

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CA
9:00 A.M., WEDNESDAY, APRIL 6, 2016

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of March 2, 2016
- IV. REPORT ON CLOSED SESSION ITEMS
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. Service Awards
 - 2. February 2016 All Stars
 - 3. Chief Executive Officer's Report
(Memo dated March 28, 2016)
- VI. PUBLIC COMMENT
- VII. CONSENT AGENDA
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals.

VII. CONSENT AGENDA (Continued)

- B. Requests for an administrative hearing before a referee.
(Memo dated March 18, 2016)
- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service connected disability retirement in the case of **Carol I. Caudle**. (Memo dated March 22, 2016)
- D. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated March 24, 2016)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt an “Oppose” position on Assembly Bill 1812, which limits the maximum retirement benefit payable for public employees who become members of a public retirement system on or after January 1, 2017.
(Memo dated March 24, 2016)
- B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Support” position on Assembly Bill 2376, which amends the definition of Plan D in the Prospective Plan Transfer provisions and authorizes regulations relating to sworn statements in the County Employees Retirement Law of 1937. (Memo dated March 28, 2016)
(Supplemental Agenda – Memo dated March 28, 2016)
- C. Recommendation as submitted by Marvin Adams, Chair, Travel Policy Committee: That the Board approve the proposed revised Education and Travel Policy. (Memo dated March 24, 2016)
- D. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Board 1) Approve the fiscal year 2016/2017 rate renewal proposal and contractual benefit changes; and 2) Increase LACERA’s administrative fee to \$8 per member, per plan, per month. (Memo dated March 28, 2016)

VIII. NON-CONSENT AGENDA (Continued)

- E. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel, Legal Division: That the Board 1) Adopt the Resolutions specifying pay items as “compensation earnable” and “pensionable compensation;” and 2) Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the qualifying items in the calculation of final compensation. (Memo dated March 25, 2016)
- F. For Information Only as submitted by Michael D. Herrera, Senior Staff Counsel, regarding the Board's authority and discretion in collection of overpaid benefits and underpaid member contributions. (Memo dated March 15, 2016)
- G. For Information Only as submitted by Francis J. Boyd, Senior Staff Counsel, regarding the Publication of *Astorga v. Retirement of the Santa Barbara County Employees Retirement System*. (Memo dated March 25, 2016)
- H. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding Assembly Bill 1853 – Retirement System Governance. (Memo dated March 25, 2016)

IX. REPORT ON STAFF ACTION ITEMS

- X. GOOD OF THE ORDER
(For information purposes only)

XI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

- A. Applications for Disability
- B. Referee Reports

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION (Continued)

C. Staff Recommendations

1. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board adopt the Proposed Findings of Fact and Conclusions of Law granting **Michel J. Singer** for an earlier effective date pursuant to Government Code Section 31724. (Memo dated March 9, 2016)
2. Recommendation as submitted by Allison E. Barrett, Senior Staff Counsel, Disability Litigation: That the Board find that the service-connected disability retirement application of **Joseph P. Ruggiero** be deemed filed on the day after the last day of regular compensation in accordance with Government Code Section 31724. (Letter dated March 9, 2016)
3. Recommendation as submitted by Vincent A. Lim, Chief Counsel, Disability Litigation: That the Board find that **Robert D. Campbell** delayed the filing of his application for disability retirement because he was unable to ascertain the permanency of his incapacity and that his application be deemed filed on the first day of incapacity, September 30, 2010. (Letter dated February 2, 2016)

XIII. EXECUTIVE SESSION

A. Conference with Legal Counsel - Anticipated Litigation Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

1. Administrative Appeal of Ralph Ruedas
2. Administrative Appeal of Emelita Mirabueno
3. Administrative Appeal of David H. Estopinal

XIII. EXECUTIVE SESSION (Continued)

B. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California
Government Code Section 54956.9)

1. Marlena Graves v. LACERA, Los Angeles Superior Court
No. BS 156040
2. Hudson v. LACERA, Los Angeles Superior Court
Nos. B 247593 and B 248983
3. Hipsher v. LACERA, Los Angeles Superior Court
No. BS 153372

XIV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement 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 Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 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 REGULAR MEETING OF THE BOARD OF RETIREMENT

A REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., WEDNESDAY, MARCH 2, 2016

PRESENT: Shawn R. Kehoe, Chair
Vivian H. Gray, Vice Chair (Arrived at 9:07 a.m.)
William de la Garza, Secretary
Marvin Adams
Anthony Bravo
Yves Chery
Les Robbins
William Pryor (Alternate Member)
Ronald A. Okum

ABSENT: David L. Muir (Alternate Retired)
Joseph Kelly

STAFF ADVISORS AND PARTICIPANTS

Robert Hill, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven Rice, Chief Counsel

Dr. Vito Campese, Medical Advisor

Ricki Contreras, Division Manager
Disability Retirement Services

Vickie Neely, Specialist Supervisor
Disability Retirement Services

Francis J. Boyd, Senior Staff Counsel
Legal Division

Vincent A. Lim, Chief Counsel
Disability Litigation

Allison E. Barrett, Senior Staff Counsel
Disability Litigation

Eugenia W. Der, Senior Staff Counsel
Disability Litigation

Barry W. Lew, Legislative Affairs Officer

Leilani Ignacio, Administrative Services Officer
Retiree Healthcare

Thomas J. Wicke, Attorney at Law
Lewis, Marenstein, Wicke & Sherwin, LLP

Michael Treger, Attorney at Law

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Kehoe led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of February 3, 2016
- B. Approval of the Minutes of the Regular Meeting of February 11, 2016

Mr. de la Garza made a motion, Mr. Robbins seconded, to approve the minutes of the regular meeting of February 3, 2016 and February 11, 2016. The motion passed with Mr. Adams abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

- 1. January 2016 All Stars

Mr. Popowich announced the eight winners for the month of January:

Hubert Brooks, Johanna Fontenot, Darla Davis, Koreana Wong, Paul Lurina, Jan Bautista, Dayana Amaya, and Tatiana Bayer for the Employee Recognition Program and J.P. Harris for the Webwatcher Program. Mariela Mariscal, Ervin Wu, Paul Lurina, and Dale Johnson were the winners of LACERA's RideShare Program.

V. OTHER COMMUNICATIONS (Continued)

2. Chief Executive Officer's Report
(Memo dated February 22, 2016)

There was nothing to report at this time.

VI. PUBLIC COMMENT

LACERA member, Teresa Sanchez, addressed the Board regarding her request for a service connected disability retirement.

Lastly, Deputy Gabriel announced his retirement from the Los Angeles County Sheriff's Department.

VII. CONSENT AGENDA

Mr. Chery made a motion, Mr. Robbins seconded, to approve the following agenda items. The motion passed unanimously.

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Requests for an administrative hearing before a referee.
(Memo dated February 5, 2016)
- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for an earlier effective date in the case of **Michelle C. Canchola**.
(Memo dated January 26, 2016)
- D. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated February 16, 2016)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Assembly Bill 1640, which indefinitely extends the exemption of certain public employees from the provisions of the California Public Employees’ Pension Reform Act of 2013. (Memo dated February 22, 2016) (Ms. Gray arrived at 9:07 a.m.)

Mr. Lew was present to answer questions from the Board.

Mr. Okum made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Assembly Bill 1692, which applies the terms and conditions of disability retirement under Tier Three of the Contra Costa Employees’ Retirement Association to nonsafety PEPRA plan members for whom the Board of Supervisors of Contra Costa County is the governing body. (Memo dated February 22, 2016)

Mr. Lew was present to answer questions from the Board.

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

- C. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 24, which clarifies the treatment of pension benefits for employees who transfer from an employer to a joint powers authority. (Memo dated February 22, 2016)

Mr. Lew was present to answer questions from the Board.

Mr. Adams made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: That the Board approve the FYE 2017-2019 Retiree Healthcare Strategic Plan. (Memo dated March 2, 2016)

Ms. Leilani was present to answer questions from the Board.

Mr. Okum made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board receive and file the SACRS Nominating Committee's recommended officer slate notice and consider providing direction to SACRS on additional officer nominations. (Memo dated February 24, 2016)

Chair Kehoe made a motion, Mr. Chery seconded, to approve the recommendation. The motion passed unanimously.

- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board review the 2016 meeting calendar and consider rescheduling the Thursday, April 14, 2016 meeting. (Memo dated January 25, 2016)

After a brief discussion among staff and Board Members, the Board approved to combine the April Disability and Administrative Meeting to meet on Wednesday, April 6, 2016.

- G. For Information Only as submitted by Francis J. Boyd, Senior Staff Counsel, regarding the Publication of *Astorga v. Retirement of the Santa Barbara County Employees Retirement System*. (Memo dated February 22, 2016)

Mr. Boyd was present to answer questions from the Board.

IX. REPORT ON STAFF ACTION ITEMS

The Board requested staff to agendaize Dr. Caputo's participation as a LACERA Panel Physician on the next Disability Committee Meeting.

X. GOOD OF THE ORDER
(For information purposes only)

There was nothing to report during Good of the Order.

XI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement
Service-Connected Disability Applications

On a motion by Chair Kehoe, seconded by Mr. Chery, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

| <u>APPLICATION NO.</u> | <u>NAME</u> |
|------------------------|-----------------------|
| 440C | RANDALL W. MASON |
| 441C | TAMMIE S. ANDREWS |
| 442C | JEFFREY S. TREVILLYAN |
| 443C | PETER J. SANZONE |
| 444C | JESUS RODRIGUEZ |
| 445C | RUBEN L. GUKASOV |
| 446C* | GLORIA R. SEPULVEDA |

* Granted SCD – Employer Cannot Accommodate

XI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

| <u>APPLICATION NO.</u> | <u>NAME</u> |
|------------------------|-------------------|
| 447C | JONATHAN W. WHITE |
| 448C | NANCY E. DRAKE |

Safety-Fire, Lifeguard
Service-Connected Disability Applications

On a motion by Mr. Robbins, seconded by Mr. Chery, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

| <u>APPLICATION NO.</u> | <u>NAME</u> |
|------------------------|----------------------|
| 1738A | ARTHUR LOPEZ |
| 1739A | ERIC G. MCKELLAR |
| 1740A | MICHAEL E. MORALES |
| 1741A | LENKO SPALETA |
| 1742A | ANTONIO DOMINGUEZ |
| 1743A* | PAUL ASQUINI |
| 1744A** | RICARDO F. RODRIGUEZ |
| 1745A | JAVIER S. ZAVALA |

* Granted SCD – Employer Cannot Accommodate

** Granted SCD – Survivor Benefits

XI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

General Members

Service-Connected Disability Applications

On a motion by Mr. Chery, seconded by Mr. Pryor, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

| <u>APPLICATION NO.</u> | <u>NAME</u> |
|------------------------|----------------------|
| 2595B* | REYNA PERALTA |
| 2596B** | DONNA J. TERRY |
| 2597B | DOLORES A. HERNANDEZ |
| 2598B*** | BETRINA L. WARREN |
| 2599B**** | MARY L. HOWARD |
| 2600B* | BARBARA B. MCGEEHAN |
| 2601B** | DARLENE LUCAS |
| 2602B | CHRISTINE J. MEYERS |

* Granted SCD – Retroactive Since Employer Cannot Accommodate

** Granted SCD – Retroactive

*** Granted SCD – Salary Supplemental

**** Granted SCD – Employer Cannot Accommodate

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME

BOARD ACTION

6874A – JOSINE E. JONES

Mr. Pryor made a motion, Mr. Bravo seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.

6875A – REBECCA DE ANDA*

Ms. Gray made a motion, Mr. Chery seconded, to grant a service connected disability retirement. The makers of the motion amended their motion to a salary supplement pursuant to Government Code Section 31725.65. The motion passed with Messrs. Robbins and de la Garza voting no.

6876A – MARCUS FRIEDMANN

Ms. Gray made a motion, Mr. Chery seconded, to deny a service connected disability retirement without prejudice. The motion passed unanimously.

6877A – SUNDAY ALEKHUOGIE*

Mr. de la Garza made a motion, Mr. Okum seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720.

Chair Kehoe made a substitute motion, Mr. Chery seconded, to refer back to staff for additional information. The motion passed with Mr. de la Garza voting no.

6878A – SHEILA D. HANKINS

Ms. Gray made a motion, Mr. Okum seconded, to grant a non-service connected disability retirement and the option for an earlier effective date pursuant to Government Code Section 31720 and 31724.

* Applicant Present

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

| <u>APPLICATION NO. & NAME</u> | <u>BOARD ACTION</u> |
|-----------------------------------|--|
| 6879A – MARY H. TIEN | Mr. de la Garza made a motion, Mr. Okum seconded, to deny a service connected disability retirement since the employer can accommodate. The motion passed unanimously. |
| 6880A – KIM C. LINO | Mr. Okum made a motion, Mr. Adams seconded, to deny a service connected disability retirement and find the applicant not permanently incapacitated since the employer can accommodate. The motion passed unanimously. |
| 6881A – JOSEPH H. GARLAND | Chair Kehoe made a motion, Mr. Chery seconded, to return to staff for additional information. The makers of the motion amended their motion to grant a service connected disability retirement. The motion passed with Mr. de la Garza voting no. |
| 6781A – TERESA SANCHEZ* | Chair Kehoe made a motion, Mr. Adams seconded, to refer back to staff for additional information. The motion passed unanimously. |
| 6860A – FRANK DEGREGORIO | Mr. Okum made a motion, Chair Kehoe seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously. |

* Applicant Present

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME

BOARD ACTION

6842A – JERRY BROWN

Ms. Gray made a motion, Mr. Chery seconded, to refer back to staff for additional information. The motion passed with Messrs. Okum and de la Garza voting no.

6869A – PAUL D. COOKE

Mr. Pryor made a motion, Chair Kehoe seconded, to grant a service connected disability retirement with survivor benefits. The motion passed unanimously.

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

Armando Carrillo – Michael Treger for applicant
Allison E. Barrett for respondent

Mr. Adams made a motion, Chair Kehoe seconded, to deny the option of an earlier effective date. The motion passed unanimously.

Shawn P. Corbeil – Michael Treger for applicant
Allison E. Barrett for respondent

Mr. Adams made a motion, Ms. Gray seconded, to deny the option of an earlier effective date. The motion passed unanimously.

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Michael J. Singer – Michael Treger for applicant
Allison E. Barrett for respondent

Chair Kehoe made a motion, Mr. Okum seconded, to deny the option of an earlier effective date.

Chair Kehoe made a substitute motion, Mr. Pryor seconded, to grant an earlier effected date. The motion passed unanimously.

Kenneth C. Ruffcorn – Thomas J. Wicke for applicant
Eugenia W. Der for respondent

Mr. Chery made a motion, Chair Kehoe seconded, to deny a service connected disability retirement and grant a non-service connected disability retirement.

Chair Kehoe made a substitute motion, Mr. Adams seconded, to grant a service connected disability retirement. The motion passed with Mr. Robbins voting no.

Yvonne Dawson – Thomas J. Wicke for applicant
Eugenia W. Der for respondent

Chair Kehoe made a motion, Mr. Okum seconded, to deny a service connected disability retirement find the applicant not permanently incapacitated.

Mr. Chery made a substitute motion, Mr. Adams seconded, to grant a service connected disability retirement. The motion passed unanimously.

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Michael M. Mejia, Deceased – Thomas J. Wicke for applicant
Rosa Mejia, Survivor Eugenia W. Der for respondent

Mr. Okum made a motion, Chair Kehoe seconded, to deny a service connected disability retirement and grant a non-service connected disability retirement and continue the survivor allowance benefit.

Mr. Chery made a substitute motion, Chair Kehoe seconded, to refer back to staff for additional information. The motion failed (roll call) with Messrs. Adams, Bravo, Okum, Robbins, de la Garza voting no; and Mr. Chery, Chair Kehoe, and Ms. Gray voting yes.

The motion to deny a service connected disability retirement and grant a non-service connected disability retirement and continue the survivor allowance benefit passed (roll call) with Messrs. Adams, Bravo, Okum, Robbins, de la Garza, Chair Kehoe voting yes; and Mr. Chery and Ms. Gray voting no.

C. Staff Recommendations

1. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board reject the application of **Feira G. Villalba** for processing.
(Memo dated February 22, 2016)

Mr. Okum made a motion, Mr. Pryor seconded, to approve the recommendation. The motion passed unanimously.

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

C. Staff Recommendations (Continued)

2. Recommendation as submitted by Vincent A. Lim, Chief Counsel, Disability Litigation: That the Board find that **Felicia Myers** delayed the filing of her application for disability retirement because she was unable to ascertain the permanency of her incapacity and that her application be deemed filed on the day after the last day of regular compensation in accordance with Government Code Section 31724. (Letter dated February 10, 2016)

Mr. Chery made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

3. Recommendation as submitted by Vincent A. Lim, Chief Counsel, Disability Litigation: That the Board find that **Robert D. Campbell** delayed the filing of his application for disability retirement because he was unable to ascertain the permanency of his incapacity and that his application be deemed filed on the first day of incapacity, September 30, 2010. (Letter dated February 2, 2016)

This item was pulled at the request of the applicant's counsel.

4. Recommendation as submitted by Vincent A. Lim, Chief Counsel, Disability Litigation: That the Board find **Danny Bullocks** permanently incapacitated for service-connected reasons and grant him a service-connected disability retirement. (Letter dated January 29, 2016)

Mr. Pryor made a motion, Mr. Chery seconded, to approve the recommendation. The motion passed unanimously.

XIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California
Government Code Section 54956.9)

1. Agneta Dobos v. Board of Retirement

The Board met in Executive Session pursuant to Government Code Section 54956.9 in regards to the existing litigation in which there is nothing to report at this time.

Green Folder Information (Information distributed in each Board
Member's Green Folder at the beginning of the meeting)

1. Retirement Board Listing dated March 6, 2016
2. Education Information – In a Nutshell Series of Articles: Effective Date of a Disability Retirement (Memo dated February 29, 2016)

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:45 p.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR



March 28, 2016

TO: Each Member
Board of Retirement
Board of Investments

FROM: Gregg Rademacher 
Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

March Madness

We refer to the period from December through the end of March as "March Madness" because retirements tend to spike during this period as members desire to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved. We are continuing our commitment to share the annual March Madness statistics in the Chief Executive Officer's report. We track two key statistics during this time of year.

How well are we keeping up with our member's requests to retire? The chart below shows the total number of pending retirement elections. All incoming retirement requests are triaged by staff to facilitate processing those retirements with immediate retirement dates and those requiring special handling (i.e. legal splits and those with uncompleted service credit purchases).

| Retirement Month | Retirement Elections |
|--|-----------------------------|
| December 2015 | 0 |
| January 2016 | 0 |
| February 2016 | 0 |
| March 2016 | 61 |
| Total Pending Service Retirements | 61 |
| Pending Disability Retirements* | 117 |
| Total Pending Retirements | 178 |

*The Pending Disability Retirements represent all outstanding disability retirement cases approved by the Board and in transition to payroll.

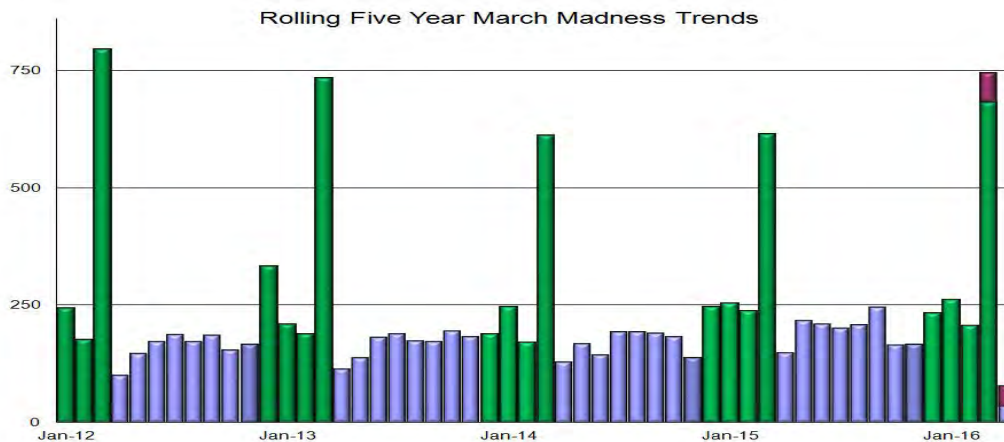
The following charts provide insight into why service and disability retirement requests are being processed after the requested retirement date.

| Service Retirement Pending Reasons | |
|---|----|
| Last Minute Election | 53 |
| Reciprocal Confirmation | 3 |
| Waiting for Member Clarification Regarding Beneficiary Data | 3 |
| Dissolution Documents | 1 |

| Disability Retirement Pending Reasons | |
|---|----|
| Other Reasons (most in final stages of payroll & scheduled for April) | 38 |
| Waiting for Payroll/Last Date of Compensation | 35 |
| Waiting for Member's Retirement Option Election | 26 |
| LACERA Quality Assurance Review | 12 |
| Member Choosing to Run-Out Available Sick Time | 6 |

How well is staff coping with the volume of member's requests to retire? The volume of retirements gives us an indication of the severity of the stress being placed on our capacity to meet our various member service requests and demands placed upon our staff.

The following chart reflects processing statuses for retirement elections over the last five years. The green bars reflect completed status and the red bars reflect a pending status.



As of March 23, 2016, we have processed 1,380 out of 1,441 retirement elections received during this March Madness period. Putting this into perspective, during last year's March Madness 1,350 members retired, which was slightly higher than the rolling five year average.

Our commitment to members is to provide the first benefit payment within one payroll cycle of their elected retirement date. We expect to meet this goal for a majority of the members retiring during this March Madness period.

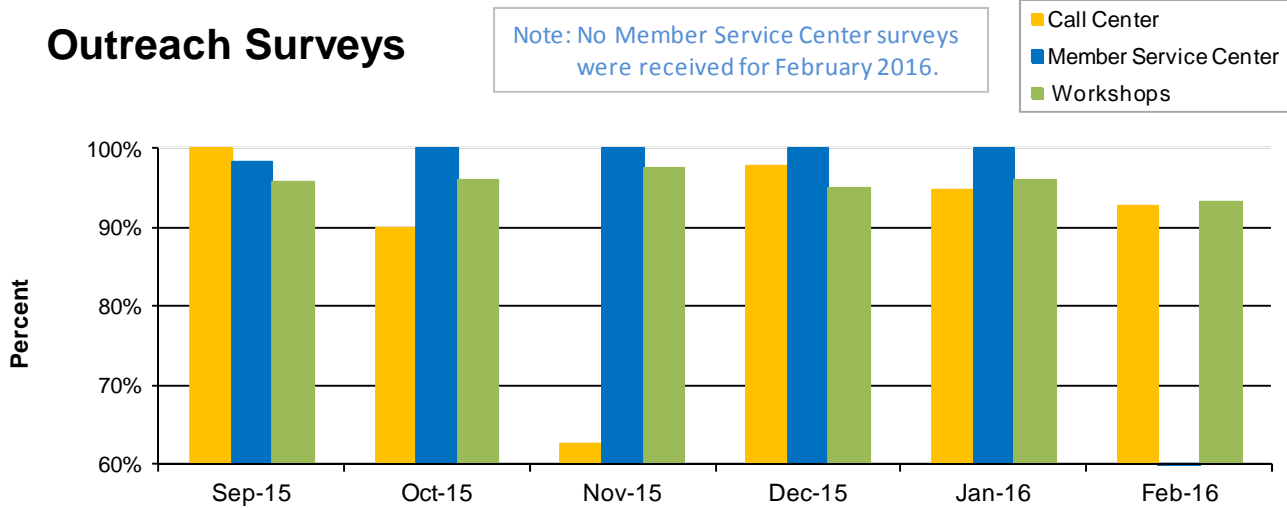
LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

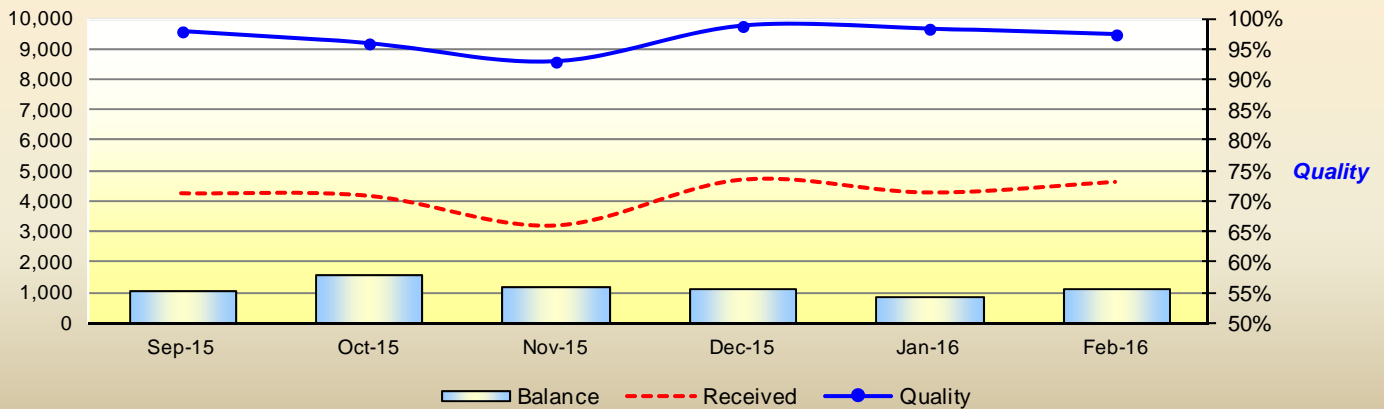
| Type | # of WORKSHOPS | | # of MEMBERS | |
|-----------------------|----------------|------------|--------------|---------------|
| | Monthly | YTD | Monthly | YTD |
| Benefit Information | 12 | 114 | 239 | 3,853 |
| Mid Career | 2 | 9 | 67 | 375 |
| New Member | 7 | 86 | 175 | 1,773 |
| Pre-Retirement | 5 | 57 | 143 | 1,443 |
| General Information | 0 | 8 | 0 | 456 |
| Retiree Events | 0 | 4 | 0 | 190 |
| Member Service Center | Daily | Daily | 1,682 | 11,725 |
| TOTALS | 26 | 278 | 2,306 | 19,815 |

Outreach Surveys

Note: No Member Service Center surveys were received for February 2016.



