



CYPEN & CYPEN
NEWSLETTER
for
AUGUST 25, 2016

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Stephen H. Cypen, Esq., Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

1. FLORIDA PREMIUM TAX DISTRIBUTION AMOUNTS RELEASED:

Here is the information Florida municipal firefighters and police officers' have been anxiously awaiting. The Municipal Police Officers' and Firefighters' Retirement Trust Funds Office has released the amounts available to be distributed to firefighter and police officer pension plans. The gross amount for firefighters is \$94,379,738.00 and for police officers, \$78,930,558.52. The total net distribution amount for firefighters

is \$73,774,959.23 and for police officers, \$72,566,113.84. (Note that the foregoing distribution figure for firefighters does not include supplemental fire distributions.) The lists can be viewed at https://www.rol.frs.state.fl.us/forms/Fire_2015.pdf (for fire) and https://www.rol.frs.state.fl.us/forms/Police_2015.pdf (for police). Initial distribution will be mailed shortly, with follow-up distributions as plans are approved. If your plan is not on the list, please contact the Municipal Police Officers' and Firefighters' Retirement Trust Funds Office and provide whatever information is needed for approval of your annual report. Remember: if a plan has not been approved by September 30, 2016, the 2015 premium tax monies cannot be included on the 2016 annual report, and any resulting funding deficiency will have to be made up by the city/district. As always, thanks to Keith, Sarah, Melody, Martha and Julie.

2. THE BEST OF TIMES, THE WORST OF TIMES: A RANKING OF STATE ECONOMIES: If the 2016 presidential election is all about Donald Trump, the gubernatorial landscape remains, to a large degree, about a more commonplace issue: the economy. According to governing.com, for the first time since 2013, *Governing* has ranked the overall economic performance of the 50 states. The results show a connection between a state's economic performance and its governor's approval ratings. To determine which states are doing well and which are not, *Governing* looked at six variables from the Bureau of Labor Statistics and the Bureau of Economic Analysis: the current state unemployment rate; the improvement in the state unemployment rate over the past year;

the per capita state GDP in 2015; the percent change in real state GDP between 2014 and 2015; the percent change in state personal income per capita, from the third quarter of 2015 to the first quarter of 2016; and the percentage growth in year-to-date increases in jobs for 2016. These variables were chosen to offer a mix of static and dynamic measures of the states' overall economic performance. As in the 2013 rankings, the authors decided to focus on the top and bottom of the list because it is hard to say whether the states in the broad middle have relatively strong or weak economies. The results are notable for their degree of flux. Only two of the top 10 states in 2013 -- Oregon and Utah -- repeated on the list in 2016. And only three of the bottom 10 states in 2013 -- Connecticut, Mississippi and New Mexico -- remained in the bottom 10 in 2016. Also of interest, a majority of the top 10 states are either blue or purple-to-blue on the presidential level, while most of the bottom 10 are red or purple-to-red states. States with favorable economic results the past eight years would presumably be more eager to support Clinton, whereas states with unfavorable economic results would be more hospitable to Trump. The parties of the governors, meanwhile, do not line up quite as neatly. For instance, two of the presidential blue states in the top 10 have Republican governors -- Massachusetts' Charlie Baker and Maryland's Larry Hogan. The red states of Louisiana and Alaska, which are in the bottom five, respectively have a Democratic governor and an independent governor who ran on a ticket alongside a Democrat. Here is a list of the top ten states, ranked from strongest to weakest.

