

IN PERSON & VIRTUAL BOARD MEETING

October 7, 2026, AT 8:30 AM*

**INSURANCE, BENEFITS & LEGISLATIVE
COMMITTEE MEETING**

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



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**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, OCTOBER 7, 2026

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 54953.8.3.

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.gov/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
Aleen Langton, Vice Chair
Shawn R. Kehoe, Trustee
Ernesto J. Pantoja, Trustee
Jason E. Green, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707
 - A. Just Cause (Section 54953.8.3)
 - B. Statement of Persons Present at SB 707 Teleconference Locations
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of September 2, 2026

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.gov/leadership/board-meetings> and complete the request [form](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests 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 within the form 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.gov.)

V. NON-CONSENT ITEMS

A. **Provide Voting Directions on SACRS 2027 Legislative Platform**
Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee:

1. Recommend that the Board of Retirement direct its voting delegate to vote YES on sponsorship by the State Association of County Retirement Systems (SACRS) of its legislative proposals for the SACRS 2027 legislative platform;
2. Discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals; and
3. Recommend that the Board of Retirement discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals.

(Memo dated September 23, 2026)

VI. REPORTS

A. **Engagement Report for September 2026**
Barry W. Lew, Legislative Affairs Officer
(For Information Only)

VI. REPORTS (Continued)

B. **Staff Activities Report for September 2026**

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

C. **LACERA Claims Experience**

Tanya Sun, Segal Consulting
(Presentation)

D. **Federal Legislation**

Michael Szeto, 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.gov 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.gov, 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

8:31 A.M. – 8:56 A.M., WEDNESDAY, SEPTEMBER 2, 2026

This meeting was conducted by the Insurance, Benefits & Legislative
Committee both in person and by teleconference under California
Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Aleen Langton, Vice Chair
Shawn R. Kehoe, Trustee (*arrived at 8:47 a.m.*)
Ernesto J. Pantoja, Trustee

ABSENT; Les Robbins, Chair
Jason E. Green, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

J.P. Harris, Trustee (*arrived at 8:38 a.m.*)

STAFF, ADVISORS AND PARTICIPANTS

Cassandra Smith, Director, Retiree Healthcare

Luis A. Lugo, Chief Executive Officer

STAFF, ADVISORS AND PARTICIPANTS (Continued)

JJ Popowich, Chief Benefits Officer

Jessica Baxter, Chief Administrative Officer

Barry W. Lew, Legislative Affairs Officer

Segal Consulting

Stephen Murphy, Sr. Vice President

Michael Szeto, Sr. Actuarial Associate

I. CALL TO ORDER

This meeting was called to order by Chair Langton at 8:31 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)

B. Statement of Persons Present at SB 707 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 5, 2026

Trustee Kehoe made a motion, Trustee Langton seconded, to approve the minutes of the regular meeting of August 5, 2026. The motion passed by the following roll call vote:

Yes: Langton, Kehoe, Pantoja

No: None

Absent: Robbins, Green

(This Item was handled out of order, after Item VI-D.)

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT ITEMS

A. **Legislative Proposal—Prepaid Card Account**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement sponsor legislation for the 2027 legislative year to extend or repeal the sunset date of LACERA's prepaid card program.
(Memo dated August 19, 2026)

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

Yes: Langton, Kehoe, Pantoja

No: None

Absent: Robbins, Green

(This Item was handled out of order, after Item VI-D.)

VI. REPORTS

A. **Engagement Report for August 2026**

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 August 2026**

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

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

VI. REPORTS (Continued)

C. **LACERA Claims Experience**

Michael Szeto, Segal Consulting
(Presentation)

The LACERA Claims Experience reports through July 2026 were discussed. This item was received and filed.

D. **Federal Legislation**

Stephen Murphy, Segal Consulting
(For Information Only)

Segal Consulting gave an update on federal legislation. This item was received and filed.

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.)

There was nothing to report.

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 8:56 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.**

September 23, 2026

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Aleen Langton, Vice Chair
Ernesto J. Pantoja
Shawn R. Kehoe
Jason Green, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: October 7, 2026, Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Provide Voting Directions on SACRS 2027 Legislative Platform**

RECOMMENDATION

That the Insurance, Benefits, and Legislative Committee—

1. Recommend that the Board of Retirement direct its voting delegate to vote YES on sponsorship by the State Association of County Retirement Systems (SACRS) of its legislative proposals for the SACRS 2027 legislative platform;
2. Discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals; and
3. Recommend that the Board of Retirement discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals.

BACKGROUND

Each year, the 20 retirement systems operating under the County Employees Retirement Law of 1937 (CERL) are asked to submit proposals to the SACRS Legislative Committee for sponsorship in the annual SACRS legislative platform. The items submitted should have application to all CERL systems rather than an individual system; they should not propose new benefits that will be paid for by the plan sponsor; and they should not create major issues, such as conflicts with Proposition 162 or with any of the 19 other CERL retirement systems.

This year these proposals were not submitted by individual CERL systems but instead were developed by the SACRS Legislative Committee. They will be presented to the SACRS membership for approval at the Business Meeting of the SACRS Fall Conference on Friday, November 13, 2026. The memo presents the legislative proposals as either technical and conforming amendments and substantive amendments.

The Board of Retirement's (BOR) policy for SACRS business is that the Chief Executive Officer is the SACRS voting delegate with alternates being the BOR officers and the remaining trustees by board seat number.

DISCUSSION: Technical and Conforming Amendments

Issue: 1: Garnishments (Amend 31452)

Current Law

Member benefits are not subject to execution or any other *process of court* except to the extent permitted by law, such as child, family, and spousal support.

The Franchise Tax Board lists a number of public sector retirement systems that are not subject to its Orders to Withhold. However, CERL retirement systems are not included in its list.

Proposed

The Franchise Tax Board is an executive branch agency and not a court of law. The amendment would provide that member benefits are not subject to execution or *any process whatsoever* except to the extent provided under current law.

Issue 2: Actuarial Valuations (Amend 31453)

Current Law

The retirement board currently *recommends* to the board of supervisors the changes in rates of interest and contributions of members.

Proposed

The amendment would clarify that the retirement board *transmits* rather than recommends that information from the actuarial valuation to the board of supervisors.

Issue 3: "Actuarial Equivalent" Definition (Amend 31456)

Current Law

"Actuarial equivalence" is defined as being based on mortality tables adopted by the *board of supervisors*.

Proposed

The amendment would conform CERL to Proposition 162, which provides that the *retirement board* has sole and exclusive power to provide for actuarial services, such as the adoption of mortality tables.

Issue 4: Board of Investments Cross-References (Amend 31459, 31459.1)

Current Law

To the extent that a CERL system has established a board of investments, the term “board” in CERL means a “board of investments” or means both a “board of retirement” and a “board of investments.”

Proposed

The amendments would update the sections in CERL where the term “board” means a “board of investments” or both a “board of retirement” or “board of investments” as a result the amendments in this package of legislative proposals.

Issue 7: Board Regulations (Amend 31525)

Current Law

The board may make regulations that are not inconsistent with CERL. The regulations become effective when approved by the board of supervisors.

Proposed

Regulations are enacted by executive branch agencies to effectuate statutes passed by legislative bodies. In the past, LACERA was managed by the Treasurer-Tax Collector, who reported to the Board of Supervisors and sought its approval for LACERA’s regulations.

The amendment would conform the board’s plenary authority and fiduciary responsibility as provided under Proposition 162 for the investment of moneys and administration of the system.

Issue 9: Interest Credits (Amend 31591)

Current Law

This section references mortality tables as being adopted by the *board of supervisors*.

Proposed

The amendment would conform CERL to Proposition 162, which provides that the *retirement board* has sole and exclusive power to provide for actuarial services, such as the adoption of mortality tables.

Issue 10: Actuarial Valuations (Amend 31611)

Current Law

The retirement board currently *recommends* to the board of supervisors the changes in rates of interest and contributions of members.

Proposed

The amendment would clarify that the retirement board *transmits* rather than recommends that information from the actuarial valuation to the board of supervisors.

Issue 11: “Actuarial Rate” Definition (Amend 31612)

Current Law

This section references mortality tables as being adopted by the *board of supervisors*.

Proposed

The amendment would conform CERL to Proposition 162, which provides that the *retirement board* has sole and exclusive power to provide for actuarial services, such as the adoption of mortality tables.

Issue 12: Interest (Amend 31615)

Current Law

This section references mortality tables as being adopted by the *board of supervisors*.

Proposed

The amendment would conform CERL to Proposition 162, which provides that the *retirement board* has sole and exclusive power to provide for actuarial services, such as the adoption of mortality tables.

DISCUSSION: Substantive Amendments

Issue 5: Employer Reimbursement for Trustee Duties (Amend 31522)

Current Law

The duties of elected board members who are employees of the county are included as part of their county employment, and their board duties shall normally take precedence over any other duties. The elected board members shall not receive any additional compensation as a result of their election to the board.

Proposed

The amendment would enable the governing entity (the county or district) that employs the member who was elected to the board to be reimbursed by the retirement fund for a percentage of the elected trustee’s schedule as an employee that is spent on board duties and activities. The retirement system would establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the trustee’s work schedule as an employee.

Pro

- May mitigate concerns of trustee’s county/district employer in terms of time spent on trustee and board duties by the employee.

Con

- Administratively onerous for retirement system to track and review the time that trustees spend on board duties and activities to calculate reimbursement.
- May adversely affect board dynamics if in effect this provides for LACERA to “compensate” the salary of the trustee’s regular employment.
- Provides the option to the board of supervisors rather than to the board of retirement or board of investments to invoke this section for payments to the plan sponsor.

Issue 6: Trustee Elections (Amend 31523, 31523.1)

Current Law

In the event there is only one candidate duly nominated for a position on the board that requires an election, the *board of supervisors* shall order that no election be held and shall direct the registrar-recorder to cast a unanimous ballot in favor of the candidate.

Proposed

The amendment would provide that the *board of retirement (or board of investments)* shall order that no election be held and shall cast a unanimous ballot in favor of the candidate.

Pro

- Provides for the board of retirement or board of investments to efficiently formalize election of sole candidate if no election is to be held.

Issue 8: Annual Budget Limit (Amend 31580.2)

Current Law

The retirement systems are subject to an annual budget limit that is the greater of twenty-one hundredths of 1 percent of the actuarial accrued liability of the retirement system or two million dollars, as adjusted annually for cost of living.

Proposed

The amendment would remove the percentage and dollar limit for the adoption of a budget.

Pro

- Avoids the need to periodically increase the budget limit or create exceptions to the limit due to individual 1937 Act systems approaching the limit.
- Avoids arbitrariness in the level of increases to the budget limit.

Con

- Reduces discipline to control costs against excessive organizational growth.

- Creates perception and accountability issues in the views of stakeholders in relation to budget growth.

Issue 13: Reserve (Amend 31616)

Current Law

After the crediting of interest to contributions and reserves, any earnings in excess of the credited interest are held in the Contingency Reserve Account as a reserve against deficiencies in interest earnings, losses on investments, payments of member benefits, or the amortization of gains or losses from the trading of bonds. The size of the reserve shall not exceed 3 percent of the total assets of the retirement fund.

Proposed

The amendment would provide that board of retirement (or board of investments) shall establish a reserve level it deems appropriate.

Pro

- Provides more flexibility to the board to determine the size of the reserve.

CONCLUSION

The primary recommendation of this memo concerns the issue of whether SACRS should sponsor this package of legislative proposals for the 2027 legislative year. At this point, it is unknown how many different bills will be necessary for the introduction of these proposals. To the extent there is concern by the boards with any of these proposals, staff can make recommendations to the Board of Retirement or Board of Investments, as applicable, on these proposals for positions or amendments when they are introduced as bills in 2027, if SACRS approves sponsorship of these proposals.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE—

1. Recommend that the Board of Retirement direct its voting delegate to vote YES on sponsorship by the State Association of County Retirement Systems (SACRS) of its legislative proposals for the SACRS 2027 legislative platform;
2. Discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals; and
3. Recommend that the Board of Retirement discuss and provide feedback to staff on these legislative proposals, in particular the substantive proposals.

Reviewed and Approved:

A handwritten signature in black ink that reads "Cynthia Martinez". The signature is written in a cursive, flowing style.

Cynthia Martinez, Communications Director

Attachment

SACRS Legislative Proposals 2027

cc: Luis Lugo
JJ Popowich
Jessica Baxter
Steven P. Rice
Cynthia Martinez
Naomi Padron, MKP Government Relations



August 25, 2026

RE: SACRS Legislative Proposals 2027

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2027 legislative session. This proposal, called the CERL Modernization Act, reflects the input of SACRS member systems and is intended to provide administrative clarity and consistency for county retirement systems.

The CERL Modernization Act updates outdated provisions in the County Employees Retirement Law of 1937 to reflect modern governance practices, constitutional authority, and longstanding case law. Many of the proposed updates address statutory language that predates Proposition 162 (1992), which granted retirement boards plenary authority over the administration and investment of retirement system assets under Article XVI, Section 17 of the California Constitution. As a consortium of 20 independent county retirement systems, the 1937 Act systems have historically lacked the large legislative staffing resources available to statewide systems such as CalPERS and CalSTRS. As a result, portions of CERL still contain outdated references that no longer align with current constitutional governance standards or operational practice.

The proposed legislation clarifies the retirement boards' authority over administrative and procedural matters, consistent with the recent California Supreme Court ruling *LACERA v LA County*. It does not address retirement system staffing or personnel matters.

Clarifies Governance Roles

- Clarifies the respective roles of Boards of Retirement and Boards of Supervisors.
- Aligns CERL governance authority with constitutional standards established by Proposition 162.
- Aligns Board of Retirement authority more closely with governance standards applicable to CalPERS and CalSTRS.

Modernizes Administrative Authority

- Removes outdated statutory provisions requiring Board of Supervisors approval over actuarial and administrative functions now constitutionally vested in Boards of Retirement.



- Clarifies Board of Retirement authority over actuarial assumptions, contribution rates, administrative regulations, and reserve policies.
- Modernizes election administration and technical statutory provisions.

Promotes Administrative Efficiency

- Streamlines outdated procedural requirements.
- Eliminates obsolete administrative restrictions inconsistent with modern retirement system operations.
- Supports efficient, transparent, and accountable retirement system governance.

Preserves County Authority

- Does not change the authority of Boards of Supervisors to adopt retirement benefit formulas and other benefit provisions.
- Does not alter employer contribution obligations or collective bargaining responsibilities.
- Maintains existing county appointment authority for retirement board trustees.
- Does not alter retirement system staffing or personnel matters.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent governance and process improvements that will provide administrative efficiencies to retirement systems and members.

A summary table and proposed bill language is attached. Please note that draft language is subject to change during the legislative process.

