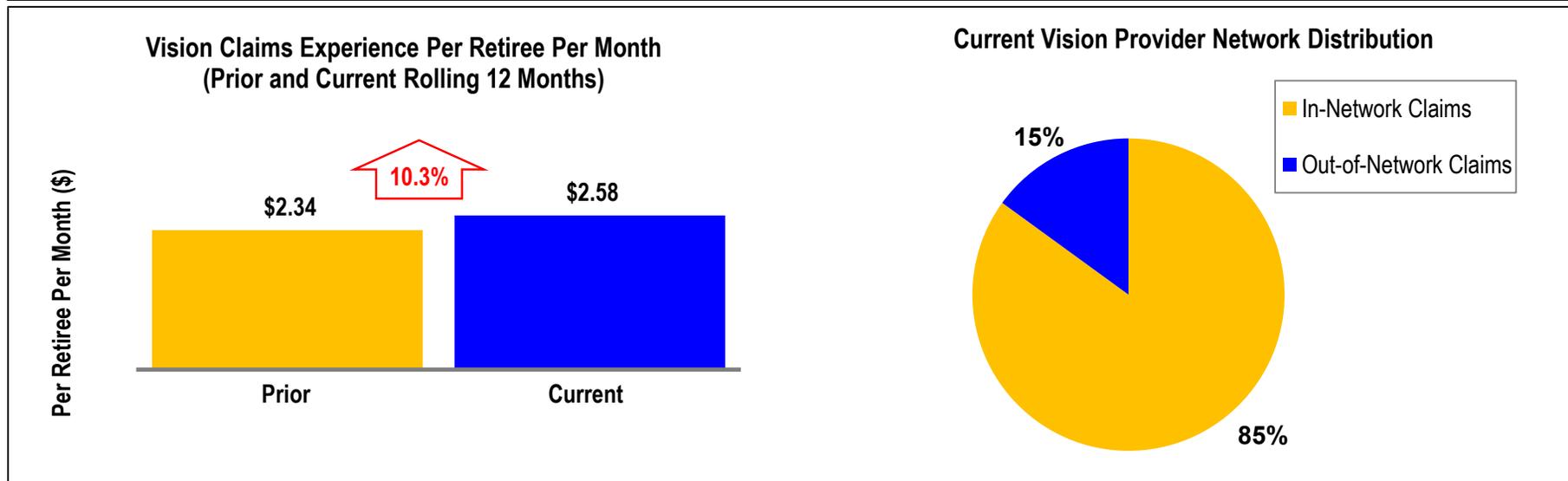
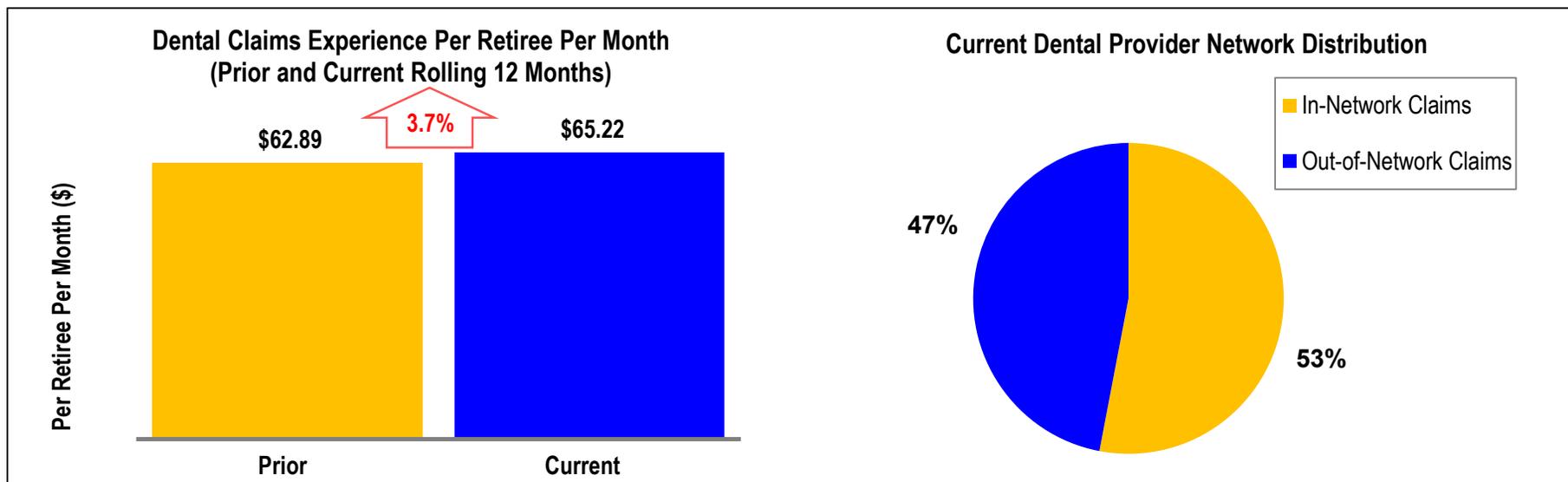
**Note:**

