

Communication from Public

Name: David Waldner

Date Submitted: 10/21/2023 02:50 PM

Council File No: 23-1131

Comments for Public Posting: I was hired by the City in 1976 and am now retired. Those of us who were hired at that time were told during orientation that we did not have to worry about Social Security or Medicare as the City would cover it through the pension system. That did not turn out to be true. When we realized that we would not receive Medicare Part B or any other Medicare benefits in retirement, we attempted to pay into the system to avoid the problem. We were told “not possible”. Now, I and my wife are saddled with substantial monthly Medicare Part B fees in order to keep our Medical insurance in retirement. This is an injustice that needs to be corrected. The overall cost for the dwindling number of retirees in this situation is manageable and is the right thing to do. Thank You.

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Comments for Public Posting: Dear Council Members, Please allow the reimbursement of the Medicare Part B Basic Premium for those employees hired before April 1, 1986, as well as adjust the Medicare Part B Reimbursement for LACERS retirees whose Medicare Part B premium exceed the basic premium as a result of the Income-related Monthly Adjustment Amount (IRMAA). Reimbursing the Medicare Part B Premium for only a select group of retirees is unfair. Due to a Medicare regulation, employees hired before April 1, 1986 and members of a public retirement system were exempted from paying Social Security and Medicare taxes. As a result of this exemption, employees hired before April 1, 1986 do not enjoy the Medicare Part A benefit, or the hospital insurance. In deciding not to reimburse the Medicare Part B Premium for this group of retirees, LACERS did not consider the rationale behind the non-payment of the Medicare taxes and the non-coverage of the hospital insurance. LACERS should have also considered the seniority with regards to the hiring date of these retirees. The number of this group of retirees will only decrease, and never increase, with time. In light of these factors, please grant the request of the LACERS Board of Administration on behalf of this group of retirees. Thank you for your consideration.

Mandatory Medicare Coverage

State and local government employees hired (or rehired) after March 31, 1986, are subject to mandatory Medicare coverage. Public employees covered for Social Security under a Section 218 Agreement are already covered for Medicare. Employees whose services are not covered for Social Security but who are required to pay the Medicare-only portion of FICA are referred to as Medicare Qualified Government Employees (MQGE).

Employees who have been in continuous employment with the employer since March 31, 1986, who are not covered under a Section 218 Agreement nor subject to the mandatory Social Security and Medicare provisions, remain exempt from both Social Security and Medicare taxes, provided they are members of a public retirement system.

[Continuing Employment Exception](#)

[Services Not Subject to Mandatory Medicare Coverage](#)

[Medicare Coverage under Section 218 Agreement](#)

If a State or local government employer wants to provide Medicare coverage for employees who were hired before April 1, 1986 and are members of a public retirement system, the employer should contact their [State Social Security Administrator](#). [\[Disclaimer\]](#)

References:

- [Section 210\(p\) of the Social Security Act](#)
- [Section 3121\(u\) of the Internal Revenue Code](#)

https://www.ssa.gov/slge/mand_med_cov.htm?tl=2