Respectfully,

/s/

Eric Stern
Chair, SACRS Legislative Committee, and
Chief Executive Officer, Sacramento County Employees' Retirement System

ATTACHMENTS

- SACRS 2027 Legislative Proposal – Summary Table
- Chart: Administrative Rate by System Assets
- SACRS 2027 Legislative Proposal – Draft Language

CERL Modernization Act
August 2026

Issue	Gov Code	Topic	Issue/Justification
1	31452	Garnishments	This amendment corrects an irregularity in state law to clarify that a member's pension is not subject to an Order to Withhold (OTW) from the California Franchise Tax Board, consistent with other retirement systems. Under current law, the following retirement systems are generally restricted from garnishing pension payments by "any other process whatsoever," which include FTB orders: •US Government (5 USC 8346) •CalPERS (GC 21255) •CalSTRS (EDC 22005) •Legislators' Retirement Fund (GC 9359.3) •Municipal Utility District Retirement Systems •Transit District Retirement Systems However, for CERL systems, the Government Code restrictions on garnishments are tied to "any other process of court," which has created confusion over FTB orders because "process of court" refers to orders from the judicial branch of government. The FTB is an executive branch agency and thus not be covered under "process of court. However, it is the common practice of CERL systems to not recognize FTB orders to garnish pension payments.
2	31453	Actuarial valuation	This amendment clarifies that the Board of Retirement need only communicate actuarial information to the Board of Supervisors, updating outdated references that the Board of Supervisors must approve actuarial assumptions. The plenary authority to establish actuarial assumptions and contribution rates rests with the Board of Retirement, under Proposition 162. However, it is still necessary to provide this information to the Board of Supervisors (and plan sponsors) for budgeting purposes and transparency.
3	31456	"Actuarial Equivalent" defined	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
4	31459 31459.1	Board of Investments cross references	This amendment updates cross references to the LACERA Board of Investments

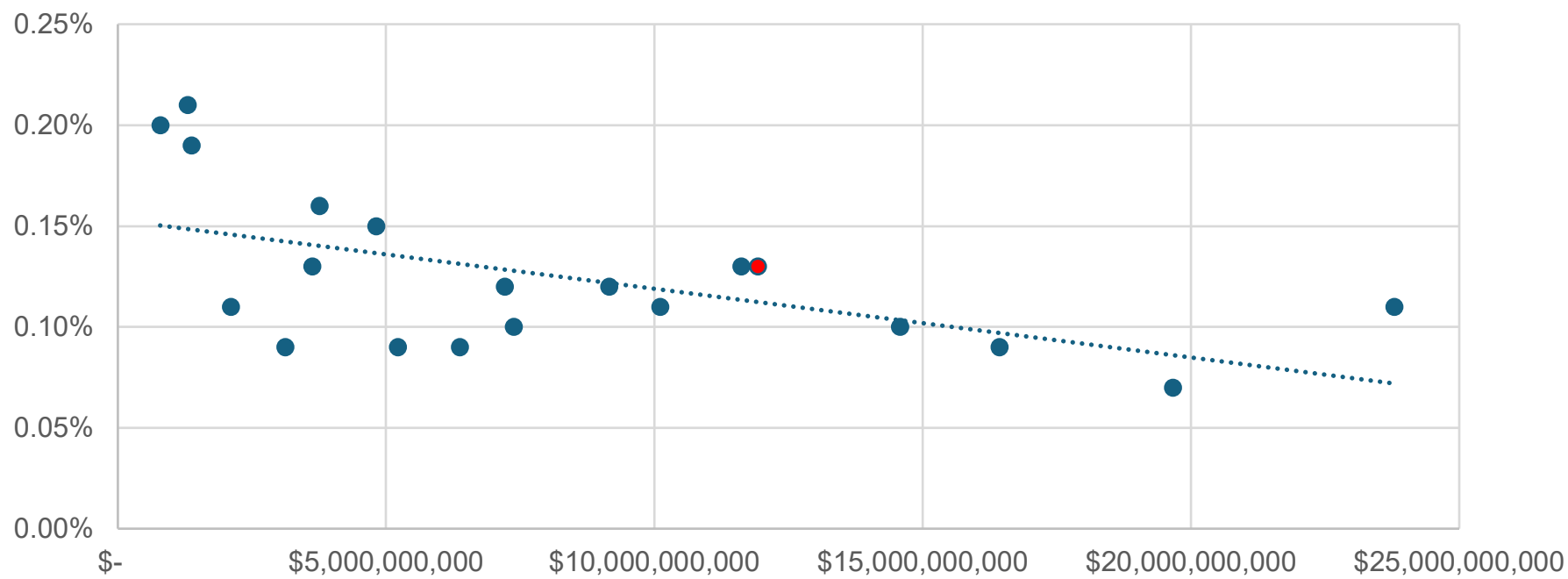
CERL Modernization Act
August 2026

5	31522	Employer Reimbursement for Trustees	This amendment provides a mechanism for the retirement system, upon adoption by the Board of Supervisors, to reimburse an employing agency of an elected Board of Retirement trustee when the trustee is fulfilling Board duties while on leave from work. This provision creates a pathway to encourage employer support for elected Board Members to attend training sessions to fulfill statutory education requirements. This language is similar to section 20092 for CalPERS elected members, adopted in 1985.
6	31523 31523.1	Trustee Elections	This amendment directs the Board of Retirement, and not the Board of Supervisors, to declare an unopposed board of retirement candidate the winner of the election. More and more CERL systems are not using the Registrar of Voters to conduct elections and are self-administering their board elections.
7	31525	Regulations; approval	This amendment deletes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as an internal county department, and was adopted prior to the passage of Prop. 162 in 1992, which provided plenary authority to the Board of Retirement. Many county retirement systems have already evolved its practices to adopt "policies" instead of "regulations," which is a distinction in name only. It is not inappropriate for the Board of Supervisors to make decisions on practical and procedural administrative retirement matters, when the Board of Retirement is a bona fide administrative rule-making body. The Board of Supervisors still maintains appointment authority for four Board of Retirement trustees and maintains authority to adopt or discontinue numerous benefit options in the CERL.

CERL Modernization Act
August 2026

8	31580.2	Annual budget; expenses of administration	This amendment removes an outdated and unforceable provision that established an administrative cap on county retirement system expenses. The Board of Retirement has plenary authority under Article XVI of the California Constitution and is charged under this section to adopt its own budget using trust fund earnings. The purpose in enacting 31580.2 was to transfer costs of operating the retirement system from the county's General Fund to investment earnings, placing fiscal responsibility in the Retirement Board. Removing the administrative cap provides conformity with CalPERS statutes; the Legislature repealed a similar administrative cap for CalPERS under section 20202.5 (renumbered to 20173) in 1975. The CERL provision has been amended over the years to exclude investment, technology, and legal costs (as well as moving to a threshold based on total liabilities instead of assets) which has made the cap more arbitrary. The Board of Retirement has the appropriate budgetary control to ensure fiscal restraint, and almost all CERL systems adopt administration budgets far below the cap, the exceptions being the smallest systems that lack of economies of scale.
9	31591	Interest credits	This amendment updates outdated phrasing from 1947 that refers to the adoption of mortality tables by the Board of Supervisors. The Board of Retirement has plenary authority under Article XVI of the California Constitution to adopt actuarial assumptions.
10	31611	Actuarial valuation	This amendment removes references regarding Board of Supervisor approval of contribution rates and actuarial assumptions. This is an outdated practice that conflicts with the Board of Retirement authority under Article XVI, Section 17, of the California Constitution. This language should have been updated after voters approved Prop 162 in 1992.
11	31612	"Actuarial rate" defined	This amendment updates phrasing to indicate that interest rate assumptions fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
12	31615	Interest	This amendment updates phrasing to indicate that mortality tables fall under the jurisdiction of and are adopted by the Board of Retirement, not the Board of Supervisors.
13	31616	Reserve Policy	This amendment removes the 3% cap on reserves and authorizes the Board of Retirement to establish a reserve level it deems appropriate.

Admin Rate by Plan Assets, as of 6/30/25



*CERL Modernization Act
Draft Language
August 2026*

1. 31452 – Garnishments

Section 31452 of the Government Code is amended to read:

The right of a person to a pension, annuity, retirement allowance, return of contributions, the pension, annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under this chapter, the money in the fund created or continued under this chapter or the California Public Employees' Pension Reform Act of 2013, and any property purchased for investment purposes pursuant to this chapter, are exempt from taxation, including any inheritance tax, whether state, county, municipal, or district. They are not subject to execution or any ~~other process of court~~ **process** whatsoever except to the extent permitted by Section 31603 of this code and Section 704.110 of the Code of Civil Procedure, and are unassignable except as specifically provided in this chapter.

2. 31453 – Actuarial Valuation reporting

Section 31453 of the Government Code is amended to read:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, ~~recommend~~**provide** a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, ~~recommend~~**transmit** to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

*CERL Modernization Act
Draft Language
August 2026*

(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

3. 31456 – “Actuarial Equivalent” defined

Section 31456 of the Government Code is amended to read:

“Actuarial equivalent” means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interest thereon.

4. 31459, 31459.1 – Board of Investments cross-references

Section 31459 of the Government Code is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31611, **31612, 31615**, 31616, 31625, 31784, and 31872, “board” means a board of investments.

(2) As used in the first paragraph of Section 31592.2, “board” means a board of investments.

(3) Sections 31510.4, 31522, 31523, 31524, 31525, 31528, 31529, 31529.5, 31595, 31618, 31680, and 31680.1 apply to both the board of retirement and board of investments, and “board” means both “board of retirement” and “board of investments.”

(b) In Article 17 (commencing with Section 31880), “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

Section 31459.1 is amended to read:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, **31456**, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, **31615**, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, “board” means board of investments.

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(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, “board” means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1, apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

5. 31522 – Duties of board members; additional compensation

Section 31522 is amended to read:

(1) The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties, **except as provided in (2).** The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board.

(2) **Upon approval of the governing entity, each county or district that employs an elected member of the board shall be reimbursed by the retirement fund in an amount equal to the salary and benefits paid to the elected board member by the county or district for the percentage of the elected board member’s regular work schedule during which the elected board member is on leave from the county or district to attend meetings or activities of the board, or meetings of committees or subcommittees of the board, or to otherwise fulfill his or her responsibilities to the system. The system shall establish procedures for the reimbursement process, and the reimbursement shall not exceed 25% of the board member’s regular work schedule.**

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6. 31523, 31523.1 – Retirement Board Elections

Section 31523 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. With respect to a vacancy in the seventh member position, candidates shall be a safety member from a group which is not represented by an incumbent alternate seventh member. With respect to the alternate seventh member position, the candidates shall be limited to the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 that is not represented by an incumbent seventh board member. The successful candidate shall serve for the duration of the current term.

(b) If there is a vacancy with respect to the alternate retired member, the board of retirement shall, by majority vote, appoint a replacement alternate member in the same manner as prescribed in Sections 31520.3 and 31520.5 for the initial appointment of an alternate retired member, who shall serve until the expiration of the current term of the current eighth member.

(c) If an election has been called on the expiration of the term of office of any member or alternate member, or to fill a vacancy for the second, third, seventh, eighth, or alternate seventh member of a board of retirement, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board supervisors shall order that no election be held and shall ~~direct the clerk to~~ cast a unanimous ballot in favor of the candidate.

Section 31523.1 of the Government Code is amended to read:

(a) In the event of a vacancy in the second, third, fourth, or eighth member position on a board of investments established pursuant to Section 31520.2, the board of investments shall cause an election to be held at the earliest possible date to fill the vacancy. The vacancy in the second, third, fourth, or eighth member position shall be filled for the duration of the current term except that, if the remaining portion of the current term on the date of the election is six months or less, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.

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(b) If an election has been called on the expiration of the term of office of any member, or to fill a vacancy for the second, third, fourth, or eighth member position of a board of investments, and only one candidate has been duly nominated in accordance with the rules established for the holding of that election, the board ~~supervisors~~ shall order that no election be held and shall ~~direct the clerk to cast a unanimous ballot in favor of the~~ candidate.

7. 31525 – Regulations; approval

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, and any other provisions of law applicable to county retirement systems.** ~~The regulations become effective when approved by the board of supervisors.~~

8. 31580.2 – Annual Budget Limit

Section 31580.2 of the Government Code is amended to read:

~~(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system, which expense shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:~~

~~(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.~~

~~(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).~~

~~(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.~~

9. 31591 – Interest Credits

Section 31591 of the Government Code is amended to read:

(a) Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months

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immediately prior to that date. Interest at the rate of $2\frac{1}{2}$ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors.

(b) No interest shall be credited to a member's account after the membership of the member in the retirement association has ceased, except under any of the following circumstances:

(1) The former member has left his or her accumulated contributions in the retirement fund and has either elected, in writing, a deferred retirement allowance, or is eligible to so elect under Section 31700 but has failed to do so.

(2) The surviving spouse of a deceased member or the legally appointed guardian of the member's unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

(3) The former member, regardless of service, has left his or her accumulated contributions in the retirement fund and has not terminated employment.

10. 31611 – Actuarial Valuation

Section 31611 is amended to read:

An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an enrolled actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 60 days prior to the beginning of the succeeding fiscal year, transmit ~~recommend~~ to the board of supervisors of such changes in the rates of interest, in the rates of contributions of members, in county and district appropriations as are necessary, and appropriate mortality tables. ~~In making recommendations to the board of supervisors, the board shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. No adjustment shall be included in the new rates for time prior to the effective date of the revision. The cost of actuarial valuations and investigations may, in the sound discretion of the board, be charged against the earnings of the retirement fund.~~

11. 31612 – “Actuarial rate” defined

Section 31612 is amended to read:

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“Actuarial rate” means the interest assumption rate established by the most recent actuarial survey adopted ~~recommended by the board of retirement and adopted by the board of supervisors.~~

12. 31615: Interest

Section 31615 is amended to read:

Regular interest at the actuarial rate, or at the highest rate possible if net earnings, as defined in Section 31613 are not sufficient to credit the full actuarial rate, shall be credited semiannually on June 30 and December 31 to all contributions, reserves, and accounts in the retirement fund, except the Contingency Reserve Account, which have been on deposit for six months immediately prior to those dates.

Interest at the actuarial rate, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member’s account after the termination of the member’s county service, unless the member has elected, in writing, to leave his or her accumulated contributions in the retirement fund and be granted a deferred retirement allowance, or the surviving spouse of a deceased member or the legally appointed guardian of the member’s unmarried children under age 18 has elected to leave a death benefit on deposit as provided for in Section 31781.2.

13. 31616: Reserves

Section 31616 is amended to read:

After the semiannual application of Section 31615, earnings of the retirement fund in excess of the total interest credited to contributions and reserves shall remain in the fund as a reserve against deficiencies in interest earnings, losses on investments, or payments made pursuant to Section 31588.1 or 31589.1, if applicable.

These funds shall be placed in an account known hereafter as the Contingency Reserve Account. The size of this account shall be determined semiannually by the board ~~but shall not exceed 3 percent of the total assets of the retirement fund.~~

If, at the end of any semiannual period, the balance of the Contingency Reserve Account falls below 1 percent of system assets, the board shall, by the end of the subsequent semiannual period, provide funds from earnings of fund assets from the subsequent semiannual period, to bring the level of the Contingency Reserve Account to at least 1 percent of system assets.

No funds in the Contingency Reserve Account shall be available for the payment of benefits.

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Net earnings remaining after the application of this section shall be applied as provided in Sections 31617, 31618, and 31619.

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
ENGAGEMENT REPORT
SEPTEMBER 2026
FOR INFORMATION ONLY**

Congressional Research Service Report on WEP/GPO Repeal

The Congressional Research Service reports that debate continues over the repeal of the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP), even after the Social Security Administration completed most benefit recalculations and retroactive payments under the 2024 Social Security Fairness Act. The law eliminated reductions that had affected retirees receiving pensions from employment not covered by Social Security, including many federal, state, and local government employees.

The repeal increased benefits significantly: affected spouses gained about \$700 per month on average, widows and widowers about \$1,190, and workers affected by WEP about \$360. By July 2025, SSA had paid approximately \$17.3 billion in retroactive and adjusted benefits to 2.4 million beneficiaries. The increased benefits were retroactive to the end of 2023. However, SSA limited retroactive benefits for certain new applicants to six months, affecting individuals who had delayed applying for Social Security because GPO would previously have eliminated their benefits.

Supporters argue that repeal removed two complex and often misunderstood provisions that caused administrative errors and perceived inequities. Critics contend that GPO and WEP helped prevent overly generous Social Security benefits for some workers with noncovered government pensions, and that repeal may create new inequities. The report notes that the repeal may present opportunities for further changes to Social Security, such as extending Social Security coverage to the entire workforce or developing a more proportional formula for individuals with earnings from noncovered employment.

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

Blue Collar Social Security Fairness Act

Representative Haley Stevens (D-Michigan) has introduced the *Blue Collar Social Security Fairness Act*, which would allow workers in certain physically demanding occupations to claim Social Security retirement benefits as early as age 60, instead of the current minimum age of 62. To qualify, workers would need at least 20 years of physically demanding employment, with eligibility determined by a formula outlined in the bill.

Rather than defining eligible occupations in statute, the bill directs the Social Security Commissioner and the Secretaries of Labor and Health and Human Services to develop and publish a list of qualifying jobs within one year of enactment and update it every three years. Qualifying occupations would be those involving substantial physical demands that reasonably impair a worker's ability to continue performing such work at older ages.

Stevens argues the proposal recognizes the realities faced by blue-collar workers whose jobs place significant strain on their bodies, making it harder to remain employed until traditional retirement ages.

The proposal could increase Social Security costs at a time when the program faces long-term funding challenges. Critics may argue that expanding eligibility could accelerate trust fund depletion, while supporters contend it provides a targeted benefit to workers in physically demanding occupations who often have shorter work lives and fewer opportunities to delay retirement. [\(Source\)](#) [\(Source\)](#) [\(Source\)](#)

Conference Board Report on Rising National Debt's Effect on Social Security

The Conference Board is a nonprofit business and research organization composed of over 2,000 public and private corporations, including a majority of the Fortune 500. It recently issued a report on how the \$39 trillion national debt could affect households and businesses.