- 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 January 2024



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.



Compliance News | February 20, 2024

# CMS Draft Guidance: Part D Plans, RDS & Creditable Coverage

Changes to the Medicare Part D prescription drug benefit are likely to decrease out-of-pocket costs for retirees.

Conversely, the changes could have a significant impact on how much plan sponsors with an Employer Group Waiver Plan (EGWP) must pay for benefits. Those plan sponsors will need to understand the Part D changes soon so that they can plan for them in their 2025 benefit offerings.



New draft guidance from the Centers for Medicare & Medicaid Services (CMS) provides more detail on how the provisions of the Inflation Reduction Act will work. This insight discusses some of the changes and what the impact may be on retiree health plans.

Plan sponsors that offer retiree health benefits will need to take a close look at that coverage in 2024 to ensure that it reflects new changes coming in 2025. Plan sponsors also may want to consider whether a Medicare Advantage program might be the right solution for their retirees.

## Overview

Plan sponsors that offer retiree coverage understand that federal government support for retiree benefits is available — either through the Retiree Drug Subsidy (RDS) program, which directly reimburses plan sponsors for prescription drug expenses, or through an EGWP, which is a form of a Part D plan offered by an employment-based plan.

In 2025, the amount of federal subsidies available in the RDS program versus an EGWP prescription drug plan (or Medicare Advantage prescription drug plan) will change dramatically. Consequently, plan sponsors will need to take a close look to ensure that they know about the Inflation Reduction Act changes and are offering the most cost-effective benefit to plan retirees. Refer to our [chart summarizing the changes](#).

## What's changing?

The Inflation Reduction Act enacted significant changes to the Medicare prescription drug program. While some changes took effect in 2023 and 2024, the majority are effective in 2025.

In 2024, the Part D benefit no longer requires retirees to pay cost sharing during the catastrophic phase of the benefit. This means that retirees who have very high drug costs will not be responsible for paying for them once they reach the catastrophic limit. The Inflation Reduction Act also eliminated cost sharing for adult vaccines under Part D and put a cap of \$35 per month on patient costs for insulin.

For 2025, the Inflation Reduction Act will make further changes to the Part D prescription drug program, including reducing the annual out-of-pocket amount payable by patients to \$2,000. It also eliminates the coverage gap phase of the benefit; meaning the prescription drug benefit will now have three phases instead of four: the deductible phase, the initial coverage phase and the catastrophic phase.

Sponsors of EGWPs will be able to design benefits as they feel is appropriate for their group within the deductible and initial coverage phases but must maintain the same catastrophic phase as commercial Part D plans.

The Inflation Reduction Act also repealed the existing Coverage Gap Discount Program and established a new Manufacturer Discount Program. Under the new Discount Program, participating manufacturers are required to provide discounts on certain drugs (e.g., brand drugs, biologics and biosimilars) both in the initial coverage phase and in the catastrophic coverage phase of the Part D benefit. Certain discounts will be given during a multi-year phase-in period.

Additionally, the Inflation Reduction Act changed the amount that Medicare beneficiaries, plan sponsors, manufacturers and the federal government pay throughout the benefit. Payments in the catastrophic phase by the federal government to Part D plans (federal reinsurance) will decrease, with plans picking up a larger share of the costs during the period after which an individual has met their out-of-pocket costs.

Further affecting beneficiary costs, Medicare beneficiaries will be allowed to elect to smooth out-of-pocket costs over the year, instead of paying large amounts in a single month. Finally, the Inflation Reduction Act expanded income eligibility for benefits under the Medicare Part D Low-Income Subsidy Program.