Benefits and Member Services Production and Quality Summary (Rolling 6 Months)



| Member Services Contact Center | | | RHC Call Center | Top Calls |
|---|-------------|---------------|-----------------|---|
| Overall Key Performance Indicator (KPI) | | 91.65% | | |
| Category | Goal | Rating | | |
| Call Center Monitoring Score | 95% | 99.24 | 99% | <u>Member Services</u> |
| Grade of Service (80% in 60 seconds) | 80% | 42% | 16% | 1) Taxes: Reprint Requests (1099-R) |
| Call Center Survey Score | 90% | 92.78% | xxxxx | 2) Benefit Payments: Gen. Inquiry/Payday |
| Agent Utilization Rate | 65% | 72% | 89% | 3) Workshop Information/Appointments: Inquiries |
| Number of Calls | 12,547 | | 4,678 | Retiree Health Care |
| Calls Answered | 10,720 | | 3,567 | 1) Medical Benefits - General Inquiries |
| Calls Abandoned | 1,827 | | 1,113 | 2) Turning Age 65/Part B Prem Reimbursement |
| Calls-Average Speed of Answer | 00:03:31 | | 10:07 | 3) Medical-New Enroll/Change/Cancel Adjusted for weekends |
| Number of Emails | 408 | | 276 | |
| Emails-Average Response Time | 06:43:12 | | 1 Day | |

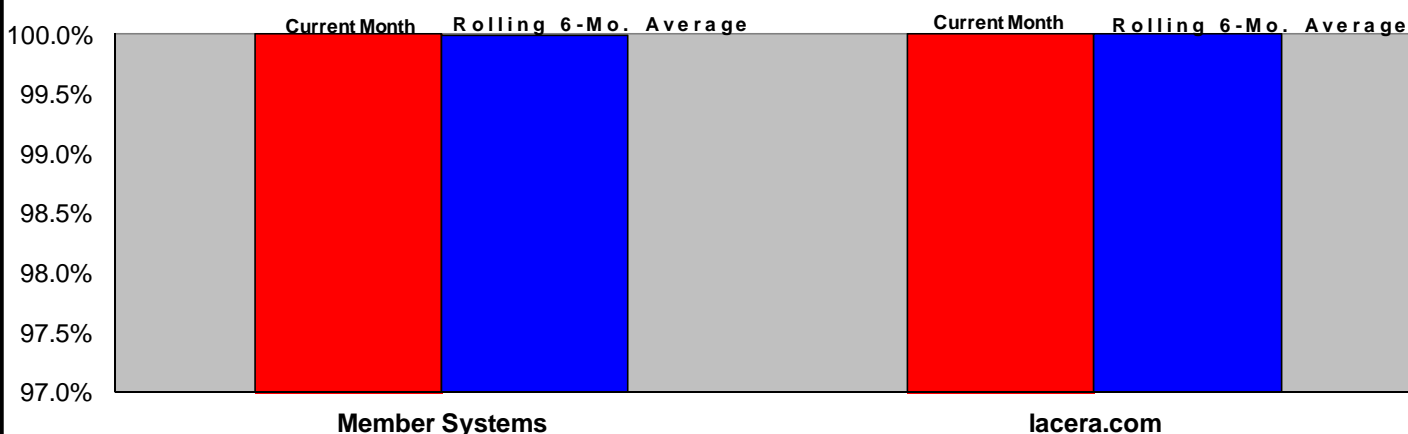
LACERA's KEY BUSINESS METRICS

| Fiscal Years | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Assets-Market Value | \$35.2 | \$40.9 | \$38.7 | \$30.5 | \$33.4 | \$39.5 | \$41.2 | \$43.7 | \$51.1 | \$51.4 |
| Funding Ratio | 90.5% | 93.8% | 94.5% | 88.9% | 83.3% | 80.6% | 76.8% | 75.0% | 79.5% | 83.3% |
| Investment Return | 13.0% | 19.1% | -1.4% | -18.2% | 11.8% | 20.4% | 0.3% | 12.1% | 16.8% | 4.3% |

DISABILITY INVESTIGATIONS

| APPLICATIONS | TOTAL | YTD | | APPEALS | TOTAL | YTD |
|--------------------|------------|------------|--|-----------------------------------|------------|------------|
| On Hand | 460 | xxxxxxx | | On Hand | 181 | xxxxxxx |
| Received | 51 | 320 | | Received | 2 | 32 |
| Re-opened | 0 | 1 | | Administratively Closed | 1 | 16 |
| To Board – Initial | 34 | 271 | | Referee Recommendation | 3 | 23 |
| Closed | 4 | 41 | | Revised/Reconsidered for Granting | 2 | 10 |
| In Process | 473 | 473 | | In Process | 177 | 177 |

SYSTEMS AVAILABILITY FEBRUARY 2016



| Active Members as of 3/28/16 | | Retired Members/Survivors as of 3/28/16 | | | Retired Members | |
|------------------------------|---------------|---|---------------|---------------|-----------------|----------------|
| | | Retirees | Survivors | Total | | |
| General-Plan A | 271 | 19,560 | 4,754 | 24,314 | Monthly Payroll | 242.24 Million |
| General-Plan B | 99 | 684 | 61 | 745 | Payroll YTD | 1.93 Billion |
| General-Plan C | 95 | 425 | 54 | 479 | Monthly Added | 338 |
| General-Plan D | 47,450 | 11,278 | 1,072 | 12,350 | Seamless % | 99.70 |
| General-Plan E | 21,261 | 10,750 | 882 | 11,632 | YTD Added | 2,262 |
| General-Plan G | 13,090 | 2 | 0 | 2 | Seamless YTD % | 99.69 |
| Total General | 82,266 | 42,699 | 6,823 | 49,522 | Direct Deposit | 95.00% |
| Safety-Plan A | 13 | 5,891 | 1,578 | 7,469 | | |
| Safety-Plan B | 11,517 | 4,090 | 224 | 4,314 | | |
| Safety-Plan C | 1,031 | 1 | 0 | 1 | | |
| Total Safety | 12,561 | 9,982 | 1,802 | 11,784 | | |
| TOTAL ACTIVE | 94,827 | TOTAL RETIRED | 52,681 | 8,625 | | |

Health Care Program (YTD Totals)

| | Employer Amount | Member Amount |
|---------------------|----------------------|---------------------|
| Medical | 290,282,588 | 25,803,479 |
| Dental | 24,493,596 | 2,630,931 |
| Med Part B | 32,939,984 | xxxxxxxxxx |
| Total Amount | \$347,716,168 | \$28,434,410 |

Health Care Program Enrollments

| | |
|----------------------|--------|
| Medical | 46,985 |
| Dental | 47,981 |
| Med Part B | 30,502 |
| Long Term Care (LTC) | 763 |

Funding Metrics as of 6/30/15

| | |
|----------------------|----------------|
| Employer Normal Cost | 9.28% |
| UAAL | 8.49% |
| Assumed Rate | 7.50% |
| Star Reserve | \$614 million |
| Total Assets | \$48.8 billion |

Member Contributions as of 6/30/15

| | |
|------------------|-----------------|
| Annual Additions | \$441.3 million |
| % of Payroll | 6.18% |

Employer Contributions as of 6/30/15

| | |
|-----------------|----------------|
| Annual Addition | \$1,495million |
| % of Payroll | 17.77% |

| Date | Conference |
|--------------------|---|
| April, 2016 | |
| 10-13 | World Healthcare Congress Washington D.C. |
| 11-13 | IFEBP (International Foundation of Employment Benefit Plans) Health Care Mgmt. Conference Phoenix, AZ |
| 11-13 | CRCEA (California Retired County Employees Association) Spring Conference Bakersfield, CA |
| 25-26 | 2016 Institute Fund Summit Singapore |
| May, 2016 | |
| 1-4 | Milken Institute Global Conference Los Angeles, CA |
| 2-5 | Portfolio Concepts & Management (<i>prev. Fundamentals of Money Management</i>) Wharton School, University of Pennsylvania |
| 10-13 | SACRS Costa Mesa, CA |
| 15-19 | NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference San Diego, CA |
| 16-20 | Investment Strategies & Portfolio Management (<i>prev. Pension Fund & Investment Mgmt.</i>) Wharton School, University of Pennsylvania |
| 22-25 | Government Finance Officers Association (GFOA) Annual Conference Toronto, Canada |
| 23-24 | IFEBP (International Foundation of Employment Benefit Plans) Legislative Update Washington D.C. |
| June, 2016 | |
| 10 | CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees DoubleTree Hotel San Jose |
| 10 | CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits DoubleTree Hotel San Jose |
| 15-17 | AHIP (America’s Health Insurance Plans) Institute Las Vegas, NV |



March 18, 2016

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING OF
APRIL 6, 2016**


IT IS RECOMMENDED that your Board grant the appeals and requests for administrative hearing received from the following applicants and direct the Disability Retirement Services Manager to refer each case to a referee:

| | | | |
|-------|--------------------|----------------|-----------------------|
| 6868A | Liliana V. Rivas | Michael Treger | Deny SCD |
| 6867A | Isabelito A. Padua | In Pro Per | Deny SCD – Grant NSCD |
| 6879A | Mary H. Tien | In Pro Per | Deny SCD |
| 6860A | Frank DeGregorio | In Pro Per | Deny SCD – Grant NSCD |



March 22, 2016

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: April 6, 2016 Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF
CAROL I. CAUDLE**

Ms. Carol I. Caudle applied for a service-connected disability retirement on October 25, 2010. On November 7, 2012, the Board denied her application for a service-connected disability retirement.

Ms. Caudle's attorney filed a timely appeal. On March 22, 2016, the applicant's attorney advised LACERA that his client did not wish to proceed with her appeal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

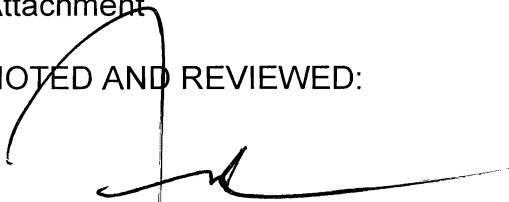
Dismiss with prejudice Carol I. Caudle's appeal for a service-connected disability.

FJB: RC: mb

Caudle, Carol I.doc

Attachment

NOTED AND REVIEWED:




Francis J. Boyd, Sr. Staff Counsel

Date: 3/22/16

March 24, 2016

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager 
Disability Retirement Services

FOR: April 6, 2016 Board of Retirement Meeting

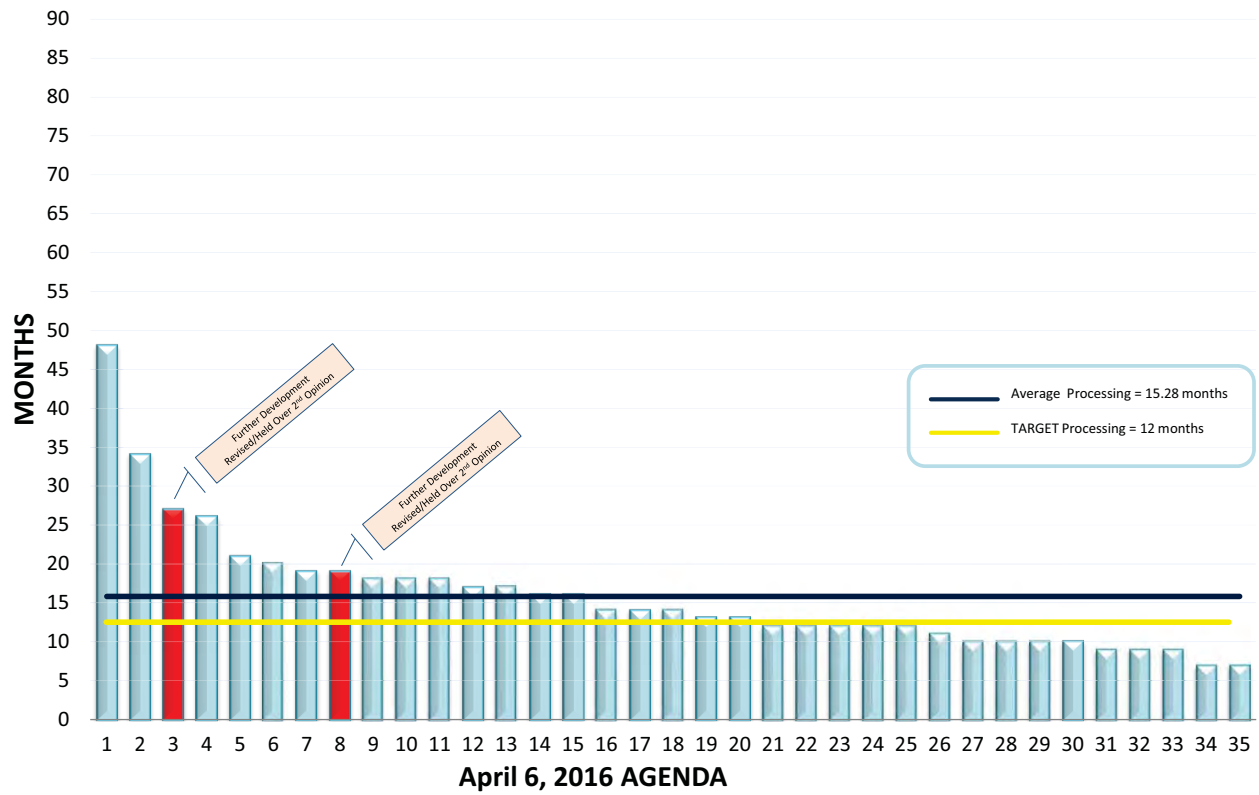
SUBJECT: **Application Processing Time Snapshot Reports**

At the February 4, 2015 meeting, the Disability Procedures & Services Committee voted to add two additional snapshot reports addressing application processing times and pending applications by elapsed time since application date. These reports will now be provided on a monthly basis along with the current snapshot that provides a look at application processing time before and after procedural changes were made to the disability application process. The Board adopted proposed changes on July 12, 2012. The chart breaks down the periods for cases processed under the old procedures vs. the new procedures with the associated monthly processing timeframes.

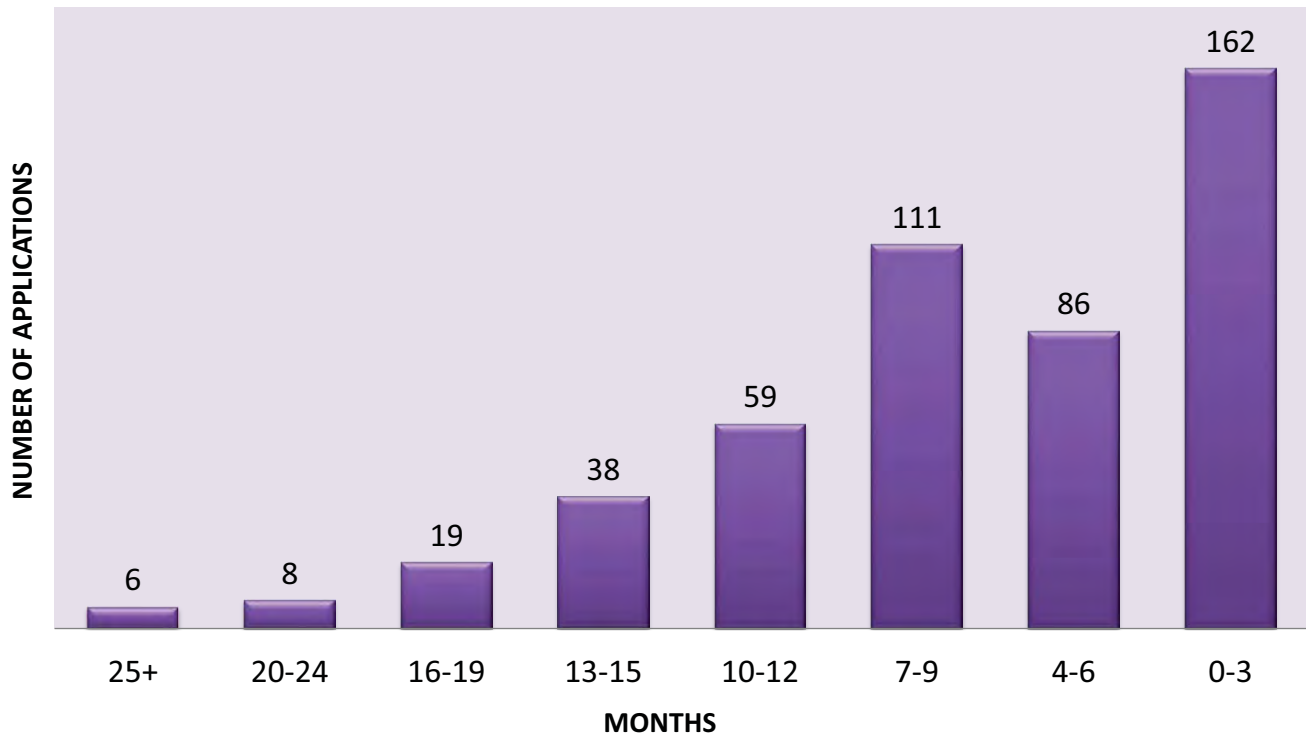
The following chart shows the total time from receipt of the application to the first Board action for the month in question.

| Consent & Non-Consent Calendar | | | |
|---|--|--|--|
| Received <u>Prior</u> to July 12, 2012 | | Received <u>After</u> July 12, 2012 | |
| Number of Applications | Processing Time (in Months) | Number of Applications | Processing Time (in Months) |
| 1 | 48 | 32 | 15.40 |
| Revised/Held Over Calendar | | | |
| Held Over - Second Opinion | | Case 1 32.0 | Case 2 19.0 |
| <i>Average Processing Time for Revised/Held Over Calendar</i> | | 25.50 | |

ACTUAL vs. AVERAGE PROCESSING TIME



TIME ELAPSED FOR PENDING APPLICATIONS



March 24, 2016

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
William de la Garza, Vice Chair
Vivian H. Gray
Shawn Kehoe
Ronald Okum, Alternate

FOR: April 6, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 1812– Benefit Limits**

RECOMMENDATION

That the Board of Retirement adopt an “Oppose” position on Assembly Bill 1812, which limits the maximum retirement benefit payable for public employees who become members of a public retirement system on or after January 1, 2017.

DISCUSSION

The defined benefits of public retirement systems are based on final compensation, service credit, and age at retirement. This bill would limit the retirement benefit paid to a member to \$100,000 per year for those members of a public retirement system whose service is not covered by Social Security. The bill would limit the retirement benefit to \$80,000 per year for those members of a public retirement system whose service is covered by Social Security. The retirement benefits would be adjusted for inflation based on the Consumer Price Index for All Urban Consumers.

The benefit limits apply to public employees who are employed by a public agency for the first time and become members of a public retirement system on or after January 1, 2017.

The public retirement systems include all state and local public retirement systems except the University of California Retirement System and any retirement systems created for a charter city or charter county. Because LACERA is a retirement system created for the charter county of Los Angeles, the provisions of the bill do not apply to LACERA. There are eight charter counties, including Los Angeles, with retirement systems established under the County Employees Retirement Law of 1937 (CERL). The

remaining twelve counties are general law counties whose retirement systems under CERL would be subject to the benefit limits under this bill.

This Committee is recommending that your Board adopt an “Oppose” position on Assembly Bill 1812.

The benefit limits of \$100,000 and \$80,000 in this bill are arbitrarily determined. The California Public Employees’ Pension Reform Act of 2013 (PEPRA) established benefit formulas that provide a replacement ratio on preretirement income based on a member’s years of service and retirement age. Although the replacement ratio can be a subjective metric, it is intended as a measure of the adequacy of retirement income. The flat-dollar limits ignore the function of the replacement ratio and may negatively impact those members with longevity of service.

Moreover, limits to benefits already exist for highly-compensated employees. PEPRA’s limit on the amount of compensation that can be taken into account for benefits is lower than the limit established by Section 401(a)(17) of the Internal Revenue Code. Annual limits of pension benefits are established by Section 415(b) of the Internal Revenue Code, and PEPRA prohibits the establishment of a replacement benefit plan for benefits that exceed the limits of Section 415(b).

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt an “Oppose” position on Assembly Bill 1812, which limits the maximum retirement benefit payable for public employees who become members of a public retirement system on or after January 1, 2017.

Attachments

**LEGISLATIVE ANALYSIS
ASSEMBLY BILL 1812**

AUTHOR: Wagner [R]

INTRODUCED: February 8, 2016

SPONSOR: Assemblyman Donald Wagner

SUMMARY: This bill establishes two limits to the payment of retirement benefits paid to members of public retirement systems. If the member's service is not covered by Social Security, then the retirement benefit cannot exceed \$100,000 per year. If the member's service is covered by Social Security, then the retirement benefit cannot exceed \$80,000 per year. The amounts are adjusted annually for inflation using the Consumer Price Index for All Urban Consumers.

The benefit limits apply to public employees who are employed by a public agency for the first time and becomes a member of a public retirement system on or after January 1, 2017.

The benefit limits do not apply to the following employees:

- Former public employees employed before January 1, 2017 who return to employment with the same public agency on or after January 1, 2017.
- State employees hired prior to January 1, 2017 who were subject to a 24-month waiting period before accruing service credit or making employee contributions.
- Public employees on an approved leave of absence prior to January 1, 2017 who return to active employment on or after January 1, 2017.

The benefit limits apply to all state and local public retirement systems except for the University of California Retirement System and any retirement systems created for a charter city or charter county.

If a memorandum of understanding is in effect on January 1, 2017, the provisions of this bill will not become effective until the expiration of the memorandum of understanding.

ANALYSIS: The provisions of the bill do not apply to retirement systems created for a charter city or charter county. The charter counties under the County Employees Retirement Law of 1937 (CERL) are as follows: Alameda, Fresno, Los

Angeles, Orange, Sacramento, San Bernardino, San Diego, and San Mateo. Since LACERA as a retirement system was created for the charter county of Los Angeles, the provisions of the bill would not apply to LACERA. However, retirement systems under CERL that were created for general law counties would be subject to the bill's provisions.

(In contrast, the California Public Employees' Pension Reform Act of 2013 (PEPRA) also does not apply to charter counties—except to the extent the retirement system of the charter county is governed by state statute. Thus, LACERA is subject to PEPRA because CERL is a state statute.)

Legislative History

AB 1633 (2012) was an identical bill that applied to new members of a public retirement system on or after January 1, 2013. LACERA's Board of Retirement adopted a "Watch" position on April 12, 2012. The bill remained in committee without further action and died.

IBLC

RECOMMENDATION: Oppose (03-02-16)

STAFF

RECOMMENDATION: Watch

PREPARED BY: Barry W. Lew, Legislative Affairs Officer

DATED: March 24, 2016

ASSEMBLY BILL

No. 1812

Introduced by Assembly Member Wagner

February 8, 2016

An act to add Section 7514.7 to the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1812, as introduced, Wagner. Public employees' retirement.

Existing state and local public retirement systems provide defined benefits based on age at retirement, service credit, and final compensation. Existing law defines final compensation for various employment classifications in connection with the benefits provided by these systems.

This bill would prohibit the retirement benefit paid to a member of any public retirement system whose service is not included in the federal social security system from exceeding \$100,000. The bill would prohibit the retirement benefit paid to a member of any public retirement system whose service is included in the federal social security system from exceeding \$80,000. The bill would require that those amounts be adjusted annually by each public retirement system using the Consumer Price Index for All Urban Consumers.

This bill would apply the above-described provisions to a public employee who is first employed by a public agency and becomes a member of any public retirement system on or after January 1, 2017.

This bill would specify that if any of these provisions are in conflict with a memorandum of understanding that is current and in effect on January 1, 2017, the memorandum of understanding would be controlling while it remains in effect, but that upon expiration of that

memorandum of understanding, these provisions would be controlling and would not be superseded by a subsequent memorandum of understanding.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7514.7 is added to the Government Code,
2 to read:

3 7514.7. (a) (1) The retirement benefit paid to a member of
4 any public retirement system whose service is not included in the
5 federal system shall not exceed one hundred thousand dollars
6 (\$100,000) per year, adjusted by each system annually for inflation
7 using the Consumer Price Index for All Urban Consumers.

8 (2) The retirement benefit paid to a member of any public
9 retirement system whose service is included in the federal system
10 shall not exceed eighty thousand dollars (\$80,000) per year,
11 adjusted by each system annually for inflation using the Consumer
12 Price Index for All Urban Consumers.

13 (b) Notwithstanding any other law or any provision of an expired
14 memorandum of understanding, this section shall apply to a public
15 employee who is employed by a public agency for the first time
16 and becomes a member of a public retirement system on or after
17 January 1, 2017.

18 (c) This section shall not apply to:

19 (1) Former public employees employed before January 1, 2017,
20 who return to employment in the same public agency on or after
21 January 1, 2017.

22 (2) State employees hired prior to January 1, 2017, who were
23 subject to Section 20281.5 during the first 24 months of state
24 employment.

25 (3) Public employees on an approved leave of absence employed
26 prior to January 1, 2017, who return to active employment on or
27 after January 1, 2017.

28 (d) For purposes of this section, the following definitions shall
29 apply:

30 (1) "Federal system" means the old age, survivors, disability,
31 and health insurance provisions of the Social Security Act.

1 (2) “Public agency” means the state or a county, city, city and
2 county, district, school district, authority, university, or any public
3 or municipal corporation, political subdivision, or other public
4 agency of the state, or any department, division, bureau, board,
5 commission, agency, or instrumentality of any of these entities.

6 (3) “Public employee” means any person employed by any
7 public agency.


8 (4) “Public retirement system” means all state and local public
9 retirement systems, excluding the University of California
10 Retirement System and any retirement systems created for a charter
11 city or charter county.

12 (e) If this section is in conflict with a memorandum of
13 understanding that is current and in effect on January 1, 2017, the
14 memorandum of understanding shall be controlling while it remains
15 in effect. Upon expiration of the memorandum of understanding
16 that is in effect and current on January 1, 2017, this section shall
17 be controlling and shall not be superseded by a subsequent
18 memorandum of understanding.

March 28, 2016

SUPPLEMENTAL AGENDA INFORMATION

TO: Each Member
Board of Retirement

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 6, 2016 Board of Retirement Meeting

SUBJECT: **Amended Assembly Bill 2376 – County Employees’ Retirement**

The Insurance, Benefits and Legislative Committee adopted a “Support” recommendation to your Board on Assembly Bill 2376 at its March 2, 2016 meeting.

The bill was subsequently amended on March 9, 2016 to:

1. Clarify the applicability of the reciprocal provision on nonconcurrent retirement to Plan E members.
2. Clarify the benefit formula applicable to safety members for service credit based on prior employment in public service related to active law enforcement or active fire suppression or based on service in the United States military.
3. Authorize the alternate retired member (if the eighth member is present) to vote in the absence of both the second and third members or in the absence of either the second or third member and the seventh member.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

2016 Leg.AB 2376.BOR.Supplemental.032816

March 28, 2016

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
William de la Garza, Vice Chair
Vivian H. Gray
Shawn Kehoe
Ronald Okum, Alternate

FOR: April 6, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 2376 – County Employees’ Retirement**

RECOMMENDATION

That the Board of Retirement adopt a “Support” position on Assembly Bill 2376, which amends the definition of Plan D in the Prospective Plan Transfer provisions and authorizes regulations relating to sworn statements in the County Employees Retirement Law of 1937.

DISCUSSION

Definition of Plan D in Prospective Plan Transfers

This provision in the bill was proposed by LACERA since the prospective plan transfer provisions relate to LACERA and none of the other retirement systems under the County Employees Retirement Law of 1937 (CERL).

CERL authorizes LACERA members of Plan D to prospectively transfer to Plan E and vice versa. Plan D is currently defined as the contributory plan otherwise available to new members of the retirement system on the transfer date. The California Public Employees’ Pension Reform Act of 2013 (PEPRA) requires that new members of LACERA be enrolled in Plan G on or after January 1, 2013.

This bill would revise the definition of Plan D to mean the contributory plan otherwise available to members between June 1, 1979 and December 31, 2012. The revision would remove the conflict between Plan D and Plan G with respect to the definition of the contributory plan that is available to new members of the retirement system.

Sworn Statements

This provision in the bill was proposed by the State Association of County Retirement Systems (SACRS). The Board of Retirement directed its voting delegate to support its inclusion in the 2016 SACRS legislative platform at November 2015 SACRS Conference. However, voting on the item was postponed until the May 2016 SACRS Conference because the boards of certain systems had not yet had the opportunity to consider all the proposals on the legislative platform.

CERL requires that a board of retirement's regulations provide for the collection of a sworn statement from every person who qualifies for membership. Since the information on a sworn statement may have already been collected by the employer and electronically transmitted to the retirement system, the retirement system's collection of the form may be duplicative and unnecessary. The bill provides the option for the submission of the information to the retirement system in a form other than the sworn statement.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a "Support" position on Assembly Bill 2376, which amends the definition of Plan D in the Prospective Plan Transfer provisions and authorizes regulations relating to sworn statements in the County Employees Retirement Law of 1937.

Attachments

**LEGISLATIVE ANALYSIS
ASSEMBLY BILL 2376**

AUTHOR: Assembly Committee on Public Employees, Retirement,
and Social Security

INTRODUCED: February 18, 2016

AMENDED: March 9, 2016

SPONSORS: Los Angeles County Employees Retirement Association
(LACERA)
State Association of County Retirement Systems (SACRS)
California Retired County Employees Association (CRCEA)

SUMMARY: Definition of Plan D For Prospective Plan Transfers
(LACERA)

The County Employees Retirement Law of 1937 (CERL) authorizes LACERA members of Plan D to prospectively transfer to Plan E and vice versa. Plan D is currently defined as the contributory plan otherwise available to new members of the retirement system on the transfer date.

This bill would revise the definition of Plan D to mean the contributory plan otherwise available to members between June 1, 1979 and December 31, 2012.

Sworn Statements (SACRS)

CERL authorizes the board of retirement to make regulations that are not inconsistent with CERL. It also requires that regulations of the board of retirement shall include provisions for the filing of a sworn statement by every person who qualifies for membership. The sworn statement contains the date of birth, nature and duration of employment with the county, compensation, and other information required by the board.

This bill would authorize the retirement association to make regulations enabling the required information to be submitted by the member's employer in a form other than the sworn statement.

Amended March 9, 2016

On March 9, 2016, the following provisions were amended into the bill.

Plan E Reciprocity (LACERA)

A member of a retirement system established under CERL who is eligible to retire at age 50 pursuant to Government

Code Section 31672 but who cannot retire concurrently from a reciprocal retirement system is entitled to have his final compensation and service credit determined as if he had retired concurrently under the reciprocal retirement system.