In particular, the report notes that the Social Security trust fund will become insolvent in 2032 and that restoring full solvency would require roughly \$2.7 trillion between 2032 and 2036, which would increase federal deficits unless there are offsets from tax increases or spending reductions. It cites a Nationwide Retirement Institute survey in 2026 that noted 80% of the 1,823 surveyed believe the program requires reform, including 82% of Democrats and 78% of Republicans.

Potential solutions include increasing taxes on high earners (supported by 51% of respondents), increasing employer contributions (42% of respondents), and reducing benefits for higher-income beneficiaries (38%).

Although there is broad agreement for reform, many beneficiaries seem unprepared for potential changes, as only 20% have a clear plan on adjusting their finances due to benefit reductions. The potential reduction in benefits is also causing workers to claim benefits as early as possible out of concern for future changes, although claiming early can permanently lower monthly benefits. [\(Source\)](#)

Colorado Fire and Police Wait for Expected COLA

Colorado police officers and firefighters approved a contribution increase in 2014, raising employee pension contributions from 8% to 12% to help preserve future cost-of-living adjustments (COLAs). Members were warned that without inflation protection the purchasing power of their pensions could fall dramatically over time.

More than a decade later, however, retirees have not received the expected COLAs. The highest annual COLA has been just 0.5%, with some years offering only one-time payments or no increase at all. Colorado's fire and police pension is 100% funded,

compared to Colorado's Public Employees' Retirement Association (PERA), which covers general members and is 69% funded but provides 1% COLAs annually.

In response, the Fire and Police Pension Association (FPPA) has created a task force of retirees, active members, unions, and local government representatives to examine ways to increase COLAs while maintaining the plan's financial health.

Although FPPA is fully funded and has a growing reserve, officials say pension costs have risen significantly due to longer retiree lifespans, higher-than-expected salary growth, and lower projected investment returns. As a result, less funding is available for COLAs than anticipated in 2014.

Retiree advocates argue that the plan can afford larger benefit increases, while consultants and board members caution that enhanced COLAs could create long-term financial burdens. FPPA leaders emphasize avoiding the funding problems experienced by PERA, prioritizing pension sustainability despite retirees' concerns about inflation and rising living costs. ([Source](#))

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
RETIREE HEALTHCARE BENEFITS PROGRAM
STAFF ACTIVITIES REPORT
SEPTEMBER 2026
FOR INFORMATION ONLY**

Centers for Medicare and Medicaid Services (CMS) Medicare Part D Retiree Drug Subsidy (RDS) Program Reconciliation Plan Year 7/1/2024 – 6/30/2024

Staff have successfully completed and submitted the RDS subsidy payment request to CMS/RDS for the 2024/2025 Plan Year. Below is a breakdown of the subsidy payments received to date, by carrier and total amount.

<u>MEDICAL PLAN</u>	<u>SUBSIDY AMOUNT RECEIVED</u>
<u>Anthem Blue Cross</u>	<u>\$ 12,195,742.85</u>
<u>Cigna Medical</u>	<u>\$ 204,783.77</u>
<u>Kaiser Permanente</u>	<u>\$ 394,649.60</u>
<u>LACFF Local 1014</u>	<u>\$ 1,067,655.43</u>
<u>TOTAL</u>	<u>\$ 13,862,831.65</u>

As a background, the Retiree Drug Subsidy (RDS) Program was enacted in December 2003 to reimburse Plan Sponsors for a portion of their Qualifying Covered Retirees' costs for prescription drugs otherwise covered by Medicare Part D that are attributable to drug costs between the applicable Cost Threshold and Cost Limit. To qualify for the subsidy, a Plan Sponsor must show that its coverage is "actuarially equivalent" to, or at least as generous as, the defined standard Medicare Part D coverage.

We will continue to monitor the pending payments and will report to your Board once they are received.

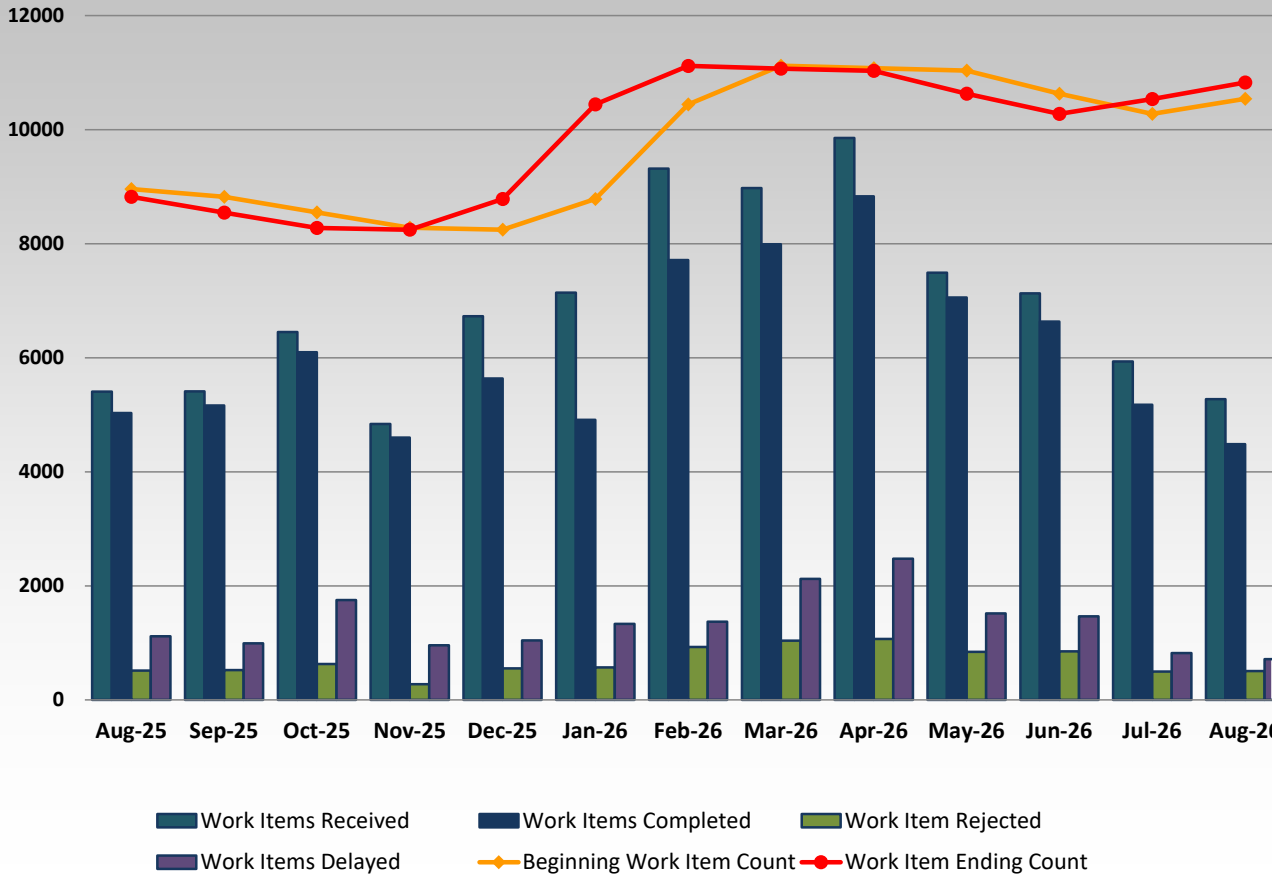
Thank you to RHC staff, carrier partners, and Segal for their support in ensuring this project was completed on time.

Retiree Healthcare Division

Trend Report

AUGUST 2025 - AUGUST 2026

Updated: 9/18/2026

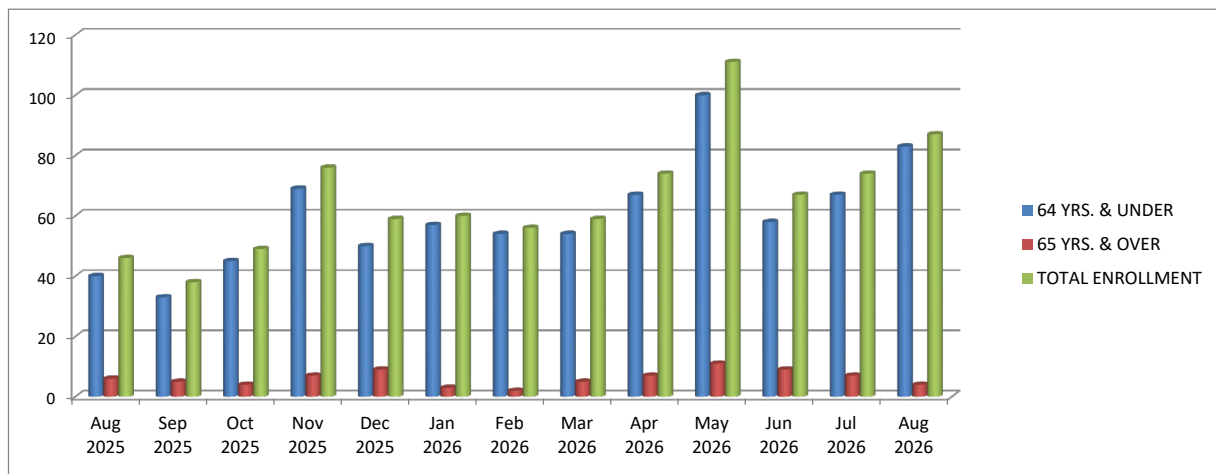


	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Aug-25	8960	5405	5030	515	1116	8820
Sep-25	8821	5408	5161	524	992	8544
Oct-25	8550	6452	6098	630	1751	8274
Nov-25	8278	4840	4600	274	959	8244
Dec-25	8245	6729	5637	552	1045	8785
Jan-26	8785	7142	4912	571	1332	10444
Feb-26	10444	9315	7715	926	1370	11118
Mar-26	11121	8975	7989	1039	2121	11068
Apr-26	11077	9854	8832	1070	2476	11029
May-26	11037	7491	7057	842	1515	10629
Jun-26	10630	7130	6632	852	1465	10276
Jul-26	10277	5933	5175	498	822	10537
Aug-26	10540	5275	4483	504	713	10828

Retirees Monthly Age Breakdown AUGUST 2025 - AUGUST 2026

Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Aug 2025	40	6	46
Sep 2025	33	5	38
Oct 2025	45	4	49
Nov 2025	69	7	76
Dec 2025	50	9	59
Jan 2026	57	3	60
Feb 2026	54	2	56
Mar 2026	54	5	59
Apr 2026	67	7	74
May 2026	100	11	111
Jun 2026	58	9	67
Jul 2026	67	7	74
Aug 2026	83	4	87

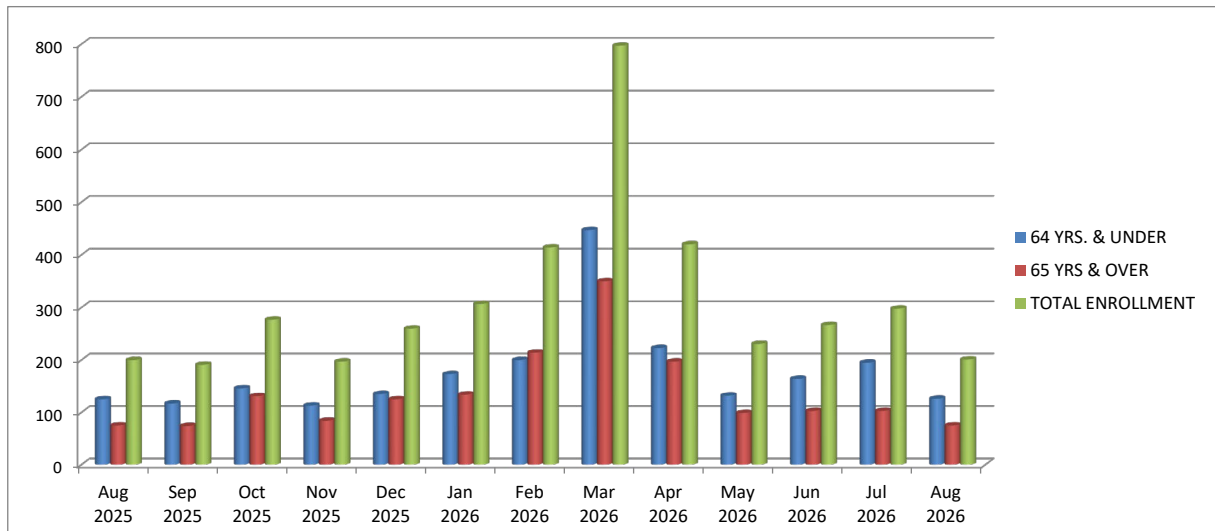


PLEASE NOTE: Next Report will include the following dates: September 1, 2025, through September 30, 2026.

Retirees Monthly Age Breakdown AUGUST 2025 - AUGUST 2026

Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Aug 2025	125	75	200
Sep 2025	117	74	191
Oct 2025	146	131	277
Nov 2025	113	84	197
Dec 2025	135	125	260
Jan 2026	173	134	307
Feb 2026	200	214	414
Mar 2026	447	350	797
Apr 2026	223	197	420
May 2026	132	99	231
Jun 2026	164	103	267
Jul 2026	195	103	298
Aug 2026	126	75	201



PLEASE NOTE: Next Report will include the following dates: September 1, 2025, through September 30, 2026.

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 9/30/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	8141	\$1,522,005.90	0	\$0.00
241	129	\$23,751.50	0	\$0.00
242	1080	\$204,678.00	0	\$0.00
243	4981	\$1,904,127.46	0	\$0.00
244	15	\$2,640.30	0	\$0.00
245	67	\$13,250.70	0	\$0.00
246	14	\$2,661.50	0	\$0.00
247	188	\$36,328.40	0	\$0.00
248	11	\$3,431.70	0	\$0.00
249	99	\$43,272.10	0	\$0.00
250	16	\$5,957.00	0	\$0.00
Plan Total:	14,741	\$3,762,104.56	0	\$0.00
KAISER SR. ADVANTAGE				
394	25	\$4,635.50	0	\$0.00
397	2	\$347.50	0	\$0.00
398	16	\$6,492.80	0	\$0.00
403	12695	\$2,343,401.23	0	\$0.00
413	1622	\$310,615.70	0	\$0.00
418	6646	\$2,529,836.17	1	\$51.50
419	196	\$31,174.25	0	\$0.00
426	256	\$47,373.60	0	\$0.00
445	2	\$405.80	0	\$0.00
451	41	\$7,715.30	0	\$0.00
455	7	\$1,623.20	0	\$0.00
457	19	\$7,426.40	0	\$0.00
459	2	\$811.60	0	\$0.00
462	94	\$17,847.90	0	\$0.00
465	2	\$405.80	0	\$0.00
466	26	\$9,920.60	0	\$0.00
472	26	\$4,927.00	0	\$0.00
476	4	\$753.30	0	\$0.00
478	15	\$5,927.50	0	\$0.00
482	73	\$14,625.80	0	\$0.00
486	5	\$960.10	0	\$0.00
488	33	\$12,508.00	0	\$0.00
493	1	\$202.90	0	\$0.00
0	0	\$0.00	0	\$0.00
0	0	\$0.00	0	\$0.00
Plan Total:	21,808	\$5,359,937.95	1	\$51.50

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 9/30/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	377	\$73,453.60	0	\$0.00
613	162	\$60,432.20	0	\$0.00
620	28	\$5,042.10	0	\$0.00
621	14	\$4,756.00	0	\$0.00
622	26	\$4,781.40	0	\$0.00
623	11	\$4,151.20	0	\$0.00
Plan Total:	618	\$152,616.50	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2300	\$431,599.20	0	\$0.00
702	420	\$80,613.40	0	\$0.00
703	1426	\$558,057.40	0	\$0.00
704	124	\$25,019.00	0	\$0.00
705	52	\$20,186.90	0	\$0.00
Plan Total:	4,322	\$1,115,475.90	0	\$0.00
Grand Total:	41,489	\$10,390,134.91	1	\$51.50