- 1) Massachusetts

- 2) Oregon
- 3) Delaware
- 4) Colorado
- 5) California
- 6) Tennessee
- 7) New Hampshire
- 8) Utah
- 9) Virginia
- 10) Maryland
- 13) Florida

Once the state economic rankings were compiled, they were then cross-referenced them with gubernatorial approval ratings to see whether governors of strong economic states were being rewarded by the voters. In general, they have been. *Governing* used the results of a 50-state series of gubernatorial approval polls conducted by the online publication Morning Consult between January and May 2016, and then spot-checked other gubernatorial approval polls in the past eight months and found them to be generally similar to what Morning Consult found. The approval ratings for governors of the top 10 states averaged 62.1%, while the gubernatorial approval ratings for those in the bottom 10 averaged 50.8%. No governor in the top 10 states had an approval rating lower than 54%, while six of the governors in the bottom 10 states had approval ratings below 50% and one -- Connecticut's Dannel Malloy, a Democrat -- had an approval rating as low as 29%. Here's the list of governors, and their approval ratings, in the top 10 states:

- Massachusetts -- Charlie Baker (R) 72% approval rating
- Oregon -- Kate Brown (D) 54% approval rating
- Delaware -- Jack Markell (D) 66% approval rating
- Colorado -- John Hickenlooper (D) 60% approval rating
- California -- Jerry Brown (D) 57% approval rating
- Tennessee -- Bill Haslam (R) 63% approval rating
- New Hampshire -- Maggie Hassan (D) 56% approval rating
- Utah -- Gary Herbert (R) 64% approval rating
- Virginia -- Terry McAuliffe (D) 58% approval rating
- Maryland -- Larry Hogan (R) 71% approval rating
- Florida -- Rick Scott (R) 49% approval rating

3. PERSPECTIVES ON RETIREMENT: BABY BOOMERS, GENERATION X, AND MILLENNIALS: Many American workers are grappling with retirement security and are challenged by what has become a wobbly three-legged stool comprising Social Security, employer-sponsored retirement benefits, and personal savings. Although the Great Recession ended years ago, millions of Americans are still regaining their financial footing. As each year passes, people's fears about our retirement system come more sharply into focus. The 17th Annual Transamerica Retirement Survey, entitled "*Perspectives on Retirement: Baby Boomers, Generation X, and Millennials,*" found that among the generations, 45% of Baby Boomer workers are expecting a decrease in their standard of living when they retire. Eighty-three percent of Generation X workers believe that their generation will have a harder time achieving financial security than their parents' generation.

And among Millennial workers, the youngest generation in the workforce, only 18 percent are very confident about their future retirement. Today's workers are expecting diverse sources of retirement income. Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments are the most frequently cited source of retirement income expected by workers (78%). Seventy percent of workers expect "Social Security"; however, there is a wide disparity among generations with younger workers less likely to expect it compared to older workers. Company-funded pension plans (25%), home equity (14%), and inheritance (11%) are less often cited. Amid retirement savings shortfalls, American workers are re-tooling our system's three-legged stool into a table by adding a fourth leg: working during retirement. The survey found that 38% of workers are expecting income from continued work during their retirement. The wobbly stool is illustrated by widespread unsettledness among workers:

- Sixty-one percent of workers have not fully recovered from the Great Recession, including 41% who have somewhat recovered, 13% who have not yet begun to recover, and seven percent who may never recover;
- Seventy-seven percent of workers are concerned that Social Security will not be there for them when they are ready to retire;
- Only 51% of workers agree that they are building a large enough retirement nest egg, including only 16% who strongly agree; and
- Sixty-five percent believe that they could work until age 65 and not save enough to meet their needs.

With the November 2016 election in mind, the survey asked workers about priorities for the new President and Congress to help prepare Americans for a financially secure retirement. Workers most frequently cite fully funding Social Security (58%) as a priority, followed by encouraging 401(k) plans to offer the option to pay retirement benefits in a form that guarantees retirees a set monthly income for life (46%), and encouraging employers with a 401(k) or similar plan to enable their part-time workers to participate in the plan (38%). The retirement landscape is ever-evolving. Societally, as the way that we live and work continues to change, we should expect widely held assumptions about retirement to change. Our research examines three generations currently represented in the workforce: Baby Boomers, Generation X, and Millennials. The landscape is now changing so rapidly that it is clear that their retirements will be different from their parents' generation and from each others as well. Baby Boomers (trailblazers of the new retirement) (born 1946 to 1964) are the generation that has re-written societal rules at every stage of their life. Now, Baby Boomer workers are redefining retirement by planning to work until an older age than previous generations. Sixty-six percent plan to or already are working past age 65 or do not plan to retire at all -- and many expect to continue working in retirement, at least on a part-time basis. Most of those who plan to continue working say it is due to income or health benefits. However, Baby Boomers' vision of a flexible transition into retirement may prove difficult since many employers do not have business practices in place to accommodate a flexible transition into retirement. Most Baby Boomers (87%) are expecting Social Security to be a source of their retirement income and one in three (34%) expects

