

# ASSEMBLY, No. 4905

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 29, 2020

**Sponsored by:**

**Assemblyman WILLIAM F. MOEN, JR.**

**District 5 (Camden and Gloucester)**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**Co-Sponsored by:**

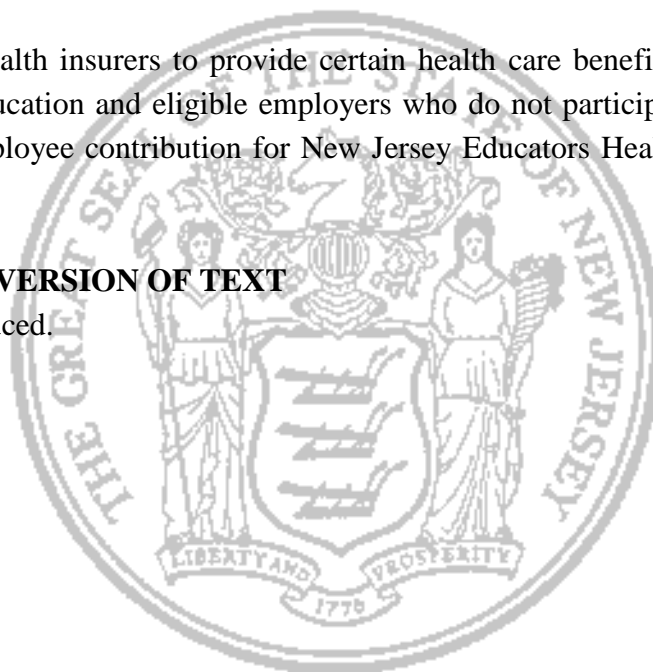
**Assemblyman Dancer, Assemblywoman Jasey, Assemblyman McKeon,  
Assemblywoman Timberlake, Senators Greenstein, Pou and Singleton**

**SYNOPSIS**

Allows health insurers to provide certain health care benefit plans to local boards of education and eligible employers who do not participate in SEHBP; modifies employee contribution for New Jersey Educators Health Plan and its equivalent.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/16/2020)**

1 AN ACT concerning the health care benefit plans provided by health  
2 insurers to local boards of education and eligible employers who  
3 do not participate in the School Employees' Health Benefits  
4 Program and amending P.L.2020, c.44.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. Section 2 of P.L.2020, c.44 (C.52:14-17.46.14) is amended to  
10 read as follows:

11 2. a. Each employee, and retiree who is not Medicare-eligible  
12 and who is required by another provision of law to contribute in  
13 retirement toward the cost of health care benefits coverage under the  
14 program, shall contribute annually toward the cost of health care  
15 benefits coverage for the employee and retiree, and dependents if  
16 any, under the New Jersey Educators Health Plan offered by the  
17 School Employees' Health Benefits Program an amount equal to a  
18 percentage of the employee's annual base salary or retiree's annual  
19 retirement allowance, including any cost of living adjustments to that  
20 allowance. The contribution shall be withheld by the employer from  
21 the salary of the employee or by the retirement system from the  
22 retirement allowance, including any cost of living adjustments to that  
23 allowance, of the retiree who is not Medicare-eligible. The percent to  
24 be contributed shall be as follows with the retirement allowance  
25 including any cost of living adjustments to that allowance:

26 For Base Salary or Retirement Allowance of \$40,000 or Less:  
27 1.7% for Single Coverage; 2.2% for Parent and Child(ren) Coverage;  
28 2.8% for Employee and Spouse Coverage; and 3.3% for Family  
29 Coverage

30 For Base Salary or Retirement Allowance of more than \$40,000 to  
31 \$50,000: 1.9% for Single Coverage; 2.5% for Parent and Child(ren)  
32 Coverage; 3.3% for Employee and Spouse Coverage; and 3.9% for  
33 Family Coverage

34 For Base Salary or Retirement Allowance of more than \$50,000 to  
35 \$60,000: 2.2% for Single Coverage; 2.8% for Parent and Child(ren)  
36 Coverage; 3.9% for Employee and Spouse Coverage; and 4.4% for  
37 Family Coverage