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 9/30/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
ANTHEM BC III				
240	8141	\$1,522,005.90	0	\$0.00
241	129	\$23,751.50	0	\$0.00
242	1080	\$204,678.00	0	\$0.00
243	4981	\$1,904,127.46	0	\$0.00
244	15	\$2,640.30	0	\$0.00
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250	16	\$5,957.00	0	\$0.00
Plan Total:	14,741	\$3,762,104.56	0	\$0.00
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394	25	\$4,635.50	0	\$0.00
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493	1	\$202.90	0	\$0.00
Plan Total:	21,808	\$5,359,937.95	1	\$51.50

Medicare Part B Reimbursement and Penalty Report
PAY PERIOD 9/30/2026

Deduction Code	No. of Members	Reimbursement Amount	No. of Penalties	Penalty Amount
SCAN				
611	377	\$73,453.60	0	\$0.00
613	162	\$60,432.20	0	\$0.00
620	28	\$5,042.10	0	\$0.00
621	14	\$4,756.00	0	\$0.00
622	26	\$4,781.40	0	\$0.00
623	11	\$4,151.20	0	\$0.00
Plan Total:	618	\$152,616.50	0	\$0.00
UNITED HEALTHCARE GROUP MEDICARE ADV. HMO				
701	2300	\$431,599.20	0	\$0.00
702	420	\$80,613.40	0	\$0.00
703	1426	\$558,057.40	0	\$0.00
704	124	\$25,019.00	0	\$0.00
705	52	\$20,186.90	0	\$0.00
Plan Total:	4,322	\$1,115,475.90	0	\$0.00
LOCAL 1014				
804	218	\$61,132.90	0	\$0.00
805	249	\$57,988.30	0	\$0.00
806	804	\$364,571.30	0	\$0.00
807	63	\$13,553.80	0	\$0.00
808	29	\$15,258.00	0	\$0.00
812	268	\$60,220.65	0	\$0.00
813	2	\$405.80	0	\$0.00
814	1	\$202.90	0	\$0.00
Plan Total:	1,634	573,334	0	0
Grand Total:	43,123	\$10,963,468.56	1	\$51.50

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Medical Plan							
Anthem Blue Cross Prudent Buyer Plan							
201	385	\$486,366.12	\$67,870.64	\$409,698.16	\$477,568.80	\$0.00	\$477,568.80
202	204	\$504,751.08	\$41,864.55	\$460,412.26	\$502,276.81	(\$8,455.47)	\$493,821.34
203	79	\$220,613.03	\$30,801.43	\$189,811.60	\$220,613.03	\$2,792.57	\$223,405.60
204	25	\$40,393.50	\$9,048.18	\$31,345.32	\$40,393.50	\$1,615.74	\$42,009.24
SUBTOTAL	693	\$1,252,123.73	\$149,584.80	\$1,091,267.34	\$1,240,852.14	(\$4,047.16)	\$1,236,804.98
Anthem Blue Cross I							
211	488	\$850,682.05	\$48,823.17	\$796,808.98	\$845,632.15	\$1,732.55	\$847,364.70
212	206	\$649,987.52	\$36,311.85	\$588,676.15	\$624,988.00	\$0.00	\$624,988.00
213	77	\$283,855.88	\$24,256.77	\$274,344.87	\$298,601.64	\$0.00	\$298,601.64
214	27	\$64,200.36	\$3,989.56	\$55,625.06	\$59,614.62	\$0.00	\$59,614.62
215	3	\$1,753.02	\$1,127.16	\$23,544.36	\$24,671.52	\$0.00	\$24,671.52
SUBTOTAL	801	\$1,850,478.83	\$114,508.51	\$1,738,999.42	\$1,853,507.93	\$1,732.55	\$1,855,240.48
Anthem Blue Cross II							
221	2,535	\$4,416,269.95	\$225,250.36	\$4,226,287.99	\$4,451,538.35	\$1,732.55	\$4,453,270.90
222	2,116	\$6,677,996.78	\$140,020.30	\$6,309,480.86	\$6,449,501.16	\$6,249.88	\$6,455,751.04
223	1,021	\$3,782,287.44	\$149,522.22	\$3,624,446.92	\$3,773,969.14	\$3,686.44	\$3,777,655.58
224	276	\$635,124.99	\$59,131.48	\$580,970.75	\$640,102.23	\$0.00	\$640,102.23
225	1	\$584.34	\$0.00	\$584.34	\$584.34	\$0.00	\$584.34
SUBTOTAL	5,949	\$15,512,263.50	\$573,924.36	\$14,741,770.86	\$15,315,695.22	\$11,668.87	\$15,327,364.09

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Anthem Blue Cross III							
240	8,184	\$5,752,574.10	\$711,355.52	\$5,114,530.12	\$5,825,885.64	(\$11,881.14)	\$5,814,004.50
241	128	\$290,160.99	\$18,624.25	\$271,536.74	\$290,160.99	(\$2,249.31)	\$287,911.68
242	1,065	\$2,440,501.35	\$122,201.65	\$2,258,146.39	\$2,380,348.04	\$0.00	\$2,380,348.04
243	4,997	\$7,014,945.56	\$689,434.10	\$6,283,434.35	\$6,972,868.45	(\$15,193.47)	\$6,957,674.98
244	15	\$18,885.15	\$1,687.06	\$17,198.09	\$18,885.15	\$0.00	\$18,885.15
245	68	\$85,612.68	\$6,672.70	\$80,198.99	\$86,871.69	\$0.00	\$86,871.69
246	15	\$42,086.10	\$2,356.83	\$36,923.53	\$39,280.36	\$0.00	\$39,280.36
247	192	\$549,925.04	\$22,726.54	\$482,786.04	\$505,512.58	\$0.00	\$505,512.58
248	11	\$21,515.67	\$3,200.66	\$18,315.01	\$21,515.67	\$0.00	\$21,515.67
249	100	\$197,552.97	\$15,843.34	\$174,873.98	\$190,717.32	\$0.00	\$190,717.32
250	16	\$35,076.00	\$2,849.92	\$32,226.08	\$35,076.00	\$0.00	\$35,076.00
SUBTOTAL	14,791	\$16,448,835.61	\$1,596,952.57	\$14,770,169.32	\$16,367,121.89	(\$29,323.92)	\$16,337,797.97
CIGNA Network Model Plan							
301	188	\$430,080.84	\$109,627.93	\$313,626.23	\$423,254.16	\$0.00	\$423,254.16
302	49	\$205,514.50	\$49,421.76	\$147,872.16	\$197,293.92	\$0.00	\$197,293.92
303	6	\$29,121.24	\$6,277.87	\$17,989.83	\$24,267.70	\$0.00	\$24,267.70
304	10	\$30,199.10	\$11,672.69	\$18,526.41	\$30,199.10	\$0.00	\$30,199.10
SUBTOTAL	253	\$694,915.68	\$177,000.25	\$498,014.63	\$675,014.88	\$0.00	\$675,014.88

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser/Senior Advantage							
401	1,712	\$2,983,776.63	\$192,506.08	\$2,730,627.04	\$2,923,133.12	\$5,180.19	\$2,928,313.31
403	12,722	\$3,888,239.04	\$331,306.92	\$3,580,200.75	\$3,911,507.67	(\$4,593.69)	\$3,906,913.98
404	426	\$734,308.98	\$10,894.07	\$725,138.64	\$736,032.71	(\$1,723.73)	\$734,308.98
405	1,488	\$2,568,357.70	\$17,961.33	\$2,552,120.10	\$2,570,081.43	(\$1,723.73)	\$2,568,357.70
411	2,052	\$6,356,712.00	\$243,174.27	\$5,975,002.35	\$6,218,176.62	\$0.00	\$6,218,176.62
413	1,591	\$2,682,692.40	\$111,825.29	\$2,486,923.33	\$2,598,748.62	(\$1,642.80)	\$2,597,105.82
414	40	\$122,480.00	\$1,837.20	\$126,766.80	\$128,604.00	\$0.00	\$128,604.00
418	6,625	\$3,997,650.06	\$277,544.44	\$3,738,918.66	\$4,016,463.10	(\$5,350.06)	\$4,011,113.04
419	199	\$406,072.26	\$5,414.27	\$375,330.91	\$380,745.18	(\$2,020.26)	\$378,724.92
420	85	\$260,270.00	\$1,469.76	\$258,800.24	\$260,270.00	(\$3,062.00)	\$257,208.00
421	8	\$13,789.84	\$620.55	\$16,616.75	\$17,237.30	\$0.00	\$17,237.30
422	264	\$823,678.00	\$3,184.48	\$771,501.52	\$774,686.00	\$0.00	\$774,686.00
426	253	\$517,186.56	\$1,616.20	\$501,428.54	\$503,044.74	\$0.00	\$503,044.74
428	34	\$104,108.00	\$367.44	\$103,740.56	\$104,108.00	(\$3,062.00)	\$101,046.00
430	135	\$413,370.00	\$2,143.40	\$411,226.60	\$413,370.00	\$0.00	\$413,370.00
SUBTOTAL	27,634	\$25,872,691.47	\$1,201,865.70	\$24,354,342.79	\$25,556,208.49	(\$17,998.08)	\$25,538,210.41
Kaiser - Colorado							
450	4	\$5,687.20	\$284.36	\$5,402.84	\$5,687.20	\$0.00	\$5,687.20
451	42	\$12,511.80	\$1,483.54	\$11,326.16	\$12,809.70	\$0.00	\$12,809.70
453	8	\$28,321.11	\$527.94	\$21,499.59	\$22,027.53	\$0.00	\$22,027.53
455	7	\$11,981.90	\$924.32	\$12,769.28	\$13,693.60	\$0.00	\$13,693.60
457	19	\$11,168.20	\$1,034.53	\$10,133.67	\$11,168.20	\$0.00	\$11,168.20
459	2	\$4,003.20	\$80.06	\$3,923.14	\$4,003.20	\$0.00	\$4,003.20
SUBTOTAL	82	\$73,673.41	\$4,334.75	\$65,054.68	\$69,389.43	\$0.00	\$69,389.43

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Georgia							
440	1	\$1,780.87	\$48.32	\$1,732.55	\$1,780.87	\$0.00	\$1,780.87
441	3	\$5,342.61	\$144.96	\$5,197.65	\$5,342.61	\$0.00	\$5,342.61
442	6	\$10,685.22	\$289.92	\$10,395.30	\$10,685.22	\$0.00	\$10,685.22
445	2	\$4,399.46	\$0.00	\$4,399.46	\$4,399.46	\$0.00	\$4,399.46
461	14	\$24,932.18	\$2,305.07	\$22,627.11	\$24,932.18	\$0.00	\$24,932.18
462	94	\$40,124.84	\$5,369.90	\$34,754.94	\$40,124.84	\$0.00	\$40,124.84
463	4	\$14,214.96	\$4,135.27	\$17,187.17	\$21,322.44	\$0.00	\$21,322.44
465	2	\$4,399.46	\$0.00	\$4,399.46	\$4,399.46	\$0.00	\$4,399.46
466	26	\$21,988.72	\$1,370.07	\$20,618.65	\$21,988.72	\$0.00	\$21,988.72
SUBTOTAL	152	\$127,868.32	\$13,663.51	\$121,312.29	\$134,975.80	\$0.00	\$134,975.80
Kaiser - Hawaii							
471	7	\$7,423.99	\$296.96	\$7,127.03	\$7,423.99	\$0.00	\$7,423.99
472	26	\$11,686.74	\$1,762.02	\$9,924.72	\$11,686.74	\$0.00	\$11,686.74
474	3	\$6,339.42	\$0.00	\$6,339.42	\$6,339.42	\$0.00	\$6,339.42
475	2	\$6,331.42	\$0.00	\$6,331.42	\$6,331.42	\$0.00	\$6,331.42
476	4	\$6,008.24	\$660.91	\$5,347.33	\$6,008.24	\$0.00	\$6,008.24
478	15	\$13,364.70	\$605.86	\$12,758.84	\$13,364.70	\$0.00	\$13,364.70
SUBTOTAL	57	\$51,154.51	\$3,325.75	\$47,828.76	\$51,154.51	\$0.00	\$51,154.51

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Kaiser - Oregon							
481	8	\$12,943.04	\$388.29	\$12,554.75	\$12,943.04	\$0.00	\$12,943.04
482	74	\$45,122.24	\$6,085.38	\$39,036.86	\$45,122.24	\$0.00	\$45,122.24
484	3	\$9,683.28	\$308.46	\$9,374.82	\$9,683.28	\$0.00	\$9,683.28
486	5	\$11,098.20	\$0.00	\$11,098.20	\$11,098.20	\$0.00	\$11,098.20
488	33	\$39,980.16	\$6,396.83	\$33,583.33	\$39,980.16	\$0.00	\$39,980.16
493	1	\$3,829.52	\$143.08	\$3,686.44	\$3,829.52	\$0.00	\$3,829.52
SUBTOTAL	124	\$122,656.44	\$13,322.04	\$109,334.40	\$122,656.44	\$0.00	\$122,656.44
SCAN Health Plan							
611	381	\$109,645.46	\$19,862.46	\$93,227.92	\$113,090.38	\$0.00	\$113,090.38
613	161	\$91,701.72	\$13,336.16	\$75,534.70	\$88,870.86	\$0.00	\$88,870.86
SUBTOTAL	542	\$201,347.18	\$33,198.62	\$168,762.62	\$201,961.24	\$0.00	\$201,961.24
SCAN Health Plan, AZ							
620	28	\$8,036.84	\$1,280.16	\$6,756.68	\$8,036.84	(\$287.03)	\$7,749.81
621	13	\$7,924.84	\$1,369.86	\$5,422.86	\$6,792.72	\$0.00	\$6,792.72
SUBTOTAL	41	\$15,961.68	\$2,650.02	\$12,179.54	\$14,829.56	(\$287.03)	\$14,542.53
SCAN Health Plan, NV							
622	26	\$7,749.81	\$1,475.35	\$6,561.49	\$8,036.84	\$0.00	\$8,036.84
623	11	\$6,226.66	\$1,018.90	\$5,207.76	\$6,226.66	\$0.00	\$6,226.66
SUBTOTAL	37	\$13,976.47	\$2,494.25	\$11,769.25	\$14,263.50	\$0.00	\$14,263.50

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
UHC Medicare Adv.							
701	2,291	\$998,884.86	\$106,118.78	\$880,254.30	\$986,373.08	(\$1,298.94)	\$985,074.14
702	408	\$986,440.89	\$45,830.84	\$902,767.30	\$948,598.14	\$0.00	\$948,598.14
703	1,422	\$1,224,308.92	\$111,760.60	\$1,114,316.88	\$1,226,077.48	(\$1,715.92)	\$1,224,361.56
704	125	\$336,689.64	\$12,238.42	\$329,795.50	\$342,033.92	\$0.00	\$342,033.92
705	52	\$61,724.52	\$3,347.35	\$58,377.17	\$61,724.52	\$0.00	\$61,724.52
SUBTOTAL	4,298	\$3,608,048.83	\$279,295.99	\$3,285,511.15	\$3,564,807.14	(\$3,014.86)	\$3,561,792.28
United Healthcare							
707	523	\$1,020,434.52	\$162,392.25	\$835,393.19	\$997,785.44	\$0.00	\$997,785.44
708	439	\$1,563,546.66	\$197,594.38	\$1,315,656.02	\$1,513,250.40	\$0.00	\$1,513,250.40
709	316	\$1,334,483.67	\$190,999.17	\$1,054,970.97	\$1,245,970.14	\$0.00	\$1,245,970.14
SUBTOTAL	1,278	\$3,918,464.85	\$550,985.80	\$3,206,020.18	\$3,757,005.98	\$0.00	\$3,757,005.98

