

AGENDA

MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 North Lake Avenue, Suite 810
Pasadena, CA 91101

June 14, 2012 - 9:00 A.M.**

COMMITTEE MEMBERS:

Les Robbins, Chair
Simon S. Russin, Vice Chair
Marvin Adams
William de la Garza
Shawn R. Kehoe, Alternate

- I. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT
- II. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF MAY 17, 2012
- III. ACTION ITEMS
 - A. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt Legislative Policy Standards. (Memorandum dated May 31, 2012)
- IV. FOR INFORMATION
 - A. Proposed Ballot Initiative – “Government Employee Pension Reform Act”
Cynthia Lau, Legislative Affairs Officer
 - B. Senate Bill 1234 – “California Secure Choice Retirement Savings Act”
Cynthia Lau, Legislative Affairs Officer
 - C. Staff Activities Report for May, 2012
 - D. CIGNA & Anthem Blue Cross Claims Experience
 - E. Federal Legislation
 - Weekly Highlights – May 29, 2012
 - Weekly Highlights – May 21, 2012
 - Weekly Highlights – May 14, 2012
 - Weekly Highlights – May 7, 2012

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V. MISCELLANEOUS

VI. PUBLIC COMMENT

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT *and*
SET TIME FOR OPERATIONS OVERSIGHT COMMITTEE MEETING

***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.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

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.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

JUNE 14, 2012, 10:45 A.M. – 11:10 A.M.

COMMITTEE MEMBERS

PRESENT: Les Robbins, Chair
Simon S. Russin, Vice Chair
Marvin Adams
William de la Garza
Shawn R. Kehoe, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Sadonya Antebi
Yves Chery
Ed C. Morris

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Cynthia Lau
Robb Van Der Volgen

Mercer Human Resource Consulting

Clay Levister
Laurie Silva

The meeting was called to order by Chairman Robbins at 10:45 a.m.

I. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE
OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT

All regular members of the Committee were present.

II. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF MAY 17, 2012

A motion was made by Mr. Russin, seconded by Mr. Adams, to approve the minutes of the special meeting of May 17, 2012. The motion passed unanimously.

III. ACTION ITEMS

- A. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt Legislative Policy Standards. (Memorandum dated May 31, 2012)

With the increasing number of bills being presented for review and consideration each year, staff believes it would be useful to have legislative policy standards to guide in formulating positions and recommendations on legislation. Staff presented a draft Legislative Policy document for the Committee's consideration.

A motion was made by Mr. de la Garza, seconded by Mr. Adams, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

- A. Proposed Ballot Initiative – "Government Employee Pension Reform Act"
Cynthia Lau, Legislative Affairs Officer

The following ballot initiative has been cleared for circulation, with a deadline of October 4, 2012. However, signatures would have to be qualified by June 28 to make it on the November ballot.

A.G. File No. 12-008, "Government Employee Pension Reform Act"
(Thomas W. Hiltachk) which mirrors the Governor's draft language provided to the Conference Committee on Public Employee Pensions earlier this year. An analysis of this initiative by the Legislative Analysts' Office concludes that cost savings would be dependent on how the measure is interpreted and administered and would vary from one public employer to another.

Staff provided a written analysis of the Governor's 12-Point Pension Reform Plan to the Board of Retirement at the March 15, 2012 meeting.

IV. FOR INFORMATION (Continued)

B. Senate Bill 1234 – “California Secure Choice Retirement Savings Act”
Cynthia Lau, Legislative Affairs Officer

An information report on this bill was presented at the May 17, 2012 Committee meeting. At that time, Mr. Kehoe requested staff conduct additional research on how requirements under ERISA would impact the bill.

This bill would create a state-administered retirement savings program for private sector employees. This program would be subject to ERISA rules, and changes would be required to both ERISA and the Internal Revenue Code prior to contributions being taken.

Changes to ERISA would be:

- To allow for a multiple employer structure for unconnected employers to join together in a common plan.
- To ensure that errors or wrongful acts committed by one employer would not adversely affect other employers.

Additionally, the Internal Revenue Code would need to be amended in order to permit tax-deferred employee contributions under the program.

C. Staff Activities Report for May, 2012

The staff activities report was discussed.

D. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through April 2012 were discussed.

E. Federal Legislation

- Weekly Highlights – May 29, 2012
- Weekly Highlights – May 21, 2012
- Weekly Highlights – May 14, 2012
- Weekly Highlights – May 7, 2012

Submitted for information only.

V. MISCELLANEOUS

We have confirmed with CVS that they will now have a dedicated unit to handle LACERA's member calls. LACERA staff participated in a training session, via conference call, to familiarize the new unit with issues specific to LACERA.

VI. PUBLIC COMMENT

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT

The meeting adjourned at 11:10 a.m., after setting the time for the Operations Oversight Committee at 11:15 a.m.

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