This bill would provide that a Plan E member who is eligible to retire at age 55 but who cannot retire concurrently from a reciprocal retirement system is entitled to have his final compensation and service credit determined as if he had retired concurrently under the reciprocal retirement system.

Safety Credit For Previous Service (SACRS)

Safety members of retirement systems established under CERL may receive service credit for employment in public service that occurred prior to membership or for military service under specified conditions.

A safety member who receives service credit for prior employment in public service consisting principally of active law enforcement or active fire suppression or for service in the United State military during a time of war or national emergency shall have his pension for that service credit calculated under the safety member benefit formula in Government Code Section 31664.

This bill would provide that the pension for the service credit be calculated under the safety benefit formula in effect on the date of the member's initial safety membership.

Board of Retirement Alternate Retired Member (CRCEA)

The board of retirement is generally composed of nine members with an alternate safety member for the seventh member and an alternate retired member for the eighth member. The alternate retired member can only vote in the absence of eighth member.

This bill would authorize the alternate retired member—if the eighth member is present—to vote in the absence of—

A: Both elected general members (second and third members).

B: Either of the elected general members (second or third member) and the elected safety member (seventh member).

ANALYSIS:

Definition of Plan D For Prospective Plan Transfers (LACERA)

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires that new members of LACERA be enrolled in Plan G on or after January 1, 2013. The revised definition of Plan D is a technical change that removes the conflict between Plan D and Plan G with respect to the definition of the contributory plan that is available to new members of the retirement system. The revision does not otherwise change the existing terms and conditions of the prospective plan transfer.

On November 4, 2015, LACERA's Board of Retirement directed staff to work with its legislative advocate to seek an author to introduce legislation that amends the definition of Plan D in the prospective plan transfer provisions of CERL.

Sworn Statements (SACRS)

The filing of a sworn statement may be duplicative and unnecessary if the employer collects the same information and electronically transmits it to the retirement association. The bill provides the option for the submission of the information to the retirement system in a form other than the sworn statement.

The provision relating to sworn statements was a proposal put forth by the State Association of County Retirement Systems (SACRS) for the 2016 legislative year. On November 4, 2015, LACERA's Board of Retirement directed its voting delegate to support inclusion of the proposal in the SACRS legislative platform. At the November 2015 SACRS Conference, voting on the item was postponed to the May 2016 SACRS Conference because the boards of certain systems had not yet had the opportunity to consider all the proposals on the legislative platform.

Plan E Reciprocity (LACERA)

Plan E was established in 1982, and the provisions on reciprocity were intended to be applicable to Plan E members, except for those provisions dealing with disability retirement, death benefits, and the deposit of member contributions.

The bill's provision would clarify the applicability of the reciprocal provision on nonconcurrent retirement to Plan E

members.

On May 21, 2015, LACERA's Board of Retirement directed staff to work its legislative advocate to seek an author to amend legislation relating to LACERA's noncontributory Plan E.

Safety Credit For Previous Service (SACRS)

Government Code Section 31664 provides the benefit formula for safety members who are not subject to PEPPRA. At LACERA, the pensions for Plan A Safety and Plan B Safety members are calculated under Section 31664. LACERA safety members subject to PEPPRA are in Plan C Safety.

Since Plan C safety members are also eligible to purchase service credit for prior employment in active law enforcement or active fire suppression as well as for military service, calculating the pension for that service credit under Section 31664 would result in Plan C members receiving part of their benefit under the formula for Plan A Safety and Plan B safety members.

The bill's provision would align the benefit formula for previous service credit that should be credited as safety service with the correct safety plan.

At its meeting on February 15, 2016, the SACRS Legislative Committee voted to sponsor this provision.

Board of Retirement Alternate Retired Member (CRCEA)

A similar proposal was submitted by the Merced County Employees' Retirement Association for inclusion in the 2016 SACRS legislative platform. The proposal was not approved by the SACRS Legislative Committee for inclusion, pending further study regarding the issue.

This provision, which is sponsored by the California Retired County Employees Association, would enable the alternate retired member to vote in the absence of two employee representatives on the board of retirement, which would avoid the cancellation of a meeting due to lack of a quorum for such absences.

At its meeting of March 18, 2016, the SACRS Legislative Committee voted to support this amendment to the bill.

IBLC

RECOMMENDATION: Support (03-02-16)

STAFF

RECOMMENDATION: Support

PREPARED BY: Barry W. Lew, Legislative Affairs Officer

DATED: March 28, 2016

AMENDED IN ASSEMBLY MARCH 9, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2376

Introduced by Committee on Public Employees, Retirement, and Social Security (Assembly Members Cooper (Chair), Bonta, Cooley, Gonzalez, and O'Donnell)

February 18, 2016

An act to amend Sections 31494.2, 31494.5, ~~and 31526~~ of 31526, and 31641.4 of, and to add Sections 31495.7 and 31520.6 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2376, as amended, Committee on Public Employees, Retirement, and Social Security. County employees' retirement: Los Angeles County.

The County Employees Retirement Law of 1937 (CERL) establishes retirement plans, known as Retirement Plan D and Retirement Plan E, that are applicable in the retirement system in Los Angeles County and prescribes procedures for members to transfer between those plans. CERL defines "Retirement Plan E" to mean the noncontributory retirement plan established by specific provisions, and defines "Retirement Plan D" to mean the contributory retirement plan otherwise available to new members of the retirement system on the transfer date.

This bill would revise the definition of Retirement Plan D to, instead, refer to the contributory retirement plan otherwise available to members of the system between June 1, 1979, and December 31, 2012, inclusive.

CERL provides for the retirement system in Los Angeles County specific ages and pension allowances for normal and early retirement. Under CERL, a member of a CERL retirement system who is eligible

to retire at 50 years of age pursuant to specified statute, or who is required to retire because of age while a member of the Public Employees' Retirement System (PERS), a CERL retirement system in another county, the State Teachers' Retirement System (STRS), or a retirement system of any other public agency of the state that has established reciprocity with PERS subject to certain conditions, but who cannot retire concurrently from PERS, a CERL retirement system in another county, STRS, or a retirement system of any other public agency of the state that has established reciprocity with PERS subject to certain conditions, is entitled to have final compensation and service determined under specific statutes as if the member had retired concurrently under that other system (concurrent retirement exception). Provisions of CERL specifically applicable to Los Angeles County, among other things, apply reciprocal benefits, including the concurrent retirement exception, to the retirement system in Los Angeles County.

This bill would amend provisions of CERL specifically applicable to Los Angeles County to provide that the concurrent retirement exception applies to a member of the retirement system in Los Angeles County eligible to retire at 55 years of age and would state that the amendment is declaratory of existing law.

CERL sets forth the membership composition for boards of retirement, as specified. Under that law, the retirement board in specified counties is comprised of 9 members and an alternate member, as specified. That law also authorizes specified counties to appoint an alternate retired member to the office of the 8th member of the board and authorizes the alternate retired member to vote as a member of the board only in the event the 8th member is absent from a board meeting for any cause.

This bill would additionally authorize the alternate retired member to vote as a member of the board if the 8th member is present and both the 2nd and 3rd, both the 2nd and 7th, or both the 3rd and 7th members are absent for any cause.

Under CERL, except as specified, the management of a retirement system is vested in the board of ~~retirement, with membership as prescribed:~~ retirement. CERL authorizes such a board to make regulations not inconsistent with that law, and requires that the regulations include specific provisions, including provisions for the filing of a sworn statement by every person who is or becomes a member, showing date of birth, nature and duration of employment with the county, compensation received, and other information as is required by the board.

This bill would authorize those regulations, in lieu of a sworn statement, to provide for the submission by a member’s employer to the retirement association of the information otherwise required in a sworn statement, in a form determined by the retirement association.

CERL requires that a safety member who receives credit for prior employment in public service, the principal duties of which consisted of active law enforcement or active fire suppression, or active service in the Armed Forces of the United States during time of war or national emergency, have his or her pension or retirement allowance for that service calculated on the same basis as the calculation of the retirement allowance the member would receive as a safety member under certain laws relating to the retirement of safety members for service.

This bill would require instead that the allowance be calculated on the same basis as the calculation of the retirement allowance the member would receive as a safety member under the safety benefit formula in effect on the date of the member’s initial safety membership.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31494.2 of the Government Code is
2 amended to read:
3 31494.2. (a) A general member whose benefits are governed
4 by Retirement Plan D may, during a period of active employment,
5 elect to change plan membership and become a member,
6 prospectively, in Retirement Plan E. The election shall be made
7 upon written application signed by the member and filed with the
8 board, pursuant to enrollment procedures and during an enrollment
9 period established by the board, which enrollment period shall not
10 occur more frequently than once every three years for that member.
11 The change in plan membership shall be effective as of the transfer
12 date, as defined in subdivision (d). Except as otherwise provided
13 in this section, the rights and obligations of a member who elects
14 to change membership under this section shall be governed by the
15 terms of this article on and after the transfer date. Prior to the
16 transfer date, the rights to retirement, survivors’, or other benefits
17 payable to a member and his or her survivors or beneficiaries shall
18 continue to be governed by Retirement Plan D.

1 (b) Except as otherwise provided in this section, effective as of
2 the transfer date, a member who has transferred to Retirement Plan
3 E pursuant to this section and his or her survivors or beneficiaries
4 shall receive retirement, survivors', and other benefits that shall
5 consist of: (1) the benefits to which they are entitled under the
6 terms of Retirement Plan E, but based on the member's service
7 credited only under that plan, and payable at the time and in the
8 manner provided under Retirement Plan E, and (2) the benefits to
9 which they would have been entitled under the terms of Retirement
10 Plan D had the member remained a member of Retirement Plan
11 D, but based on the member's service credited only under that
12 plan, and payable at the time and in the manner provided under
13 Retirement Plan D. Except as otherwise provided in this section,
14 the calculation of the member's, survivors', or beneficiaries'
15 benefits under each plan shall be subject to that plan's respective,
16 separate terms, including, but not limited to, the definitions of
17 "final compensation" and provisions establishing cost-of-living
18 adjustments, establishing minimum retirement age and service
19 requirements, and governing integration with federal social security
20 payments. Notwithstanding the foregoing, the aggregate service
21 credited under both retirement plans shall be taken into account
22 for the purpose of determining eligibility for and vesting of benefits
23 under each plan.

24 (c) Notwithstanding any other provision of Retirement Plan D
25 or Retirement Plan E:

26 (1) A member who has transferred to Retirement Plan E pursuant
27 to this section may not retire for disability and receive disability
28 retirement benefits under Retirement Plan D.

29 (2) If a member who has transferred to Retirement Plan E
30 pursuant to this section dies prior to retirement, that member's
31 survivor or beneficiary may not receive survivor or death benefits
32 under Retirement Plan D but shall receive a refund of the member's
33 contributions to Retirement Plan D together with all interest
34 credited thereto.

35 (d) As used in this section:

36 (1) "Period of active employment" means a period during which
37 the member is actively performing the duties of a full-time or
38 part-time employee position or is on any authorized paid leave of
39 absence, except a leave of absence during which the member is
40 totally disabled and is receiving, or is eligible to receive, disability

1 benefits, either during or after any elimination or qualifying period,
2 under a disability plan provided by the employer.

3 (2) “Retirement Plan D” means the contributory retirement plan
4 otherwise available to members of the system between June 1,
5 1979, and December 31, 2012, inclusive.

6 (3) “Retirement Plan E” means the noncontributory retirement
7 plan established under this article.

8 (4) “Transfer date” means the first day of the first month that
9 is at least 30 days after the date that the application is filed with
10 the board to change plan membership under subdivision (a).

11 (e) This section shall only be applicable to Los Angeles County
12 and shall not become operative until the board of supervisors of
13 that county elects, by resolution adopted by a majority vote, to
14 make this section operative in the county.

15 SEC. 2. Section 31494.5 of the Government Code is amended
16 to read:

17 31494.5. (a) A general member whose benefits are governed
18 by Retirement Plan E may, during a period of active employment,
19 elect to change plan membership and become a member,
20 prospectively, in Retirement Plan D. The election shall be made
21 upon written application signed by the member and filed with the
22 board, pursuant to enrollment procedures and during an enrollment
23 period established by the board, which enrollment period shall not
24 occur more frequently than once every three years for that member.
25 The change in plan membership shall be effective as of the transfer
26 date, as defined in subdivision (g). Except as otherwise provided
27 in this section, the rights and obligations of a member who elects
28 to change membership under this section shall be governed by the
29 terms of Retirement Plan D on and after the transfer date. Prior to
30 the transfer date, the rights to retirement, survivors’, or other
31 benefits payable to a member and his or her survivors or
32 beneficiaries shall continue to be governed by Retirement Plan E.

33 (b) If a member has made the election to change plans under
34 subdivision (a), monthly contributions by the member and the
35 employer under the terms of Retirement Plan D shall commence
36 as of the transfer date. For the purposes of calculating the member’s
37 contribution rate under Retirement Plan D, his or her entry age
38 shall be deemed to be his or her age at his or her birthday nearest
39 the transfer date; however, if the member exchanges service credit
40 in accordance with subdivision (c), with regard to contributions

1 made for periods after that exchange, his or her entry age shall be
2 adjusted and deemed to be the member's age at his or her birthday
3 nearest the date on which begins the most recent period of
4 unbroken service credited under Retirement Plan D, taking into
5 account service purchased under subdivision (c). In no event shall
6 the exchange of service under subdivision (c) affect the entry age
7 with respect to, or the cost of, employee contributions made, or
8 service purchased, prior to the exchange.

9 (c) (1) A general member who has elected to change plans
10 under subdivision (a) also may elect to exchange, at that time or
11 any time thereafter, but prior to the earlier of his or her application
12 for retirement, termination from employment, or death, some
13 portion designated in whole-month increments, or all of the service
14 credited under Retirement Plan E for an equivalent amount of
15 service credited under Retirement Plan D, provided, however, that
16 the member may not exchange less than 12 months' service or, if
17 less, the total service credited under Retirement Plan E. The
18 exchange shall be effective on the date when the member completes
19 the purchase of that service by depositing in the retirement fund,
20 by lump sum or regular monthly installments, over the period of
21 time determined by a resolution adopted by a majority vote of the
22 board of retirement, or both, but in any event prior to the earlier
23 of his or her death or the date that is 120 days after the effective
24 date of his or her retirement, the sum of: (1) the contributions the
25 member would have made to the retirement fund under Retirement
26 Plan D for that length of time for which the member shall receive
27 credit as service under Retirement Plan D, computed in accordance
28 with the rate of contribution applicable to the member under
29 Retirement Plan D, based upon his or her entry age, and in the
30 same manner prescribed under Retirement Plan D as if that plan
31 had been in effect during the period for which the member shall
32 receive service credit, and (2) the regular interest thereon.

33 (2) For the purposes of this subdivision, a member's entry age
34 shall be deemed to be the member's age at his or her birthday
35 nearest the date on which begins the most recent period of
36 unbroken service credited under Retirement Plan D following
37 completion of the service exchange under this subdivision. A
38 member may receive credit for a period of service under only one
39 plan and in no event shall a member receive credit for the same

1 period of service under both Retirement Plan D and Retirement
2 Plan E.

3 (3) A member who fails to complete the purchase of service as
4 required under this subdivision shall be treated as completing an
5 exchange of service under Retirement Plan E for an equivalent
6 amount of service under Retirement Plan D only with regard to
7 the service that actually has been purchased through completed
8 deposit with the retirement fund of the requisite purchase amount,
9 calculated in accordance with this subdivision.

10 (d) Except as otherwise provided in this section, effective as of
11 the transfer date, a member who has transferred to Retirement Plan
12 D pursuant to this section and his or her survivors or beneficiaries
13 shall receive retirement, disability, survivors', death, or other
14 benefits that shall consist of: (1) the benefits to which they are
15 entitled under the terms of Retirement Plan D, but based on the
16 member's service credited only under that plan, and payable at the
17 time and in the manner provided under Retirement Plan D, and
18 (2) the benefits to which they would have been entitled under the
19 terms of Retirement Plan E had the member remained a member
20 of Retirement Plan E, but based on the member's service credited
21 only under that plan, and payable at the time and in the manner
22 provided under Retirement Plan E. Except as otherwise provided
23 in this section, the calculation of the portion of a member's or
24 beneficiary's benefit that is attributable to each plan is subject to
25 that plan's respective, separate terms, including, but not limited
26 to, the definitions of "final compensation" and provisions
27 establishing cost-of-living adjustments, establishing minimum age
28 and service requirements, and governing integration with federal
29 social security payments. Notwithstanding the foregoing, the
30 aggregate service credited under both Retirement Plan D and
31 Retirement Plan E shall be taken into account for the purpose of
32 determining eligibility for, and vesting of, benefits under each
33 plan.

34 (e) Notwithstanding any other provision of Retirement Plan D
35 or Retirement Plan E, a member who transfers into Retirement
36 Plan D under this section may retire for service-connected or
37 nonservice-connected disability and receive disability benefits
38 under Retirement Plan D only if he or she has either (1) completed
39 two continuous years of active service after his or her most recent
40 transfer date, or (2) earned five years of retirement service credit

1 under Retirement Plan D after his or her most recent transfer date.
2 Notwithstanding any other provision to the contrary, a member
3 who becomes disabled and does not meet either of these conditions
4 (1) may apply for and receive only a deferred or service retirement
5 allowance, or (2) may elect to transfer prospectively back to
6 Retirement Plan E, and for the purposes of calculating his or her
7 retirement benefits under this section, shall in lieu of credit under
8 Retirement Plan D be credited with service under Retirement Plan
9 E as provided under subdivision (g) of Section 31488 during any
10 period he or she is totally disabled and is receiving, or eligible to
11 receive, disability benefits, either during or after any elimination
12 or qualifying period, under a disability plan provided by the
13 employer up to the earlier of the date he or she retires or no longer
14 qualifies for disability benefits. If a member dies before he or she
15 is eligible to retire and before completing either two continuous
16 years of active service after the transfer date into Retirement Plan
17 D or after earning five years of retirement service credit under
18 Retirement Plan D after that transfer date, that member's
19 beneficiary shall not be entitled to the survivor allowance under
20 Section 31781.1 or 31781.12, if operative.

21 (f) Notwithstanding any other provisions of Retirement Plan D
22 or Retirement Plan E, a member who has transferred to Retirement
23 Plan D pursuant to this section and who retires for disability when
24 eligible under this section and Retirement Plan D, may not also
25 retire for service and receive service retirement benefits under
26 Retirement Plan E. However, for the purpose of calculating
27 disability benefits under Retirement Plan D, the "sum to which he
28 or she would be entitled as service retirement" or his or her "service
29 retirement allowance," as those terms are used in Sections 31726,
30 31726.5, and 31727.4, shall consist of the blended benefit to which
31 the member would be entitled under subdivision (d) if he or she
32 retired for service, not just the service retirement benefit to which
33 he or she would be entitled under Retirement Plan D.

34 (g) As used in this section:

35 (1) "Active service" means time spent on active, on-the-job
36 performance of the duties of a full-time or part-time position and
37 on any authorized paid leaves of absence; provided, however, that
38 any authorized paid leave of absence or part-time service shall not
39 constitute active service if the leave of absence or part-time service
40 is necessitated by a preexisting disability, injury, or disease. The

1 board of retirement shall determine whether or not a leave of
2 absence or part-time service is necessitated by a preexisting
3 disability, injury, or disease, and thus excluded from the member's
4 active service, based upon evidence presented by the employer
5 and the member upon request by the board.

6 (2) "Entry age" means the age used for calculating the normal
7 rate of contribution to Retirement Plan D with respect to a member
8 who has transferred membership to Retirement Plan D under this
9 section.

10 (3) "Period of active employment" means a period during which
11 the member is actively performing the duties of a full-time or
12 part-time employee position or is on any authorized paid leave of
13 absence, except a leave of absence during which the member is
14 totally disabled and is receiving, or is eligible to receive, disability
15 benefits, either during or after any elimination or qualifying period,
16 under a disability plan provided by the employer.

17 (4) "Retirement Plan D" means the contributory retirement plan
18 otherwise available to members of the system between June 1,
19 1979, and December 31, 2012, inclusive.

20 (5) "Retirement Plan E" means the noncontributory retirement
21 plan established under this article.

22 (6) "Transfer date" means the first day of the first month that
23 is at least 30 days after the date that the application is filed with
24 the board to change plan membership under subdivision (a).

25 (h) This section shall only be applicable to Los Angeles County
26 and shall not become operative until the board of supervisors of
27 that county elects, by resolution adopted by a majority vote, to
28 make this section operative in the county.

29 *SEC. 3. Section 31495.7 is added to the Government Code, to*
30 *read:*

31 *31495.7. Section 31835.1 applies to a member eligible to retire*
32 *at 55 years of age pursuant to Section 31491. This section is*
33 *declaratory of existing law.*

34 *SEC. 4. Section 31520.6 is added to the Government Code, to*
35 *read:*

36 *31520.6. Notwithstanding any provision to the contrary in*
37 *Section 31520.3 or 31520.5, in any county in which there is an*
38 *alternate retired member, if the eighth member is present, the*
39 *alternate retired member may also vote as a member of the board*
40 *in the event both the second and third, or both the second and*

1 seventh, or both the third and seventh members are absent for any
2 cause.

3 ~~SEC. 3.~~

4 SEC. 5. Section 31526 of the Government Code is amended
5 to read:

6 31526. The regulations shall include provisions:

7 (a) For the election of officers, their terms, meetings, and all
8 other matters relating to the administrative procedure of the board.

9 (b) For one of the following:

10 (1) The filing of a sworn statement by every person who is or
11 becomes a member, showing date of birth, nature and duration of
12 employment with the county, compensation received, and other
13 information as is required by the board.

14 (2) In lieu of a sworn statement, the submission by the member's
15 employer to the retirement association of the information otherwise
16 required in paragraph (1), in a form determined by the retirement
17 association.

18 (c) For forms of annuity certificates and other forms as required.

19 SEC. 6. Section 31641.4 of the Government Code is amended
20 to read:

21 31641.4. (a) A member shall receive credit for employment
22 in public service only for such service as he *or she* is not entitled
23 to receive a pension or retirement allowance from ~~such~~ *the* public
24 agency. The service for which ~~he~~ *the member* elects to contribute
25 and the fact that no pension or retirement allowance will accrue
26 to ~~such~~ *the* member by virtue of ~~his~~ *the member's* employment in
27 ~~such~~ *that* public agency ~~must~~ *shall* be certified to by an officer of
28 the public agency where he *or she* rendered ~~such~~ *that* public service
29 or ~~must~~ *shall* be established to the satisfaction of the board.

30 ~~Notwithstanding~~

31 (b) ~~Notwithstanding~~ any other ~~provision~~ of law, a safety member
32 who receives credit for prior employment in public service, the
33 principal duties of which consisted of active law enforcement or
34 active fire suppression, or active service in the ~~armed~~ *services*
35 *Armed Forces* of the United States during time of war or national
36 emergency, shall have his *or her* pension or retirement allowance
37 for ~~such~~ *that* service calculated on the same basis as the calculation
38 of the retirement allowance ~~such~~ *the* member would receive as a
39 safety member under ~~Section 31664.~~ *the safety benefit formula in*
40 *effect on the date of the member's initial safety membership.*

1 ~~A~~
2 (c) A safety member who entered the service as a peace officer
3 prior to the establishment of the safety membership provisions in
4 his *or her* county shall be considered a safety member from his *or*
5 *her* initial hiring date, for the purposes of this section,
6 notwithstanding any other ~~provision~~ of law.

O

ASSEMBLY BILL

No. 2376

Introduced by Committee on Public Employees, Retirement, and Social Security (Assembly Members Cooper (Chair), Bonta, Cooley, Gonzalez, and O'Donnell)

February 18, 2016

An act to amend Sections 31494.2, 31494.5, and 31526 of the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2376, as introduced, Committee on Public Employees, Retirement, and Social Security. County employees' retirement: Los Angeles County.

The County Employees Retirement Law of 1937 (CERL) establishes retirement plans, known as Retirement Plan D and Retirement Plan E, that are applicable in the retirement system in Los Angeles County and prescribes procedures for members to transfer between those plans. CERL defines "Retirement Plan E" to mean the noncontributory retirement plan established by specific provisions, and defines "Retirement Plan D" to mean the contributory retirement plan otherwise available to new members of the retirement system on the transfer date.

This bill would revise the definition of Retirement Plan D to, instead, refer to the contributory retirement plan otherwise available to members of the system between June 1, 1979, and December 31, 2012, inclusive.

Under CERL, except as specified, the management of a retirement system is vested in the board of retirement, with membership as prescribed. CERL authorizes such a board to make regulations not inconsistent with that law, and requires that the regulations include specific provisions, including provisions for the filing of a sworn

statement by every person who is or becomes a member, showing date of birth, nature and duration of employment with the county, compensation received, and other information as is required by the board.

This bill would authorize those regulations, in lieu of a sworn statement, to provide for the submission by a member’s employer to the retirement association of the information otherwise required in a sworn statement, in a form determined by the retirement association.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31494.2 of the Government Code is
2 amended to read:
3 31494.2. (a) A general member whose benefits are governed
4 by Retirement Plan D may, during a period of active employment,
5 elect to change plan membership and become a member,
6 prospectively, in Retirement Plan E. The election shall be made
7 upon written application signed by the member and filed with the
8 board, pursuant to enrollment procedures and during an enrollment
9 period established by the board, which enrollment period shall not
10 occur more frequently than once every three years for that member.
11 The change in plan membership shall be effective as of the transfer
12 date, as defined in subdivision (d). Except as otherwise provided
13 in this section, the rights and obligations of a member who elects
14 to change membership under this section shall be governed by the
15 terms of this article on and after the transfer date. Prior to the
16 transfer date, the rights to retirement, survivors’, or other benefits
17 payable to a member and his or her survivors or beneficiaries shall
18 continue to be governed by Retirement Plan D.
19 (b) Except as otherwise provided in this section, effective as of
20 the transfer date, a member who has transferred to Retirement Plan
21 E pursuant to this section and his or her survivors or beneficiaries
22 shall receive retirement, survivors’, and other benefits that shall
23 consist of: (1) the benefits to which they are entitled under the
24 terms of Retirement Plan E, but based on the member’s service
25 credited only under that plan, and payable at the time and in the
26 manner provided under Retirement Plan E, and (2) the benefits to
27 which they would have been entitled under the terms of Retirement

1 Plan D had the member remained a member of Retirement Plan
2 D, but based on the member's service credited only under that
3 plan, and payable at the time and in the manner provided under
4 Retirement Plan D. Except as otherwise provided in this section,
5 the calculation of the member's, survivors', or beneficiaries'
6 benefits under each plan shall be subject to that plan's respective,
7 separate terms, including, but not limited to, the definitions of
8 "final compensation" and provisions establishing cost-of-living
9 adjustments, establishing minimum retirement age and service
10 requirements, and governing integration with federal social security
11 payments. Notwithstanding the foregoing, the aggregate service
12 credited under both retirement plans shall be taken into account
13 for the purpose of determining eligibility for and vesting of benefits
14 under each plan.

15 (c) Notwithstanding any other provision of Retirement Plan D
16 or Retirement Plan E:

17 (1) A member who has transferred to Retirement Plan E pursuant
18 to this section may not retire for disability and receive disability
19 retirement benefits under Retirement Plan D.

20 (2) If a member who has transferred to Retirement Plan E
21 pursuant to this section dies prior to retirement, that member's
22 survivor or beneficiary may not receive survivor or death benefits
23 under Retirement Plan D but shall receive a refund of the member's
24 contributions to Retirement Plan D together with all interest
25 credited thereto.

26 (d) As used in this section:

27 (1) "Period of active employment" means a period during which
28 the member is actively performing the duties of a full-time or
29 part-time employee position or is on any authorized paid leave of
30 absence, except a leave of absence during which the member is
31 totally disabled and is receiving, or is eligible to receive, disability
32 benefits, either during or after any elimination or qualifying period,
33 under a disability plan provided by the employer.

34 (2) "Retirement Plan D" means the contributory retirement plan
35 otherwise available to ~~new members of the system on the transfer~~
36 ~~date.~~ *members of the system between June 1, 1979, and December*
37 *31, 2012, inclusive.*

38 (3) "Retirement Plan E" means the noncontributory retirement
39 plan established under this article.