38 For Base Salary or Retirement Allowance of more than \$60,000 to  
39 \$70,000: 2.5% for Single Coverage; 3% for Parent and Child(ren)  
40 Coverage; 4.4% for Employee and Spouse Coverage; and 5% for  
41 Family Coverage

42 For Base Salary or Retirement Allowance of more than \$70,000 to  
43 \$80,000: 2.8% for Single Coverage; 3.3% for Parent and Child(ren)  
44 Coverage; 5% for Employee and Spouse Coverage; and 5.5% for  
45 Family Coverage

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 For Base Salary or Retirement Allowance of more than \$80,000 to  
2 \$90,000: 3% for Single Coverage; 3.6% for Parent and Child(ren)  
3 Coverage; 5.5% for Employee and Spouse Coverage; and 6% for  
4 Family Coverage

5 For Base Salary or Retirement Allowance of more than \$90,000 to  
6 \$100,000: 3.3% for Single Coverage; 3.9% for Parent and Child(ren)  
7 Coverage; 6% for Employee and Spouse Coverage; and 6.6% for  
8 Family Coverage

9 For Base Salary or Retirement Allowance of more than \$100,000 to  
10 \$125,000: 3.6% for Single Coverage; 4.4% for Parent and Child(ren)  
11 Coverage; 6.6% for Employee and Spouse Coverage; and 7.2% for  
12 Family Coverage

13 When the base salary or retirement allowance is more than  
14 \$125,000, the **[percent]** amount to be contributed shall be the same  
15 as for a base salary or retirement allowance of \$125,000.

16 b. Each employee, and retiree who is not Medicare-eligible and  
17 who is required by another provision of law to contribute in  
18 retirement toward the cost of health care benefits coverage under the  
19 program, shall contribute annually toward the cost of health care  
20 benefits coverage for the employee and retiree, and dependents if  
21 any, under the Garden State Health Plan offered by the School  
22 Employees' Health Benefits Program an amount equal to a percentage  
23 of the employee's annual salary or retiree's annual retirement  
24 allowance, including any cost of living adjustments to that allowance.  
25 The contribution shall be withheld by the employer from the salary  
26 of the employee or by the retirement system from the retirement  
27 allowance, including any cost of living adjustments to that allowance,  
28 of the retiree who is not Medicare-eligible. The percent to be  
29 contributed shall be one-half of the percentage set forth in subsection  
30 a. of this section for the salary or retirement allowance range and type  
31 of coverage, except that the contribution specified in this subsection  
32 shall not be less than the minimum annual contribution for health care  
33 benefits coverage of 1.5% of salary or retirement allowance,  
34 including any cost of living adjustments to that allowance, as  
35 required by law.

36 c. (1) An employee enrolled in the New Jersey Educators  
37 Health Plan or the Garden State Health Plan shall be required to pay  
38 only the contribution specified in subsection a. or b. of this section,  
39 notwithstanding any other provision of law, rule, or regulation to the  
40 contrary requiring contributions by employees toward the cost of  
41 health care benefits coverage under the program, except as provided  
42 in subsection b. of this section. No other contribution may be required  
43 by collective negotiations agreement, except as set forth in  
44 subsection h. of this section.

45 (2) Only those retirees who are not Medicare-eligible and who are  
46 required by another provision of law to contribute in retirement  
47 toward the cost of health care coverage under the program shall be  
48 required to pay the contribution specified in subsection a. or b. of this

1 section for coverage under the New Jersey Educators Health Plan or  
2 the Garden State Health Plan.

3 A retiree who is not Medicare-eligible, who is enrolled in the New  
4 Jersey Educators Health Plan or the Garden State Health Plan, and  
5 who is required by another provision of law to contribute in  
6 retirement toward the cost of health care coverage under the program  
7 shall be required to pay only the contribution specified in subsection  
8 a. or b. of this section, notwithstanding the provisions of section 77  
9 of P.L.2011, c.78 (C.52:14-17.28e), section 3 of P.L.1987, c.384  
10 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1), or  
11 section 1 of P.L.1995, c.357 (C.52:14-17.32f2) to the contrary  
12 requiring contributions by retirees toward the cost of health care  
13 benefits coverage under the program, except as provided in  
14 subsection b. of this section.