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Local 1014 Firefighters							
801	77	\$116,558.75	\$6,388.02	\$110,170.73	\$116,558.75	\$0.00	\$116,558.75
802	343	\$936,184.20	\$30,896.81	\$905,287.39	\$936,184.20	\$2,729.38	\$938,913.58
803	445	\$1,432,717.55	\$49,774.82	\$1,376,503.55	\$1,426,278.37	\$3,219.59	\$1,429,497.96
804	218	\$329,997.50	\$9,748.53	\$320,248.97	\$329,997.50	(\$61,132.90)	\$268,864.60
805	250	\$682,350.00	\$19,651.68	\$654,510.12	\$674,161.80	(\$57,988.30)	\$616,173.50
806	804	\$2,194,437.60	\$46,454.41	\$2,147,983.19	\$2,194,437.60	(\$367,300.70)	\$1,827,136.90
807	63	\$202,834.17	\$2,318.10	\$203,735.66	\$206,053.76	(\$13,553.80)	\$192,499.96
808	29	\$93,368.11	\$2,060.54	\$91,307.57	\$93,368.11	(\$15,258.00)	\$78,110.11
809	14	\$21,192.50	\$908.25	\$20,284.25	\$21,192.50	\$0.00	\$21,192.50
810	9	\$24,564.60	\$3,220.69	\$21,343.91	\$24,564.60	\$0.00	\$24,564.60
811	5	\$16,097.95	\$1,931.76	\$14,166.19	\$16,097.95	\$0.00	\$16,097.95
812	269	\$407,198.75	\$22,585.09	\$384,613.66	\$407,198.75	(\$59,463.78)	\$347,734.97
813	2	\$5,458.80	\$0.00	\$5,458.80	\$5,458.80	(\$405.80)	\$5,053.00
814	1	\$3,219.59	\$1,030.27	\$2,189.32	\$3,219.59	(\$202.90)	\$3,016.69
SUBTOTAL	2,529	\$6,466,180.07	\$196,968.97	\$6,257,803.31	\$6,454,772.28	(\$569,357.21)	\$5,885,415.07
Kaiser - Washington							
393	6	\$13,161.18	\$2,765.88	\$10,395.30	\$13,161.18	\$0.00	\$13,161.18
394	25	\$11,269.50	\$1,559.68	\$9,709.82	\$11,269.50	\$0.00	\$11,269.50
395	1	\$4,089.26	\$964.32	\$3,124.94	\$4,089.26	\$0.00	\$4,089.26
397	2	\$4,693.02	\$0.00	\$4,693.02	\$4,693.02	\$0.00	\$4,693.02
398	16	\$14,296.96	\$1,787.11	\$12,509.85	\$14,296.96	\$0.00	\$14,296.96
SUBTOTAL	50	\$47,509.92	\$7,076.99	\$40,432.93	\$47,509.92	\$0.00	\$47,509.92
Medical Plan Total	59,311	\$76,278,150.50	\$4,921,152.88	\$70,520,573.47	\$75,441,726.35	(\$610,626.84)	\$74,831,099.51

Medical and Dental Vision Insurance Premiums

October 2026

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
Dental/Vision Plan							
CIGNA Indemnity Dental/Vision							
501	28,042	\$1,577,700.72	\$155,793.85	\$1,443,497.91	\$1,599,291.76	(\$1,518.52)	\$1,597,773.24
502	25,756	\$3,043,795.52	\$219,112.43	\$2,813,261.35	\$3,032,373.78	(\$3,818.70)	\$3,028,555.08
503	10	\$693.50	\$22.19	\$740.66	\$762.85	\$0.00	\$762.85
SUBTOTAL	53,808	\$4,622,189.74	\$374,928.47	\$4,257,499.92	\$4,632,428.39	(\$5,337.22)	\$4,627,091.17
CIGNA Dental HMO/Vision							
901	4,583	\$214,031.70	\$21,268.89	\$193,275.74	\$214,544.63	\$0.00	\$214,544.63
902	3,453	\$331,489.10	\$22,489.01	\$308,331.05	\$330,820.06	(\$95.53)	\$330,724.53
903	2	\$94.52	\$18.90	\$170.14	\$189.04	\$0.00	\$189.04
SUBTOTAL	8,038	\$545,615.32	\$43,776.80	\$501,776.93	\$545,553.73	(\$95.53)	\$545,458.20
Dental/Vision Plan Total	61,846	\$5,167,805.06	\$418,705.27	\$4,759,276.85	\$5,177,982.12	(\$5,432.75)	\$5,172,549.37
GRAND TOTALS	121,157	\$81,445,955.56	\$5,339,858.15	\$75,279,850.32	\$80,619,708.47	(\$616,059.59)	\$80,003,648.88

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Anthem Blue Cross Prudent Buyer Plan</u>		
\$1,220.38	201	Retiree Only
\$2,402.44	202	Retiree and Spouse/Domestic Partner
\$2,711.47	203	Retiree, Spouse/Domestic Partner and Children
\$1,568.92	204	Retiree and Children
\$331.92	205	Survivor Children Only Rates
<u>Anthem Blue Cross Plan I</u>		
\$1,584.80	211	Retiree Only
\$2,857.90	212	Retiree and Spouse/Domestic Partner
\$3,371.30	213	Retiree, Spouse/Domestic Partner and Children
\$2,097.12	214	Retiree and Children
\$534.96	215	Survivor Children Only Rates
<u>Anthem Blue Cross Plan II</u>		
\$1,584.80	221	Retiree Only
\$2,857.90	222	Retiree and Spouse/Domestic Partner
\$3,371.30	223	Retiree, Spouse/Domestic Partner and Children
\$2,097.12	224	Retiree and Children
\$534.96	225	Survivor Children Only Rates
<u>Anthem Blue Cross Plan III</u>		
\$642.90	240	Retiree Only with Medicare
\$2,057.29	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$2,057.29	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,280.41	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$1,151.83	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$1,151.83	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$2,566.05	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$2,566.05	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,789.08	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,789.08	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$2,005.12	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>CIGNA Network Model Plan</u>		
\$2,027.27	301	Retiree Only
\$3,661.10	302	Retiree and Spouse/Domestic Partner
\$4,323.07	303	Retiree, Spouse/Domestic Partner and Children
\$2,690.19	304	Retiree and Children
\$670.42	305	Survivor Children Only Rates
<u>Kaiser</u>		
\$1,410.77	401	Retiree Only ("Basic")
\$291.66	403	Retiree Only ("Senior Advantage")
\$1,367.03	404	Retiree Only ("Excess I") <i>"Closed to New Entrants"</i>
\$1,414.33	405	Retiree Only - ("Excess II")
\$2,813.54	411	Retiree and Family (All family members are "Basic")
\$1,694.43	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$2,769.80	414	Retiree and Family (One family member is "Excess I"; others are "Basic") <i>"Closed to New Entrants"</i>
\$575.32	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,650.69	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage") <i>"Closed to New Entrants"</i>
\$2,726.06	420	Retiree and Family (Two or more family members are "Excess I") <i>"Closed to New Entrants"</i>
N/A	421	Survivor Children Only Rates
\$2,817.10	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$1,697.99	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$2,773.36	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,820.66	430	Retiree and Family (Two or more family members are "Excess II")
<u>Kaiser Colorado</u>		
\$1,421.80	450	Retiree Only ("Basic" under age 65)
\$297.90	451	Retiree Only ("Senior Advantage")
\$3,146.79	453	Retiree and Family (Two family members are "Basic")
\$4,249.55	454	Retiree and Family (Three or more family members are "Basic")
\$1,711.70	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$587.80	457	Retiree and Family (Two family members are "Senior Advantage")
\$3,043.28	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,001.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Georgia</u>		
\$1,780.87	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$1,780.87	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$1,780.87	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$413.87	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$2,186.74	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$2,186.74	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$2,186.74	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$1,780.87	461	Retiree Only ("Basic" under age 65)
\$413.87	462	Retiree Only ("Senior Advantage")
\$3,553.74	463	Retiree and Family (Two family members are "Basic")
\$5,326.61	464	Retiree and Family (Three or more family members are "Basic")
\$2,186.74	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$819.74	466	Retiree and Family (Two family members are "Senior Advantage")
\$3,959.61	467	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,592.61	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,225.61	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$3,959.61	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")
<u>Kaiser Hawaii</u>		
\$962.84	471	Retiree Only ("Basic" under age 65)
\$447.25	472	Retiree Only ("Senior Advantage")
\$2,222.50	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,917.68	474	Retiree and Family (Two family members are "Basic")
\$2,872.52	475	Retiree and Family (Three or more family members are "Basic")
\$1,402.09	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$3,177.34	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)
\$886.50	478	Retiree and Family (Two family members are "Senior Advantage")
\$2,661.75	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>Kaiser Oregon</u>		
\$1,414.96	481	Retiree Only ("Basic" under age 65)
\$565.20	482	Retiree Only ("Senior Advantage")
\$1,732.21	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$2,821.92	484	Retiree and Family (Two family members are "Basic")
\$4,228.88	485	Retiree and Family (Three or more family members are "Basic")
\$1,972.16	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$1,122.40	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,732.21	490	Retiree Only (Over age 65 with Medicare Part B only)
\$1,930.86	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Part A only)
\$2,289.41	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$3,379.12	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$2,529.36	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$3,456.42	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,739.32	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,780.62	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$3,139.17	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)
<u>Kaiser Washington</u>		
\$2,012.53	393	Retiree and Family ("Basic" under age 65)
\$417.92	394	Retiree Only ("Senior Advantage")
\$3,751.26	395	Retiree and Family (Two family members are "Basic")
\$6,275.96	396	Retiree and Family (Three or more family members are "Basic")
\$2,156.64	397	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$827.82	398	Retiree and Family (Two family members are "Senior Advantage")
\$4,681.34	399	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$3,352.52	400	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")

*Benchmark premiums are bolded.

	CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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Kaiser Rate Category Definitions

"Basic" - includes those who are under age 65

"Senior Advantage"

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

"Excess II"

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

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<u>SCAN Health Plan</u>		
\$287.31	611	Retiree Only with SCAN
\$566.62	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.)
<u>SCAN Health Plan – Arizona (Maricopa, Pima, Pinal Counties)</u>		
\$287.31	620	Retiree Only
\$566.62	621	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B.
<u>SCAN Health Plan – Nevada (Nye and Clark Counties)</u>		
\$287.31	622	Retiree Only
\$566.82	623	Retiree and Spouse/Domestic Partner or Retiree and One Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B
<u>United Healthcare Medicare Advantage (UHCMA)</u>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$387.45	701	Retiree Only with Secure Horizons
\$2,076.15	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$766.90	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$2,367.05	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)
\$1,057.80	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)
\$483.66	706	Survivor Children Only Rates

*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION		DEDUCTION CODE DEFINITIONS
	CODES		

United Healthcare (UHC)

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

\$1,696.70	707	Retiree Only
\$3,100.27	708	Retiree and 1 Dependent
\$3,676.30	709	Retiree and 2 Or More Dependents

Local 1014 Firefighters

\$1,451.76	801	Member Under 65
\$2,617.63	802	Member + 1 Under 65
\$3,087.74	803	Member + 2 Under 65
\$1,451.76	804	Member with Medicare
\$2,617.63	805	Member + 1; 1 Medicare
\$2,617.63	806	Member + 1; 2 Medicare
\$3,087.74	807	Member + 2; 1 Medicare
\$3,087.74	808	Member + 2; 2 Medicare
\$1,451.76	809	Surviving Spouse Under 65
\$2,617.63	810	Surviving Spouse + 1; Under 65
\$3,087.74	811	Surviving Spouse + 2 Under 65
\$1,451.76	812	Surviving Spouse with Medicare
\$2,617.63	813	Surviving Spouse + 1; 1 Medicare
\$3,087.74	814	Spouse + 1; 1 Medicare
\$2,617.63	815	Surviving Spouse + 1; 2 Medicare

CIGNA Indemnity - Dental/Vision

\$56.20	501	Retiree Only
\$117.86	502	Retiree and Dependent(s)
\$69.30	503	Survivor Children Only Rates

CIGNA HMO - Dental/Vision

\$46.60	901	Retiree Only
\$95.45	902	Retiree and Dependent(s)
\$47.21	903	Survivor Children Only Rates

*Benchmark premiums are bolded.

Los Angeles County Employees Retirement Association

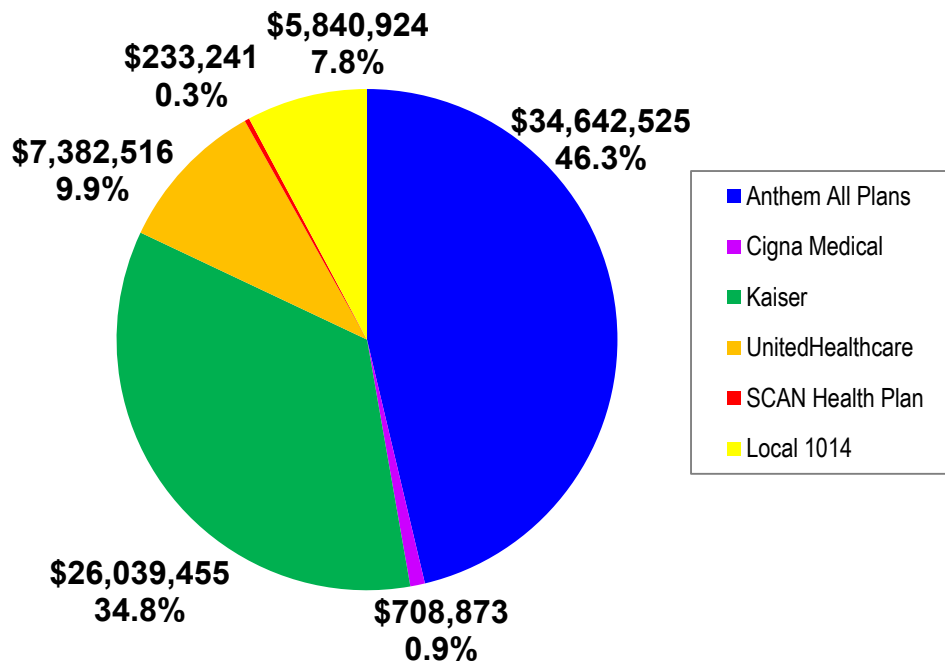
Premium & Enrollment

Coverage Month Ending August 2026

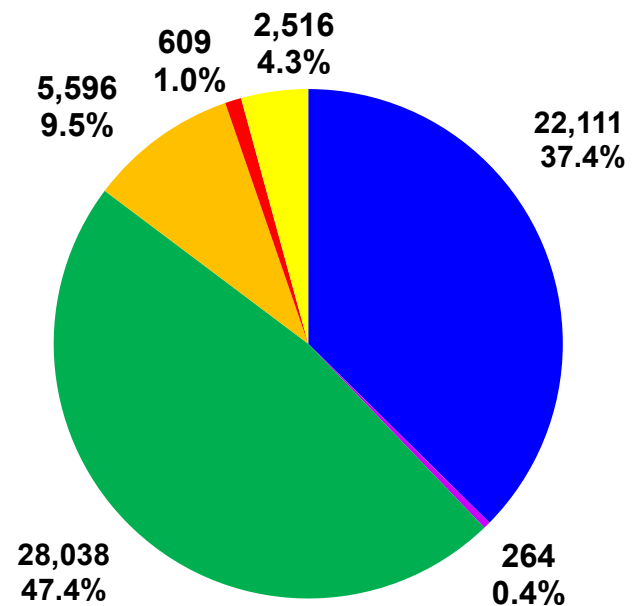
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$34,642,525	46.3%	22,111	37.4%
Cigna Medical	\$708,873	0.9%	264	0.4%
Kaiser	\$26,039,455	34.8%	28,038	47.4%
UnitedHealthcare	\$7,382,516	9.9%	5,596	9.5%
SCAN Health Plan	\$233,241	0.3%	609	1.0%
Local 1014	\$5,840,924	7.8%	2,516	4.3%
Combined Medical	\$74,847,534	100.0%	59,134	100.0%

Cigna Dental & Vision (PPO and HMO)	\$5,175,495	61,641
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Monthly Premium