1 (4) “Transfer date” means the first day of the first month that
2 is at least 30 days after the date that the application is filed with
3 the board to change plan membership under subdivision (a).

4 (e) This section shall only be applicable to Los Angeles County
5 and shall not become operative until the board of supervisors of
6 that county elects, by resolution adopted by a majority vote, to
7 make this section operative in the county.

8 SEC. 2. Section 31494.5 of the Government Code is amended
9 to read:

10 31494.5. (a) A general member whose benefits are governed
11 by Retirement Plan E may, during a period of active employment,
12 elect to change plan membership and become a member,
13 prospectively, in Retirement Plan D. The election shall be made
14 upon written application signed by the member and filed with the
15 board, pursuant to enrollment procedures and during an enrollment
16 period established by the board, which enrollment period shall not
17 occur more frequently than once every three years for that member.
18 The change in plan membership shall be effective as of the transfer
19 date, as defined in subdivision (g). Except as otherwise provided
20 in this section, the rights and obligations of a member who elects
21 to change membership under this section shall be governed by the
22 terms of Retirement Plan D on and after the transfer date. Prior to
23 the transfer date, the rights to retirement, survivors’, or other
24 benefits payable to a member and his or her survivors or
25 beneficiaries shall continue to be governed by Retirement Plan E.

26 (b) If a member has made the election to change plans under
27 subdivision (a), monthly contributions by the member and the
28 employer under the terms of Retirement Plan D shall commence
29 as of the transfer date. For the purposes of calculating the member’s
30 contribution rate under Retirement Plan D, his or her entry age
31 shall be deemed to be his or her age at his or her birthday nearest
32 the transfer date; however, if the member exchanges service credit
33 in accordance with subdivision (c), with regard to contributions
34 made for periods after that exchange, his or her entry age shall be
35 adjusted and deemed to be the member’s age at his or her birthday
36 nearest the date on which begins the most recent period of
37 unbroken service credited under Retirement Plan D, taking into
38 account service purchased under subdivision (c). In no event shall
39 the exchange of service under subdivision (c) affect the entry age

1 with respect to, or the cost of, employee contributions made, or
2 service purchased, prior to the exchange.

3 (c) (1) A general member who has elected to change plans
4 under subdivision (a) also may elect to exchange, at that time or
5 any time thereafter, but prior to the earlier of his or her application
6 for retirement, termination from employment, or death, some
7 portion designated in whole-month increments, or all of the service
8 credited under Retirement Plan E for an equivalent amount of
9 service credited under Retirement Plan D, provided, however, that
10 the member may not exchange less than 12 months' service or, if
11 less, the total service credited under Retirement Plan E. The
12 exchange shall be effective on the date when the member completes
13 the purchase of that service by depositing in the retirement fund,
14 by lump sum or regular monthly installments, over the period of
15 time determined by a resolution adopted by a majority vote of the
16 board of retirement, or both, but in any event prior to the earlier
17 of his or her death or the date that is 120 days after the effective
18 date of his or her retirement, the sum of: (1) the contributions the
19 member would have made to the retirement fund under Retirement
20 Plan D for that length of time for which the member shall receive
21 credit as service under Retirement Plan D, computed in accordance
22 with the rate of contribution applicable to the member under
23 Retirement Plan D, based upon his or her entry age, and in the
24 same manner prescribed under Retirement Plan D as if that plan
25 had been in effect during the period for which the member shall
26 receive service credit, and (2) the regular interest thereon.

27 ~~For~~

28 (2) For the purposes of this subdivision, a member's entry age
29 shall be deemed to be the member's age at his or her birthday
30 nearest the date on which begins the most recent period of
31 unbroken service credited under Retirement Plan D following
32 completion of the service exchange under this subdivision. A
33 member may receive credit for a period of service under only one
34 plan and in no event shall a member receive credit for the same
35 period of service under both Retirement Plan D and Retirement
36 Plan E.

37 ~~A~~

38 (3) A member who fails to complete the purchase of service as
39 required under this subdivision shall be treated as completing an
40 exchange of service under Retirement Plan E for an equivalent

1 amount of service under Retirement Plan D only with regard to
2 the service that actually has been purchased through completed
3 deposit with the retirement fund of the requisite purchase amount,
4 calculated in accordance with this subdivision.

5 (d) Except as otherwise provided in this section, effective as of
6 the transfer date, a member who has transferred to Retirement Plan
7 D pursuant to this section and his or her survivors or beneficiaries
8 shall receive retirement, disability, survivors', death, or other
9 benefits that shall consist of: (1) the benefits to which they are
10 entitled under the terms of Retirement Plan D, but based on the
11 member's service credited only under that plan, and payable at the
12 time and in the manner provided under Retirement Plan D, and
13 (2) the benefits to which they would have been entitled under the
14 terms of Retirement Plan E had the member remained a member
15 of Retirement Plan E, but based on the member's service credited
16 only under that plan, and payable at the time and in the manner
17 provided under Retirement Plan E. Except as otherwise provided
18 in this section, the calculation of the portion of a member's or
19 beneficiary's benefit that is attributable to each plan is subject to
20 that plan's respective, separate terms, including, but not limited
21 to, the definitions of "final compensation" and provisions
22 establishing cost-of-living adjustments, establishing minimum age
23 and service requirements, and governing integration with federal
24 social security payments. Notwithstanding the foregoing, the
25 aggregate service credited under both Retirement Plan D and
26 Retirement Plan E shall be taken into account for the purpose of
27 determining eligibility for, and vesting of, benefits under each
28 plan.

29 (e) Notwithstanding any other provision of Retirement Plan D
30 or Retirement Plan E, a member who transfers into Retirement
31 Plan D under this section may retire for service-connected or
32 nonservice-connected disability and receive disability benefits
33 under Retirement Plan D only if he or she has either (1) completed
34 two continuous years of active service after his or her most recent
35 transfer date, or (2) earned five years of retirement service credit
36 under Retirement Plan D after his or her most recent transfer date.
37 Notwithstanding any other provision to the contrary, a member
38 who becomes disabled and does not meet either of these conditions
39 (1) may apply for and receive only a deferred or service retirement
40 allowance, or (2) may elect to transfer prospectively back to

1 Retirement Plan E, and for the purposes of calculating his or her
2 retirement benefits under this section, shall in lieu of credit under
3 Retirement Plan D be credited with service under Retirement Plan
4 E as provided under subdivision (g) of Section 31488 during any
5 period he or she is totally disabled and is receiving, or eligible to
6 receive, disability benefits, either during or after any elimination
7 or qualifying period, under a disability plan provided by the
8 employer up to the earlier of the date he or she retires or no longer
9 qualifies for disability benefits. If a member dies before he or she
10 is eligible to retire and before completing either two continuous
11 years of active service after the transfer date into Retirement Plan
12 D or after earning five years of retirement service credit under
13 Retirement Plan D after that transfer date, that member's
14 beneficiary shall not be entitled to the survivor allowance under
15 Section 31781.1 or 31781.12, if operative.

16 (f) Notwithstanding any other provisions of Retirement Plan D
17 or Retirement Plan E, a member who has transferred to Retirement
18 Plan D pursuant to this section and who retires for disability when
19 eligible under this section and Retirement Plan D, may not also
20 retire for service and receive service retirement benefits under
21 Retirement Plan E. However, for the purpose of calculating
22 disability benefits under Retirement Plan D, the "sum to which he
23 or she would be entitled as service retirement" or his or her "service
24 retirement allowance," as those terms are used in Sections 31726,
25 31726.5, and 31727.4, shall consist of the blended benefit to which
26 the member would be entitled under subdivision (d) if he or she
27 retired for service, not just the service retirement benefit to which
28 he or she would be entitled under Retirement Plan D.

29 (g) As used in this section:

30 (1) "Active service" means time spent on active, on-the-job
31 performance of the duties of a full-time or part-time position and
32 on any authorized paid leaves of absence; provided, however, that
33 any authorized paid leave of absence or part-time service shall not
34 constitute active service if the leave of absence or part-time service
35 is necessitated by a preexisting disability, injury, or disease. The
36 board of retirement shall determine whether or not a leave of
37 absence or part-time service is necessitated by a preexisting
38 disability, injury, or disease, and thus excluded from the member's
39 active service, based upon evidence presented by the employer
40 and the member upon request by the board.

1 (2) “Entry age” means the age used for calculating the normal
 2 rate of contribution to Retirement Plan D with respect to a member
 3 who has transferred membership to Retirement Plan D under this
 4 section.

5 (3) “Period of active employment” means a period during which
 6 the member is actively performing the duties of a full-time or
 7 part-time employee position or is on any authorized paid leave of
 8 absence, except a leave of absence during which the member is
 9 totally disabled and is receiving, or is eligible to receive, disability
 10 benefits, either during or after any elimination or qualifying period,
 11 under a disability plan provided by the employer.

12 (4) “Retirement Plan D” means the contributory retirement plan
 13 otherwise available to ~~new members of the retirement system on~~
 14 ~~the transfer date.~~ *members of the system between June 1, 1979,*
 15 *and December 31, 2012, inclusive.*

16 (5) “Retirement Plan E” means the noncontributory retirement
 17 plan established under this article.

18 (6) “Transfer date” means the first day of the first month that
 19 is at least 30 days after the date that the application is filed with
 20 the board to change plan membership under subdivision (a).

21 (h) This section shall only be applicable to Los Angeles County
 22 and shall not become operative until the board of supervisors of
 23 that county elects, by resolution adopted by a majority vote, to
 24 make this section operative in the county.

25 SEC. 3. Section 31526 of the Government Code is amended
 26 to read:

27 31526. The regulations shall include provisions:

28 (a) For the election of officers, their terms, meetings, and all
 29 other matters relating to the administrative procedure of the board.

30 (b) For ~~the one of the following~~:

31 (1) *The* filing of a sworn statement by every person who is or
 32 becomes a member, showing date of birth, nature and duration of
 33 employment with the county, compensation received, and ~~such~~
 34 other information as is required by the board.

35 (2) *In lieu of a sworn statement, the submission by the member’s*
 36 *employer to the retirement association of the information otherwise*
 37 *required in paragraph (1), in a form determined by the retirement*
 38 *association.*

1 (c) For forms of annuity certificates and ~~for such~~ other forms
2 as ~~are~~ required.

O



March 24, 2016

TO: Each Member
Board of Retirement

Each Member
Board of Investments

FROM: Travel Policy Committee
Marvin Adams, Chair
Herman Santos, Vice Chair
Anthony Bravo
William de la Garza
David Green
Shawn Kehoe
Joseph Kelly
Diane Sandoval

SUBJECT: **REVISED EDUCATION AND TRAVEL POLICY**

At the March 9, 2016 Travel Policy Committee meeting, the Committee, through all members present,¹ voted to recommend the attached redlined revised Policy to the full Board of Retirement and Board of Investments for final approval.

The revisions fall into two categories, as follows:

First, revisions are proposed, at page 2 of the Policy, to exempt local conferences from the five-hour substantive content requirement where there is no common carrier travel and lodging and where the registration fee is \$500 or less. The revisions also provide for automatic approval of such local conferences.

Second, changes are proposed to Attachment C to the Policy, at pages 18 and 20, to add four additional pre-approved conferences:

- a. Goldman Sachs conferences and educational meetings, with priority assigned to the Board of Investments. Goldman Sachs presents a variety of presentations and conferences on current investment topics.
- b. Harvard Kennedy School, Trustee Leadership Forum, Initiative for Responsible Investment, with priority assigned to the Board of Investments.

¹ Members Bravo, Kelly, and Sandoval were absent.

Each Member, Board of Retirement
Each Member, Board of Investments
March 24, 2016
Re: Revised Education and Travel Policy
Page 2

- c. National Association of Securities Professionals (NASP) Annual Pension and Financial Services Conference, with priority assigned to the Board of Investments.
- d. Public Retirement Journal, with priority assigned to the Board of Retirement. The Public Retirement Journal focuses on California public pension issues and hosts an annual seminar as well as webinars with leading experts on topics of interest.

The revised Policy will be effective upon approval by both Boards.

IT IS RECOMMENDED that your Boards approve the proposed revised Education and Travel Policy.

SPR:dd
Attachment

c: Gregg Rademacher
Robert Hill
John Popowich
Steven P. Rice
Beulah Auten
Ted Granger



Education and Travel Policy

Approved: Board of Investments, ~~June 10, 2015~~
Board of Retirement, ~~June 11, 2015~~

EDUCATION AND TRAVEL POLICY

Statement of Purpose

The Board of Retirement, the Board of Investments, and designated staff have a fiduciary duty:

- To obtain education on matters of public pension administration and investments,
- To monitor the administration and investments of the Trust,
- To monitor the work of those to whom the Board has delegated authority to administer and manage Trust assets, and
- To advocate positions that protect and further the interests of the Trust.

It is the desire and intention of the Board of Retirement and the Board of Investments to ensure that the Boards and staff may perform their fiduciary duties, by implementing an education and travel policy by which:

- Board Members and staff receive current benefit, financial and policy information pertinent to the administration of public pension plans, the administration and management of the retiree health care program, and the investment of public pension funds,
- Board Members and staff may travel to advocate positions that protect and further the interests of the Trust, and
- Board Members may complete their required 24 hours of “board member education” every two years as mandated by Government Code §31522.8.

The Boards desire to avoid even the appearance of impropriety in connection with education and travel. The Boards acknowledge that acceptance of gifts of travel, such as transportation, meals, and lodging by a public agency, though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages “pay to play” and may, unwittingly, create opportunities for undue influence on Board Members and staff. LACERA’s education and travel policy therefore does not permit LACERA as an entity to accept gifts of travel.

The Boards further acknowledge that international travel, though expensive, is increasingly necessary in light of today’s global economy and LACERA’s ongoing prudent investment of a substantial portion of its assets outside the United States.

EDUCATION AND TRAVEL POLICY

This policy is to be implemented in compliance with the relevant provisions of the California Government Code and federal law, and in harmony with existing philosophy, objectives, policies and guidelines previously approved by the Boards of Retirement and Investments.

This policy shall be reviewed by the Travel Committee of the Board of Retirement and Board of Investments annually or as needed and may be amended by both Boards at any time.

705.00 – EDUCATIONAL CONTENT REQUIREMENT

[Except as provided in Section 705.01.A.1, c](#)onferences and seminars must contain an average of five hours of substantive content per day, excluding travel days.

705.01 – EDUCATION AUTHORIZATION

A. Board Members

[1. Local educational conferences and seminars not requiring common carrier travel and lodging and where the registration fee is \\$500 or less are approved for attendance. Such conferences and seminars must contain substantive content but are not subject to the five-hour per day content requirement of Section 705.00.](#)

~~1.2.~~ Educational conferences, seminars and meetings listed on Attachment C are preapproved for attendance and expense reimbursement provided all other policy requirements are met.

~~2.3.~~ Educational conferences, seminars, and meetings not listed on Attachment C [and not covered by Section 705.01.A.1](#) require prior approval by the Board. Memoranda submitted to the Board seeking approval to attend conferences, seminars and meetings shall include the registration fee and hotel rate.

~~3.4.~~ Attending a conference, seminar and meeting held outside of the United States requires prior Board approval whether or not such conference, seminar or meeting is listed on Attachment C.

~~4.5.~~ The Board may ratify attendance at otherwise unapproved conferences, seminars and meetings for good cause explained in a written communication to the Board.

EDUCATION AND TRAVEL POLICY

~~5.6.~~ Requests for conference attendance and travel arrangements must be made in writing and directed to the appropriate Board staff secretary.

B. Staff Members The Chief Executive Officer, or designee, shall approve staff education and travel.

705.02 - AUTHORIZED EXPENSES

Authorized educational and related travel expenses for Board Members and staff shall be determined by the Boards as set forth in Attachment A. LACERA Board Members and staff shall be reimbursed for reasonable and necessary expenses incurred in connection with LACERA business.

705.03 - COSTS OF ADMINISTRATION

Education and travel expenses for Board Members and staff shall be administrative costs and may not be paid through third party contracts. It is LACERA's policy that LACERA, as an agency, will not accept gifts of travel.

705.04 - CLAIMS FOR REIMBURSEMENT

An education and travel expense reimbursement shall be claimed by completing an expense voucher form available on the LACERA intranet website and submitting it to the appropriate authorizing person. Board Members may submit their expense reimbursements to their respective Board staff secretaries and staff to their Division Manager. The deadline for submitting an education and travel reimbursement claim is 90 days after completing the education, or 30 days after the fiscal year-end, whichever comes first. Extensions to this deadline may be granted upon showing good cause.

705.05 – BOARD PRIORITY WHERE ATTENDANCE IS LIMITED

Should an education provider limit Board Member attendance, it is the Boards' intent to provide attendance priority to the specified Board as designated in Attachment C. The basis for this designation is for the Board of Retirement Members to have attendance priority for benefit, healthcare, plan administration, and general policy conferences and for the Board of Investments Members to have priority for investment and actuarial conferences. In this context, the term "conference" is meant to include conference, meeting, roundtable, symposium, or any other term used to describe an educational opportunity. Should a conference not listed in Attachment C be approved by both

EDUCATION AND TRAVEL POLICY

Boards, such conference will be prioritized by the CEO in the manner used to set Board Priority in Attachment C.

705.06 - SELECTION OF ATTENDEES WHERE ATTENDANCE IS LIMITED

In the event attendance at a conference or seminar where the number of LACERA representatives that may attend is limited, a Board staff secretary shall canvass the Board with conference priority, per Attachment C or so designated, to identify those Board Members interested in attending. In the event more Board Members from the Priority Board desire to attend than the conference provider will accommodate or this policy allows, such attendance will be determined by the appropriate priority listing as described in Attachment B. After fulfilling attendance needs for the Board with attendance priority, remaining attendance opportunity will shift to the other Board.

705.07 – CONFERENCE ATTENDANCE LIMITATIONS

A. Number of Conferences Subject to Reimbursement per Fiscal Year

1. Every Board Member is authorized to attend up to 8 approved conferences per fiscal year, and up to 12 if the Board Member is serving simultaneously on both Boards.
2. It is the policy's intent for Board members to have the ability to maximize attending local educational conferences. As such, conferences that do not require common carrier travel and lodging is under \$1,500, are not subject to the 8 (or 12, as applicable) conference attendance limit.

B. Failing to Attend or Canceling a Conference Timely

Travel expenses incurred by a Board Member for the first 8 (or 12, as applicable) approved conferences the Board Member attends per fiscal year are subject to reimbursement by LACERA in accordance with this Education and Travel Policy. If a Board Member is enrolled for a conference but fails to attend or timely cancel and LACERA incurs an expense as a result (e.g., conference registration, travel and lodging cancelation fees), that conference counts toward the limit until the Board Member reimburses LACERA for all expenses incurred, unless the failure to cancel is excused under section 705.12(c).

C. Exceeding the Number of Conferences Subject to Reimbursement per Fiscal Year

EDUCATION AND TRAVEL POLICY

LACERA will not reimburse a Board Member for expenses associated with conference attendance by a Board Member during the remainder of the fiscal year once the sum of approved conferences a Board Member attends plus those for which LACERA has incurred unreimbursed, unexcused cancelation expenses reaches 8 (or 12). The Board Member shall be responsible for all such expenses, including without limitation the registration fee, lodging, transportation and meal expenses. A Board member may place on the agenda of the member's respective Board a request to approve exceeding the conference limit specified in this section.

D. Seminars and Conferences Outside the United States

In addition to the limitations described in 705.06, the following limitations shall apply to attending conferences and seminars outside the United States (International Conferences)

1. An individual Board member shall not be authorized to attend more than two International Conferences in any fiscal year,
2. Not more than three Board members shall be authorized to attend the same International Conference,
3. Prior to attending an International Benefit Conference, a Board Member is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress, and
4. Prior to attending an International Investment Conference a Board Member is required to successfully complete the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course.

705.08 - CASH ADVANCES

Cash advances will not be allowed unless specifically approved for Board Members by the appropriate Board and staff by the CEO.

705.09 - EXPENSES FOR TRAVELING COMPANIONS

Education and travel expenses for family members and/or traveling companions are not reimbursable by LACERA.

EDUCATION AND TRAVEL POLICY

705.10 – ADDITIONAL TRAVEL DAYS TO MINIMIZE OVERALL TRAVEL COST

Travel the day prior to and/or the day after a conference will be reimbursed if reasonably necessary because of time constraints. More than one additional day prior to and/or after international travel will be reimbursed as reasonably necessary based on the location of the conference. In addition, lodging and per diem for extra days prior to or after a conference will be reimbursed if such extension results in lower overall trip costs. For staff, cost comparisons for trip extensions shall include the costs of salary for any work days lost by the extension. Written justification for travel expenses incurred prior to or after a conference shall be submitted with the claim for reimbursement.

705.11 - GROUND TRANSPORTATION

Individuals will be expected to use group shuttle service to and from metropolitan destinations unless such use is precluded by time constraints or it is safer, more efficient, or more economical to hire a taxi or rent a car, pay for parking, fuel, etc. Reimbursement of an alternative mode of transportation will be limited to the cost of the group shuttle service unless otherwise justified. When renting a vehicle, purchase of optional insurance is not necessary as LACERA's insurance will cover the same risks.

705.12 – CANCELING EDUCATION AND TRAVEL ARRANGEMENTS

A. Responsibility for Timely Cancelation

Individuals are responsible for timely canceling education and travel arrangements made on his/her behalf which will not be used so that no costs will be incurred by LACERA.

B. Responsibility for Untimely Cancelation Costs

Individuals are responsible for all costs LACERA incurs as a result of the individual's failure to cancel education and travel arrangements before cancelation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the traveler's control. The traveler must reimburse LACERA within 30 days after notification of the amount due. If reimbursement is not made within such 30-day period, and payment is still due, the amount shall be deducted from any payment due the traveler from LACERA.

C. Responsibility for Untimely Cancelation Costs with Good Cause

EDUCATION AND TRAVEL POLICY

If the individual believes the failure to cancel was due to facts or circumstances beyond their control, they must submit a written excuse to the Board Chair, or to the CEO if the individual is staff, within 30 days after receiving notification of the cancellation expenses due. For Board Members, the Board Chair will approve or disapprove the excuse in writing to the individual, with a copy to the Board's staff secretary. If the individual is a Board Chair, then the written excuse must be submitted to that Board's Vice Chair who will then approve or disapprove the excuse. If the individual is a Vice Chair simultaneously serving as the acting Chair, then the Vice Chair's written excuse must be submitted to that Board's Secretary who will then approve or disapprove the excuse. Should a Board Member disagree with the Board Officer's determination, the Board Member may request the Board's staff secretary to agendize the matter for the Board's consideration.

705.13 – INTERNATIONAL TRAVEL INSURANCE

LACERA will purchase travel insurance covering Board Members and staff while traveling internationally on LACERA business. The insurance will include accident, medical, security assistance and evacuation, travel assistance, trip cancellation, interruption or delay, and baggage loss or delay coverage.

705.14 - TRAVEL REPORTS

The Chief Executive Officer shall submit a monthly Travel Report to both Boards listing the current fiscal year's completed, anticipated, and canceled education attendance for Board Members. Such report will include staff's educational travel.

A quarterly Travel Report listing Board Member education and travel expenses paid/reimbursed by LACERA shall be provided to both Boards. Such report shall identify the purpose, location, and cost. Such report will include staff's education and administrative travel.

705.15 - REPORT FOLLOWING ATTENDANCE AT CONFERENCE AND SEMINARS

Board Members who attend a conference, seminar or meeting, are encouraged to report at a Board meeting the information and knowledge gained, an evaluation of the conference, seminar or meeting, and recommendation concerning future participation.

705.16 - TRAVEL BY NEWLY APPOINTED AND ELECTED BOARD MEMBERS

A person duly appointed or elected to the Board of Retirement or Board of Investments shall, for purposes of this policy, be deemed to have assumed the office of Board

EDUCATION AND TRAVEL POLICY

Member as of the date the person's appointment is approved or election is certified by the Board of Supervisors. It is the intent of this Section that incoming Board Members attend seminars and conferences as part of their orientation and preparation to assume the duties of a LACERA Board Member.

For purposes of Section 705.07, seminars and conferences related to the topics listed in Government Code §31522.8 that are attended during the six months prior to the date an individual's term of office commences shall be counted towards the number of seminars and conferences that may be attended during the first fiscal year of the individual's term in office.

A copy of this policy, related policy procedures, and list of all pre-approved, approved, or likely to be approved conferences scheduled to occur during the first six months of the newly elected or appointed member's term are to be provided to each new Board Member at the beginning of his/her term.

705.17 - BROWN ACT COMPLIANCE

No more than four members of either Board are authorized to meet together to discuss LACERA business unless there is appropriate public notice of the meeting pursuant to the Ralph M. Brown Act. All meetings subject to the Brown Act must be held within the County of Los Angeles, unless otherwise permitted by the Brown Act. A person holding membership on both the Board of Retirement and Board of Investments counts as one of the members in attendance for each of the Boards. Attendance at conferences, seminars, meetings and social activities by more than four members of a Board is not a violation of this provision.

705.18 – WAIVER OF POLICY PROVISIONS

For good cause, and in the exercise of its sound discretion, the Board of Retirement or the Board of Investments may waive compliance with specific requirements of this Policy when in the best interest of LACERA.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

When determining reimbursement limits for lodging and meals, LACERA considers how much control it has over those travel costs. Conference/seminar sponsors select the city and hotel for their conferences and LACERA has little or no input in the decision. Similarly, conference sponsors often provide meals, and LACERA again has little or no input as to the place or menu. Where LACERA's input regarding lodging and meals is limited - and thus its ability to control the cost of such items is limited – it is appropriate to reimburse the actual travel costs incurred, unless to do so would jeopardize LACERA's tax-exempt status.

The same rationale applies to meetings of limited partners, members, shareholders, advisory committees, etc. of entities to which LACERA has invested trust funds (“investor meetings”). LACERA has little or no input as to the location of investor meetings, or with respect to the meals provided during such meetings. Therefore investor meetings should be treated as “conferences/seminars” and not administrative travel for purposes of determining appropriate lodging and meal reimbursements.

A policy that reimburses actual lodging and meal costs where LACERA has little or no control over those costs provides benefits to LACERA. First, its Boards and staff will be better able to travel to educational conferences and investor meetings in fulfillment of their fiduciary duties if they do not have to bear the cost of such travel personally. Second, LACERA benefits from having its personnel enjoy the convenient educational access, increased networking opportunities, and safety afforded when staying at the designated conference or investor meeting hotel.

Travelers are encouraged to schedule travel in a way that minimizes LACERA's travel expenses. For example, a traveler may have a conference to attend and a due diligence visit to make in the same geographic area at or about the same time. The traveler should either (i) make two trips (i.e., return home after the first event) or (ii) make one trip (i.e., remain in the region in the interim between the events, and receive transportation, lodging and meal reimbursement during the interim as otherwise permitted by the Travel Policy), depending upon which results in lower overall cost to LACERA.

Amounts which can be reimbursed for transportation, lodging, meals and other items are indicated as follows:

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

TRANSPORTATION:

A. Airline Travel

1. Board Members and staff will travel in coach/economy class except that they may travel in business class or its equivalent for:
 - a. Flights having a scheduled non-stop flight time of six hours or more and
 - b. Red-eye flights. "Red-eye flights" are defined as flights in which a majority of the flight time occurs between 10:00 PM and 6:00 AM.
2. LACERA will reimburse the additional cost of coach/economy class seats advertised as having additional leg room regardless of flight time.
3. Recognizing air carriers have begun charging for incidental items historically included in the ticket price (for example, checking luggage, providing pillows, blankets, and non-alcoholic beverages during flights, etc.), LACERA also will reimburse carrier charges for such incidental items.
4. Substantiation of airline travel shall include a copy of the ticket or E-mail confirmation showing the cost of the air travel.
5. Board Members and staff traveling by air to conduct LACERA business may use only regularly-scheduled airline services operating by an air carrier certified by the Federal Aviation Administration or comparable foreign authority. Board Members and staff are prohibited from traveling on LACERA business via private aircraft, including but not limited to aircraft owned, leased, or rented by the individual Board Member or staff. Persons traveling on LACERA business via private aircraft will be deemed to be acting outside the scope of their responsibilities and employment. They will not be covered by LACERA's liability insurance.

B. Other Common Carrier Travel

1. Travel permitted under this Travel Policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

2. Generally air travel is the most cost-effective and efficient means for long distance travel, with “long distance travel” defined as a travel to a site more than 600 miles from LACERA’s headquarters.
3. Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).