15 d. Employees who are not enrolled in the New Jersey Educators  
16 Health Plan or the Garden State Health Plan shall continue, after the  
17 effective date of this act, P.L.2020, c.44, to contribute to health care  
18 benefits coverage and those contributions shall be determined in  
19 accordance with what is permitted or required by provisions of law.

20 An employee who is enrolled in a plan other than the New Jersey  
21 Educators Health Plan or the Garden State Health Plan shall be  
22 required to contribute toward the cost of health care benefits  
23 coverage under the program (a) in accordance with a collective  
24 negotiations agreement applicable to that employee as negotiated  
25 prior to or after the effective date of this act, P.L.2020, c.44, pursuant  
26 to the requirements that were set forth in law on the day next  
27 preceding that effective date; (b) as may be required at the discretion  
28 of the employer; or (c) as required by a provision of law, whichever  
29 is applicable to that employee.

30 With regard to contributions by an employee who is enrolled in a  
31 plan other than the New Jersey Educators Health Plan or the Garden  
32 State Health Plan, no provision in this section shall be deemed to  
33 modify, alter, impair, or terminate the requirement in sections 77 and  
34 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as  
35 applicable, that a public employer and employees who were in  
36 negotiations for the collective negotiations agreement to be executed  
37 after the employees in that unit had reached full implementation of  
38 the premium share set forth in section 39 of P.L.2011, c.78 (C.52:14-  
39 17.28c) shall conduct negotiations concerning contributions for  
40 health care benefits as if the full premium share was included in the  
41 prior contract. Nothing in this act shall be deemed to modify, alter,  
42 impair, or terminate the continued compliance after the effective date  
43 of this act with that requirement for negotiations for any collective  
44 negotiations agreement for employee contributions for plans other  
45 than the New Jersey Educators Health Plan or the Garden State  
46 Health Plan.

47 e. For an employee, the annual base salary paid by the employer  
48 for the position held by the employee shall be used to identify the

1 percentage to be used to calculate the annual contribution required  
2 under subsections a. and b. of section 2 of this act. For a retiree who  
3 is not Medicare-eligible, the annual retirement allowance, including  
4 any cost of living adjustments to that allowance, received by the  
5 retiree shall be used to identify the percentage to be used to calculate  
6 the annual contribution required under subsections a. and b. of  
7 section 2 of this act.

8 f. The annual contribution by an employee or a retiree who is  
9 not Medicare-eligible as calculated in accordance with subsection a.  
10 or b. of this section shall not exceed the amount as calculated in  
11 accordance with section 4 of this act, P.L.2020, c.44 (C.52:14-  
12 17.46.16).

13 g. The contributions required by this section shall apply to  
14 employees for whom the employer has assumed a health care benefits  
15 payment obligation, to require that such employees pay the amount  
16 of contribution specified in this section for health care benefits  
17 coverage. The contributions required by this section shall apply to  
18 retirees for whom the State has assumed a health care benefits  
19 payment obligation but who are required by law to contribute toward  
20 the cost of health care benefits coverage under the program, to require  
21 that such retirees pay the amount of contribution specified in this  
22 section for health care benefits coverage.

23 h. For the plan year that commences on January 1, 2028 and for  
24 each plan year thereafter, the contributions required pursuant to  
25 subsections a. and b. of this section for employees enrolled in the  
26 New Jersey Educators Health Plan or the Garden State Health Plan  
27 may be modified through collective negotiations agreements entered  
28 into between the employers who participate in the School Employees'  
29 Health Benefits Program and their employees. The contributions  
30 required pursuant to subsections a. and b. of this section shall become  
31 part of the parties' collective negotiations and shall then be subject to  
32 collective negotiations in a manner similar to other negotiable items  
33 between the parties. Negotiations concerning contributions for health  
34 care benefits shall be conducted as if the contributions required  
35 pursuant to subsections a. and b. of this section were included in the  
36 prior contract. The contribution scheme of percentage of base salary  
37 set forth in those subsections may be modified or a new contribution  
38 scheme or method other than a percentage of salary may be provided  
39 for in accordance with a collective negotiations agreement.

40 i. Modifications to the contribution rates set forth in this section  
41 made by the School Employees' Health Benefits Plan Design  
42 Committee or the State Treasurer pursuant to section 7 of this act  
43 shall be implemented by the program for the purposes of this section  
44 commencing January 1, 2024.