it to be their primary source of income. One-third are expecting income from a traditional pension plan, while most (78%) from 401(k)s, 403(b)s, IRAs and other savings and investments. The current household savings in all retirement accounts among Baby Boomer workers is \$147,000 (estimated median). It should be noted that many Baby Boomers were already mid-career when 401(k) plans were first introduced. Therefore, they have not had a full 40-year time horizon to save in 401(k) plans. Working longer and fully retiring at an older age is a common sense solution for mitigating retirement savings shortfalls. Baby Boomers' vision can only be achieved if they are proactive about staying employable and if employment opportunities are available to them. The survey asked what steps they are taking to help ensure they can continue working. A majority says they are staying healthy (67%), while 56% are performing well at their current job and 40% are keeping job skills up to date. Response rates were much lower for scoping out the employment market (15%), networking (14%), and going back to school (5%). As part of their retirement planning, Baby Boomers should create a Plan B if retirement happens unexpectedly due to job loss, health issues, or other intervening circumstances. Only 25% of Baby Boomer workers have a backup plan for retirement income if forced into retirement sooner than expected. Generation X (the struggling retirement savers) (born 1965 to 1978) entered the workforce in the late 1980s and is the first generation to have access to 401(k) plans for the majority of their working careers. Seventy-seven percent of Generation X workers are saving for retirement and they started at age 28 (median). Among those participating in a 401(k) or similar plan, they contribute seven percent (median) of their annual pay.

Unfortunately, 30% of Generation X retirement plan participants have taken a plan loan or early withdrawal, with commonly cited reasons relating to paying off debt or unplanned major expenses. This may be partly explained by low levels of emergency savings. Generation X workers have saved just \$5,000 (estimated median) to cover the cost of unexpected financial setbacks. Twenty-four percent have saved less than \$1,000 for such emergencies. The total household retirement savings for Generation X is \$69,000 (estimated median). Just 12% are very confident that they will be able to fully retire with a comfortable lifestyle. Generation X has entered its sandwich years, with many in the middle of raising children and looking after aging parents -- while juggling their jobs. They may feel that they cannot afford to invest in their own retirement -- or they may be strapped for time to plan for retirement. Forty percent of Generation X workers agree with the statement, "I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date." Generation X is behind on their retirement savings, but they still have time to catch up if they begin focusing on it right now and start saving more. An excellent starting point is calculating retirement income needs and a savings goal. Fifty-two percent of Generation X workers say that they guessed their retirement savings needs. Just 12% used a retirement calculator or completed a worksheet. One of the most important secrets to attaining retirement readiness is having a well-defined written strategy about retirement income needs, costs and expenses, and risk factors. The majority of Generation X workers (60%) say that they have a retirement strategy, but only 16% have a written plan (the other 44% have a plan but it is not written down).