## Guidance published in an Advance Notice

CMS published an [Advance Notice](#) on January 31, 2024, which also includes detailed guidance on the [Part D Redesign](#) for 2025. The guidance provides additional information on how the new benefit changes will affect EGWPs.

First, the type of costs that count toward a beneficiary's True Out of Pocket (TrOOP) costs is changing. For 2025, previously excluded supplemental benefits provided by EGWPs will count toward a beneficiary's TrOOP costs. In addition, any manufacturer payments under the manufacturer discount program will not count toward a beneficiary's TrOOP. Under this new policy, the retiree would reach their TrOOP limit more quickly, resulting in getting to the catastrophic phase of the benefit where federal reinsurance payments begin and drug manufacturers may pay more.

Moreover, CMS announced that it is modifying how it will pay EGWP plans the prospective reinsurance amount, currently paid based on the average per member per month actual reinsurance paid to plans for the most recently reconciled payment year. CMS stated that if it used previous years to calculate reinsurance payments it would be overpaying the plan because of the new benefit changes. Consequently, for 2025, CMS will modify the prospective reinsurance payments based on bids for non-EGWP plans. This means plans will receive fewer prospective reinsurance dollars than in previous years, due to the amount of reinsurance paid to all part D plans decreasing from 80 percent to either 20 or 40 percent (depending on the drug).

## Creditable coverage

Plan sponsors must currently provide Medicare-eligible active and retiree participants with a Notice of Creditable Coverage on an annual basis, which states whether the coverage offered by the plan is equivalent to or better than coverage of the standard Medicare Part D prescription drug coverage.

CMS revised the existing definition of creditable coverage to state that creditable coverage does not take into account the value of any discounts provided under the new Manufacturer Discount Program, effective in 2025. However, the plan would be responsible for covering any differential between the full discount and the phased-in discount. Therefore, this differential is included for purposes of determining creditable coverage.

Based on the changes made to the Part D benefit, CMS has indicated that a previously used “simplified determination methodology” for determining creditable coverage may no longer be used.

This rule may result in some plans that currently are considered creditable coverage losing that status. This could affect active employees who are Medicare eligible. If those employees do not have creditable coverage, they could face a Part D penalty when they later enroll in Medicare.

## Retiree Drug Subsidy

The Inflation Reduction Act did not make any direct changes to the RDS or how it is reimbursed. However, because the Part D benefit has changed, the calculation of whether a retiree health plan provides a benefit that is “actuarially equivalent” to the Part D benefit is also changing.

Plans that received the RDS are required to annually attest that the actuarial value of prescription drug coverage under the plan is at least equal to the actuarial value of the standard Part D benefit. CMS guidance indicates that the changes discussed in this post will affect the determination of the value of the standard Part D benefit.

## Overall Medicare changes

In addition to the changes that affect the Part D benefit design, the Inflation Reduction Act implemented two significant changes to the overall program:

1. Beginning in 2023, manufacturers are required to pay rebates to Medicare if drug prices rise faster than inflation.
2. Medicare will negotiate with manufacturers for prices for certain drugs, which takes effect in 2026. A list of the first 10 drugs that will be negotiated is available [here](#).

## Impact on plan sponsors with EGWPs

As discussed, the cumulative changes enacted in the Inflation Reduction Act are expected to increase benefit costs for EGWPs, including both prescription drug plans and Medicare Advantage prescription drug plans. In addition, federal reinsurance payments are decreasing. However, the federal government also pays a direct subsidy to these plans, which may increase because the value of the plans is increasing.

It will be important for plan sponsors with EGWPs to monitor the potential impact of these changes with their actuarial consultants.

## Impact on plan sponsors with RDS

The Inflation Reduction Act is improving the Part D benefit, which means that the standard against which the plan’s retiree drug benefit is tested is higher than in previous years. If the plan sponsor does not provide a benefit that is equivalent to or better than the Part D benefit, it will lose the RDS.

Plan sponsors in danger of losing the RDS may wish to either increase benefits or consider switching to an EGWP. They should work with their actuaries to understand the impact of the new law on their retiree health plan.

## Learn more

Join our [March 19, 2024 webinar](#).

This page is for informational purposes only and does not constitute legal, tax or investment advice. You are encouraged to discuss the issues raised here with your legal, tax and other advisors before determining how the issues apply to your specific situations.