LODGING:

A. Room Cost

Reimbursement is limited to a standard class single room rate. Actual expenses for lodging will be reimbursed upon submittal of receipts.

B. Government Rates

Board Members and staff traveling on LACERA business should always request government rates when making reservations and/or checking in. LACERA recognizes that the governmental rate offered for local governmental entities like LACERA may be higher than the federal government rate, or may not be available at all, especially in connection with international travel or conference attendance.

C. Attendance at Conferences and Investor Meetings

LACERA acknowledges that the cost of a standard room at a conference hotel may exceed the standard lodging reimbursement rate. Nevertheless, Board Members and staff attending conferences are expected to stay at the designated conference meeting hotel to promote convenient educational access, networking, and safety. Reimbursement for lodging at a conference meeting is limited to the standard room rate charged by the conference meeting hotel. When lodging at the conference hotel is unavailable, reimbursement is limited to the best available rate for a standard room at a nearby hotel of comparable quality. The traveler will be responsible for any excess cost. This applies for staff attendance at investor meetings.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

D. Travel Not Connected With Conferences or Investor Meetings

The maximum lodging amounts are intended to cover the cost of lodging at adequate, suitable and moderately-priced facilities located near the destination city's airport or the specific area in the destination city where LACERA's business will be conducted. Reimbursement for lodging connected with all non-conference travel is limited to:

1. Domestic: Not more than three times the regular per diem rate for the location as established from time to time by the Internal Revenue Service, found at www.gsa.gov (click on "per diem rates").
2. International: Not more than three times the rate for the location as established from time to time by the United States Department of State, found at: www.state.gov/m/a/als/prdm.

MEALS:

It is the Policy's intent for the traveler to be reimbursed for meals not pre-paid for by LACERA. As such, LACERA will not reimburse the traveler for a meal which has been pre-paid for by LACERA (e.g., when conference registration includes meals), whether or not the traveler consumed the meal, except where the traveler could not consume the pre-paid meal because:

1. The traveler has special dietary or medical concerns, or
2. It was reasonably necessary for the traveler to conduct LACERA business (e.g., meet with an investment advisor) while the pre-paid meal was being served.

Likewise, LACERA will not reimburse the traveler for a meal paid for by a third party.

Meal Reimbursement

Reimbursement for meals shall, at the traveler's option, be based either on "The Per Diem Method" or "The Actual Receipt Method." The traveler may use both the Per Diem Method and the Actual Receipt Method of reimbursement on a single trip, so long as only one method is used per calendar day.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

A. The Per Diem Method

1. Under the Per Diem Method the traveler agrees to accept a flat rate for meal expense for actual meals eaten and is not required to submit receipts.
2. The per diem allowance will be computed using the Meals & Incidental Expenses rate (the "M&IE Rate") published by the Internal Revenue Service and in effect on the date of travel for the locality of travel.
3. The per diem allowance shall be claimed in accordance with the Meals & Incidental Expenses Breakdown (M&IE Breakdown) per the IRS, based on the M&IE Rate. The portion of the per diem the traveler receives depends upon when the travel occurs. For example, if the travel occurs during normal breakfast and lunch times, the traveler receives the per diem for breakfast and lunch; if the travel occurs during normal lunch and dinner times, the traveler receives the per diem for lunch and dinner, etc.

B. The Actual Receipt Method

1. Under the Actual Receipt Method, reimbursement shall be requested only for the actual cost paid for a meal.
2. Actual cost reimbursed will not to exceed \$100 per day.
3. Receipts shall include the following information:
 - a. Meal cost amount, and
 - b. Date and location.
4. Credit card receipts are sufficient provided they include the required information.
5. Annotating the meal receipt with the business purpose for the meal will assist staff with processing reimbursements, and if the receipt is for more than the individual, the names of persons whose meals are covered by the receipt.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

6. If a host provides a meal, and actual expenses are not incurred, then that meal should be excluded from reimbursement

PORTERAGE:

1. Maximum reimbursement for Porterage is \$10 per day of travel (that is, days involving transportation from home to a travel location, from one travel location to another, and from the final destination to home).
2. Porterage shall be based on the actual amount expended and documented on the claim form.
3. Porterage may not be claimed if reimbursement for meals is claimed using the Per Diem Method, as the Per Diem Method's IRS tables already factor in porterage reimbursement.

PARKING:

Parking, including airport parking, will be reimbursed at actual rate (receipt required).

MILEAGE:

Use of a personal vehicle will be reimbursed on a per mile basis at the rate approved by the Internal Revenue Service as of the date of travel.

OTHER BUSINESS EXPENSES:

Other business expenses reasonably incurred in connection with LACERA business, such as telephone, fax, internet access, dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts.

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

**PROCEDURE FOR SELECTION OF ATTENDEES
AT CONFERENCES, SEMINARS AND MEETINGS WHERE
ATTENDANCE IS LIMITED**

The following procedures apply to authorize attendance at conferences, seminars, and meetings where attendance is limited.

A. Board Member Education Priority Listings

1. Each Board shall keep separate Board Member Education Priority Listings.

2. Each Board shall keep two listings:

a. Domestic Education Priority List

Conferences, seminars and meetings held in the United States shall be considered domestic events for purposes of this policy.

b. International Education Priority List

Conferences, seminars and meetings held outside of the United States shall be considered international events for purposes of this policy.

3. Board Member Education Priority Listings will be maintained by the Board staff secretary.

B. Creating Education Priority Listings

1. Each Board member will be assigned an Initial Priority Date.

2. The Initial Priority Date will be the later of:

a. Board of Supervisor's Appointment date (includes Treasurer Tax Collector), or

b. Board of Supervisor's Election Certification date, or

c. Date the Board Member last attended a Domestic/International Conference, as appropriate for list being created.

EDUCATION AND TRAVEL POLICY

Board Member Priority

Attachment B

3. In the event the Board Member is serving concurrent elected or appointed terms, the Appointment/Election date will be earliest date in the current concurrent term of service. Board service will be bridged if the break in Board service is less than 18 months. Bridging Board service provides equity between the regularly appointed members and regularly elected members.
4. The Board staff secretary will sort the Board Members by Initial Priority Date. The Board Member with the oldest date will have the highest priority and the Board Member with the newest date will have the lowest priority.
5. In the event more than one Board Member has the same Initial Priority Date, the priority will be determined for such members by last name alphabetically.

C. Updating an Education Priority List

1. Board Members who attend a Domestic/International Conference will be placed at the bottom of the respective list.
2. Board Members who have a break in Board service for a period more than 18 months will have their names placed at the bottom of the respective lists upon return to Board service.
3. Using the Initial Priority Date method, new Board Members joining their respective Boards will be placed at the bottom of the respective lists.

D. Selection of Board Members Authorized to Attend

When the number of Board Members interested in attending a conference, seminar or meeting exceeds the number of attendees permitted by the sponsor, the Board staff secretary will document members indicating an interest in attending ("Interested Members"). Interested Members shall be authorized to attend in accordance with their priority on the applicable Education Priority List. Upon being authorized to attend, the Board Member shall be placed at the bottom of the Education Priority List.

In the event a Board Member authorized to attend in accordance with the above paragraph later decides not to attend, such Board Member's position on the

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

Education Priority List shall be restored to its former position, and the next Interested Member on the Education Priority List shall be authorized to attend.

In selecting Board Members to attend conferences and seminars, a Board Member shall not be considered as an Interested Member if such Board Member is disqualified from attending pursuant to the limitations imposed by section 705.07.

EDUCATION AND TRAVEL POLICY
Pre-Approved Conferences and Board Priority
Attachment C

Board Priority Listing
for Pre-Approved Conferences, Seminars and Meetings

| Conference/Seminar/Meeting | Priority | |
|--|---------------------|--------------------------|
| | Board of Retirement | Board of Investments |
| America's Health Insurance Plans (AHIP) conferences, seminars, and meetings | ✓ | |
| America's Health Insurance Plans (AHIP): Annual Institute; Annual Medicare Conference; Annual National Policy Forum | ✓ | |
| California Association of Public Employee Retirement Systems (CALAPRS) Principles of Pension Management Course at Stanford Law School | ✓ | |
| CALAPRS meetings, conferences, seminars and periodic roundtables | ✓ | |
| California Retired County Employees Association (CRCEA) semi-annual conferences | ✓ | |
| Council of Institutional Investors (CII) conferences and meetings | | ✓ |
| Federal and state legislative hearings on pension and retirement health care issues | ✓ | |
| <u>Goldman Sachs conferences and educational meetings</u> | | <u>✓</u> |
| Government Finance Officers Association (GFOA) conferences, seminars and meetings | ✓ | |
| <u>Harvard Kennedy School, Trustee Leadership Forum for Retirement Security, Initiative for Responsible Investment</u> | | <u>✓</u> |

EDUCATION AND TRAVEL POLICY
Pre-Approved Conferences and Board Priority
Attachment C

Board Priority Listing
for Pre-Approved Conferences, Seminars and Meetings

| Conference/Seminar/Meeting | Priority | |
|---|----------------------------|-----------------------------|
| | Board of Retirement | Board of Investments |
| Harvard Law School Labor and Work Life Conference and Capital Matters Conference | | ✓ |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Employee Benefits Conference | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Benefits Conference for Public Employees | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Health Care Cost Management Conference | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Investments Institute | | ✓ |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Washington Legislative Update Conference | ✓ | |
| Information Management Network (IMN) Beneficial Owners' International Securities Lending Summit Annual Conference | | ✓ |
| Institutional Limited Partners Association (ILPA) conferences and meetings | | ✓ |
| International Corporate Governance Network (ICGN) domestic conferences and meeting | | ✓ |
| Milken Institute domestic conferences and meetings | | ✓ |

EDUCATION AND TRAVEL POLICY
Pre-Approved Conferences and Board Priority
Attachment C

Board Priority Listing
for Pre-Approved Conferences, Seminars and Meetings

| Conference/Seminar/Meeting | Priority | |
|---|--------------------------|--------------------------|
| | Board of Retirement | Board of Investments |
| <u>National Association of Securities Professionals Annual Pension and Financial Services Conference</u> | | <u>✓</u> |
| National Conference on Public Employees Retirement Systems (NCPERS) meetings, conferences and workshops | ✓ | |
| National Institute on Retirement Security (NIRS) conferences, seminars, and meetings | ✓ | |
| Pacific Pension Institute (PPI) domestic conferences, seminars, and meetings | | ✓ |
| Pension Real Estate Association (PREA) annual spring and fall conferences and institute | | ✓ |
| <u>Public Retirement Journal conferences and seminars</u> | <u>✓</u> | |
| State Association of County Retirement Systems (SACRS) meetings, educational conferences, seminars and symposiums | ✓ | |
| United Nations Principals of Responsible Investing (UNPRI) events | | ✓ |
| University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses. | | ✓ |
| World Healthcare Congress conferences, seminars and meetings | ✓ | |

EDUCATION AND TRAVEL POLICY
Pre-Approved Conferences and Board Priority
Attachment C


Board Priority Listing
for Pre-Approved Conferences, Seminars and Meetings

| Conference/Seminar/Meeting | Priority | |
|--|---------------------|----------------------|
| | Board of Retirement | Board of Investments |
| World Pension Forum domestic conferences | | ✓ |



March 28, 2016

TO: Each Member
Board of Retirement

FROM: Cassandra Smith, Director 
Retiree Healthcare Division

FOR: Board of Retirement Meeting of April 6, 2016

SUBJECT: **RETIREE HEALTHCARE BENEFITS PROGRAM'S 2016/2017 PLAN YEAR
HEALTH INSURANCE RATE RENEWALS AND BENEFIT CHANGES**

RECOMMENDATION

1. Approve the fiscal year 2016/2017 rate renewal proposal and contractual benefit changes; and
2. Increase LACERA's administrative fee to \$8 per member, per plan, per month.

EXECUTIVE SUMMARY

The 2016/2017 plan year contract negotiations with LACERA's health insurance carriers concluded with an overall renewal increase of 2.4%, or approximately \$12.9 million annually. This amount reflects a \$5.5 million reduction from the original renewal proposals as a result of renewal negotiations. The medical premiums are increasing by approximately 2%, or approximately \$9.9 million annually. The dental/vision increase is approximately 7.5%, or approximately \$3.1 million annually. The projected annual program cost of the 2016/2017 plan year will be approximately \$546 million. With national health care trends in the neighborhood of 6% - 8%, we are extremely pleased with the results of these negotiations.

Since LACERA is a "retiree only" plan, the impact of the Patient Protection and Affordable Care Act (ACA) passed in March 2010 is limited, with the exception of additional fees. These additional fees include the transitional reinsurance fee that is imposed on fully insured and self-insured group health plans to help stabilize premiums in the individual insurance market. This is a \$67.80 per capita amount that will be utilized to fund a reinsurance program through 2016 in each state. Of importance is the additional ACA fees do not include the 40% tax on high end plans (Excise Tax) due to congress recently postponed the Excise Tax implementation date until 2020.

Staff also recommends the Board consider changing the administrative fee used to fund the Retiree Healthcare Benefits Program (RHCBP) operations. The RHCBP's operating expenses must be funded by the program and its operations cannot be subsidized by trust funds used to operate the retirement benefit trust. The current RHCBP administrative fee is \$5 per member, per plan, per month. This administrative fee is included as part of the premium. As such, members with 10 or more years of service have a portion or all of their administrative fee paid for by their employer. Overall, the employer is paying 92% of the administrative fees used to operate the program. Due to increasing costs to operate the RHCBP, staff recommends increasing the administrative fee. This recommendation also takes into consideration increasing the fee level to provide longer term fee rate stability. In other words, increase the rate beyond immediate needs to avoid adjusting the rate annually.

RATE RENEWAL AND BENEFIT CHANGE PROPOSALS

Anthem Blue Cross Plan I, II and III

- Accept the 0.31% overall increase with the following separate increases:
 - Agree to fund the Claims Stabilization Reserve
 - Agree to repay the 2014/2015 deficit
 - Accept the mandatory contractual language changes

Anthem Blue Cross Prudent Buyer Plan

- Accept the 0.31% increase
 - Agree to fund the Claims Stabilization Reserve
 - Agree to repay the 2014/2015 deficit
 - Accept the mandatory contractual language changes

Cigna Medical

- Accept the 4.1 % overall increase with the following separate increases:
 - Accept the Network Model Plan increase of 4.2%
 - Accept the Medicare Select Plus Rx (MAPD HMO) increase of 3.2%
 - Accept the mandatory contractual changes

Kaiser California

- Accept the 3.4% overall increase with the following separate increases:
 - Accept the Basic/Pre-65 increase of 4.8%
 - Accept the Senior Advantage rate increase of 1.3%
 - Accept the mandatory contractual changes

Kaiser Out-of-State

- Accept the 5.5% overall Out-of-State increase with the following separate increases for Medicare and non-Medicare plans combined:
 - Accept the Kaiser Colorado increase of .4%
 - Accept the Kaiser Georgia increase of 10.9%
 - Accept the Kaiser Hawaii increase of 8.3%
 - Accept the Kaiser Oregon increase of 1.2%
 - Accept the mandatory contractual changes

SCAN Health Plan

- Accept the 10.2% decrease
 - Accept the mandatory contractual changes

United HealthCare (UHC)

- Accept the 6.3% overall increase with the following separate increases:
 - Accept the MAPD Plan increase of 5.9%
 - Accept the Pre-65 HMO increase of 6.8%
 - Accept the mandatory contractual changes (where applicable)

Cigna Dental and Vision

- Accept the overall increase of 7.5% overall increase with the following separate increases:
 - Accept the indemnity dental/vision plan increase of 7.6%
 - Accept the pre-paid dental/vision plan increase of 6.9%

ADMINISTRATIVE FEE

Staff recommends increasing the Retiree Healthcare Benefits Program's Administrative Fee from \$5 per member, per plan, per month fee to \$8 per member, per plan, per month. This fee covers the RHCBP's administrative expenses which includes consulting services, vendor fees, audit fees, and benefit administration. The administrative fee is included in the proposed premium rate changes.

Although the administrative fee was recently increased to \$5, it has become clear the \$5 administrative fee will be insufficient to cover the Retiree Healthcare Benefits Program's expenses in the coming fiscal year. Also of note is the staffing and audit expense related to administering a Federal program, such as the CMS Medicare Part D Retiree Drug Subsidy Program (RDS), cannot be offset by the program revenue. Those administrative costs are included in the Retiree Healthcare Benefits Program administrative expense.

| Fiscal Year Ending | Fee | Revenue | Expenses | Surplus/(Deficit) |
|--------------------|--------|-------------|-------------|-------------------|
| 2006 | \$3.00 | \$2,775,747 | \$2,221,719 | \$554,028 |
| 2007 | \$3.00 | 2,832,360 | 2,105,208 | 727,152 |
| 2008 | \$3.00 | 2,890,091 | 2,383,485 | 506,606 |
| 2009 | \$3.00 | 2,940,784 | 3,581,972 | (641,188) |
| 2010 | \$3.00 | 3,013,440 | 3,110,301 | (96,861) |
| 2011 | \$3.00 | 3,062,112 | 3,532,195 | (470,083) |
| 2012 | \$3.00 | 3,133,352 | 3,232,274 | (98,922) |
| 2013 | \$3.00 | 3,351,652 | 4,597,261 | (1,245,609) |
| 2014 | \$5.00 | 5,466,487 | 5,006,498 | 459,989 |
| 2015 | \$5.00 | 5,578,149 | 5,424,333 | 153,816 |

In addition to Staff's on-going responsibilities in managing the retiree healthcare benefits, there are projects, activities, and projected growth in membership that will require additional funding not currently covered by the \$5 administrative fee. These items include:

- Insurance Market Changes
- Federal Regulations/Programs
 - Affordable Care Act
 - CMS Programs/Medicare Programs
 - RDS Rules and Regulation Changes
 - Employer Group Waiver Program Project
 - CMS Means Testing Expanding to Programs beyond Part B
- California State mandates
- Program Audits:
 - Dependent eligibility
 - Pharmacy (not conducted since 2009)
 - RDS
- Increased number of retirees (increase staffing and space requirements)
- Administering multiple healthcare benefit Tiers
- Long Term Care Program
- Managing Change and New Developments in the Pharmacy Program

Retiree Healthcare Benefits Program budget projections for the current fiscal year ending June 30, 2016 are showing a deficit balance. A systemic solution is required. Assuming the Board does not desire to curtail service levels or participating in subsidy programs, staff focused on the revenue side of the equation.

Using the past five years of revenue, expense and demographic information, staff projected various cost scenarios. The 91,500 health insurance policies as of March 2016 were projected to grow based on the 1.9% average annual growth rate in the retiree population over the past five years. The 2015 actual RHCBP expenses were projected to change based on the most recent five year's average annual cost increase of 11%.

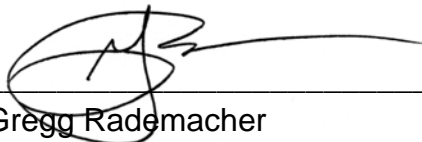
The administrative fee is included in the overall premium amount charged to the retiree. Importantly, the retiree's employer subsidizes the overall premium at various levels for those retirees with more than ten years of service. Based on current program experience, the employer is subsidizing approximately 92% of the retiree's premium expense. As a result, the employer is, on average, paying 92% of the administrative cost and any resulting cost increase. In our current retiree population, approximately 2/3 of the retirees have over 25 years of service and are eligible for fully subsidized healthcare depending on the plan they select and other benefit choices. The remaining retirees would be impacted to a greater extent in that they have fewer years of service with their employer.

Staff believes increasing the monthly administrative fee to \$8.00 per member, per plan, per month will provide adequate funding for the RHCBP and will facilitate program administration as the retiree population increases, federal programs expand and become more complex, and employers seek to mitigate program costs through new benefit tiers. In addition, the Centers for Medicaid and Medicare Services (CMS) is making many changes to the Medicare Program and whatever happens in the Medicare Program becomes mainstream in the healthcare landscape within five years.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

1. Approve the fiscal year 2016/2017 rate renewal proposal and contractual benefit changes; and
2. Increase LACERA's administrative fee to \$8 per member, per plan, per month.

REVIEWED AND APPROVED



Gregg Rademacher
Chief Executive Officer

Attachment

GR:cs



**2016/2017 Renewal Evaluation Report
Los Angeles County Employees Retirement
Association (LACERA)**

April 2016

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Overall Summary

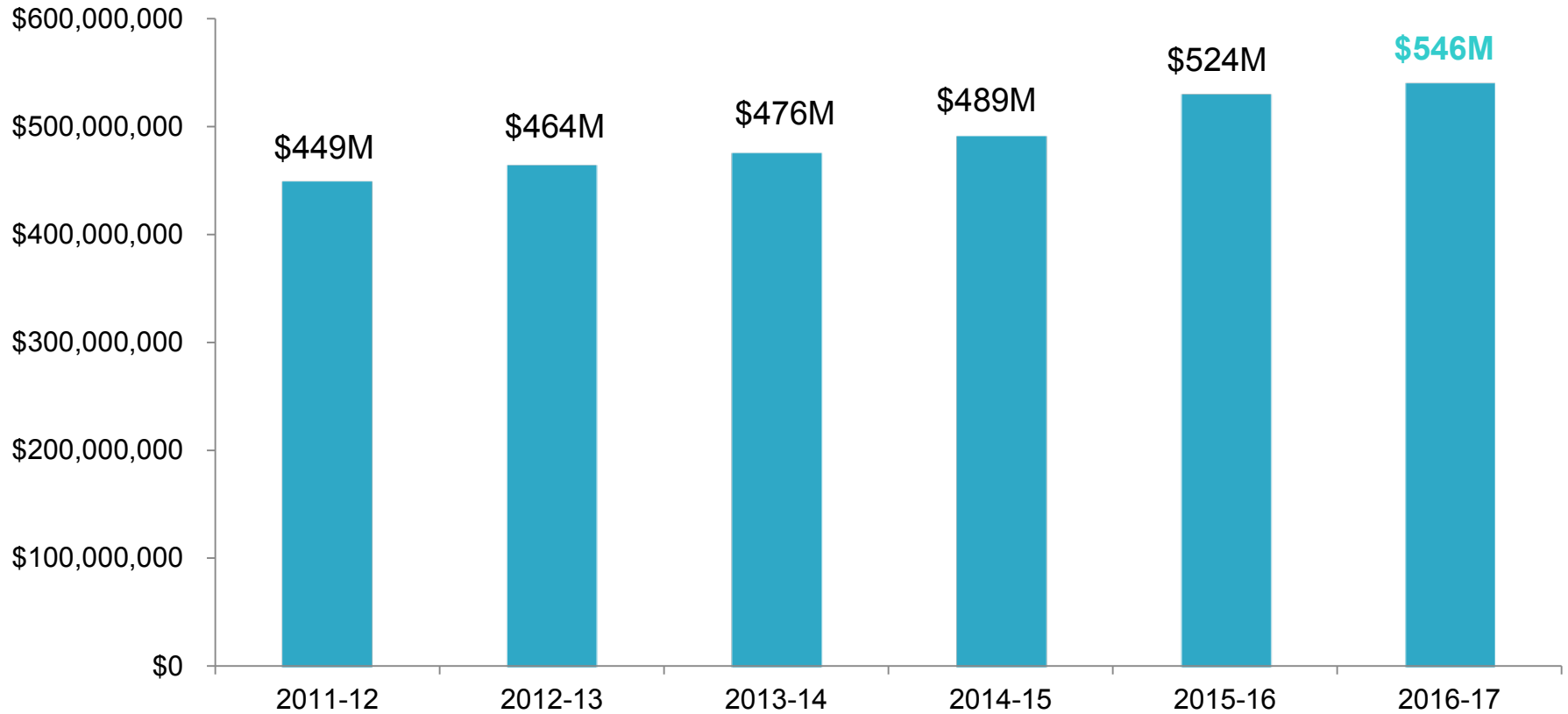
The content of this report summarizes the final July 1, 2016 – June 30, 2017 renewal results for the LACERA-administered Retiree Healthcare Benefits Program (RHCBP).

The overall renewal increase is 2.4%, or approximately \$12.9 million annually. This reflects a \$5.5 million reduction from the original renewal of 3.5% as a result of Staff and Aon's renewal negotiations with the carriers. The medical premiums are increasing by 2%, or approximately \$9.9 million (refer to Appendix A for full breakdown). The dental/vision increase is approximately 7.5%, or \$3.1 million. The following chart summarizes the total projected premium cost for the LACERA plans during the past five years and the projected 2016/2017 policy period.

Note: The results indicated INCLUDE the LACERA Administrative Fee.

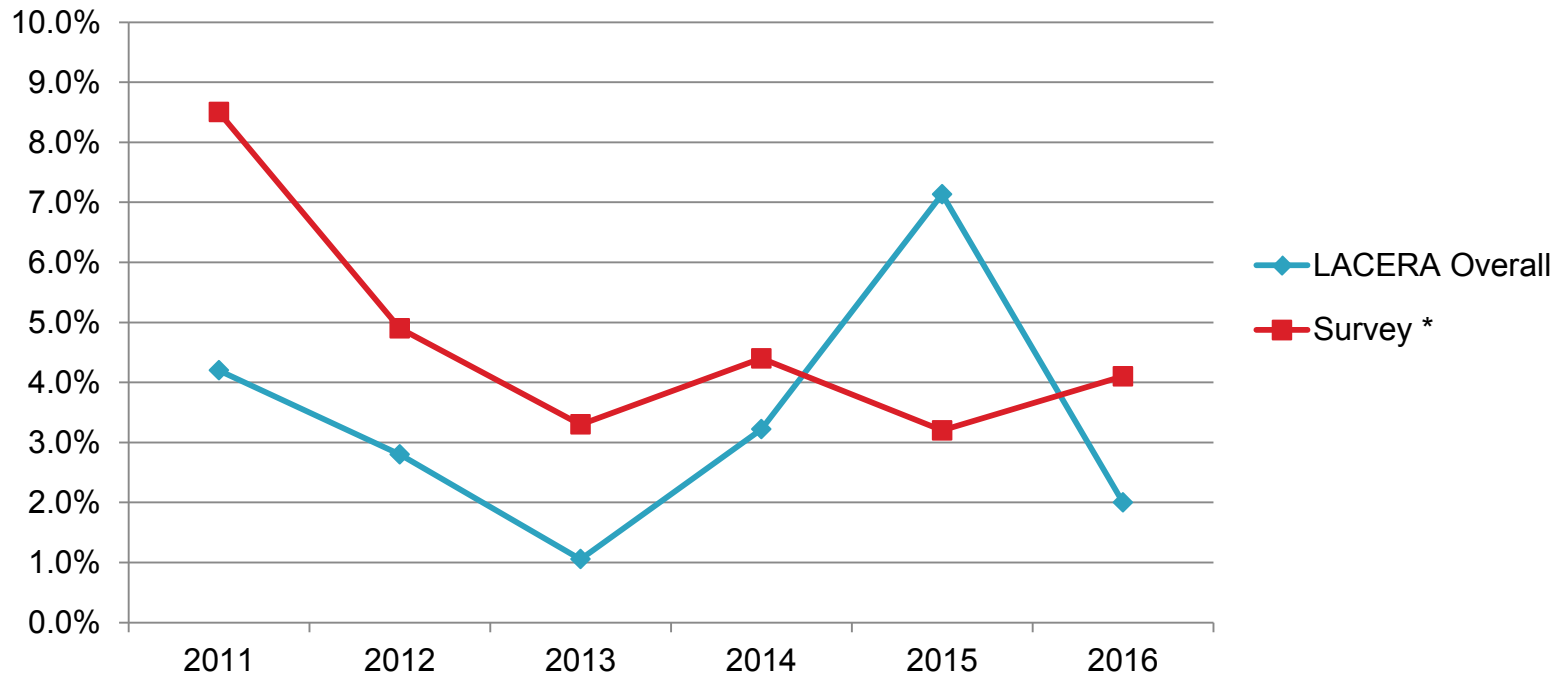
* All figures in the following graph are in millions

Overall Review – Total Projected Premium



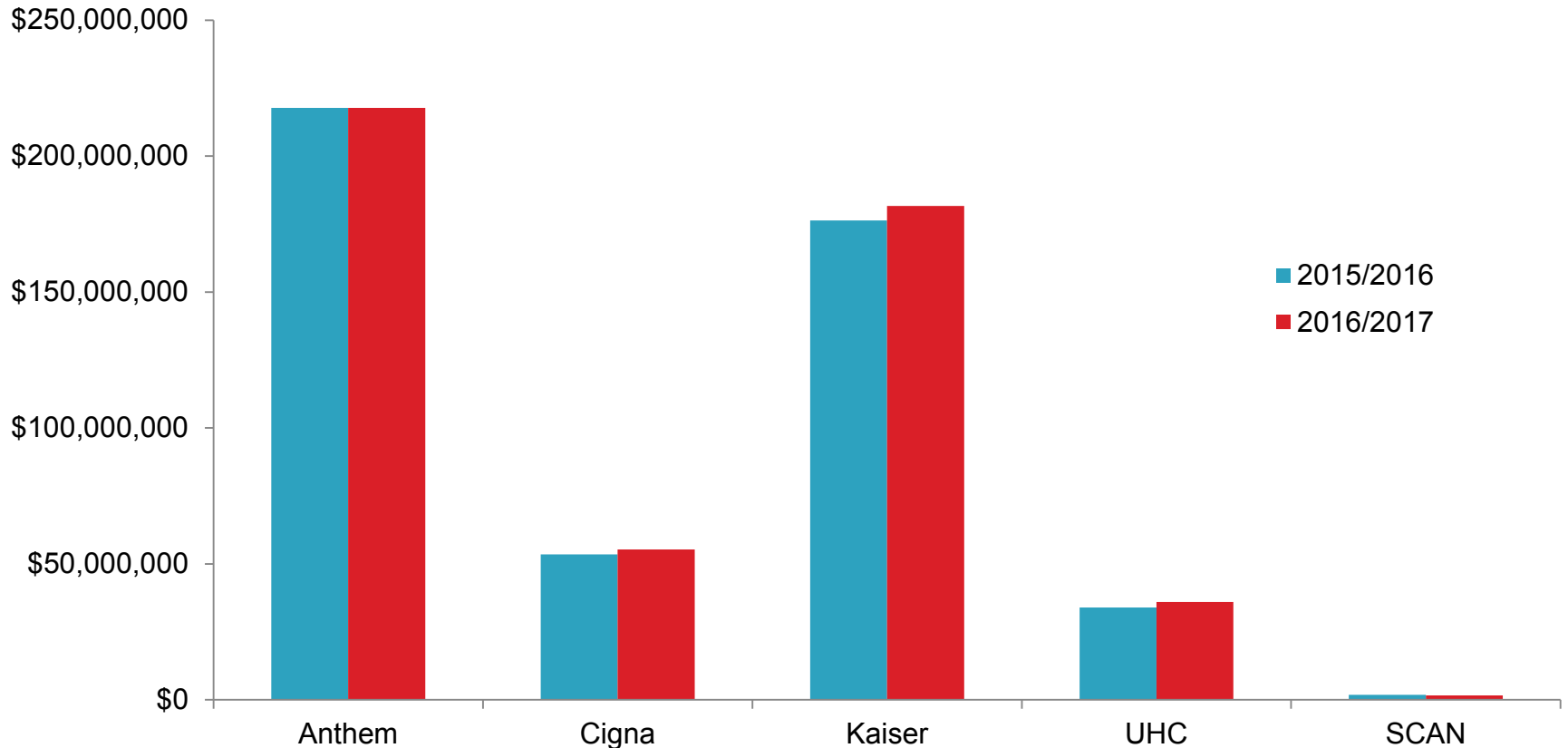
Overall Review

- ▶ With the exception of the 2015/2016 plan year, LACERA's renewals have outperformed the national survey averages over the past six years, resulting in single digit increases.
- ▶ The finalized 2016/2017 renewal was very favorable and yielded only a 2% overall plan increase. This is substantially lower than the national survey average.