Millennials (the digital DIY generation of retirement savers) (born 1979 to 2000) are the youngest and largest generation in the workforce. They are also a do-it-yourself generation of retirement savers. Millennial workers most frequently cite self-funded savings (55%) as their expected primary source of retirement income, including 43% expecting to rely on income from 401(k)s, 403(b)s, and IRAs and 12% from other savings and investments. Just 17% are expecting Social Security to be their primary source of income when they retire. Millennials have heard the word that they need to save for retirement. Seventy-two percent of Millennial workers have started saving -- and at the young age of 22 (median). Among those who are offered a 401(k) or similar plan, 72% participate in the plan and contribute 7% (median) of their annual pay. An impressive 30% contribute more than 10% of annual pay. The total household retirement savings among Millennials is \$31,000 (estimated median). Millennials can do more to improve their retirement outlook by learning about investing. Seventy-two percent agree that they do not know as much as they should about retirement investing. Among those currently participating in a 401(k) or similar plan, one in four are "not sure" how their retirement savings are invested. Another 22% indicate their retirement savings are invested mostly in bonds, money market funds, cash, and other stable investments, thereby suggesting that they may be investing too conservatively given their long-term investing horizon until retirement. Hungry for more education, most Millennials (75%) say they would like more information and advice from their employers on how to achieve their retirement goals. Of the three generations, Millennials are most likely to find digital technologies offered by their retirement plan

providers to be helpful, including 80% who find mobile apps for managing their accounts to be helpful (compared to just 48% of Baby Boomers). Surprisingly, Millennials have also made retirement a topic of conversation. The survey found that 22% of Millennial workers frequently discuss saving, investing, and planning for retirement with family and friends, which is more than twice as many as Generation X and Baby Boomer workers (both 10%). Millennials are doing a great job saving for retirement. By learning about investments and through careful planning, many may be well-positioned to achieve a comfortable retirement. Baby Boomers, Generation X, and Millennials face unique circumstances as well as common challenges in achieving long-term financial security. Certain aspects of stabilizing the retirement stool may be beyond their control, especially solutions in which public policy reforms are needed. However, there are many possible actions related to saving, getting educated, vesting, and planning that are within their control. Although preparing for retirement may seem overwhelming for many, taking one step at a time can lead to significant improvements over the long-term. To read the entire survey and its findings visit:

https://www.transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2016_sr_perspectives_on_retirement_baby_boomers_genx_millennials.pdf.

TCRS 1328-0816 (August 2016.)

4. OASDI BENEFICIARIES BY STATE AND COUNTY, 2015: The Social Security Administration, Office of Retirement and Disability Policy,

Office of Research, Evaluation, and Statistics has issued its annual publication *OASDI Beneficiaries by State and County, 2015*. This annual publication focuses on the Social Security beneficiary population -- people receiving Old-Age, Survivors, and Disability Insurance (OASDI) benefits -- at the local level. It presents basic program data on the number and type of beneficiaries and the amount of benefits paid in each state and county. It also shows the numbers of men and women aged 65 or older receiving benefits. This report is a useful planning aid for Social Security Administration field offices and for those providing information to federal, state, and local government agencies. State data on beneficiaries as a percentage of the total resident population and of the population aged 65 or older are shown in Table 1. State data on the number of beneficiaries with benefits in current-payment status and the amount of those benefits are shown in Tables 2 and 3, respectively; the comparable data, by county, are shown in Tables 4 and 5. The data include only persons whose benefits are currently payable. Those whose benefits were withheld are excluded. The data in the report is derived from the Master Beneficiary Record, the principal administrative file of Social Security beneficiaries. The national ZIP + 4 file produced by the U.S. Postal Service is used to designate the beneficiary's state and county. The ZIP + 4 file, which specifies counties in terms of 9-digit ZIP Codes, provides a more accurate designation of counties where ZIP Code areas cross county boundaries than the data available in the Master Beneficiary Record. The monthly benefit reported is the amount Social Security beneficiaries were paid for the month of December. The monthly benefit is the amount payable after any reductions. Some Social