45 (cf: P.L.2020, c.44, s.2)

46

47 2. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to  
48 read as follows:

1       5. This section shall apply to local boards of education and  
2 employers, as specified in subsection j. of this section, who do not  
3 participate in the School Employees' Health Benefits Program.

4       Any health insurance company may provide to local boards of  
5 education and to those employers defined pursuant to section 32 of  
6 P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the  
7 School Employees' Health Benefits Program the equivalent of the  
8 New Jersey Educators Health Plan in the School Employees' Health  
9 Benefits Program as that plan design is described in subsection f. of  
10 section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State  
11 Health Plan as that plan design is described in subsection d. of section  
12 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the  
13 provisions of any other law, rule, or regulation, including any  
14 regulation of the New Jersey Department of Banking and Insurance,  
15 to the contrary. As used in this subsection, "health insurance  
16 company" means and includes a health, hospital, and medical service  
17 corporation; commercial individual, small employer, and larger  
18 group health insurer; and a health maintenance organization.

19       a. (1) Notwithstanding the provisions of any other law, rule,  
20 or regulation to the contrary, beginning January 1, 2021 and for each  
21 plan year thereafter, a board of education as an employer providing  
22 health care benefits coverage for its employees, and their dependents  
23 if any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.)  
24 shall offer to its employees, and their dependents if any, the  
25 equivalent of the New Jersey Educators Health Plan in the School  
26 Employees' Health Benefits Program as that plan design is described  
27 in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-17.46.13).

28       Beginning July 1, 2021 and for each plan year thereafter, a board  
29 of education as an employer providing health care benefits coverage  
30 for its employees, and their dependents if any, in accordance with  
31 P.L.1979, c.391 (C.18A:16-12 et seq.) shall also offer a plan for its  
32 employees, and their dependents if any, that is the equivalent of the  
33 Garden State Health Plan in the School Employees' Health Benefits  
34 Program.

35       (2) The plans under this section shall be offered by the employer  
36 regardless of any collective negotiations agreement between the  
37 employer and its employees in effect on the effective date of this act,  
38 P.L.2020, c.44, that provides for enrollment in other plans offered by  
39 the employer.

40       No new health care benefits plans, other than those specified in  
41 paragraph (1) of this subsection, shall be added by the employer from  
42 January 1, 2021 through December 31, 2027 unless the provisions of  
43 any collective negotiations agreement entered into before or after the  
44 effective date of this act, P.L.2020, c.44, result in additional premium  
45 cost reductions. Nothing in this section shall prohibit an employer  
46 from offering health care benefits plans that existed prior to the  
47 effective date of this act.

1 (3) Commencing January 1, 2028, the employer may offer such  
2 other plans as may be required in accordance with any collective  
3 negotiations agreement between the employer and its employees.

4 b. Prior to January 1, 2021, each employer shall provide an  
5 enrollment period during which all employees who commenced  
6 employment prior to the effective date of this act shall be required to  
7 select affirmatively a plan provided by the employer. If an employee  
8 fails to select affirmatively a plan during this enrollment period, the  
9 employer shall enroll the employee, and the employee's dependents  
10 if any, in the equivalent New Jersey Educators Health Plan offered  
11 pursuant to subsection a. of this section for the year January 1, 2021  
12 until December 31, 2021.

13 During the enrollment period, each person who is enrolled in a  
14 plan offered by the employer and who is paying the full cost of  
15 coverage shall also be required to select affirmatively a plan provided  
16 by the employer. If a person fails to select affirmatively a plan during  
17 this enrollment period, the employer shall enroll the person, and the  
18 person's dependents if any, in the equivalent New Jersey Educators  
19 Health Plan offered pursuant to subsection a. of this section for the  
20 year January 1, 2021 until December 31, 2021. Any such person shall  
21 continue to pay the full cost of coverage and shall not be subject to  
22 the contribution schedule or any mandatory enrollment period as set  
23 forth in this section.