Retirees

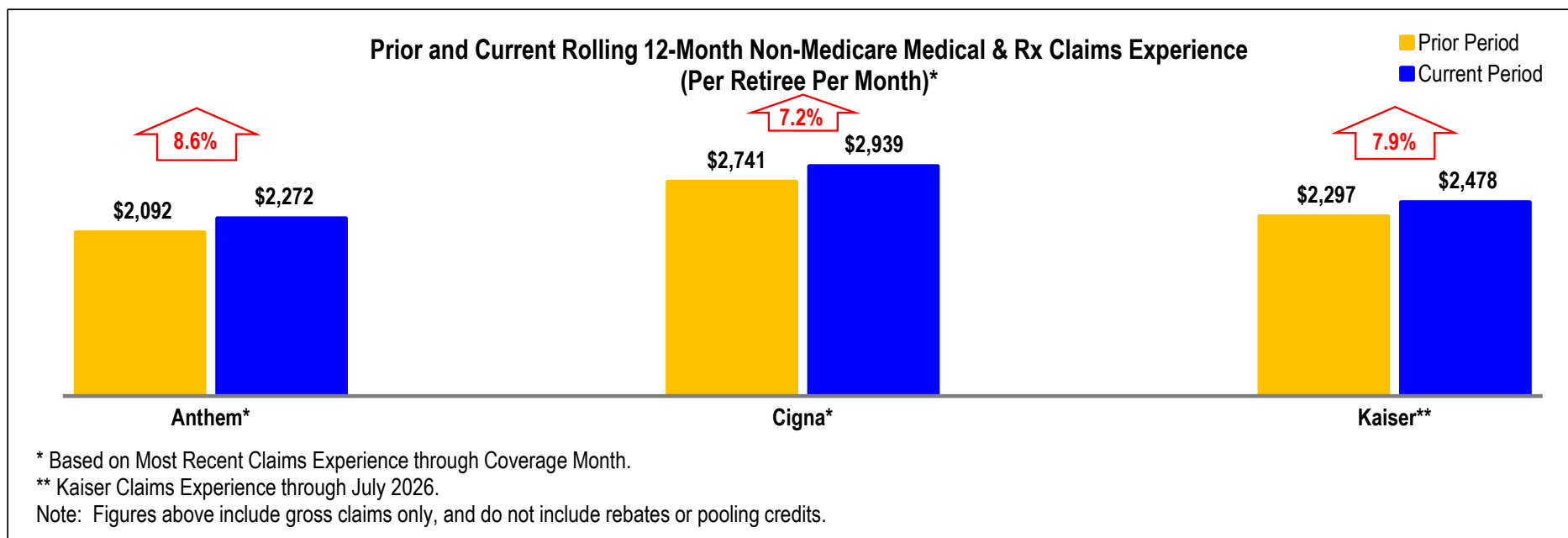
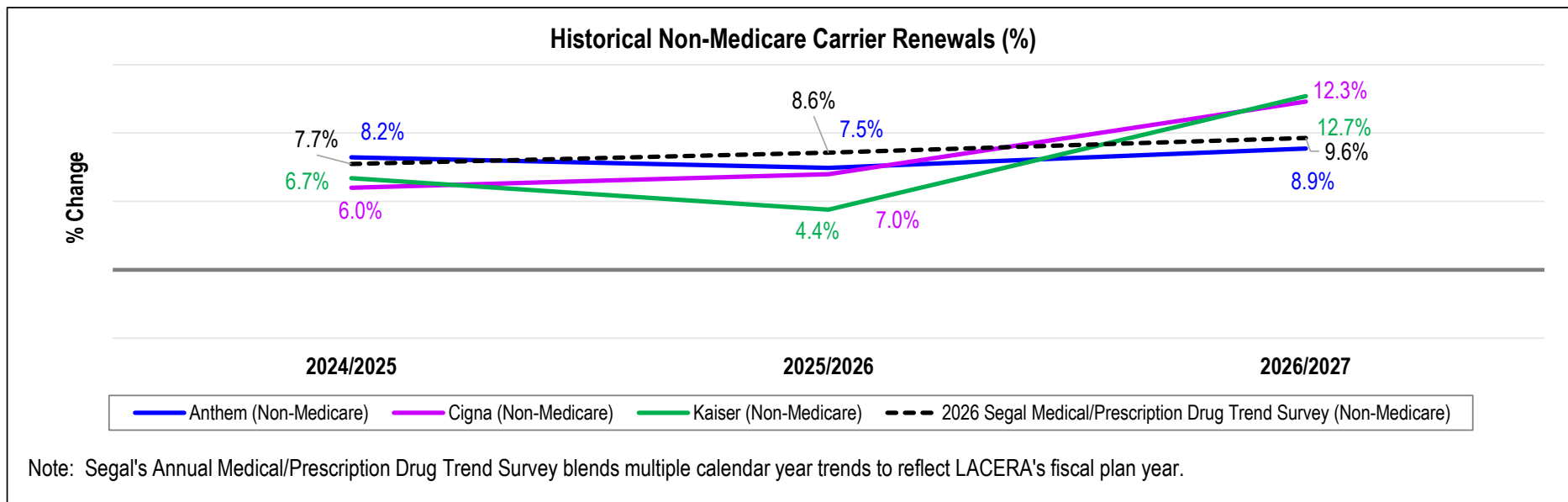


Note: Premiums include LACERA's Administrative Fee of \$8.00 per member, per plan, per month.

Los Angeles County Employees Retirement Association

Claims Experience by Carrier

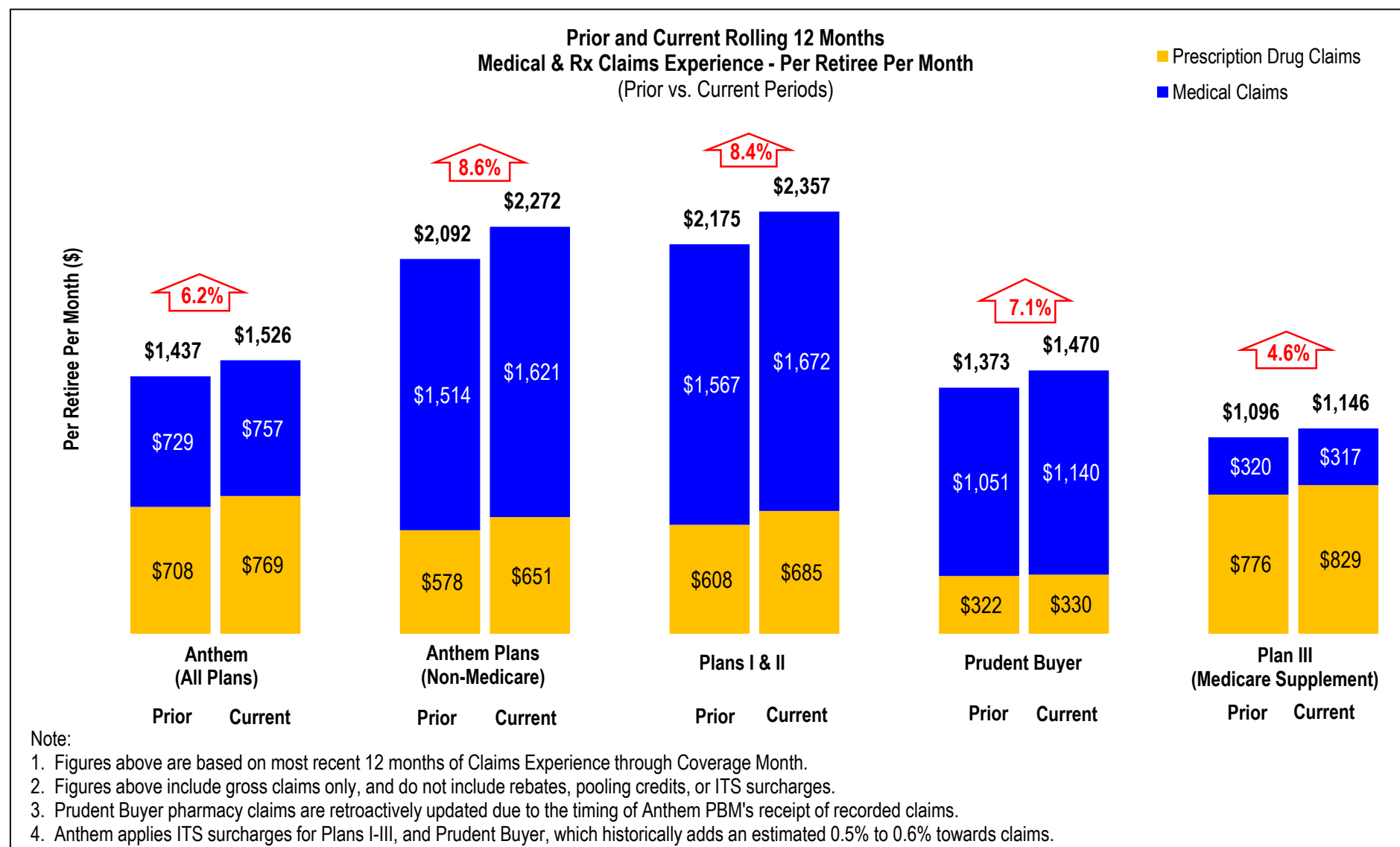
Coverage Month Ending August 2026



Los Angeles County Employees Retirement Association

Anthem Claims Experience By Plan

Coverage Month Ending August 2026



Blended (Medical & Rx) Trend	2024/2025	2025/2026	2026/2027
Non-Medicare (80% Medical / 20% Rx)	7.7%	8.6%	9.6%
Medicare (20% Medical / 80% Rx)	6.2%	8.1%	7.4%

Los Angeles County Employees Retirement Association

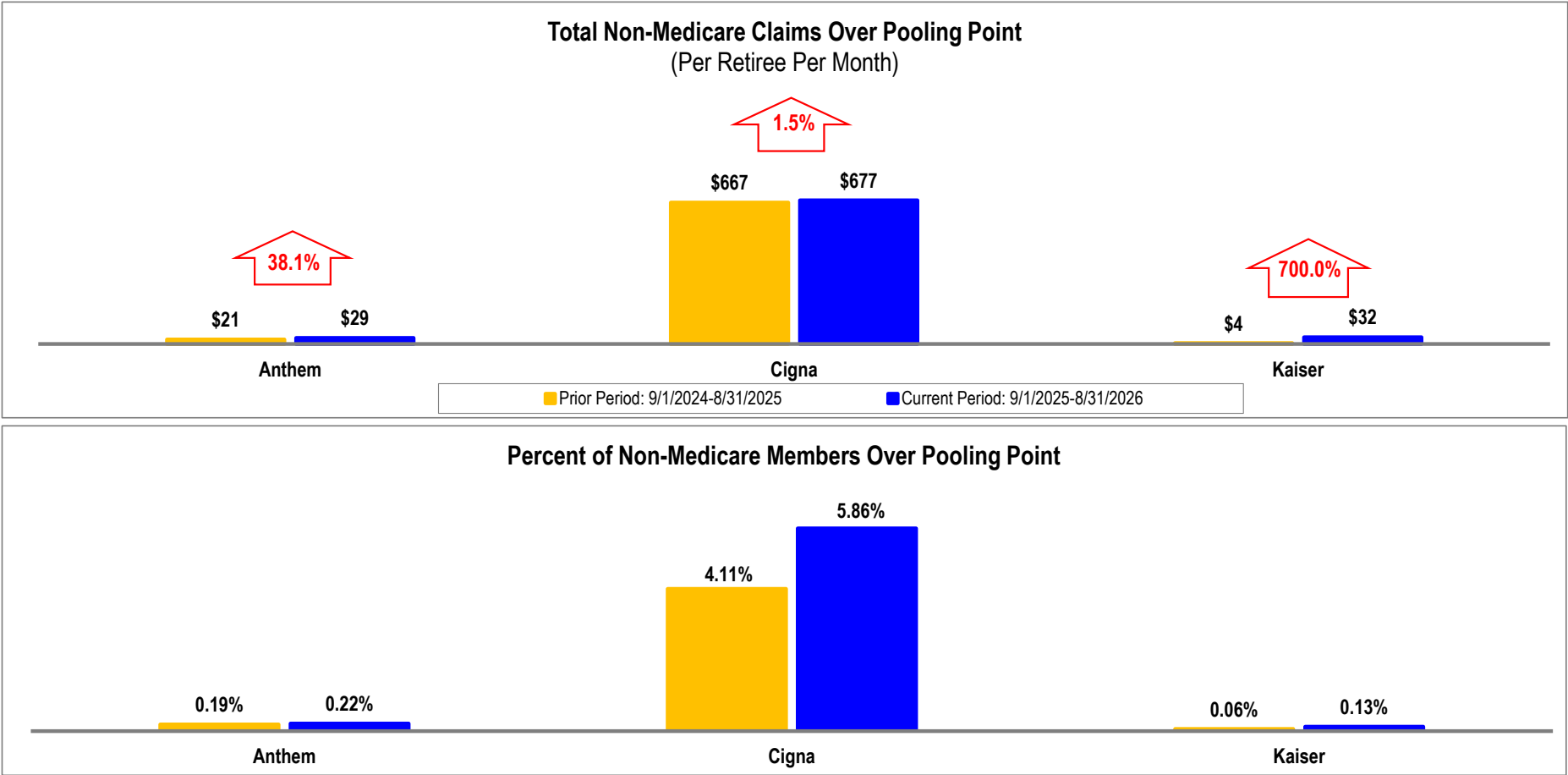
Kaiser Utilization

Coverage Month Ending August 2026

- Kaiser insures approximately 27,000 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 California.

Category	Current Period 8/1/2025 - 7/31/2026	Prior Period 8/1/2024 - 7/31/2025	Change
Average Contract Size	1.83	1.82	0.55%
Average Members	12,916	12,625	2.30%
Inpatient Claims Per Member Per Month	\$342.92	\$318.15	7.79%
Outpatient Claims Per Member Per Month	\$601.25	\$556.62	8.02%
Pharmacy Per Member Per Month	\$184.58	\$173.83	6.18%
Other Per Member Per Month	\$227.29	\$216.04	5.21%
Total Claims Per Member Per Month	\$1,356.04	\$1,264.64	7.23%
Total Paid Claims	\$210,171,472	\$191,598,683	9.69%
Large Claims over \$725,000 Pooling Point			
Number of Claims over Pooling Point	9	4	
Amount over Pooling Point	\$2,680,763	\$299,194	795.99%
% of Total Paid Claims	1.28%	0.16%	
Inpatient Days / 1000	1,008.8	709.3	42.22%
Inpatient Admits / 1000	98.3	96.6	1.76%
Outpatient Visits / 1000	16,732.2	16,825.7	-0.56%
Pharmacy Scripts Per Member Per Year	14.0	14.3	-2.10%

Los Angeles County Employees Retirement Association
High Cost Claimants (Anthem, Cigna, & Kaiser)
Coverage Month Ending August 2026



Stop-Loss & Pooling Points Overview:

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

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

Pooling Points by Carrier:

- 1. Anthem's pooling points are \$500,000 for Plans I & II, and \$250,000 for Prudent Buyer.
- 2. Cigna's pooling point is \$100,000.
- 3. Kaiser's pooling point is \$725,000.

Los Angeles County Employees Retirement Association
Anthem Lifetime Max Accumulation Status By Plan
Coverage Month Ending August 2026

Prior Calendar Year: December 2024 ^{1,2}				Current Calendar Year: December 2025 ^{3,4}		
Lifetime Claim Amount ⁵	Plans I & II	Prudent Buyer	Combined	Plans I & II	Prudent Buyer	Combined
\$2.00M-\$2.25M	0	0	0	0	0	0
\$1.80M-\$2.00M	0	0	0	0	0	0
\$1.60M-\$1.80M	0	0	0	0	0	0
\$1.40M-\$1.60M	0	0	0	0	0	0
\$1.20M-\$1.40M	0	0	0	0	0	0
\$1.00M-\$1.20M	7	0	7	8	1	9
\$800K-\$999K	33	2	35	29	3	32
Total	40	2	42	37	4	41

Prior Month: July 2026 ^{3,6}				Most Recent Month: August 2026 ^{3,7}		
Lifetime Claim Amount ⁵	Plans I & II	Prudent Buyer	Combined	Plans I & II	Prudent Buyer	Combined
\$2.00M-\$2.25M	0	0	0	0	0	0
\$1.80M-\$2.00M	0	0	0	0	0	0
\$1.60M-\$1.80M	0	0	0	0	0	0
\$1.40M-\$1.60M	0	0	0	0	0	0
\$1.20M-\$1.40M	2	0	2	2	0	2
\$1.00M-\$1.20M	7	0	7	10	0	10
\$800K-\$999K	36	4	40	39	4	43
Total	45	4	49	51	4	55

The number of members reported will fluctuate period to period due to multiple factors including migration from an Anthem plan to another LACERA-administered plan or members passing away.

¹ Includes two years of historical data.

² Based on data provided by Anthem on January 22, 2025.

³ Includes two months of historical data.