Security beneficiaries have a representative payee -- a person designated by the Social Security Administration to receive their monthly benefit when such action is in the beneficiary's best interest. About 3% of all adult beneficiaries and virtually all child beneficiaries under age 18 have representative payees. For most children, the representative payee is the parent with whom the child resides. For beneficiaries with representative payees, the state and county designations are those of the representative payees, not those of the beneficiaries. To avoid disclosure of the reason for eligibility of small groups and the amount of benefits received, a special procedure (controlled rounding) has been used in preparing Tables 4 and 5. Under this procedure, county data on the number of persons shown in Table 4 are changed according to the following formula: if the number is evenly divisible by 5 (ends in 0 or 5), then the numbers are not changed. Otherwise, the number is rounded either to the next higher multiple of 5 or the next lower multiple of 5, in such a way that the difference between each rounded and unrounded cell value, each rounded and unrounded row total, and each rounded and unrounded column total is less than 5. After the numbers in Table 4 have been rounded, the dollar amounts in Table 5 are proportionately adjusted upward or downward, as appropriate. The totals in Tables 4 and 5 are true totals. Maryland, Missouri, Nevada, and Virginia contain at least one independent city that is not part of a county. For these states, the counties are listed in alphabetical order, followed by the independent cities in alphabetical order. To view this informative 187-page report visit: https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2015/oasdi_sc15.pdf.

5. PENSION REFORM WIN? COURT RULES CALIFORNIA CAN TRIM

CURRENT PUBLIC EMPLOYEES' RETIREMENT: In a potential game-changer for pension reform advocates, the California First District, Court of Appeal has ruled that the Legislature can trim public employee retirement benefits for workers who are still on the job. The unanimous decision rejects widely held assumptions that benefits cannot be reduced once employees start working. That constraint has hindered attempts statewide, and in charter cities such as in San Jose, to meaningfully stem soaring taxpayer costs for pensions. "So long as the Legislature's modifications do not deprive the employee of a "reasonable" pension, there is no constitutional violation" of government workers' rights, the three-justice panel concluded. If union lawyers appeal, it could set up a state Supreme Court fight over whether future public employee pension accruals across California can be altered. The decision came in a Marin County case pertaining to pension spiking, the inflation of workers' final salaries on which the retirement payment calculations are based. The case stems from 2012 legislation passed to correct a gaping loophole exposed in Governor Jerry Brown's proposed pension plan. The appellate court decision affects similar spiking lawsuits in Contra Costa, Alameda and Merced counties. But, much more significantly, the decision might allow alteration of underlying pension formulas statewide. To understand those formulas, consider, for example, most public safety officers in California, if they retired at age 50, their starting pension amounts used to be 2% of final salaries for every year on the job. Starting around 2000, the multiplier was retroactively increased to 3%.

Before 2000, police and firefighters with 30 years of experience and a final salary of \$100,000 a year would retire with a starting annual pension of \$60,000. Now it is \$90,000. Other government workers hired before 2013 received similar but less generous increases. The cost of the extra benefits and the failure to properly set aside funds to later pay the benefits has left California taxpayers with hundreds of billions of dollars of debt -- what the appellate court called "the alarming state of unfunded public pension liabilities." So, why not roll back to the old formula for employees' future years of work? It would be unfair to cut benefits for the work employees have already put in. The issue is whether pension accruals for future labor could be reduced to more affordable levels. The California State Supreme Court ruled more than two decades ago that future accruals are promises that government cannot impair without violating the contract clauses of the state and federal constitutions. Essentially, workers' pension formulas can be increased during their working years but never decreased. It has been dubbed the "California Rule," what University of Minnesota law professor Amy Monahan calls "one of the most protective legal approaches for public employee pension benefits of any state in the country." Some experts have questioned the legal foundation of the California Rule and suggested the California State Supreme Court should revisit it. The Court of Appeal in the Marin case just teed up that issue. "While a public employee does have a "vested right" to a pension, that right is only to a "reasonable" pension -- not an immutable entitlement to the most optimal formula of calculating the pension," wrote Associate Justice James Richman. The decision upholds pension-law changes passed on the last day of the

legislative session in 2012. At the time, Brown was pressing to control pension costs. A last-minute scramble for corrective legislation produced AB 197, authored by then-Assemblywoman Joan Buchanan, D-Alamo. The bill, affecting 20 county-level pension systems across California, limited the pay items that could be counted as compensation when calculating public employees' pensions. The Marin Association of Public Employees sued, claiming that, under the California Rule, historical pension spiking could not be stopped unless employees' losses were offset by comparable new compensation. The appellate court disagreed. "Short of actual abolition, a radical reduction of benefits, or a fiscally unjustifiable increase in employee contributions," changes can be made up until the time the worker retires. If that stands, it would dramatically alter the chances for pension reform in California. To read the entire appellate court decision visit:

https://www.scribd.com/document/321983029/Read-appellate-court-s-game-changing-pension-ruling#from_embed. This piece comes from

Daniel Borenstein, a columnist writing for the eastbaytimes.com.