24 c. (1) Beginning on January 1, 2021, an employee commencing  
25 employment on or after the effective date of this act but before  
26 January 1, 2028 who does not waive coverage, shall be enrolled by  
27 the employer in the equivalent New Jersey Educators Health Plan, or  
28 the equivalent Garden State Health Plan if selected by the employee,  
29 as those plans are offered pursuant to subsection a. of this section.  
30 The employee shall remain enrolled in either the equivalent New  
31 Jersey Educators Health Plan or the equivalent Garden State Health  
32 Plan selected by the employee at the annual open enrollment for each  
33 plan year until December 31, 2027, provided that the employee  
34 during this period may waive coverage as an employee and select and  
35 change the type of coverage received under the plan following a  
36 qualifying life event, in accordance with the plan regulations.  
37 Beginning January 1, 2028, the employee may select, during any  
38 open enrollment period or at such other times or under such  
39 conditions as the employer may provide, any plan offered by the  
40 employer.

41 (2) Except as otherwise provided in this subsection or subsection  
42 b. of this section, selection of a plan shall be at the sole discretion of  
43 the employee.

44 d. An employee shall contribute annually toward the cost of  
45 health care benefits coverage for the employee, and employee's  
46 dependents if any, the amount specified, in the manner specified, in  
47 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-  
48 17.46.14) if the employee, and the employee's dependents if any, are

1 enrolled in the equivalent New Jersey Educators Health Plan or the  
2 equivalent Garden State Health Plan offered pursuant to subsection  
3 a. of this section. An employee's contribution toward the cost of  
4 coverage under the equivalent Garden State Health Plan offered  
5 pursuant to subsection a. of this section shall be the amount required  
6 in subsection b. of section 2 of this act, except that the contribution  
7 specified in that subsection shall not be less than the minimum annual  
8 contribution for health care benefits coverage of 1.5% of salary as  
9 required by law.

10 e. (1) An employee enrolled in the equivalent New Jersey  
11 Educators Health Plan or the equivalent Garden State Health Plan  
12 offered pursuant to subsection a. of this section shall be required to  
13 pay only the contribution specified in subsections a. and b. of section  
14 2 of this act, notwithstanding any other provision of law, rule, or  
15 regulation to the contrary requiring contributions by employees  
16 toward the cost of health care benefits coverage provided by an  
17 employer, except as provided in subsection d. of this section. No  
18 other contribution may be required by collective negotiations  
19 agreement, except as set forth in subsection i. of this section.

20 (2) Employees who are not enrolled in the equivalent New Jersey  
21 Educators Health Plan or the equivalent Garden State Health Plan  
22 offered pursuant to subsection a. of this section shall continue, after  
23 the effective date of this act, P.L.2020, c.44, to contribute to health  
24 care benefits coverage and those contributions shall be determined in  
25 accordance with what is permitted or required by provisions of law.

26 An employee who is enrolled in a plan other than the equivalent  
27 New Jersey Educators Health Plan or the equivalent Garden State  
28 Health Plan offered pursuant to subsection a. of this section shall be  
29 required to contribute toward the cost of health care benefits  
30 coverage offered by the employer (a) in accordance with a collective  
31 negotiations agreement applicable to that employee as negotiated  
32 prior to or after the effective date of this act pursuant to the  
33 requirements that were set forth in law on the day next preceding that  
34 effective date; (b) as may be required at the discretion of the  
35 employer; or (c) as required by a provision of law, whichever is  
36 applicable to that employee.

37 With regard to contributions by an employee who is enrolled in a  
38 plan other than the equivalent New Jersey Educators Health Plan or  
39 the equivalent Garden State Health Plan offered pursuant to  
40 subsection a. of this section, no provision in this section shall be  
41 deemed to modify, alter, impair, or terminate the requirement in  
42 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-  
43 17.28e), as applicable, that a public employer and employees who are  
44 in negotiations for the collective negotiations agreement to be  
45 executed after the employees in that unit had reached full  
46 implementation of the premium share set forth in section 39 of  
47 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations  
48 concerning contributions for health care benefits as if the full



1 premium share was included in the prior contract. Nothing in this act  
2 shall be deemed to modify, alter, impair, or terminate the continued  
3 compliance after the effective date of this act with that requirement  
4 for negotiations for any collective negotiations agreement for  
5 employee contributions for plans other than the equivalent New  
6 Jersey Educators Health Plan or the equivalent Garden State Health  
7 Plan offered pursuant to subsection a. of this section.