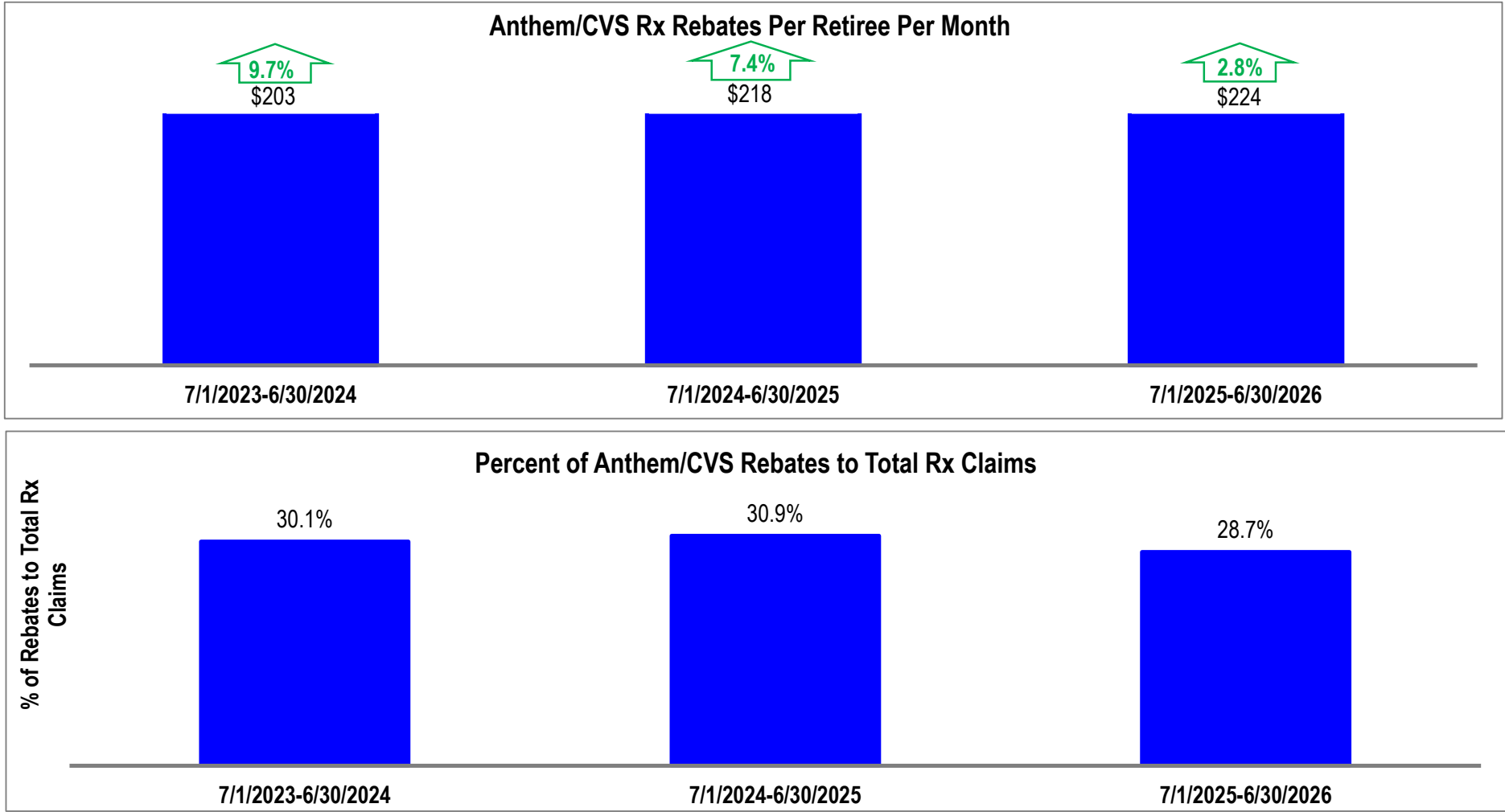
⁴ Based on data provided by Anthem on January 14, 2026.

⁵ Members identified by Anthem as terminated were excluded from the counts above.

⁶ Based on data provided by Anthem on August 17, 2026.

⁷ Based on data provided by Anthem on September 17, 2026.

Los Angeles County Employees Retirement Association
Prescription Drug Rebates (Anthem)
Coverage Month Ending August 2026



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.

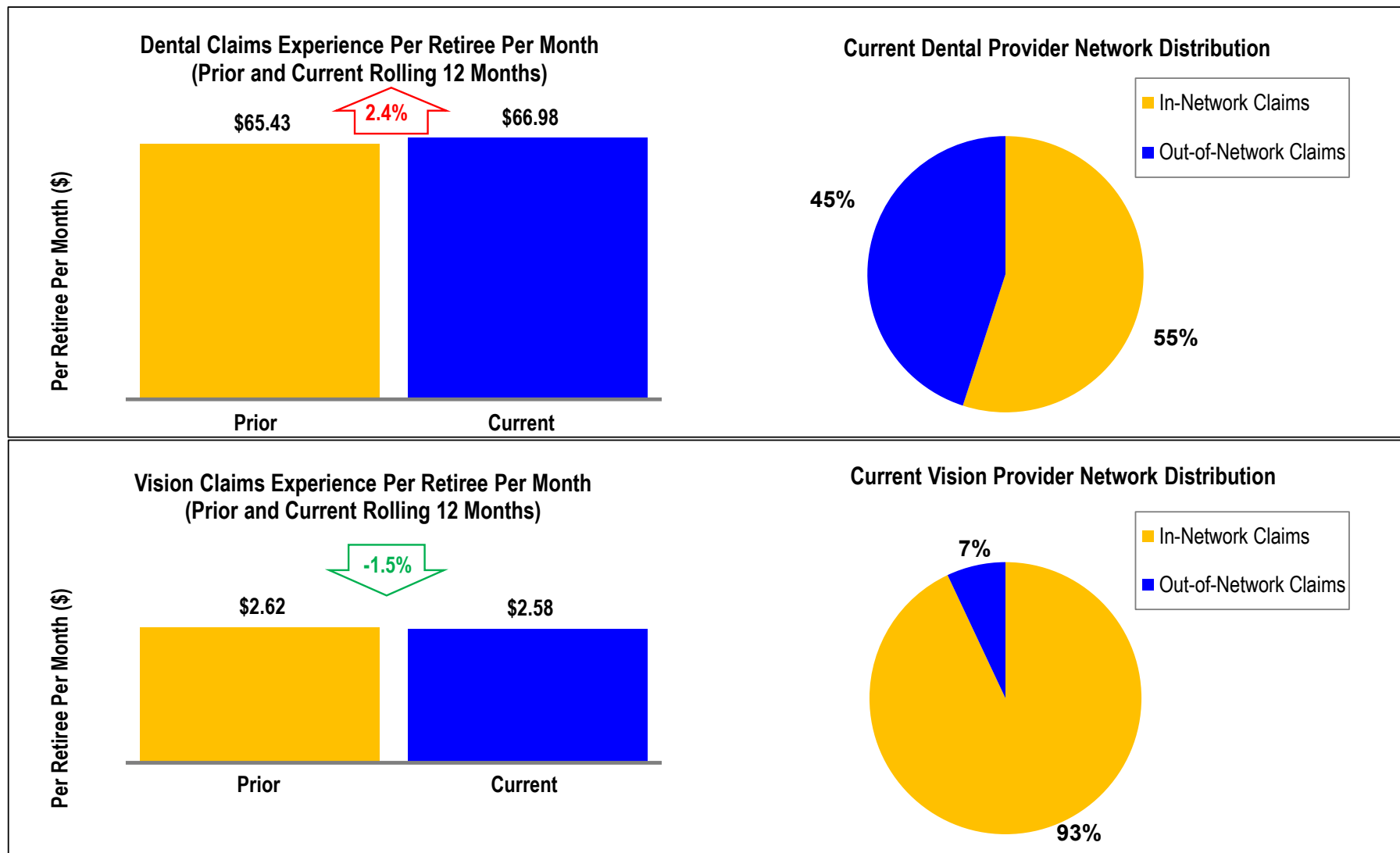
Note:

- 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 August 2026



Notes:

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



Compliance News | September 2, 2026

ACA Dollar Amounts and Percentages

Many ACA provisions contain numbers or percentages that are indexed to various measures of inflation, and the federal government announces new numbers throughout the year.

To help you stay on top of all of the ACA amounts you need to know for your group health plan, we’ve got handy summary charts that we update whenever new numbers come out.

Get the Chart



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What’s new?

In September 2026, we added:

- The 2027 percentage for the test applied by the Exchange or a Marketplace when determining if offered coverage is affordable — coverage is deemed to be not affordable if the cost of employee-only coverage exceeds 10.22 percent of household income, which is an increase from 9.96 percent that applies in 2026
- The 2027 percentage safe harbor for employers seeking to minimize the employer penalty, which is 10.22 percent of household income, an increase from 9.96 percent that applies in 2026

Subscribe for updates

We’ll update the ACA percentages and dollar amounts chart as new information comes out of the government.

Make sure you’re on top of the latest numbers, as well as other compliance news affecting group health plans: join our mailing list.

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Affordable Care Act Dollar Amounts and Percentages

Many provisions in the Affordable Care Act contain numbers or percentages that are indexed to various measures of inflation. The government announces new numbers at different times of the year and in different publications. The table below assembles these amounts in one place and is current as of September 2, 2026.

Indexed Amounts Affecting Group Health Plans

Item	2022	2023	2024	2025	2026	2027
Out-of-pocket (OOP) limit for non-grandfathered plans ¹	Individual: \$8,700 Family: \$17,400 (See announcement.)	Individual: \$9,100 Family: \$18,200 (See announcement.)	Individual: \$9,450 Family: \$18,900 (See announcement.)	Individual: \$9,200 Family: \$18,400 (See announcement.)	Individual: \$10,600 Family: \$21,200 (See announcement.)	Individual: \$12,000 Family: \$24,000 (See announcement.)
Flexible spending account (FSA) maximum salary reduction	\$2,850 (See announcement.)	\$3,050 (See announcement.)	\$3,200 (See announcement.)	\$3,300 (See announcement.)	\$3,400 (See announcement.)	TBD
FSA maximum carryover amount ²	\$570 (See announcement.)	\$610 (See announcement.)	\$640 (See announcement.)	\$660 (See announcement.)	\$680 (See announcement.)	TBD
Employer shared responsibility penalty – 4980H(a) ³	\$2,750 (See answers to FAQs.)	\$2,880 (See answers to FAQs.)	\$2,970 (See announcement.)	\$2,900 (See announcement.)	\$3,340 (See announcement.)	\$3,780 (See announcement.)
Employer shared responsibility penalty – 4980H(b) ⁴	\$4,120 (See answers to FAQs.)	\$4,320 (See answers to FAQs.)	\$4,460 (See announcement.)	\$4,350 (See announcement.)	\$5,010 (See announcement.)	\$5,670 (See announcement.)

¹ For 2014 only, the Affordable Care Act's OOP limits were the same as the OOP maximums applicable to a Health Savings Account (HSA) offered with a high-deductible health plan (HDHP). (Space constraints prevent us from showing columns of 2014–2021 data in the table above. Separate documents show data for [2014–2017](#) and [2018–2021](#).) For 2015 and beyond, the Affordable Care Act's OOP limits are not indexed to the HSA/HDHP amounts. The HSA/HDHP amounts are shown at the bottom of the next page for ease of reference.

² An employer may either allow a carryover or offer a 2½-month grace period.

³ The employer shared responsibility penalty is found in section 4980H of the Internal Revenue Code. There are two branches of the employer shared responsibility penalty. The 4980H(a) penalty is based on the total number of full-time employees. It is triggered if the employer fails to offer coverage to a certain percentage of its full-time employees and one full-time employee receives subsidized Exchange/Marketplace coverage.

⁴ The 4980H(b) penalty is based on the number of full-time employees who are not offered affordable, minimum value coverage by the employer and who receive subsidized Exchange/Marketplace coverage instead of employer coverage.

Item	2022	2023	2024	2025	2026	2027
Affordability of group health plan coverage: test applied by Exchange/Marketplace when determining if offered coverage is affordable	Not affordable if cost of employee-only coverage exceeds 9.61% of household income (See announcement.)	Not affordable if cost of employee-only coverage exceeds 9.12% of household income (See announcement.)	Not affordable if cost of employee-only coverage exceeds 8.39% of household income (See announcement.)	Not affordable if cost of employee-only coverage exceeds 9.02% of household income (See announcement.)	Not affordable if cost of employee-only coverage exceeds 9.96% of household income (See announcement.)	Not affordable if cost of employee-only coverage exceeds 10.22% of household income (See announcement.)
Affordability of group health plan coverage: safe harbors available to employers seeking to minimize employer penalty	W-2, rate of pay and FPL safe harbors use 9.61% in the calculation (See announcement.)	W-2, rate of pay and FPL safe harbors use 9.12% in the calculation (See announcement.)	W-2, rate of pay and FPL safe harbors use 8.39% in the calculation (See announcement.)	W-2, rate of pay and FPL safe harbors use 9.02% in the calculation (See announcement.)	W-2, rate of pay and FPL safe harbors use 9.96% in the calculation (See announcement.)	W-2, rate of pay and FPL safe harbors use 10.22% in the calculation (See announcement.)
100% of the FPL (for single person living in one of the 48 contiguous states or Washington, DC), ⁵ which Exchange/Marketplace uses when calculating premium assistance tax credit	\$13,590 (See announcement.) See separate table on page 3 for the FPL safe harbor calculation.	\$14,580 (See announcement.) See separate table on page 3 for the FPL safe harbor calculation.	\$15,060 (See announcement.) See separate table on page 3 for the FPL safe harbor calculation.	\$15,650 (See announcement.) See separate table on page 3 for the FPL safe harbor calculation.	\$15,960 (See announcement.) See separate table on page 3 for the FPL safe harbor calculation.	TBD

The 2017 Tax Law reduced the individual-mandate penalty to zero. Consequently, the affordability of group health plan coverage test applied by federal government in determining if individual or family is exempt from the individual mandate is not applicable.

HSA/HDHP

Item	2022	2023	2024	2025	2026	2027
Minimum deductible	Individual: \$1,400 Family: \$2,800 (See announcement.)	Individual: \$1,500 Family: \$3,000 (See announcement.)	Individual: \$1,600 Family: \$3,200 (See announcement.)	Individual: \$1,650 Family: \$3,300 (See announcement.)	Individual: \$1,700 Family: \$3,400 (See announcement.)	Individual: \$1,750 Family: \$3,500 (See announcement.)
Maximum contribution ⁶	Individual: \$3,650 Family: \$7,300	Individual: \$3,850 Family: \$7,750	Individual: \$4,150 Family: \$8,300	Individual: \$4,300 Family: \$8,550	Individual: \$4,400 Family: \$8,750	Individual: \$4,500 Family: \$9,000
OOP maximum	Individual: \$7,050 Family: \$14,100	Individual: \$7,500 Family: \$15,000	Individual: \$8,050 Family: \$16,100	Individual: \$8,300 Family: \$16,600	Individual: \$8,500 Family: \$17,000	Individual: \$8,700 Family: \$17,400

⁵ Revised federal poverty guidelines are usually released in late January of each year. They apply to Exchange/Marketplace calculations of the premium assistance tax credit for the following year (e.g., the FPL published in the January 17, 2020 *Federal Register* (\$12,760) is used to calculate the premium assistance tax credit for 2021). Higher amounts apply to individuals living in Alaska and Hawaii.

⁶ A catch-up contribution of \$1,000 is allowed if the individual will be age 55 or older at the end of the year and is not enrolled in Medicare.

Affordability of Group Health Plan Coverage: FPL Safe Harbor Available to Employers Seeking to Minimize Employer Penalty

Plan Year ⁷	100% of FPL for Single Individual Working in 48 Contiguous States or Washington, DC	Applicable Multiplier ⁸	Maximum Affordable Monthly Premium for Self-Only Coverage
Plan year beginning January 1, 2022	\$12,880	9.61%	\$103.14
Plan year beginning February 1–December 1, 2022	\$13,590	9.61%	\$108.83
Plan year beginning January 1, 2023	\$13,590	9.12%	\$103.28
Plan year beginning February 1–December 1, 2023	\$14,580	9.12%	\$110.81
Plan year beginning January 1, 2024	\$14,580	8.39%	\$101.94
Plan year beginning February 1–December 1, 2024	\$15,060	8.39%	\$105.29
Plan year beginning January 1, 2025	\$15,060	9.02%	\$113.20
Plan year beginning February 1–December 1, 2025	\$15,650	9.02%	\$117.64
Plan year beginning January 1, 2026	\$15,650	9.96%	\$129.89
Plan year beginning February 1–December1, 2026	\$15,960	9.96%	\$132.46.
Plan year beginning January 2027	TBD	TBD	TBD
Plan year beginning February 1–December1, 2027	TBD	TBD	TBD

⁷ Employers may use any FPL in effect within six months before the start of the plan year. Higher levels apply to individuals working in Alaska and Hawaii.