6. CHANGES TO RETIREMENT SAVINGS SYSTEM MAY

EXACERBATE ECONOMIC INEQUALITY: A shift to defined-contribution retirement plans, such as 401(k) plans, has led to an income and education gap in pension savings that could exacerbate future economic inequality, according to a study presented at the Annual Meeting of the American Sociological Association. The movement towards voluntary, contributory employer pensions has increased the influence of socioeconomic factors, such as education and income

levels, on retirement fund accumulation," said study co-author ChangHwan Kim, an associate professor of sociology at the University of Kansas. Unlike defined-benefit plans, which promise a fixed, pre-established monthly benefit for employees upon retirement, defined-contribution plans entail monthly contributions from employees, and sometimes employers, which are then invested on the employee's behalf. The final amount an employee receives upon retirement depends on total lifetime contribution to his or her account, plus investment gains or losses. A key difference between defined-contribution plans, which have been growing in popularity since 1980, and defined-benefit plans is that workers may choose to opt out of participating in the former. When defined-contribution plans are offered in workplaces, people with a bachelor's degree or higher are 1.2 times more likely to enroll in them than high school graduates even after controlling for the effect of annual earnings, occupation, industry, firm size, and other characteristics, the study found. Furthermore, people with a bachelor's degree or higher save an average of 26% more annually to their defined-contribution retirement accounts than participating high school graduates even if both groups earn the same amount of annual income. "These enrollment and savings decisions may not only be influenced by job factors such as a worker's earnings level, but also by non-labor market mechanisms that may include a person's amount of financial knowledge and his or her concern with planning for the future, of which less educated people may have lower levels," said Kim, who co-authored the study with Christopher Tamborini, a senior researcher for the U.S. Social Security Administration. The researchers examined workforce data from the 2004

and 2008 waves of the Survey of Income and Program Participation, matched to W-2 tax records, as well as the Survey of Consumer Finances and found evidence of an income and education gap in pension savings. "When you have options, sometimes bad things happen," Kim said. "You want to spend your money now, maybe to cover current necessities, but investing less for your retirement during your working years can have future costs that impact your retirement income security." A disparity in retirement savings could exacerbate inequality during retirement, a time in life when income inequality has historically been less prominent, Kim said. "The findings suggest the importance of Social Security benefits moving forward, particularly for low earners," Kim explained.

7. ORLANDO FIRST RESPONDER CANNOT CLAIM PTSD ON

WORKERS' COMP: Gerry Realin, was a first responder the morning of June 12, 2016, when 49 people were killed at Pulse nightclub by ISIS-inspired gunman Omar Mateen. In an article published in the *Orlando Sentinel*, Realin said his small hazmat team normally handled operations such as drug bust clean ups rather than moving bodies, but that he and six other officers worked for hours after the massacre handling victims "with dignity." The 12-year police veteran said that he spent two weeks back at work before beginning to use his leave time because he could not go back on the job. Experts on PTSD, which can occur after traumas such as combat, shootings or sexual violence, say that those who suffer from it sometimes feel as if they are not just remembering but reliving the events that caused it. Realin's psychologist has placed him on "no work"

status, but Florida's law on injuries to first responders does not cover wounds that are only psychological. Realin says he is worried that the leave could end at any time and that he cannot receive workers' compensation for his post-traumatic stress disorder, which has given him flashbacks, nightmares and trouble sleeping. His family and lawyers are hoping that the state legislature will change the law. An Orlando police spokesman told the *Sentinel* that all but two of the police officers who responded to the Pulse massacre have returned to work. Policies about going back on the job in the aftermath of a mass shooting vary tragedy to tragedy, as do states' laws about workman's comp.