8 (3) For an employee, the annual base salary paid by the employer  
9 for the position held by the employee shall be used to identify the  
10 percentage to be used to calculate the annual contribution required  
11 under subsections a. and b. of section 2 of this act.

12 f. The annual contribution by an employee as calculated in  
13 accordance with subsection a. or b. of section 2 of this act shall not  
14 exceed the amount as calculated in accordance with section 4 of this  
15 act.

16 g. The contributions required by this section shall apply to  
17 employees for whom the employer has assumed a health care benefits  
18 payment obligation, to require that such employees pay the amount  
19 of contribution specified in this section for health care benefits  
20 coverage.

21 h. The level of benefits in the equivalent New Jersey Educators  
22 Health Plan and the equivalent Garden State Health Plan offered by  
23 the employer shall remain unchanged until December 31, 2027. No  
24 change in the level of benefits in those plans shall be made before  
25 that date unless such a change is required by federal or State law to  
26 governmental health care benefits plans or to both governmental and  
27 non-governmental health care benefits plans.

28 Commencing January 1, 2028 and for each plan year thereafter,  
29 the level of benefits in the equivalent New Jersey Educators Health  
30 Plan and the equivalent Garden State Health Plan offered by the  
31 employer may be modified by the employer in accordance with  
32 collective negotiations agreements entered into between the  
33 employers who do not participate in the School Employees' Health  
34 Benefits Program and their employees, or as otherwise permitted by  
35 law.

36 i. Commencing January 1, 2028 and for each plan year  
37 thereafter, the contributions required pursuant to subsections a. and  
38 b. of section 2 of this act for employees enrolled in the equivalent  
39 New Jersey Educators Health Plan or the equivalent Garden State  
40 Health Plan offered pursuant to subsection a. of this section may be  
41 modified in accordance with collective negotiations agreements  
42 entered into between the employers who do not participate in the  
43 School Employees' Health Benefits Program and their employees.  
44 The contributions required pursuant to subsections a. and b. of  
45 section 2 of this act shall become part of the parties' collective  
46 negotiations and shall then be subject to collective negotiations in a  
47 manner similar to other negotiable items between the parties.  
48 Negotiations concerning contributions for health care benefits shall

1 be conducted as if the contributions required pursuant to subsections  
2 a. and b. of section 2 of this act were included in the prior contract.  
3 The contribution scheme of the percentage of base salary set forth in  
4 those subsections may be modified or a new contribution scheme or  
5 method other than a percentage of salary may be provided for in  
6 accordance with a collective negotiations agreement.

7 j. Modifications to plan design of the plans set forth in section  
8 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to the  
9 employee contribution rates set forth in subsections a. and b. of  
10 section 2 of this act, made by the School Employees' Health Benefits  
11 Plan Design Committee or the State Treasurer pursuant to section 7  
12 of this act shall be implemented for the purposes of this section by  
13 the employer commencing January 1, 2024.

14 k. This section shall also apply also when health care benefits  
15 coverage is provided though an insurance fund or joint insurance  
16 fund or any other manner. This section shall apply to any employer,  
17 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-  
18 17.46.2), that is not a participating employer in the School  
19 Employees' Health Benefits Program.  
20 (cf: P.L.2020, c.44, s.5)

21

22 3. This act shall take effect immediately.

23

24

25 STATEMENT

26

27 This bill allows health insurance companies in this State to provide  
28 health care benefit plans that are equivalent to the New Jersey  
29 Educators Health Plan and the Garden State Health Plan offered by  
30 the School Employees' Health Benefits Program (SEHBP) to local  
31 boards of education and other eligible employers who do not  
32 participate in the SEHBP, notwithstanding the provisions of any  
33 other law, rule, or regulation, including any regulation of the State  
34 Department of Banking and Insurance, to the contrary. Health  
35 insurance company means and includes health, hospital, and medical  
36 service corporations; commercial individual, small employer, and  
37 larger group health insurers; and health maintenance organizations.

38 The bill also modifies the contribution to be made by school  
39 district employees who earn more than \$125,000 annually to require  
40 that they pay the same amount for the New Jersey Educators Health  
41 Plan as those who earn \$125,000, rather than a percentage of salary.