⁸ For links to the announcements of the applicable multiplier for each year, see the “Affordability of group health plan coverage: safe harbors available to employers seeking to minimize employer penalty” row on the previous page.

Affordable Care Act Fee

Fee	2022	2023	2024	2025	2026	2027
Comparative effectiveness research fee (PCORI ⁹) — extended by Congress until 2029 ¹⁰	\$2.79 per person (for a calendar-year plan, the amount paid by 7/31/22 for the 2021 plan year) (See announcement.)	\$3.00 per person (for a calendar-year plan, the amount paid by 7/31/23 for the 2022 plan year) (See announcement.)	\$3.22 per person (for a calendar-year plan, the amount paid by 7/31/24 for the 2023 plan year) (See announcement.)	\$3.47 per person (for a calendar-year plan, the amount paid by 7/31/25 for the 2024 plan year) (See announcement.)	\$3.84 per person (for a calendar-year plan, the amount paid by 7/31/26 for the 2025 plan year) (See announcement.)	TBD

For more information about the amounts in these tables, including links to relevant IRS guidance and how the amounts affect your plan, please contact your Segal consultant. Segal can be retained to work with plan sponsors and their legal counsel on compliance issues.

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⁹ PCORI stands for the Patient-Centered Outcomes Research Institute that is partially funded through the comparative effectiveness research fee. This fee is based on the plan year (not the calendar year). The chart illustrates the amount and payment deadline for a calendar-year plan.

¹⁰ The Further Consolidated Appropriations Act enacted in December 2019 (Public Law 116-94) extended these fees through plan years ending on or before 9/30/29.



Compliance News | September 8, 2026

Guidance on IDR Gateway Accounts and New Batching Rules

The Federal IDR Team, which includes the Departments of Labor, Health and Human Services, and the Treasury, continue to work to implement the independent dispute resolution (IDR) operations final rule. The Centers for Medicare & Medicaid Services (CMS) on behalf of the Federal IDR Team is providing ongoing information regarding the updated IDR process. Recently, it announced that:



- Prospective users of the IDR Gateway, a secure online IDR process platform, can create an IDR Gateway account starting on September 15, 2026.
- New batching requirements under the final rule will be applicable starting on November 1, 2026.

In addition, the Federal IDR Team released an [Implementation Timeline Guide](#) to clarify the applicability dates and the implementation approach for the various provisions under the final rule.

Background on the IDR Operations Rule

The No Surprises Act, which became applicable to most plans in 2022, established the federal IDR process to resolve certain payment disputes between payers and providers involving out-of-network items and services. (See our insights, "[New Law Requires Transparency and Prohibits Surprise Billing](#)" and "[The No Surprises Act Requires Changes to Your Plan Coverage](#).")

On June 4, 2026, the Departments of Labor, Health and Human Services, and the Treasury (collectively, the Departments), along with the Office of Personnel Management, issued a [final rule](#) intended to streamline and standardize IDR operations through updated requirements for claims adjudication communications, open negotiations, batching, eligibility determinations, administrative fees and other procedural aspects of the federal IDR process. The final rule also transitions open negotiations and federal IDR activities to the IDR Gateway. (For more information about the final rule and background on IDR implementation, see our insight, "[Final Rule on Independent Dispute Resolution Operations](#).")

The final rule's effective date is August 3, 2026. Many provisions apply either on the effective date or 90 days later, on November 1, 2026, while others will become applicable only after future guidance is issued and supporting functionality is available.

The latest guidance from the Federal IDR Team

IDR Gateway update

Among other changes, the final rule provides for the transition of the federal IDR process from single-use web forms to the new IDR Gateway. The IDR Gateway is expected to launch in November 2026, with additional functionality implemented on a rolling basis. (See our insight, "[IDR Operations Update: A New Gateway and Guidance on Codes](#).")

As the functions supporting the relevant provision are operationalized, the Federal IDR Team will provide notice to the public and to disputing parties about the availability of additional functionality supporting the provision as well as an applicability date.

On August 14, 2026, the Federal IDR Team [announced](#) that all prospective IDR Gateway users can begin creating accounts effective September 15, 2026. Organizations that manage IDR disputes should designate at least one IDR Gateway administrator (CMS recommends at least two and no more than 10) to establish and manage their organization's account. The Federal IDR Team will email administrators instructions for creating an account and configuring their organization's profile. The Federal IDR Team also released a detailed [IDR Gateway Administrator User Guide](#) to assist organizations with the account registration process.

Plan sponsors that use a third-party administrator (TPA) or another service provider to manage IDR disputes do not need to create an IDR Gateway account. However, they should confirm that their service provider has registered for and maintains an IDR Gateway account.

New batching guidance

To reduce the IDR administrative burden and improve the efficiency of the process, the federal IDR process allows parties to batch certain items and services into a single IDR proceeding. The final rule makes significant changes to the batching rules that are intended to increase efficiency, reduce costs and ensure that batched items and services have a "clear organizing principle." The final rule, effective August 3, 2026, indicated that the new batching rules would be applicable 90 days thereafter, or November 1, 2026.

On August 3, 2026, the Federal IDR Team issued a [notice](#) announcing that the final rule's batching provisions will apply to batched disputes with open negotiation start dates on or after November 1, 2026. Starting on that date, there will be a limit of 50 items and services that may be batched together in a single dispute. Note, under the final rule, items and services furnished within the same 30-business day period may be batched if they:

- **Relate to a single patient encounter.** This covers items and services that are provided to a single patient on the same or consecutive dates of service and billed on the same claim form.
- **Involve the same or comparable service code.** This covers items and services provided to one or more patients that are billed under the same service code or a comparable code under a different procedural code system.
- **Belong to certain anesthesiology, radiology, pathology or laboratory Current Procedural Terminology (CPT) code families.** This covers anesthesiology, radiology, pathology and laboratory items and services that are provided to one or more patients under service codes belonging to the same [Category I CPT code](#) section, as indicated in the final rule's [tables](#) and further specified in future guidance issued by the Departments.

The notice also announced that a payment determination for a batched dispute with an open negotiation start date on or after November 1, 2026, will trigger a 30-business-day cooling off period during which the party that initiated the federal IDR process may not submit a subsequent federal IDR dispute involving the same other party with respect to a claim for the same item or service that was the subject of the prior payment determination.

Implications for sponsors of group health plans

Plan sponsors should stay abreast as the Departments continue to issue information related to IDR operations.

Sponsors of plans that directly administer their IDR process will need to comply with the new process requirements as they become applicable. Those that rely on an insurer or TPA will want to confirm the process is being updated in a timely and accurate manner.

Segal will highlight updates on IDR operations as they become available.

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Compliance News | September 18, 2026

Registration Is Open for IDR Gateway Accounts

The Federal IDR Team recently announced that prospective users of the independent dispute resolution (IDR) Gateway, a secure online platform for managing IDR disputes, can now register for an IDR Gateway account. Additionally, the team released several guidance documents to support the transition to the IDR Gateway.



IDR Gateway account registration is now available

Account creation for the IDR Gateway is now open. The IDR Team, which includes the Departments of Labor, Health and Human Services, and the Treasury, the agencies responsible for implementing the IDR operations final rule (see [background on the final rule](#)), announced that all prospective IDR Gateway users could begin creating accounts beginning September 15, 2026.

To sign up for the IDR Gateway, users should visit the [IDR Gateway Access](#) page and either create an account and complete identity verification or sign in using existing credentials, such as for Centers for Medicare & Medicaid Services Identity Management (CMS IDM) or Login.gov. The IDR Gateway is expected to launch its initial IDR process functionality in November 2026, with additional functionality implemented on a rolling basis.

The Federal IDR Team reiterated that plan sponsors that rely on a third-party administrator (TPA) or other service provider to manage IDR disputes do not need to create their own IDR Gateway account. Because the IDR Gateway does not include functionality to link affiliated organizations, entities named in disputes that are not involved in the day-to-day administration of those disputes should not register for an account. Instead, plan sponsors should ensure that their TPA or other service provider has registered for and maintains an active IDR Gateway account.

New IDR Gateway instructional guidance released

Alongside the launch of IDR Gateway account creation, the Federal IDR Team released several instructional resources, including:

- [IDR Gateway Processing User Guide \(Version 1.0\)](#). This guide supports IDR Gateway users. It provides information and step-by-step instructions for creating an account, joining an organization and managing notifications within the IDR Gateway.
- [IDR Gateway Administrator User Guide \(Version 2.0\)](#). This guide supports IDR Gateway organization administrators. It provides information and step-by-step instructions for setting up an account, creating or joining an organization, managing users in an organization and mapping disputes within the IDR Gateway.
- [Bulk Dispute Mapping Instructions \(Version 1.0\)](#). These instructions cover using a bulk file upload process to map open disputes created prior to the IDR Gateway to an organization in the IDR Gateway.
- [IDR Gateway Technical Guidance](#). This guidance clarifies the operational and technical aspects of the initial rollout of the IDR Gateway. It addresses user eligibility requirements, dispute-related notifications, dispute-submission processes and organizational account registration and management, as well as planned future enhancements to support the full transition to the IDR Gateway platform.

Note that the Federal IDR Team indicated that while the IDR process transitions to the IDR Gateway, parties can continue to submit web forms without signing in to the IDR Gateway. The web forms will no longer be available outside the IDR Gateway after January 15, 2027, except for the “Notice of IDR Initiation – Resubmission” web form. To continue using the Federal IDR process after that, IDR participants must use the IDR Gateway.

Implications for sponsors of group health plans

Plan sponsors should continue monitoring IDR-related guidance. Sponsors that administer the IDR process directly should review the new instructional resources and create their IDR Gateway account, while those relying on insurers or TPAs should confirm that their vendors are preparing for the transition to the IDR Gateway. Plan sponsors should keep abreast of the new requirements as they become applicable as they will need to comply directly or in coordination with their service provider(s).

Segal will continue to highlight updates on IDR operations as they become available.

Background on the IDR Operations Rule

The No Surprises Act, which became applicable to most plans in 2022, established the federal IDR process to resolve certain payment disputes between payers and providers involving out-of-network items and services. (See our insights, “[New Law Requires Transparency and Prohibits Surprise Billing](#)” and “[The No Surprises Act Requires Changes to Your Plan Coverage](#).”)

On June 4, 2026, the Departments of Labor, Health and Human Services, and the Treasury (collectively, the Departments), along with the Office of Personnel Management, issued a [final rule](#) intended to streamline and standardize IDR operations. The final rule also transitions open negotiations and federal IDR activities from single-use web forms to a new IDR Gateway. (For more information about the final rule and background on IDR implementation, see our insight, “[Final Rule on Independent Dispute Resolution Operations](#).”)

The rule became effective August 3, 2026, although some provisions will become applicable only after supporting portal functionality is available and additional guidance is issued. As additional functionality becomes available, the Federal IDR Team will provide [notice](#) of its availability and provide the applicable effective date. (For information about prior notices from the Federal IDR Team, see our insights, “[IDR Operations Update: A New Gateway and Guidance on Codes](#)” and “[Guidance on IDR Gateway Accounts and New Batching Rules](#).”)

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Compliance News | September 11, 2026

2026 DOL MHPAEA Enforcement Update

The DOL has published a Field Assistance Bulletin (FAB) that gives an overview of its current approach to enforcing the Mental Health Parity and Addiction Equity Act (MHPAEA). The DOL is prioritizing enforcement around areas where it views participants and beneficiaries are at the greatest risk of significant harm.



Along with the FAB, the DOL issued an enforcement guidance tool to help plans comply with its updated approach to MHPAEA enforcement.

Background on MHPAEA

Under amendments made to MHPAEA as part of the Consolidated Appropriations Act of 2021, group health plans that cover medical/surgical (M/S) and mental health and substance use disorder (MH/SUD) benefits are required to maintain documented comparative analysis related to nonquantitative treatment limitations (NQTLs). (We discussed this in our January 14, 2021 insight, "[New Law Strengthens Parity for Mental Health and SUD](#).")

In 2024 the DOL and the Departments of Health and Human Services (HHS) and the Treasury (collectively, the Departments) issued final rules related to MHPAEA. (We summarized the final rules in our September 11, 2024 insight, "[Final Mental Health Parity Rules Issued](#)," and discussed them in a November 19, 2024 webinar, "[New Standards for Mental Health Parity Under the Final MHPAEA Rules](#).")

While new requirements under the 2024 regulations remain subject to litigation and enforcement relief, the statutory requirements, along with the existing MHPAEA 2013 regulations, are applicable and enforceable. (See our January 24, 2025 insight, "[MHPAEA Lawsuit Filed Same Day Report to Congress Released](#)" and our May 20, 2025 insight, "[MHPAEA Litigation and Enforcement News](#).")

While plan sponsors await additional regulatory guidance, the DOL and HHS continue to actively enforce MHPAEA.

The Field Assistance Bulletin

DOL [Field Assistance Bulletin No. 2026-03](#) was issued by Daniel Aronowitz, Assistant Secretary of Labor for the Employee Benefits Security Administration (EBSA) to the agency's director of enforcement. The FAB provides direction to the enforcement division regarding MHPAEA enforcement, particularly related to the more recent NQTL documented comparative analysis standards. The FAB announces that DOL MHPAEA enforcement will prioritize:

- Separate treatment limitations, including exclusions, with a particular focus on blanket exclusions applicable to MH/SUD benefits
- Medical necessity standards and review processes, including prior authorization, concurrent review, and retrospective review
- Network adequacy standards, with a focus on network admission standards and provider reimbursement methodologies

Although EBSA will prioritize enforcement in these three areas, the FAB notes that the agency remains committed to protecting MH/SUD benefits for all plan participants and beneficiaries through its MHPAEA enforcement efforts. As a result, EBSA may also investigate other categories of NQTLs as issues arise, particularly in response to participant complaints.

The enforcement guidance tool

The enforcement guidance tool, "[Identifying Potential Problems: If You See the Following in Written Plan Provisions or Plan Operations, Think Twice about Possible MHPAEA Compliance Problems](#)," was released as a companion to the FAB to help plans comply with the agency's updated approach to MHPAEA NQTL enforcement.

The enforcement guidance tool includes examples and tips, including identifying "red flag" terms in plan documents or applicable policies. Plans should determine if written or procedural changes are needed to better support compliance given the new guidance. The tool warns plans to review, in particular, plan exclusions related to applied behavior analysis (ABA) therapy, residential treatment, medication assistance treatment and nutrition counseling for eating disorders as compared to medical exclusions. The DOL also encourages plans to carefully review medical necessity standards that are more restrictive for MH/SUD, including age limits related to ABA therapy.

The enforcement guidance tool provides additional examples of plan terms that may raise MHPAEA compliance concerns, including the lack of availability of telehealth for MH/SUD conditions when it is available for medical conditions. The Departments' additional examples also underscore the importance of continued compliance with long-standing MHPAEA parity rules related to financial requirements, such as copayments and coinsurance, and quantitative treatment limitations, such as visit limits.

The tool also highlights operational "red flags" plan sponsors should look for. The DOL warns that standards that are more restrictive for MH/SUD in practice than as described in plan terms are problematic. The agency highlights particular practices, such as care-management practices that apply more stringently to MH/SUD and employee assistance programs operating as a gatekeeper to MH/SUD benefits.

The DOL highlights operational differences in prior authorization and concurrent review that warrant closer scrutiny, including longer timelines or more stringent processes for obtaining prior authorization for MH/SUD, as well as shorter approval periods for MH/SUD treatment compared to M/S benefits. Additionally, the tool provides best practices for monitoring operational compliance with respect to the medical necessity and review standards as well as for assessing and determining network adequacy and reviewing out-of-network reimbursement methodologies.

DOL provides tips for working with plan service providers, including 14 questions that plan sponsors can ask prospective or existing service providers to better monitor their compliance with MHPAEA. Finally, the tool provides examples of how plans have been able to resolve compliance concerns in the context of DOL investigations.

Implications for plan sponsors

Plan sponsors should carefully review the new DOL guidance and evaluate their plan documents and operational practices in light of the “red flag” examples to address any potential compliance concerns.

Plans should also assess the best practice guidance and determine whether further discussions with service providers are warranted to support ongoing MHPAEA compliance.

In addition, plan sponsors should consider providing feedback to the DOL regarding any questions or concerns about the best practice guidance and should continue to monitor for forthcoming MHPAEA guidance.

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