8. CARING FOR ELDERLY PARENTS: Nearly 25 million American workers provide informal care for an elderly family member or friend who needs help with basic personal needs and daily activities. This number will probably grow as the post-World War II baby boomers -- all 76 million of them -- continue to age according to the U.S. Department of Labor's Blog. Yet cobbling together time off from work is a real challenge for many caregivers. Some do not have sufficient leave or the ability to take it when they need it. Others simply cannot afford to take leave without pay. Without job protections, others risk losing their jobs if they take time off to deal with these common caregiving demands. Three states -- California, New Jersey and Rhode Island -- have paid family leave programs for workers who are temporarily disabled, or bonding with new children (sometimes called parental leave), and for workers caring for elderly parents and other family members. New York will join them in 2018. These are important policies: workers receive more financial

security, and employers could benefit from, lower staff turnover or other business factors. The Department of Labor has released two research briefs from ongoing commissioned studies examining these programs and how they are working, especially for workers caring for elderly parents. The first brief

<https://www.dol.gov/asp/evaluation/WorkerLeaveStudy/WL-Brief-Leaving-it-to-the-Family.htm>, reports that more than 230,000 workers a year receive paid leave benefits in these three states under the programs. The researchers also explain that family leave benefits for eldercare comprise a small share of overall family leave. For example, in California, 90% or more of those receiving state paid family leave benefits do so for bonding with a new child, and less than 10% are caring for a family member. This is surprising given the number of working Americans who report caring for an elderly parent, and an issue on which additional research is needed. The surprisingly low take-up may be related to a general lack of awareness. A second brief,

<https://www.dol.gov/asp/evaluation/WorkerLeaveStudy/WL-Brief-Understanding-Attitudes-on-Paid-Family-Leave.htm>, based on discussions with working caregivers in several communities in California, New Jersey and Rhode Island, explains there is low awareness of paid family leave programs, and confusion about the benefits provided and how they interact with other kinds of leave. For example, many workers in the discussion groups did not understand the differences between an employer's leave benefits, the state paid leave programs, and the federal program Family and Medical Leave Act, which provides for unpaid, but job-protected, leave. These findings confirm those from earlier research,

which found that over 50% of California workers did not know about the program two years after it started. And a nationwide survey in 2011 found that while about two-thirds of U.S. workers had heard of the FMLA, many were not sure about eligibility and benefits. While program awareness and understanding seems relatively low, when caregivers in the discussion groups heard about what the programs offered, nearly all said the benefits would be valuable to them and their families. One person quoted in the brief said, "It's hard enough to know you have to take care of someone, and now you will not have to have the worry of losing your job or losing money." Several workers in the group who were caring for an elderly parent also mentioned their reluctance to tell employers they were taking time off to provide eldercare, let alone apply for paid family leave benefits, because they worried about repercussions at work. The experiences in states that have made paid family leave a reality provide an important policy lesson: the number of workers using the benefits is growing, but the programs may be underused in part because many workers did not know about them. Getting the word out more broadly could have short and long-term benefits for both workers and employers.

9. HOMELESS WOMAN PROVES SOCIAL SECURITY OWES HER

\$100,000: For years, Wanda Witter has lived on the streets in Washington, D.C., trying to persuade officials that Social Security owes her more than \$100,000. For years, the 80-year-old woman says people dismissed her as crazy. Finally someone listened -- and now, her attorney says, she is about to get a \$99,999 payout. Witter moved to the