- Aon's data is derived from the Aon's Health Value Initiative (HVI) database. The % increase in 2016 is projected.
- LACERA's trends do not include the impact of plan and tier migration.
- Health Value Initiative (HVI) trends do not include dental and vision as they are not captured in the database.

Overall Review –Projected Premium by Plan



Projected premiums are based on LACERA's January 2016 enrollment data with renewal increases applied to current rates. All increases/decreases shown in this report are inclusive of the \$8.00 LACERA administrative fee. Anthem Plans I, II, and III, the Anthem Prudent Buyer Plan, and Kaiser CA make up 72.7% of the total premiums. Anthem Plans I, II, and III, by themselves reflect 36.4% of the premium. Kaiser CA and Kaiser Out of State plans reflect 33.4% of the premium

Summary of Recommendations

The following summarizes LACERA Staff and Aon's recommendations to the LACERA Board of Retirement for the plan year effective July 1, 2016. These recommendations are presented with all mandatory plan design changes.

Anthem Plans I, II, III

- Accept the 3.1% increase to Plans I, II, III
 - ✓ Agree to fund the Claim Stabilization Reserve (CSR)
 - ✓ Agree to pay the 2014/2015 plan year deficit
 - ✓ Accept the mandatory contractual changes

Anthem Prudent Buyer

- Accept the .31% increase
 - ✓ Agree to fund the CSR
 - ✓ Agree to pay the 2014/2015 plan year deficit
 - ✓ Accept the mandatory contractual changes

Kaiser California

- Accept the following increases by plan:
 - ✓ Accept the Basic /Pre-65 increase of 3.4%
 - ✓ Accept the Senior Advantage increase of 1.3%
 - ✓ Accept the mandatory contractual changes

NOTE : The Results shown above INCLUDE the changes to the LACERA Administrative Fee

Summary of Recommendations

Cigna

- Accept the following increases by plan:
 - ✓ Accept the 4.1% increase for the Network Model Medical Plan
 - ✓ Accept the mandatory contractual changes

UHC Medical

- Accept the following increases by plan:
 - ✓ Accept the 5.9% increase on the Medicare Advantage Plan
 - ✓ Accept the 6.8% increase on the Pre-65 HMO Plan
 - ✓ Accept the mandatory contractual changes

Kaiser Out of State

- Accept the following Kaiser Out of State increases by plan:
 - ✓ Accept the Kaiser Colorado increase of .4%
 - ✓ Accept the Kaiser Georgia increase of 10.9%
 - ✓ Accept the Kaiser Hawaii increase of 8.3%
 - ✓ Accept the Kaiser Oregon increase of 1.2%
 - ✓ Accept the mandatory contractual changes (where applicable)

NOTE : The Results shown above INCLUDE the changes to the LACERA Administrative Fee

Summary of Recommendations

SCAN Health Plan

- Accept the decrease of 10.2% on the Medicare Advantage Plan
 - ✓ Accept the mandatory contractual changes

Cigna Dental/Vision

- Accept the overall increase of 7.5% for the Cigna Dental/Vision Plans
 - ✓ Accept the mandatory contractual changes

Administrative Fee

- Increase the administrative fee of \$5.00 per member, per plan, per month to \$8.00 per member, per plan, per month

NOTE : The Results shown above INCLUDE the changes to the LACERA Administrative Fee

Anthem Blue Cross Renewal Results

- Anthem initially offered a .33% increase on the Prudent Buyer Plan and an 1.46% increase on Plans I, II, and III
- After negotiations with Staff and Aon, Anthem agreed to a **rate pass on all plans** resulting in \$2,943,687 in negotiated savings.
- Minimal required plan changes (Federal and California) are listed in the Appendix and must be accepted
- As a contractual requirement and a condition of this renewal, Anthem is requesting funding of a Claims Stabilization Reserve (CSR) equal to one month's premium (approximately \$17 million)
 - These monies are held to cover future deficits and run-out in the event of contract termination.
 - Any balance thereafter is returned to LACERA
- As has historically been the case, LACERA will refund deficits generated in the 2014/2015 plan year (approximately \$7.4 million, or 3.5% of annual premium in the 2014/2015 plan year). Staff and Aon negotiated a \$2.6 million reduction in the requested deficit repayment amount.

Plan Design Changes

- Please refer to the Appendix for mandatory contractual changes

Recommendation

- Accept the 0% renewal, fund the CSR and repay the 2014/2015 deficit

** Note: The individual carrier results shown above EXCLUDE any changes to the LACERA administrative fee*

Cigna Renewal Results

- Cigna initially offered the following increases for the 2016/2017 Plan Year:
 - HMO Medical – 9.85%
 - DPPO – 6.17%
 - DHMO & Comprehensive Vision – 4%
- After negotiations, Cigna agreed to the following concessions:
 - HMO – 4%
 - DPPO – 3.7%
 - DHMO – 2.5%
- The final overall renewal action for Cigna resulted in **3.63% increase**
 - These actions resulted in a negotiated savings of \$1,600,442
 - Minimal required plan changes (Federal and California) are listed in the Appendix and must be accepted

Plan Design Changes

- Please refer to the Appendix for mandatory contractual changes

Recommendation

- Accept the 3.63% blended renewal as outlined above

** Note: The individual carrier results shown above EXCLUDE any changes to the LACERA administrative fee*

United Healthcare Renewal Results

- The initial UHC Medicare Advantage HMO renewal offering was a 6% increase
- After negotiations with Staff and Aon, UHC agreed to a **5% increase**
- The initial UHC Pre-65 HMO renewal offering was a 10.6% increase
- After negotiations with Staff and Aon, UHC agreed to a **6.58% increase**
- **The total savings for UHC renewal as a result of negotiations is \$980,292**

Minimal required plan changes (Federal and California) are listed in the Appendix and must be accepted

Plan Design Changes

- Please refer to the Appendix for mandatory contractual changes

Recommendation

- Accept the negotiated 6.58% renewal

** Note: The individual carrier results shown above EXCLUDE any changes to the LACERA administrative fee*

Kaiser Permanente Renewal Results

- The initial Kaiser renewal increases were as follows:
 - Kaiser Southern California Pre-65 – 4.64%
 - Kaiser Northern California, Georgia; Oregon; Colorado and Hawaii – 11.61%
 - Kaiser Senior Advantage – 0.04%
- After negotiations with Staff and Aon, Kaiser agreed to a **rate pass** on the Senior Advantage plan which yielded a **\$22,086** savings to the plan
- Minimal required plan changes (Federal and California) are listed in the Appendix and must be accepted

Plan Design Changes

- Please refer to the Appendix for mandatory contractual changes

Recommendation

- Accept the 4.64% renewal on the Pre 65
- Accept the 11.61% renewal on the Out of State HMO plans
- Accept the Senior Advantage rate pass

* *Note: The individual carrier results shown above EXCLUDE any changes to the LACERA administrative fee*

SCAN Renewal Results

SCAN Health Plan entered the medical market as a demonstration project that in addition to medical benefits, provided assisted living and support services, thus receiving extra capitation payments from CMS. Since inception, the demonstration project has ended and CMS has reduced its payments to SCAN to be more in line with other MAPDs that do not provide the assisted living benefits. Even though SCAN Health Plan does not receive the extra compensation, they continue to offer the special needs benefits as part of their program mission.

- SCAN offered an **11% decrease** to their Medicare Advantage Plan
- Minimal required plan changes (Federal and California) are listed in the Appendix and must be accepted

Plan Design Changes

- Please refer to the Appendix for mandatory contractual changes

Recommendation:

- Accept the 11% decrease to the plan

** Note: The individual carrier results shown above EXCLUDE any changes to the LACERA administrative fee*

Administrative Fee

- Staff recommends an increase in the administrative fee of \$5.00 per member, per plan, per month to \$8 per member, per plan, per month for the 2016/2017 plan year. This fee covers LACERA's administrative expenses, including consulting services, vendor fees, and the cost of administering the Retiree HealthCare Benefits Program.
- LACERA's Retiree Healthcare Division budget has historically been insufficient to cover these expenses. In addition, LACERA's Retiree Healthcare Division anticipates increases in demands on staff time and other expenses, given:
 - Market changes
 - Health care landscape complexity
 - Changes to the Affordable Care Act as well as California State mandates
 - Complexity and additional checks and balances on our RDS submissions
 - Managing unanticipated audits
 - Conducting future audits (dependent eligibility, RDS, and pharmacy)
 - The necessity of administering Tier 2 benefits and contributions
 - Increased communications to retirees and actives
 - Implementing the strategic plan
 - Managing Medicare Part B premium changes
 - Increases in the rate of retirements from the County
 - Additional assessments from other LACERA divisions due to change in methodology
 - CMS enhancements

Medicare Advantage Plans

LACERA-administered Retiree Healthcare Benefits Program is directly and indirectly impacted by Medicare. In the early 1990s Medicare Plus Choice HMO plans were introduced to the market. Under these plans, retirees would sign over their Medicare benefits, and the HMO would provide all benefits. In many cases, the benefits provided by Medicare HMOs were better than those provided by traditional Medicare – often at the same price.

In 1992, LACERA added Medicare HMOs as an option to its members, through Kaiser, Secure Horizons (now United Healthcare Group Medicare Advantage HMO), and Cigna. In addition, LACERA added a pre-65 HMO product through PacifiCare (now United Healthcare (UHC) and SCAN in October of 1996.

In 1997, the Balanced Budget Act was passed which put pressure on Medicare HMOs. Several of the plans reduced their service areas; the largest impact on LACERA was Cigna's exit from the Medicare HMO market in California.

In 2003, the Medicare Modernization Act was passed, which introduced Medicare Part D (prescription drug) benefits. The Medicare Modernization Act also established means testing on Part B premiums (higher premiums for higher income individuals).

Medicare Advantage Plans (continued)

In 2010, Health Care Reform set forth means testing for the Part D premiums. In addition, there continues to be political pressure for reductions in Medicare's physician reimbursements, as well as on Medicare HMOs (now known as Medicare Advantage Prescription Drug, or MAPD plans).

With 2016 being an election year, we will continue to closely monitor the Washington agenda on Medicare Advantage plans since they form a cornerstone of LACERA's cost management strategy.

Historical Timeline

Medicare + Choice Plans Introduced; in many cases benefits better than traditional Medicare

Balanced Budget Act Passed; Cigna exited the Medicare HMO Market

Medicare Modernization Act passed; Introduced Part D Rx benefits. Means Testing also introduced

Coverage for all adult children until age 26

Excise Tax Implementation delayed until 2020

1990

1992

1997

2001

2003

2010

2014

2015

2016

2016

Addition of Medicare HMO's plus Pre-65 Option. Kaiser /UHC and Cigna options offered

Anthem plans unbundled in order to deliver appropriate increases

Health Care Reform set forth means testing for Part D premiums

Election Year – possible repeal to parts or whole of ACA legislation

Non-Medicare HMOs

Over the last several years, the Non-Medicare HMO rates have risen at a rate faster than the benchmark rates, in most plans. The single coverage benchmark rate for the 2016/2017 is \$1,065.79

- Cigna's Network Model HMO rates have exceeded the benchmark premium rates for the past five plan years. This will continue to be the case in 2016/2017.
- The UHC HMO Pre-65 rates will be less than that of the benchmark for the 2016/2017 renewal, which will make it more affordable than the prior year.

Tier 1 and Tier 2 Contributions

Over the past year LACERA and the County of Los Angeles agreed to change retiree contributions to two separate tiers based on hire date

- Tier 1 applies to all employees hired by the County prior to June 30, 2014:
 - ✓ Anthem plans I and II are the benchmark plans
 - ✓ No changes to the current contribution structure
 - ✓ No mandatory Medicare enrollment requirements
 - ✓ Retiree has the option of enrolling in Medicare
- Tier 2 applies to all employees hired by the County after June 30, 2014:
 - ✓ Maximum subsidy provided for “retiree only” premium cost
 - ✓ Benchmark plans:
 - Anthem I & II (pre-65) – Medical
 - Anthem III (post-65) – Medical
 - Cigna Indemnity – Dental/Vision
 - ✓ Mandatory enrollment in both Medicare Parts A and B
 - ✓ Mandatory enrollment in LACERA administered Medicare Advantage or Medicare Supplement plans
 - ✓ County reimburses retirees or eligible survivors the standard Part B premium only

Contributions – Cigna Medical Benchmark

As with past several renewals, Cigna’s premium will be higher for the July 1, 2016 renewal than the benchmark rates. A retiree with 25 or more years of service; hired prior to June 30, 2014 (Tier 1), will pay the additional amounts over the benchmark rates:

| | Benchmark Anthem BC Plan I&II Monthly Premium | Cigna Monthly Premium | Amount over the Benchmark (Member Portion) |
|--------------------|--|------------------------------|---|
| Retiree Only | \$1,065.79 | \$1,332.53 | \$266.74 |
| Retiree & Spouse | \$1,919.85 | \$2,404.28 | \$484.43 |
| Retiree & Family | \$2,264.26 | \$2,838.00 | \$573.74 |
| Retiree & Children | \$1,409.48 | \$1,767.64 | \$358.16 |

Last year the amount above the benchmark was \$215.80 for single coverage and \$464.89 for family coverage. The difference for 2016/2017 renewal is more than the 2015/2016 contributions which might make the plan less affordable.

Health Care Reform

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, passed in March 2010, continues to raise significant implications for the LACERA-administered Retiree Healthcare Benefits Program. The first wave of Health Care Reform requirements (unlimited lifetime benefits, employer mandate, etc.) largely has not affected LACERA. This is due to LACERA's status as a "Retiree Only" plan.

The only change that LACERA had to adopt came in 2013 as it relates to the age 26 eligibility change. This change required coverage of dependents to **age 26** regardless of student/marital status (California legislature SB1088). LACERA is required to follow California law since the plans are insured and ratified and implemented this change in April of 2015.

Staff and Aon will continue to monitor future legislative developments closely, especially after the 2016 Presidential election results. The following pages include our actuary's most recent projection of LACERA's Retiree Healthcare Benefits Program excise tax liabilities.

Excise Tax Impact in 2020

- Effective December 18, 2015, the excise tax was delayed to 2020 and is now deductible
 - Both of these changes lessen the impact of the tax for many payers
- We revised the 2015 excise tax analysis*, to reflect the impact of these changes in law. This results in the following revised estimates:
 - 2019/2020 plan year: **\$4.2M**
 - Decreased from \$11.1M, partly because the impact is only ½ year now, effective January 1, 2020
 - 2020/2021 plan year: **\$9.3M**
 - Decreased from \$13.3M, due to making the excise tax deductible
- Prior excise tax projections assumed medical vendors would assess an additional tax liability that would likely be passed on to the plan. A tax rate of 35% was assumed for all plans except Kaiser and SCAN, which are non-profit carriers
 - This tax liability was removed from the projection now that the tax will be deductible by the payer
 - This change had a big impact on LACERA because the for-profit carriers had the largest projected excise tax impact

*The numbers shown above assume no blending of Pre-65 and Post-65 premium rates. The revised numbers reflect only the change in law, not revised headcounts or the 2016/2017 renewals. We are working on a full update of the excise tax analysis

Excise Tax Impact in 2020 and Beyond

LACERA

Projected Excise Tax Impact Health Reform

| Plan Year | Projected Premium w/o Excise Tax | Prior to Year-End 2015 Legislation | After Year-End 2015 Legislation |
|------------|-------------------------------------|---------------------------------------|------------------------------------|
| | | Projected Excise Tax | Projected Excise Tax |
| 2015-2016 | \$466,999,997 | \$0 | \$0 |
| 2016-2017 | \$494,637,627 | \$0 | \$0 |
| 2017-2018 | \$522,751,836 | \$4,317,354 | \$0 |
| 2018-2019 | \$552,239,080 | \$9,300,620 | \$0 |
| 2019-2020* | \$583,400,460 | \$11,051,349 | \$4,225,348 |
| 2020-2021 | \$616,556,297 | \$13,337,537 | \$9,326,109 |
| 2021-2022 | \$651,649,665 | \$15,834,419 | \$11,145,867 |
| 2022-2023 | \$688,793,696 | \$18,525,722 | \$13,107,997 |
| 2023-2024 | \$728,054,936 | \$21,425,181 | \$15,222,481 |
| 2024-2025 | \$769,554,068 | \$25,459,679 | \$18,092,912 |
| 2025-2026 | \$813,418,650 | \$30,749,042 | \$21,798,366 |

The large reduction in 2019/2020 is partly due to changing the effective date to January 1, 2020
-\$4.2M represents only ½ year impact

The impact in 2020/2021 is roughly a 30% decrease
-Reflecting the change in tax deductibility

* Excise tax takes effect 1/1/2020, mid-way through the 2019-2020 plan year

- Projection based on separate testing for pre-65 and post-65 retirees
- Year-end 2015 legislation delays the excise tax from 2018 to 2020 and removes the 35% tax rate previously assumed to be passed on to the plan
- Dollar limits will start at the indexed levels that would have originally applied for 2020, not the initial 2018 dollar limits in the ACA law

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Staff would like to take this opportunity to highlight significant accomplishments over the past year, conducted with the help of our consulting and carrier partners:

Retiree Outreach and Communications

- Bi-annual half-day Retiree Workshop events
 - Diabetes – April
 - Aging Gracefully – October
- Retiree Healthcare Benefits Program Annual Letter Mailing (May)
- LACERA SPOTLIGHT (quarterly newsletter for retired members) articles
- Ad hoc communication letters (Health Care Reform Updates)
- Special communications addressing the Anthem data breach in early 2015
- Article in Post Script Newsletter to Active County Employees

The following page illustrates some of this work.

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Coordinate Retiree Workshop Events

COMING SOON!

Spring Invitation

Join us Wednesday, April 27 2016
 LACERA Retiree Staying Healthy Together Spring Workshop
Fitness of the Mind

LACERA



Glendale Civic Auditorium

Organize Press Kit Updates

Request for Award/Fund Points

Medical Plans Overview

DENTAL/VISION PLANS

DECISION GUIDE

CONTACT INFORMATION

CONTACT INFO

When You Travel

Plan Descriptions

DECISION GUIDE

Coordinate Updates for Annual Packet Mailing

Retiree Healthcare Benefits UPDATE

NOTICE OF CREDITABLE COVERAGE

Monthly Premium RATES

Retiree Health

Inventory Management & Vendor Oversight

2016 Medicare Benefits

2016 Medicare Summary Plan

LACERA

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Retiree Drug Subsidy (RDS) – LACERA’s Staff continued to file on-going RDS submissions for re-opened prior plan years as well as for the current filings. To date, LACERA staff successfully submitted for and received RDS reimbursements from the Federal Government totaling **\$105 Million**, as has been reported to the Insurance, Benefits, Legislative Committee of the Board of Retirement in Staff’s monthly Staff Activities Report.

RDS Performance Guarantees – at the suggestion of LACERA’s Board, Staff has begun discussions with its carriers to implement performance guarantees related to the timeliness and accuracy of data submitted to LACERA for requesting RDS reimbursement from CMS.

Attestation – Last year, Aon’s actuaries attested to CMS that LACERA’s prescription drug program for 2015/2016 plan year qualified for the retiree drug subsidy (RDS) for those periods.

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

CVS/Caremark Retail Administration – Staff and Aon worked closely with CVS/Caremark in 2015 to investigate alternative processing arrangements so that retirees would not have to pay 100% at retail and then wait for reimbursement. Implementation planning continues into 2016.

Communication Support – LACERA’s Retiree Healthcare (RHC) and Communication staff, in conjunction with Aon, successfully produced the Spring and Fall Staying Healthy Together Workshops, RHC communication pieces and continued to monitoring of inventory management and vendor oversight.

Excise Tax Projection – Based on the deferred effective date of the Excise Tax, Staff has asked Aon’s actuarial team to conduct an updated evaluation of the estimated impact of the Excise Tax on High Cost Employer Coverage for LACERA’s retiree health plans. This update is targeted for completion April 2016.

Contract Review – LACERA’s Retiree Healthcare (RHC) and legal team worked closely with Aon to review and re-negotiate our carrier-provided Evidence of Coverage (EOCs), contracts, terms and conditions, etc. Staff and Aon continue to review the most recent contracts and EOCs.

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Annual Vendor Summit – Staff conducted an open forum meeting with LACERA partners (Kaiser, Anthem, Cigna, United HealthCare, SCAN, CVS Caremark and Accordant), and Aon to (1) identify common areas of focus based on underlying health conditions in each plan’s population, (2) consider communications topics of relevance, and (3) brainstorm topics for upcoming workshops. As a result of this vendor summit, diabetes was chosen as the topic for LACERA’s spring workshop in 2015, and aging gracefully was the fall theme.

Anthem and Cigna Claims Review – Aon’s claim auditors conducted on-site audits to confirm that medical and dental benefits are being paid accurately and according to the plan provisions. Cigna’s and Anthem’s overall quality of claims administration were also assessed. Staff is currently in the process of scheduling due diligence trips to both Anthem and Cigna, and will be soliciting bids in 2016 to audit CVS/Caremark.

Medicare Part B Premium Reimbursement – Aon’s actuaries worked with staff to prepare the annual analysis supporting the County’s continuation of the Medicare Part B reimbursement program for LACERA’s Medicare Advantage and Medicare Supplement Plans. Once again, the Board of Supervisors voted to approve this program for another year.

The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Board Offsite – Retiree Healthcare Division arranged for a full-day focus on health care issues at the 2016 January Board offsite, including an interactive case study format to engage the Board in understanding eligibility rules, which plans serve which purpose, and the nuances of the Tier 2 change. In addition, we covered the retiree health care strategic plan, GASB liability, specialty drugs, changes in the health care market since 1982, and several other topics.

Administration of Tier 2 Program– In 2014, Staff communicated and implemented the new contribution and Medicare requirements as directed by Los Angeles County for those employees hired after June 30, 2014. This continues to be monitored.

Year End Accounting – Staff and Aon’s health and benefits team reviewed and finalized Anthem’s year end accounting data, successfully negotiating a savings of more than \$3 million in Anthem’s deficit.

Anthem Claims Stabilization Reserve – For the 2016/2017 plan year, Anthem is requiring that LACERA fund its reserve and deficit obligations. The Aon team is currently working closely with Anthem and LACERA to clearly reflect the terms of this arrangement in this year’s funding provisions agreement. Funding these items helped secure a favorable Anthem renewal.

LACERA
 July 1, 2016 Final Renewal
 Renewal Premium Projections

| | Current Premiums | Preliminary Premium | Dollar Difference | % | | Projected Final Premiums | Dollar Difference | % |
|-----------------------------------|----------------------|----------------------|----------------------|--------------|--|-----------------------------|----------------------|--------------|
| Medical Plans | | | | | | | | |
| Anthem BC Plan I&II | \$110,117,905 | \$111,940,245 | \$1,822,340 | 1.65% | | \$110,338,117 | \$220,212 | 0.20% |
| Anthem BC Plan III | \$88,136,870 | \$89,807,377 | \$1,670,507 | 1.90% | | \$88,529,702 | \$392,832 | 0.45% |
| Anthem BC Prudent Buyer | \$19,432,584 | \$19,545,428 | \$112,844 | 0.58% | | \$19,481,544 | \$48,960 | 0.25% |
| Cigna | \$12,686,170 | \$13,927,419 | \$1,241,249 | 9.78% | | \$13,210,668 | \$524,498 | 4.13% |
| Kaiser California | \$172,929,303 | \$178,823,772 | \$5,894,469 | 3.41% | | \$178,801,105 | \$5,871,802 | 3.40% |
| Kaiser Out of State (OOS) | \$3,422,627 | \$3,610,743 | \$188,116 | 5.50% | | \$3,610,743 | \$188,116 | 5.50% |
| SCAN Health Plan | \$1,823,544 | \$1,637,820 | -\$185,724 | -10.18% | | \$1,637,820 | -\$185,724 | -10.18% |
| UnitedHealthcare | \$34,025,090 | \$37,161,458 | \$3,136,368 | 9.22% | | \$36,181,166 | \$2,156,076 | 6.34% |
| Medicare Part B | \$47,559,695 | \$48,204,221 | \$644,526 | 1.36% | | \$48,204,221 | \$644,526 | 1.36% |
| Total Medical | \$490,133,788 | \$504,658,483 | \$14,524,695 | 2.96% | | \$499,995,085 | \$9,861,298 | 2.01% |
| Cigna Dental/Vision Plans | | | | | | | | |
| Cigna Dental (Indemnity) / Vision | \$36,855,592 | \$40,464,999 | \$3,609,407 | 9.79% | | \$39,647,642 | \$2,792,050 | 7.58% |
| Cigna Dental (Prepaid) / Vision | \$3,950,776 | \$4,288,549 | \$337,773 | 8.55% | | \$4,222,215 | \$271,439 | 6.87% |
| Total Dental/Vision | \$40,806,368 | \$44,753,548 | \$3,947,180 | 9.67% | | \$43,869,857 | \$3,063,489 | 7.51% |
| Grand Total | \$530,940,156 | \$549,412,031 | \$18,471,875 | 3.48% | | \$543,864,943 | \$12,924,787 | 2.43% |

\$495,660,722

LACERA
 July 1, 2016 Final Renewal
 Group Insurance Rates

| | Count | 7/15- 7/16 LACERA | | 7/15- 7/16 | | 7/16- 7/17 LACERA | | 7/16- 7/17 % Change | | 7/16- 7/17 | | 7/16- 7/17 | |
|---|---------------|----------------------|------------|----------------------|--------------------------|-------------------|----------------------|---------------------|----------------------|------------|----------------------|-------------|--|
| | | Current Rate | Admin. Fee | Total Rate | Original Renewal Rate | Admin. Fee | Total Rate | Renewal Rate | Admin. Fee | Total Rate | % | | |
| Anthem BC Plan I&II | | | | | | | | | | | | | |
| 211 Retiree Only | 983 | \$1,057.79 | \$5.00 | \$1,062.79 | \$1,073.23 | \$8.00 | \$1,081.23 | 1.7% | \$1,057.79 | \$8.00 | \$1,065.79 | 0.3% | |
| 221 Retiree Only | 2,144 | \$1,057.79 | \$5.00 | \$1,062.79 | \$1,073.23 | \$8.00 | \$1,081.23 | 1.7% | \$1,057.79 | \$8.00 | \$1,065.79 | 0.3% | |
| 212 Retiree & Spouse | 370 | \$1,911.85 | \$5.00 | \$1,916.85 | \$1,939.76 | \$8.00 | \$1,947.76 | 1.6% | \$1,911.85 | \$8.00 | \$1,919.85 | 0.2% | |
| 222 Retiree & Spouse | 1,939 | \$1,911.85 | \$5.00 | \$1,916.85 | \$1,939.76 | \$8.00 | \$1,947.76 | 1.6% | \$1,911.85 | \$8.00 | \$1,919.85 | 0.2% | |
| 213 Retiree & Family | 49 | \$2,256.26 | \$5.00 | \$2,261.26 | \$2,289.20 | \$8.00 | \$2,297.20 | 1.6% | \$2,256.26 | \$8.00 | \$2,264.26 | 0.1% | |
| 223 Retiree & Family | 505 | \$2,256.26 | \$5.00 | \$2,261.26 | \$2,289.20 | \$8.00 | \$2,297.20 | 1.6% | \$2,256.26 | \$8.00 | \$2,264.26 | 0.1% | |
| 214 Retiree & Children | 17 | \$1,401.48 | \$5.00 | \$1,406.48 | \$1,421.94 | \$8.00 | \$1,429.94 | 1.7% | \$1,401.48 | \$8.00 | \$1,409.48 | 0.2% | |
| 224 Retiree & Children | 106 | \$1,401.48 | \$5.00 | \$1,406.48 | \$1,421.94 | \$8.00 | \$1,429.94 | 1.7% | \$1,401.48 | \$8.00 | \$1,409.48 | 0.2% | |
| 215 Survivor | 2 | \$346.51 | \$5.00 | \$351.51 | \$351.57 | \$8.00 | \$359.57 | 2.3% | \$346.51 | \$8.00 | \$354.51 | 0.9% | |
| 225 Survivor | 2 | \$346.51 | \$5.00 | \$351.51 | \$351.57 | \$8.00 | \$359.57 | 2.3% | \$346.51 | \$8.00 | \$354.51 | 0.9% | |
| Total | 6,117 | \$109,750,885 | | \$110,117,905 | \$111,353,013 | | \$111,940,245 | 1.7% | \$109,750,885 | | \$110,338,117 | 0.2% | |
| Anthem BC Plan III | | | | | | | | | | | | | |
| 240 One Medicare | 6,141 | \$423.70 | \$5.00 | \$428.70 | \$429.89 | \$8.00 | \$437.89 | 2.1% | \$423.70 | \$8.00 | \$431.70 | 0.7% | |
| 241 Retiree & Spouse- 1 Medicare | 187 | \$1,367.57 | \$5.00 | \$1,372.57 | \$1,387.54 | \$8.00 | \$1,395.54 | 1.7% | \$1,367.57 | \$8.00 | \$1,375.57 | 0.2% | |
| 242 Retiree & Spouse- 1 Medicare | 851 | \$1,367.57 | \$5.00 | \$1,372.57 | \$1,387.54 | \$8.00 | \$1,395.54 | 1.7% | \$1,367.57 | \$8.00 | \$1,375.57 | 0.2% | |
| 243 Retiree & Spouse- 2 Medicare | 3,526 | \$849.14 | \$5.00 | \$854.14 | \$861.54 | \$8.00 | \$869.54 | 1.8% | \$849.14 | \$8.00 | \$857.14 | 0.4% | |
| 244 Retiree & Children- 1 Medicare | 14 | \$763.33 | \$5.00 | \$768.33 | \$774.47 | \$8.00 | \$782.47 | 1.8% | \$763.33 | \$8.00 | \$771.33 | 0.4% | |
| 245 Retiree & Children- 1 Medicare | 39 | \$763.33 | \$5.00 | \$768.33 | \$774.47 | \$8.00 | \$782.47 | 1.8% | \$763.33 | \$8.00 | \$771.33 | 0.4% | |
| 246 Retiree & Family- 1 Medicare | 16 | \$1,707.10 | \$5.00 | \$1,712.10 | \$1,732.02 | \$8.00 | \$1,740.02 | 1.6% | \$1,707.10 | \$8.00 | \$1,715.10 | 0.2% | |
| 247 Retiree & Family- 1 Medicare | 79 | \$1,707.10 | \$5.00 | \$1,712.10 | \$1,732.02 | \$8.00 | \$1,740.02 | 1.6% | \$1,707.10 | \$8.00 | \$1,715.10 | 0.2% | |
| 248 Retiree & Family- 2 Medicare | 10 | \$1,188.59 | \$5.00 | \$1,193.59 | \$1,205.94 | \$8.00 | \$1,213.94 | 1.7% | \$1,188.59 | \$8.00 | \$1,196.59 | 0.3% | |
| 249 Retiree & Family- 2 Medicare | 36 | \$1,188.59 | \$5.00 | \$1,193.59 | \$1,205.94 | \$8.00 | \$1,213.94 | 1.7% | \$1,188.59 | \$8.00 | \$1,196.59 | 0.3% | |
| 250 Retiree & Family- 3 Medicare | 13 | \$1,332.77 | \$5.00 | \$1,337.77 | \$1,352.23 | \$8.00 | \$1,360.23 | 1.7% | \$1,332.77 | \$8.00 | \$1,340.77 | 0.2% | |
| Total | 10,912 | \$87,482,150 | | \$88,136,870 | \$88,759,825 | | \$89,807,377 | 1.9% | \$87,482,150 | | \$88,529,702 | 0.4% | |
| Anthem BC Prudent Buyer | | | | | | | | | | | | | |
| 201 Retiree Only | 779 | \$835.86 | \$5.00 | \$840.86 | \$838.62 | \$8.00 | \$846.62 | 0.7% | \$835.86 | \$8.00 | \$843.86 | 0.4% | |
| 202 Retiree & Spouse | 433 | \$1,650.82 | \$5.00 | \$1,655.82 | \$1,656.27 | \$8.00 | \$1,664.27 | 0.5% | \$1,650.82 | \$8.00 | \$1,658.82 | 0.2% | |
| 203 Retiree & Family | 112 | \$1,863.87 | \$5.00 | \$1,868.87 | \$1,870.02 | \$8.00 | \$1,878.02 | 0.5% | \$1,863.87 | \$8.00 | \$1,871.87 | 0.2% | |
| 204 Retiree & Children | 35 | \$1,076.15 | \$5.00 | \$1,081.15 | \$1,079.70 | \$8.00 | \$1,087.70 | 0.6% | \$1,076.15 | \$8.00 | \$1,084.15 | 0.3% | |
| 205 Survivor | 1 | \$223.33 | \$5.00 | \$228.33 | \$224.07 | \$8.00 | \$232.07 | 1.6% | \$223.33 | \$8.00 | \$231.33 | 1.3% | |
| Total | 1,360 | \$19,350,984 | | \$19,432,584 | \$19,414,868 | | \$19,545,428 | 0.6% | \$19,350,984 | | \$19,481,544 | 0.3% | |
| Cigna | | | | | | | | | | | | | |
| 301 Network- Retiree Only | 390 | \$1,273.59 | \$5.00 | \$1,278.59 | \$1,398.31 | \$8.00 | \$1,406.31 | 10.0% | \$1,324.53 | \$8.00 | \$1,332.53 | 4.2% | |
| 302 Network- Retiree & Spouse | 180 | \$2,304.12 | \$5.00 | \$2,309.12 | \$2,529.62 | \$8.00 | \$2,537.62 | 9.9% | \$2,396.28 | \$8.00 | \$2,404.28 | 4.1% | |
| 303 Network- Retiree & Family | 27 | \$2,721.15 | \$5.00 | \$2,726.15 | \$2,987.21 | \$8.00 | \$2,995.21 | 9.9% | \$2,830.00 | \$8.00 | \$2,838.00 | 4.1% | |
| 304 Network- Retiree & Children | 21 | \$1,692.94 | \$5.00 | \$1,697.94 | \$1,856.70 | \$8.00 | \$1,864.70 | 9.8% | \$1,759.64 | \$8.00 | \$1,767.64 | 4.1% | |
| 305 Network- Survivor | 0 | \$418.95 | \$5.00 | \$423.95 | \$459.47 | \$8.00 | \$467.47 | 10.3% | \$435.00 | \$8.00 | \$443.00 | 4.5% | |
| 321 Risk- Retiree Only | 24 | \$329.90 | \$5.00 | \$334.90 | \$336.49 | \$8.00 | \$344.49 | 2.9% | \$336.49 | \$8.00 | \$344.49 | 2.9% | |
| 322 Risk- Retiree & Spouse | 8 | \$1,359.75 | \$5.00 | \$1,364.75 | \$1,467.18 | \$8.00 | \$1,475.18 | 8.1% | \$1,407.53 | \$8.00 | \$1,415.53 | 3.7% | |
| 324 Risk- Retiree & Spouse (Both Risk) | 15 | \$659.80 | \$5.00 | \$664.80 | \$672.98 | \$8.00 | \$680.98 | 2.4% | \$672.98 | \$8.00 | \$680.98 | 2.4% | |
| 325 Risk- Retiree & Children | 0 | \$747.18 | \$5.00 | \$752.18 | \$794.88 | \$8.00 | \$802.88 | 6.7% | \$770.46 | \$8.00 | \$778.46 | 3.5% | |
| 327 Risk- Retiree & Family (1 Medicare) | 2 | \$1,776.30 | \$5.00 | \$1,781.30 | \$1,925.39 | \$8.00 | \$1,933.39 | 8.5% | \$1,840.74 | \$8.00 | \$1,848.74 | 3.8% | |
| 329 Risk- Retiree & Family (2 Medicare) | 1 | \$1,131.12 | \$5.00 | \$1,136.12 | \$1,197.66 | \$8.00 | \$1,205.66 | 6.1% | \$1,173.24 | \$8.00 | \$1,181.24 | 4.0% | |
| Total | 668 | \$12,646,090 | | \$12,686,170 | \$13,863,291 | | \$13,927,419 | 9.8% | \$13,146,540 | | \$13,210,668 | 4.1% | |

LACERA
 July 1, 2016 Final Renewal
 Group Insurance Rates

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|--------------------------|---------------------------------------|---------------|----------------------|--------|----------------------|----------------------|--------|----------------------|-------------|----------------------|--------|----------------------|-------------|
| Kaiser California | | | | | | | | | | | | | |
| 401 | Retiree Basic (Under 65) | 1,736 | \$863.90 | \$5.00 | \$868.90 | \$903.95 | \$8.00 | \$911.95 | 5.0% | \$903.95 | \$8.00 | \$911.95 | 5.0% |
| 403 | Retiree Risk (Senior Advantage) | 9,435 | \$234.60 | \$5.00 | \$239.60 | \$234.69 | \$8.00 | \$242.69 | 1.3% | \$234.60 | \$8.00 | \$242.60 | 1.3% |
| 404 | Retiree Excess | 481 | \$973.24 | \$5.00 | \$978.24 | \$982.72 | \$8.00 | \$990.72 | 1.3% | \$982.72 | \$8.00 | \$990.72 | 1.3% |
| 405 | Retiree Excess - Part B | 870 | \$885.15 | \$5.00 | \$890.15 | \$944.41 | \$8.00 | \$952.41 | 7.0% | \$944.41 | \$8.00 | \$952.41 | 7.0% |
| 406 | Excess - Medicare Not Provided (MNP) | 56 | \$1,606.19 | \$5.00 | \$1,611.19 | \$1,686.50 | \$8.00 | \$1,694.50 | 5.2% | \$1,686.50 | \$8.00 | \$1,694.50 | 5.2% |
| 411 | Family Basic | 1,785 | \$1,727.80 | \$5.00 | \$1,732.80 | \$1,807.90 | \$8.00 | \$1,815.90 | 4.8% | \$1,807.90 | \$8.00 | \$1,815.90 | 4.8% |
| 413 | One Advantage, One Basic | 1,670 | \$1,098.50 | \$5.00 | \$1,103.50 | \$1,138.64 | \$8.00 | \$1,146.64 | 3.9% | \$1,138.55 | \$8.00 | \$1,146.55 | 3.9% |
| 414 | One Excess, One Basic | 151 | \$1,837.14 | \$5.00 | \$1,842.14 | \$1,886.67 | \$8.00 | \$1,894.67 | 2.9% | \$1,886.67 | \$8.00 | \$1,894.67 | 2.9% |
| 418 | Two+ Advantage | 4,635 | \$469.20 | \$5.00 | \$474.20 | \$469.38 | \$8.00 | \$477.38 | 0.7% | \$469.20 | \$8.00 | \$477.20 | 0.6% |
| 419 | One Excess, One Advantage | 249 | \$1,207.84 | \$5.00 | \$1,212.84 | \$1,217.41 | \$8.00 | \$1,225.41 | 1.0% | \$1,217.32 | \$8.00 | \$1,225.32 | 1.0% |
| 420 | Two+ Excess | 123 | \$1,946.48 | \$5.00 | \$1,951.48 | \$1,965.44 | \$8.00 | \$1,973.44 | 1.1% | \$1,965.44 | \$8.00 | \$1,973.44 | 1.1% |
| 422 | One Excess - Part B, One Basic | 203 | \$1,749.05 | \$5.00 | \$1,754.05 | \$1,848.36 | \$8.00 | \$1,856.36 | 5.8% | \$1,848.36 | \$8.00 | \$1,856.36 | 5.8% |
| 423 | One Excess (MNP), One Basic | 26 | \$2,470.09 | \$5.00 | \$2,475.09 | \$2,590.45 | \$8.00 | \$2,598.45 | 5.0% | \$2,590.45 | \$8.00 | \$2,598.45 | 5.0% |
| 426 | One Advantage, One Excess - Part B | 196 | \$1,119.75 | \$5.00 | \$1,124.75 | \$1,179.10 | \$8.00 | \$1,187.10 | 5.5% | \$1,179.01 | \$8.00 | \$1,187.01 | 5.5% |
| 427 | One Advantage, One Excess (MNP) | 168 | \$1,840.79 | \$5.00 | \$1,845.79 | \$1,921.19 | \$8.00 | \$1,929.19 | 4.5% | \$1,921.10 | \$8.00 | \$1,929.10 | 4.5% |
| 428 | One Excess, One Excess - Part B | 44 | \$1,858.39 | \$5.00 | \$1,863.39 | \$1,927.13 | \$8.00 | \$1,935.13 | 3.8% | \$1,927.13 | \$8.00 | \$1,935.13 | 3.8% |
| 429 | One Excess, One Excess (MNP) | 7 | \$2,579.43 | \$5.00 | \$2,584.43 | \$2,669.22 | \$8.00 | \$2,677.22 | 3.6% | \$2,669.22 | \$8.00 | \$2,677.22 | 3.6% |
| 430 | Two Excess - Part B | 131 | \$1,770.30 | \$5.00 | \$1,775.30 | \$1,888.82 | \$8.00 | \$1,896.82 | 6.8% | \$1,888.82 | \$8.00 | \$1,896.82 | 6.8% |
| 431 | One Excess - Part B, One Excess (MNP) | 11 | \$2,491.34 | \$5.00 | \$2,496.34 | \$2,630.91 | \$8.00 | \$2,638.91 | 5.7% | \$2,630.91 | \$8.00 | \$2,638.91 | 5.7% |
| 432 | Two Excess - Both (MNP) | 11 | \$3,212.38 | \$5.00 | \$3,217.38 | \$3,373.00 | \$8.00 | \$3,381.00 | 5.1% | \$3,373.00 | \$8.00 | \$3,381.00 | 5.1% |
| 421 | Survivor | 7 | \$863.90 | \$5.00 | \$868.90 | \$903.95 | \$8.00 | \$911.95 | 5.0% | \$903.95 | \$8.00 | \$911.95 | 5.0% |
| | Total | 21,995 | \$171,609,603 | | \$172,929,303 | \$176,712,252 | | \$178,823,772 | 3.4% | \$176,689,585 | | \$178,801,105 | 3.4% |
| Kaiser- Colorado | | | | | | | | | | | | | |
| 450 | Retiree Basic | 6 | \$1,054.61 | \$5.00 | \$1,059.61 | \$1,054.61 | \$8.00 | \$1,062.61 | 0.3% | \$1,054.61 | \$8.00 | \$1,062.61 | 0.3% |
| 451 | Retiree Risk (Senior Advantage) | 25 | \$335.16 | \$5.00 | \$340.16 | \$335.16 | \$8.00 | \$343.16 | 0.9% | \$335.16 | \$8.00 | \$343.16 | 0.9% |
| 453 | Retiree Basic (Two Party) | 2 | \$2,341.33 | \$5.00 | \$2,346.33 | \$2,341.33 | \$8.00 | \$2,349.33 | 0.1% | \$2,341.33 | \$8.00 | \$2,349.33 | 0.1% |
| 454 | Retiree Basic Family | 1 | \$3,163.92 | \$5.00 | \$3,168.92 | \$3,163.92 | \$8.00 | \$3,171.92 | 0.1% | \$3,163.92 | \$8.00 | \$3,171.92 | 0.1% |
| 455 | One Risk, One Basic | 0 | \$1,389.77 | \$5.00 | \$1,394.77 | \$1,389.77 | \$8.00 | \$1,397.77 | 0.2% | \$1,389.77 | \$8.00 | \$1,397.77 | 0.2% |
| 457 | Two Retiree Risk | 11 | \$670.32 | \$5.00 | \$675.32 | \$670.32 | \$8.00 | \$678.32 | 0.4% | \$670.32 | \$8.00 | \$678.32 | 0.4% |
| 458 | One Risk, Two or More Dependents | 0 | \$2,383.04 | \$5.00 | \$2,388.04 | \$2,383.04 | \$8.00 | \$2,391.04 | 0.1% | \$2,383.04 | \$8.00 | \$2,391.04 | 0.1% |
| 459 | Two Risk, Two or More Dependents | 0 | \$1,724.93 | \$5.00 | \$1,729.93 | \$1,724.93 | \$8.00 | \$1,732.93 | 0.2% | \$1,724.93 | \$8.00 | \$1,732.93 | 0.2% |
| | Total | 45 | \$359,121 | | \$361,821 | \$359,121.12 | | \$363,441 | 0.4% | \$359,121 | | \$363,441 | 0.4% |

LACERA
 July 1, 2016 Final Renewal
 Group Insurance Rates

| | | | | | | | | | | | | | |
|------------------------|---|------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------|--------------------|---------------|--------------------|--------------|
| Kaiser- Georgia | | | | | | | | | | | | | |
| 440 | One Medicare Member with Part B Only | 1 | \$1,005.58 | \$5.00 | \$1,010.58 | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% |
| 441 | One Medicare Member with Part A Only | 2 | \$1,005.58 | \$5.00 | \$1,010.58 | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% |
| 442 | One Member without Medicare Part A&B | 4 | \$1,005.58 | \$5.00 | \$1,010.58 | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% |
| 443 | One Medicare Member (Renal Failure) | 0 | \$381.20 | \$5.00 | \$386.20 | \$400.26 | \$8.00 | \$408.26 | 5.7% | \$400.26 | \$8.00 | \$408.26 | 5.7% |
| 444 | One Medicare Member + One Medicare with Part B O | 0 | \$1,386.78 | \$5.00 | \$1,391.78 | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% |
| 445 | One Medicare Member + One Medicare with Part A O | 2 | \$1,386.78 | \$5.00 | \$1,391.78 | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% |
| 446 | One Medicare Member + One Medicare without Part . | 0 | \$1,386.78 | \$5.00 | \$1,391.78 | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% |
| 461 | Basic, or Over 65 without Medicare A&B | 17 | \$1,005.58 | \$5.00 | \$1,010.58 | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% | \$1,156.41 | \$8.00 | \$1,164.41 | 15.2% |
| 462 | Retiree Risk (Senior Advantage) | 55 | \$381.20 | \$5.00 | \$386.20 | \$400.26 | \$8.00 | \$408.26 | 5.7% | \$400.26 | \$8.00 | \$408.26 | 5.7% |
| 463 | Retiree (Two Party) | 6 | \$2,011.15 | \$5.00 | \$2,016.15 | \$2,312.83 | \$8.00 | \$2,320.83 | 15.1% | \$2,312.83 | \$8.00 | \$2,320.83 | 15.1% |
| 464 | Retiree Basic Family | 0 | \$3,016.73 | \$5.00 | \$3,021.73 | \$3,469.24 | \$8.00 | \$3,477.24 | 15.1% | \$3,469.24 | \$8.00 | \$3,477.24 | 15.1% |
| 465 | One Retiree Risk, One Basic | 17 | \$1,386.78 | \$5.00 | \$1,391.78 | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% | \$1,556.67 | \$8.00 | \$1,564.67 | 12.4% |
| 466 | Two Retiree Risk | 20 | \$762.40 | \$5.00 | \$767.40 | \$800.52 | \$8.00 | \$808.52 | 5.4% | \$800.52 | \$8.00 | \$808.52 | 5.4% |
| 467 | One Retiree Risk, Two Retiree Basic | 0 | \$2,392.35 | \$5.00 | \$2,397.35 | \$2,713.09 | \$8.00 | \$2,721.09 | 13.5% | \$2,713.09 | \$8.00 | \$2,721.09 | 13.5% |
| 468 | Two Retiree Risk, One Basic | 0 | \$1,767.98 | \$5.00 | \$1,772.98 | \$1,956.93 | \$8.00 | \$1,964.93 | 10.8% | \$1,956.93 | \$8.00 | \$1,964.93 | 10.8% |
| 469 | Three Retiree Risk, One Basic | 0 | \$1,143.60 | \$5.00 | \$1,148.60 | \$1,200.78 | \$8.00 | \$1,208.78 | 5.2% | \$1,200.78 | \$8.00 | \$1,208.78 | 5.2% |
| 470 | Any other Family, at least one Retiree Risk | 0 | <u>\$2,392.35</u> | <u>\$5.00</u> | <u>\$2,397.35</u> | <u>\$2,713.09</u> | <u>\$8.00</u> | <u>\$2,721.09</u> | <u>13.5%</u> | <u>\$2,713.09</u> | <u>\$8.00</u> | <u>\$2,721.09</u> | <u>13.5%</u> |
| | Total | 124 | \$1,185,164 | | \$1,192,604 | \$1,310,787 | | \$1,322,691 | 10.9% | \$1,310,787 | | \$1,322,691 | 10.9% |
| Kaiser- Hawaii | | | | | | | | | | | | | |
| 471 | Retiree Basic (Under 65) | 7 | \$962.64 | \$5.00 | \$967.64 | \$995.20 | \$8.00 | \$1,003.20 | 3.7% | \$995.20 | \$8.00 | \$1,003.20 | 3.7% |
| 472 | Retiree Risk (Senior Advantage) | 30 | \$348.04 | \$5.00 | \$353.04 | \$370.22 | \$8.00 | \$378.22 | 7.1% | \$370.22 | \$8.00 | \$378.22 | 7.1% |
| 473 | Retiree Over 65 without Medicare A&B | 2 | \$1,420.91 | \$5.00 | \$1,425.91 | \$1,488.36 | \$8.00 | \$1,496.36 | 4.9% | \$1,488.36 | \$8.00 | \$1,496.36 | 4.9% |
| 474 | Retiree Basic (Two Party) | 3 | \$1,725.28 | \$5.00 | \$1,730.28 | \$1,990.40 | \$8.00 | \$1,998.40 | 15.5% | \$1,990.40 | \$8.00 | \$1,998.40 | 15.5% |
| 475 | Retiree Basic Family (Under 65) | 0 | \$2,587.93 | \$5.00 | \$2,592.93 | \$2,985.60 | \$8.00 | \$2,993.60 | 15.5% | \$2,985.60 | \$8.00 | \$2,993.60 | 15.5% |
| 476 | One Retiree Risk, One Basic | 5 | \$1,210.68 | \$5.00 | \$1,215.68 | \$1,365.42 | \$8.00 | \$1,373.42 | 13.0% | \$1,365.42 | \$8.00 | \$1,373.42 | 13.0% |
| 477 | Over 65 without Medicare A&B, One Basic | 0 | \$2,283.55 | \$5.00 | \$2,288.55 | \$2,483.56 | \$8.00 | \$2,491.56 | 8.9% | \$2,483.56 | \$8.00 | \$2,491.56 | 8.9% |
| 478 | Two Retiree Risk | 12 | \$696.08 | \$5.00 | \$701.08 | \$740.44 | \$8.00 | \$748.44 | 6.8% | \$740.44 | \$8.00 | \$748.44 | 6.8% |
| 479 | One Risk, One Over 65 without Medicare A&B | 0 | <u>\$1,768.95</u> | <u>\$5.00</u> | <u>\$1,773.95</u> | <u>\$1,858.58</u> | <u>\$8.00</u> | <u>\$1,866.58</u> | <u>5.2%</u> | <u>\$1,858.58</u> | <u>\$8.00</u> | <u>\$1,866.58</u> | <u>5.2%</u> |
| | Total | 59 | \$475,244 | | \$478,784 | \$512,800 | | \$518,464 | 8.3% | \$512,800 | | \$518,464 | 8.3% |