District of Columbia in 1999 to seek work after losing her job as a machinist in New York years earlier, according to the *Washington Post*. But even though Witter had earned a paralegal certificate to prepare for a new career, she remained jobless. In 2006, she decided to draw Social Security benefits. However, the monthly checks varied wildly, from \$900 to \$300. Believing the checks were wrong, Witter did not cash them and sought help. "If I just cashed them, who would believe me that they were wrong?" Witter said. She remained homeless, bedding down on the concrete in a sleeping bag. She kept a tower of three suitcases, containing her Social Security paperwork, next to her. In 2015, social worker Julie Turner listened. Instead of dismissing Witter as crazy, Turner patiently waded through her documents and verified her story. Turner said "she had all the paperwork there, neatly organized, in order. She was right all along. They did owe her all that money," Turner took Witter to attorney Daniela de la Piedra, who took on her case. In June, a Social Security official finally acknowledged Witter's case and wrote her a \$999 check -- the most that could be written on the spot. Last week, Witter received her first full payment -- \$1,464. Witter should receive a \$99,999 Social Security check "in the next few days," De la Piedra said. Once all the paperwork is taken care of, the lawyer said it is possible Witter may be owed even more. Witter recently moved into a studio apartment on Capitol Hill. Social Security officials have declined to comment.

10. IS SOMEONE YOU KNOW WONDERING “WHO” FICA IS?: Social Security’s Acting Commissioner, Carolyn W. Colvin, likes to tell this

amusing story. A colleague's teenage daughter came home bursting with excitement after receiving her first paycheck, but she had one question about her earnings statement. "Well, Dad" -- she asked him earnestly -- "who is this FICA?" If you are a seasoned worker, you probably know that this is a federal tax on wages. Two taxes, really. FICA stands for "Federal Insurance Contributions Act." This is the law that funds both Social Security and Medicare through payroll taxes. Employees share this cost with their employer. Your FICA contributions earn Social Security credits. For 2016, you need to make \$1,260 in wages to earn one credit. You can earn up to four credits a year. Most of today's workers need at least 40 credits to apply for retirement benefits, which is equal to ten years of work. However, you have to be old enough to retire. Social Security also pays benefits to workers who become severely disabled, and to survivors when a worker dies. The number of credits you need to qualify for these benefits depends on your age when you become disabled or die. You can get Social Security retirement benefits as early as age 62. If you retire before your full retirement age, your benefit will be smaller. Your benefit will be highest if you put off retirement until you're 70. SSA bases your retirement benefit on your average earnings over your working years. Your FICA contributions also pay for Medicare hospital insurance. Medicare is the country's health insurance program for people age 65 or older. People younger than 65 with certain disabilities or permanent kidney failure can also qualify for Medicare. You can find everything you want to know about Medicare at Medicare.gov. If FICA were a person, she would have plenty to juggle! Social Security covers an estimated 165 million workers. The program

pays benefits to about 40 million retired workers, 9 million workers with disabilities, and 6 million survivors of workers who have died. It also helps about 5 million dependent family members. The equivalent law for self-employed workers is the "Self-Employment Contributions Act," or SECA. If you are self-employed, you pay both worker and employer contributions toward Social Security and Medicare. The employer share counts as a deductible business expense. SSA makes it easy to get estimates of your future retirement, survivors, and disability benefits. By creating a my Social Security account, workers have 24-hour access to their personalized Social Security Statement. Besides showing your future benefits, the Statement lets you check to be sure the earnings information the SSA has for you is correct.

11. SIGNS TO GET YOU THROUGH THE DAY: Cure for an obsession, get another one.

12. AGING GRACEFULLY: The kids text me "plz" which is shorter than please. I text back "no" which is shorter than "yes."

13. TODAY IN HISTORY: In 1718, hundreds of French colonists arrive in Louisiana; New Orleans found.

14. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest

assured that we will not publish any names as referring sources.

15. PLEASE SHARE OUR NEWSLETTER: Our newsletter readership is not limited to the number of people who choose to enter a free subscription. Many pension board administrators provide hard copies in their meeting agenda. Other administrators forward the newsletter electronically to trustees. In any event, please tell those you feel may be interested that they can subscribe to their own free copy of the newsletter at <http://www.cypen.com/subscribe.htm>.

16. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED RETIREMENT BENEFIT.