LACERA
 July 1, 2016 Final Renewal
 Group Insurance Rates

| | | | | | | | | | | | | | |
|-------------------------|---|--------------|---------------------|---------------|---------------------|-----------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| Kaiser- Oregon | | | | | | | | | | | | | |
| 481 | Retiree Basic (Under 65) | 8 | \$1,078.33 | \$5.00 | \$1,083.33 | \$1,081.31 | \$8.00 | \$1,089.31 | 0.6% | \$1,081.31 | \$8.00 | \$1,089.31 | 0.6% |
| 482 | Retiree Risk (Senior Advantage) | 74 | \$442.80 | \$5.00 | \$447.80 | \$447.41 | \$8.00 | \$455.41 | 1.7% | \$447.41 | \$8.00 | \$455.41 | 1.7% |
| 483 | Retiree Over 65 unassigned Medicare A&B | 0 | \$1,136.67 | \$5.00 | \$1,141.67 | \$1,148.07 | \$8.00 | \$1,156.07 | 1.3% | \$1,148.07 | \$8.00 | \$1,156.07 | 1.3% |
| 484 | Retiree Basic (Two Party) | 4 | \$2,156.66 | \$5.00 | \$2,161.66 | \$2,162.62 | \$8.00 | \$2,170.62 | 0.4% | \$2,162.62 | \$8.00 | \$2,170.62 | 0.4% |
| 485 | Retiree Basic Family (Under 65) | 0 | \$3,234.99 | \$5.00 | \$3,239.99 | \$3,243.93 | \$8.00 | \$3,251.93 | 0.4% | \$3,243.93 | \$8.00 | \$3,251.93 | 0.4% |
| 486 | One Retiree Risk, One Basic | 10 | \$1,521.13 | \$5.00 | \$1,526.13 | \$1,528.72 | \$8.00 | \$1,536.72 | 0.7% | \$1,528.72 | \$8.00 | \$1,536.72 | 0.7% |
| 488 | Two Retiree Risk | 43 | \$885.60 | \$5.00 | \$890.60 | \$894.82 | \$8.00 | \$902.82 | 1.4% | \$894.82 | \$8.00 | \$902.82 | 1.4% |
| 489 | Retiree w/ Part A Only | 1 | \$971.66 | \$5.00 | \$976.66 | \$983.06 | \$8.00 | \$991.06 | 1.5% | \$983.06 | \$8.00 | \$991.06 | 1.5% |
| 490 | Retiree w/ Part B Only | 0 | \$1,136.67 | \$5.00 | \$1,141.67 | \$1,148.07 | \$8.00 | \$1,156.07 | 1.3% | \$1,148.07 | \$8.00 | \$1,156.07 | 1.3% |
| 491 | One Risk, One Medicare Part A Only | 0 | \$1,414.46 | \$5.00 | \$1,419.46 | \$1,430.47 | \$8.00 | \$1,438.47 | 1.3% | \$1,430.47 | \$8.00 | \$1,438.47 | 1.3% |
| 492 | One Risk, One Over 65 No Medicare | 1 | \$1,579.47 | \$5.00 | \$1,584.47 | \$1,595.48 | \$8.00 | \$1,603.48 | 1.2% | \$1,595.48 | \$8.00 | \$1,603.48 | 1.2% |
| 493 | One Risk, Two Basic | 1 | \$2,599.46 | \$5.00 | \$2,604.46 | \$2,610.03 | \$8.00 | \$2,618.03 | 0.5% | \$2,610.03 | \$8.00 | \$2,618.03 | 0.5% |
| 494 | Two Risk, One Basic | 0 | \$1,963.93 | \$5.00 | \$1,968.93 | \$1,976.13 | \$8.00 | \$1,984.13 | 0.8% | \$1,976.13 | \$8.00 | \$1,984.13 | 0.8% |
| 495 | Two Over 65 No Medicare | 2 | \$2,273.34 | \$5.00 | \$2,278.34 | \$2,296.14 | \$8.00 | \$2,304.14 | 1.1% | \$2,296.14 | \$8.00 | \$2,304.14 | 1.1% |
| 496 | Two Medicare Part A Only | 0 | \$1,943.32 | \$5.00 | \$1,948.32 | \$1,966.12 | \$8.00 | \$1,974.12 | 1.3% | \$1,966.12 | \$8.00 | \$1,974.12 | 1.3% |
| 497 | One Basic, One Medicare Part A Only | 1 | \$2,049.99 | \$5.00 | \$2,054.99 | \$2,064.37 | \$8.00 | \$2,072.37 | 0.8% | \$2,064.37 | \$8.00 | \$2,072.37 | 0.8% |
| 498 | One Basic, One Over 65 no Medicare A&B | 0 | <u>\$2,215.00</u> | <u>\$5.00</u> | <u>\$2,220.00</u> | <u>\$2,229.38</u> | <u>\$8.00</u> | <u>\$2,237.38</u> | <u>0.8%</u> | <u>\$2,229.38</u> | <u>\$8.00</u> | <u>\$2,237.38</u> | <u>0.8%</u> |
| | Total | 145 | \$1,380,718 | | \$1,389,418 | \$1,392,227.76 | | \$1,406,148 | 1.2% | \$1,392,228 | | \$1,406,148 | 1.2% |
| SCAN Health Plan | | | | | | | | | | | | | |
| 611 | Retiree Only | 261 | \$336.00 | \$5.00 | \$341.00 | \$299.00 | \$8.00 | \$307.00 | -10.0% | \$299.00 | \$8.00 | \$307.00 | -10.0% |
| 613 | Retiree & 1 Dependent (2 Medicare) | 93 | <u>\$672.00</u> | <u>\$5.00</u> | <u>\$677.00</u> | <u>\$598.00</u> | <u>\$8.00</u> | <u>\$606.00</u> | <u>-10.5%</u> | <u>\$598.00</u> | <u>\$8.00</u> | <u>\$606.00</u> | <u>-10.5%</u> |
| | Total | 354 | \$1,802,304 | | \$1,823,544 | \$1,603,836 | | \$1,637,820 | -10.2% | \$1,603,836 | | \$1,637,820 | -10.2% |
| UnitedHealthcare | | | | | | | | | | | | | |
| 701 | Retiree Only | 1,442 | \$309.12 | \$5.00 | \$314.12 | \$327.67 | \$8.00 | \$335.67 | 6.9% | \$324.58 | \$8.00 | \$332.58 | 5.9% |
| 702 | Retiree & 1 Dependent (1 Medicare) | 313 | \$1,246.37 | \$5.00 | \$1,251.37 | \$1,364.26 | \$8.00 | \$1,372.26 | 9.7% | \$1,323.52 | \$8.00 | \$1,331.52 | 6.4% |
| 703 | Retiree & 1 Dependent (2 Medicare) | 760 | \$618.24 | \$5.00 | \$623.24 | \$655.34 | \$8.00 | \$663.34 | 6.4% | \$649.16 | \$8.00 | \$657.16 | 5.4% |
| 704 | Retiree & 2 + Deps. (1 Medicare) | 61 | \$1,407.83 | \$5.00 | \$1,412.83 | \$1,542.85 | \$8.00 | \$1,550.85 | 9.8% | \$1,495.62 | \$8.00 | \$1,503.62 | 6.4% |
| 705 | Retiree & 2 + Deps. (2 Medicare) | 20 | \$779.70 | \$5.00 | \$784.70 | \$833.93 | \$8.00 | \$841.93 | 7.3% | \$821.26 | \$8.00 | \$829.26 | 5.7% |
| 706 | Survivor (Child only) | 0 | \$263.86 | \$5.00 | \$268.86 | \$291.84 | \$8.00 | \$299.84 | 11.5% | \$281.23 | \$8.00 | \$289.23 | 7.6% |
| 707 | UnitedHealthcare Single | 416 | \$937.25 | \$5.00 | \$942.25 | \$1,036.59 | \$8.00 | \$1,044.59 | 10.9% | \$998.94 | \$8.00 | \$1,006.94 | 6.9% |
| 708 | UnitedHealthcare Two-Party | 336 | \$1,716.25 | \$5.00 | \$1,721.25 | \$1,898.18 | \$8.00 | \$1,906.18 | 10.7% | \$1,829.24 | \$8.00 | \$1,837.24 | 6.7% |
| 709 | UnitedHealthcare Family | 218 | <u>\$2,035.96</u> | <u>\$5.00</u> | <u>\$2,040.96</u> | <u>\$2,251.77</u> | <u>\$8.00</u> | <u>\$2,259.77</u> | <u>10.7%</u> | <u>\$2,169.99</u> | <u>\$8.00</u> | <u>\$2,177.99</u> | <u>6.7%</u> |
| | Total | 3,566 | \$33,811,130 | | \$34,025,090 | \$36,819,122 | | \$37,161,458 | 9.2% | \$35,838,830 | | \$36,181,166 | 6.3% |

LACERA
 July 1, 2016 Final Renewal
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| | | | | | | | | | | | | |
|--|---------------|----------------------|---------------|----------------------|---------------------|---------------|---------------------|--------------|----------------------|---------------|----------------------|-------------|
| Medicare Part B | 0 | <u>\$135.86</u> | <u>\$0.00</u> | <u>\$135.86</u> | <u>\$137.70</u> | <u>\$0.00</u> | <u>\$137.70</u> | <u>1.4%</u> | <u>\$137.70</u> | <u>\$0.00</u> | <u>\$137.70</u> | 1.4% |
| Total | 29,172 | \$47,559,695 | | \$47,559,695 | \$48,204,221 | | \$48,204,221 | 1.4% | \$48,204,221 | | \$48,204,221 | |
| Total Medical | 45,345 | \$487,413,088 | | \$490,133,788 | 500,305,363 | | 504,658,483 | | \$495,641,965 | | \$499,995,085 | |
| Cigna Dental (Indemnity) / Vision | | | | | | | | | | | | |
| 501 Retiree Only | 22,220 | \$41.61 | \$5.00 | \$46.61 | \$44.12 | \$8.00 | \$52.12 | 11.8% | \$43.13 | \$8.00 | \$51.13 | 9.7% |
| 502 Retiree & Dependents | 20,400 | \$94.76 | \$5.00 | \$99.76 | \$100.50 | \$8.00 | \$108.50 | 8.8% | \$98.24 | \$8.00 | \$106.24 | 6.5% |
| 503 Survivor / Minor | 9 | <u>\$52.90</u> | <u>\$5.00</u> | <u>\$57.90</u> | <u>\$56.09</u> | <u>\$8.00</u> | <u>\$64.09</u> | <u>10.7%</u> | <u>\$54.84</u> | <u>\$8.00</u> | <u>\$62.84</u> | <u>8.5%</u> |
| Total | 42,629 | \$34,297,852 | | \$36,855,592 | \$36,372,615 | | \$40,464,999 | 9.8% | \$35,555,258 | | \$39,647,642 | 7.6% |
| Cigna Dental (Prepaid) / Vision | | | | | | | | | | | | |
| 901 Retiree Only | 3,159 | \$37.23 | \$5.00 | \$42.23 | \$38.72 | \$8.00 | \$46.72 | 10.6% | \$38.17 | \$8.00 | \$46.17 | 9.3% |
| 902 Retiree & Dependents | 2,190 | \$84.36 | \$5.00 | \$89.36 | \$87.73 | \$8.00 | \$95.73 | 7.1% | \$86.00 | \$8.00 | \$94.00 | 5.2% |
| 903 Survivor / Minor | 3 | <u>\$37.80</u> | <u>\$5.00</u> | <u>\$42.80</u> | <u>\$39.31</u> | <u>\$8.00</u> | <u>\$47.31</u> | <u>10.5%</u> | <u>\$38.75</u> | <u>\$8.00</u> | <u>\$46.75</u> | <u>9.2%</u> |
| Total | 5,352 | \$3,629,656 | | \$3,950,776 | \$3,774,757 | | \$4,288,549 | 8.5% | \$3,708,423 | | \$4,222,215 | 6.9% |
| Total Dental | 47,981 | \$37,927,508 | | \$40,806,368 | \$40,147,372 | | \$44,753,548 | | \$39,263,681 | | \$43,869,857 | |

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Anthem Blue Cross I
 Tier 1

| Years of Service | Retiree Only 211 | Retiree and Spouse 212 | Retiree, Spouse, and Children 213 | Retiree and Children 214 |
|------------------|---------------------|------------------------------|---|--------------------------------|
| Less than 10* | \$1,065.79 | \$1,919.85 | \$2,264.26 | \$1,409.48 |
| 10-11* | \$639.47 | \$1,151.91 | \$1,358.56 | \$845.69 |
| 11-12* | \$596.84 | \$1,075.12 | \$1,267.99 | \$789.31 |
| 12-13* | \$554.21 | \$998.32 | \$1,177.42 | \$732.93 |
| 13-14 | \$511.58 | \$921.53 | \$1,086.84 | \$676.55 |
| 14-15 | \$468.95 | \$844.73 | \$996.27 | \$620.17 |
| 15-16 | \$426.32 | \$767.94 | \$905.70 | \$563.79 |
| 16-17 | \$383.68 | \$691.15 | \$815.13 | \$507.41 |
| 17-18 | \$341.05 | \$614.35 | \$724.56 | \$451.03 |
| 18-19 | \$298.42 | \$537.56 | \$633.99 | \$394.65 |
| 19-20 | \$255.79 | \$460.76 | \$543.42 | \$338.28 |
| 20-21 | \$213.16 | \$383.97 | \$452.85 | \$281.90 |
| 21-22 | \$170.53 | \$307.18 | \$362.28 | \$225.52 |
| 22-23 | \$127.89 | \$230.38 | \$271.71 | \$169.14 |
| 23-24 | \$85.26 | \$153.59 | \$181.14 | \$112.76 |
| 24-25 | \$42.63 | \$76.79 | \$90.57 | \$56.38 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|---|----------|----------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$532.90 | \$959.93 | \$1,132.13 | \$704.74 |

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$1,087.11 | \$1,958.25 | \$2,309.55 | \$1,437.67 |
|-------|------------|------------|------------|------------|

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Anthem Blue Cross II
 Tier 1

| Years of Service | Retiree Only 221 | Retiree and Spouse 222 | Retiree, Spouse, and Children 223 | Retiree and Children 224 |
|------------------|---------------------|---------------------------|---|-----------------------------|
| Less than 10* | \$1,065.79 | \$1,919.85 | \$2,264.26 | \$1,409.48 |
| 10-11* | \$639.47 | \$1,151.91 | \$1,358.56 | \$845.69 |
| 11-12* | \$596.84 | \$1,075.12 | \$1,267.99 | \$789.31 |
| 12-13* | \$554.21 | \$998.32 | \$1,177.42 | \$732.93 |
| 13-14 | \$511.58 | \$921.53 | \$1,086.84 | \$676.55 |
| 14-15 | \$468.95 | \$844.73 | \$996.27 | \$620.17 |
| 15-16 | \$426.32 | \$767.94 | \$905.70 | \$563.79 |
| 16-17 | \$383.68 | \$691.15 | \$815.13 | \$507.41 |
| 17-18 | \$341.05 | \$614.35 | \$724.56 | \$451.03 |
| 18-19 | \$298.42 | \$537.56 | \$633.99 | \$394.65 |
| 19-20 | \$255.79 | \$460.76 | \$543.42 | \$338.28 |
| 20-21 | \$213.16 | \$383.97 | \$452.85 | \$281.90 |
| 21-22 | \$170.53 | \$307.18 | \$362.28 | \$225.52 |
| 22-23 | \$127.89 | \$230.38 | \$271.71 | \$169.14 |
| 23-24 | \$85.26 | \$153.59 | \$181.14 | \$112.76 |
| 24-25 | \$42.63 | \$76.79 | \$90.57 | \$56.38 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|---|----------|----------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$532.90 | \$959.93 | \$1,132.13 | \$704.74 |

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$1,087.11 | \$1,958.25 | \$2,309.55 | \$1,437.67 |
|-------|------------|------------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross III (Medicare Supplement Plan)
Tier 1

| Years of Service | Retiree Only with Medicare 240 | Retiree and Spouse - 1 with Medicare 241¹ | Retiree and Spouse - 1 with Medicare 242² | Retiree and Spouse - Both with Medicare 243 |
|-------------------------|---|---|---|--|
| Less than 10* | \$431.70 | \$1,375.57 | \$1,375.57 | \$857.14 |
| 10-11* | \$259.02 | \$825.34 | \$825.34 | \$514.28 |
| 11-12* | \$241.75 | \$770.32 | \$770.32 | \$480.00 |
| 12-13* | \$224.48 | \$715.30 | \$715.30 | \$445.71 |
| 13-14 | \$207.22 | \$660.27 | \$660.27 | \$411.43 |
| 14-15 | \$189.95 | \$605.25 | \$605.25 | \$377.14 |
| 15-16 | \$172.68 | \$550.23 | \$550.23 | \$342.86 |
| 16-17 | \$155.41 | \$495.21 | \$495.21 | \$308.57 |
| 17-18 | \$138.14 | \$440.18 | \$440.18 | \$274.28 |
| 18-19 | \$120.88 | \$385.16 | \$385.16 | \$240.00 |
| 19-20 | \$103.61 | \$330.14 | \$330.14 | \$205.71 |
| 20-21 | \$86.34 | \$275.11 | \$275.11 | \$171.43 |
| 21-22 | \$69.07 | \$220.09 | \$220.09 | \$137.14 |
| 22-23 | \$51.80 | \$165.07 | \$165.07 | \$102.86 |
| 23-24 | \$34.54 | \$110.05 | \$110.05 | \$68.57 |
| 24-25 | \$17.27 | \$55.02 | \$55.02 | \$34.29 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|--|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$215.85 | \$687.79 | \$687.79 | \$428.57 |

| | | | | |
|--------------|----------|------------|------------|----------|
| COBRA | \$440.33 | \$1,403.08 | \$1,403.08 | \$874.28 |
|--------------|----------|------------|------------|----------|

¹ Non-Medicare has Anthem Blue Cross I

² Non-Medicare has Anthem Blue Cross II

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross III (Medicare Supplement Plan)
Tier 1

| Years of Service | Retiree and Children 244 ³ | Retiree and Children 245 ⁴ | Retiree, Spouse, and Children - 1 with Medicare 246 ⁵ | Retiree, Spouse, and Children - 1 with Medicare 247 ⁶ | Retiree, Spouse, and Children - 2 with Medicare 248 ⁷ | Retiree, Spouse, and Children - 2 with Medicare 249 ⁸ | Retiree, Spouse & Children - each with Medicare 250 ⁹ |
|------------------|---------------------------------------|---------------------------------------|--|--|--|--|--|
| Less than 10* | \$771.33 | \$771.33 | \$1,715.10 | \$1,715.10 | \$1,196.59 | \$1,196.59 | \$1,340.77 |
| 10-11* | \$462.80 | \$462.80 | \$1,029.06 | \$1,029.06 | \$717.95 | \$717.95 | \$804.46 |
| 11-12* | \$431.94 | \$431.94 | \$960.46 | \$960.46 | \$670.09 | \$670.09 | \$750.83 |
| 12-13* | \$401.09 | \$401.09 | \$891.85 | \$891.85 | \$622.23 | \$622.23 | \$697.20 |
| 13-14 | \$370.24 | \$370.24 | \$823.25 | \$823.25 | \$574.36 | \$574.36 | \$643.57 |
| 14-15 | \$339.39 | \$339.39 | \$754.64 | \$754.64 | \$526.50 | \$526.50 | \$589.94 |
| 15-16 | \$308.53 | \$308.53 | \$686.04 | \$686.04 | \$478.64 | \$478.64 | \$536.31 |
| 16-17 | \$277.68 | \$277.68 | \$617.44 | \$617.44 | \$430.77 | \$430.77 | \$482.68 |
| 17-18 | \$246.83 | \$246.83 | \$548.83 | \$548.83 | \$382.91 | \$382.91 | \$429.05 |
| 18-19 | \$215.97 | \$215.97 | \$480.23 | \$480.23 | \$335.05 | \$335.05 | \$375.42 |
| 19-20 | \$185.12 | \$185.12 | \$411.62 | \$411.62 | \$287.18 | \$287.18 | \$321.78 |
| 20-21 | \$154.27 | \$154.27 | \$343.02 | \$343.02 | \$239.32 | \$239.32 | \$268.15 |
| 21-22 | \$123.41 | \$123.41 | \$274.42 | \$274.42 | \$191.45 | \$191.45 | \$214.52 |
| 22-23 | \$92.56 | \$92.56 | \$205.81 | \$205.81 | \$143.59 | \$143.59 | \$160.89 |
| 23-24 | \$61.71 | \$61.71 | \$137.21 | \$137.21 | \$95.73 | \$95.73 | \$107.26 |
| 24-25 | \$30.85 | \$30.85 | \$68.60 | \$68.60 | \$47.86 | \$47.86 | \$53.63 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | \$385.67 | \$385.67 | \$857.55 | \$857.55 | \$598.30 | \$598.30 | \$670.39 |
|---|----------|----------|----------|----------|----------|----------|----------|

| | | | | | | | |
|-------|----------|----------|------------|------------|------------|------------|------------|
| COBRA | \$786.76 | \$786.76 | \$1,749.40 | \$1,749.40 | \$1,220.52 | \$1,220.52 | \$1,367.59 |
|-------|----------|----------|------------|------------|------------|------------|------------|

³ Retiree has Medicare; Children have Anthem Blue Cross I

⁴ Retiree has Medicare; Children have Anthem Blue Cross II

⁵ Non-Medicare has Anthem Blue Cross I

⁶ Non-Medicare has Anthem Blue Cross II

⁷ Children have Anthem Blue Cross I

⁸ Children have Anthem Blue Cross II

⁹ Please note: only two parties will qualify for the Medicare Part B Premium Reimbursement Program, approved annually by the Los Angeles County Board of Supervisors.

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross Prudent Buyer Plan
Tier 1

| Years of Service | Retiree Only 201 | Retiree and Spouse 202 | Retiree, Spouse, and Children 203 | Retiree and Children 204 |
|------------------|---------------------|------------------------------|---|--------------------------------|
| Less than 10* | \$843.86 | \$1,658.82 | \$1,871.87 | \$1,084.15 |
| 10-11* | \$506.32 | \$995.29 | \$1,123.12 | \$650.49 |
| 11-12* | \$472.56 | \$928.94 | \$1,048.25 | \$607.12 |
| 12-13* | \$438.81 | \$862.59 | \$973.37 | \$563.76 |
| 13-14 | \$405.05 | \$796.23 | \$898.50 | \$520.39 |
| 14-15 | \$371.30 | \$729.88 | \$823.62 | \$477.03 |
| 15-16 | \$337.54 | \$663.53 | \$748.75 | \$433.66 |
| 16-17 | \$303.79 | \$597.18 | \$673.87 | \$390.29 |
| 17-18 | \$270.04 | \$530.82 | \$599.00 | \$346.93 |
| 18-19 | \$236.28 | \$464.47 | \$524.12 | \$303.56 |
| 19-20 | \$202.53 | \$398.12 | \$449.25 | \$260.20 |
| 20-21 | \$168.77 | \$331.76 | \$374.37 | \$216.83 |
| 21-22 | \$135.02 | \$265.41 | \$299.50 | \$173.46 |
| 22-23 | \$101.26 | \$199.06 | \$224.62 | \$130.10 |
| 23-24 | \$67.51 | \$132.71 | \$149.75 | \$86.73 |
| 24-25 | \$33.75 | \$66.35 | \$74.87 | \$43.37 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|---|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$421.93 | \$829.41 | \$935.94 | \$542.08 |

| | | | | |
|-------|----------|------------|------------|------------|
| COBRA | \$860.74 | \$1,692.00 | \$1,909.31 | \$1,105.83 |
|-------|----------|------------|------------|------------|

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Cigna Network Model Plan
 Tier 1

| Years of Service | Retiree Only 301 | Retiree and Spouse 302 | Retiree, Spouse and Children 303 | Retiree and Children 304 |
|------------------|---------------------|------------------------------|--|--------------------------------|
| Less than 10* | \$1,332.53 | \$2,404.28 | \$2,838.00 | \$1,767.64 |
| 10-11* | \$906.21 | \$1,636.34 | \$1,932.30 | \$1,203.85 |
| 11-12* | \$863.58 | \$1,559.55 | \$1,841.73 | \$1,147.47 |
| 12-13* | \$820.95 | \$1,482.75 | \$1,751.16 | \$1,091.09 |
| 13-14 | \$778.32 | \$1,405.96 | \$1,660.58 | \$1,034.71 |
| 14-15 | \$735.69 | \$1,329.16 | \$1,570.01 | \$978.33 |
| 15-16 | \$693.06 | \$1,252.37 | \$1,479.44 | \$921.95 |
| 16-17 | \$650.42 | \$1,175.58 | \$1,388.87 | \$865.57 |
| 17-18 | \$607.79 | \$1,098.78 | \$1,298.30 | \$809.19 |
| 18-19 | \$565.16 | \$1,021.99 | \$1,207.73 | \$752.81 |
| 19-20 | \$522.53 | \$945.19 | \$1,117.16 | \$696.44 |
| 20-21 | \$479.90 | \$868.40 | \$1,026.59 | \$640.06 |
| 21-22 | \$437.27 | \$791.61 | \$936.02 | \$583.68 |
| 22-23 | \$394.63 | \$714.81 | \$845.45 | \$527.30 |
| 23-24 | \$352.00 | \$638.02 | \$754.88 | \$470.92 |
| 24-25 | \$309.37 | \$561.22 | \$664.31 | \$414.54 |
| 25 or more | \$266.74 | \$484.43 | \$573.74 | \$358.16 |

| | | | | |
|---|----------|------------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$799.64 | \$1,444.36 | \$1,705.87 | \$1,062.90 |

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$1,359.18 | \$2,452.37 | \$2,894.76 | \$1,802.99 |
|-------|------------|------------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Medicare Select Plus Rx (Phoenix, AZ)
Tier 1

| Years of Service | Retiree Only with Medicare 321 | Retiree and Spouse/Domestic Partner - 1 with Medicare 322 | Retiree and Spouse/Domestic Partner - Both with Medicare 324 | Retiree and Children 325 | Retiree, Spouse/Domestic Partner and Children 1 with Medicare 327 | Retiree, Spouse/Domestic Partner, and Children - 2 with Medicare 329 |
|------------------|--------------------------------|---|--|--------------------------|---|--|
| Less than 10* | \$344.49 | \$1,415.53 | \$680.98 | \$778.46 | \$1,848.74 | \$1,181.24 |
| 10-11* | \$206.69 | \$849.32 | \$408.59 | \$467.08 | \$1,109.24 | \$708.74 |
| 11-12* | \$192.91 | \$792.70 | \$381.35 | \$435.94 | \$1,035.29 | \$661.49 |
| 12-13* | \$179.13 | \$736.08 | \$354.11 | \$404.80 | \$961.34 | \$614.24 |
| 13-14 | \$165.36 | \$679.45 | \$326.87 | \$373.66 | \$887.40 | \$567.00 |
| 14-15 | \$151.58 | \$622.83 | \$299.63 | \$342.52 | \$813.45 | \$519.75 |
| 15-16 | \$137.80 | \$566.21 | \$272.39 | \$311.38 | \$739.50 | \$472.50 |
| 16-17 | \$124.02 | \$509.59 | \$245.15 | \$280.25 | \$665.55 | \$425.25 |
| 17-18 | \$110.24 | \$452.97 | \$217.91 | \$249.11 | \$591.60 | \$378.00 |
| 18-19 | \$96.46 | \$396.35 | \$190.67 | \$217.97 | \$517.65 | \$330.75 |
| 19-20 | \$82.68 | \$339.73 | \$163.44 | \$186.83 | \$443.70 | \$283.50 |
| 20-21 | \$68.90 | \$283.11 | \$136.20 | \$155.69 | \$369.75 | \$236.25 |
| 21-22 | \$55.12 | \$226.48 | \$108.96 | \$124.55 | \$295.80 | \$189.00 |
| 22-23 | \$41.34 | \$169.86 | \$81.72 | \$93.42 | \$221.85 | \$141.75 |
| 23-24 | \$27.56 | \$113.24 | \$54.48 | \$62.28 | \$147.90 | \$94.50 |
| 24-25 | \$13.78 | \$56.62 | \$27.24 | \$31.14 | \$73.95 | \$47.25 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | |
|---|----------|----------|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | | |
| | \$172.25 | \$707.77 | \$340.49 | \$389.23 | \$924.37 | \$590.62 |

| | | | | | | |
|-------|----------|------------|----------|----------|------------|------------|
| COBRA | \$351.38 | \$1,443.84 | \$694.60 | \$794.03 | \$1,885.71 | \$1,204.86 |
|-------|----------|------------|----------|----------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 1

| Years of Service | Retiree Only 401 | Retiree Only 403 | Retiree Only 404 | Retiree Only 405 | Retiree Only 406 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Less than 10* | \$911.95 | \$242.60 | \$990.72 | \$952.41 | \$1,694.50 |
| 10-11* | \$547.17 | \$145.56 | \$594.43 | \$571.45 | \$1,268.18 |
| 11-12* | \$510.69 | \$135.86 | \$554.80 | \$533.35 | \$1,225.55 |
| 12-13* | \$474.21 | \$126.15 | \$515.17 | \$495.25 | \$1,182.92 |
| 13-14 | \$437.74 | \$116.45 | \$475.55 | \$457.16 | \$1,140.29 |
| 14-15 | \$401.26 | \$106.74 | \$435.92 | \$419.06 | \$1,097.66 |
| 15-16 | \$364.78 | \$97.04 | \$396.29 | \$380.96 | \$1,055.03 |
| 16-17 | \$328.30 | \$87.34 | \$356.66 | \$342.87 | \$1,012.39 |
| 17-18 | \$291.82 | \$77.63 | \$317.03 | \$304.77 | \$969.76 |
| 18-19 | \$255.35 | \$67.93 | \$277.40 | \$266.67 | \$927.13 |
| 19-20 | \$218.87 | \$58.22 | \$237.77 | \$228.58 | \$884.50 |
| 20-21 | \$182.39 | \$48.52 | \$198.14 | \$190.48 | \$841.87 |
| 21-22 | \$145.91 | \$38.82 | \$158.52 | \$152.39 | \$799.24 |
| 22-23 | \$109.43 | \$29.11 | \$118.89 | \$114.29 | \$756.60 |
| 23-24 | \$72.96 | \$19.41 | \$79.26 | \$76.19 | \$713.97 |
| 24-25 | \$36.48 | \$9.70 | \$39.63 | \$38.10 | \$671.34 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$628.71 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$455.98 | \$121.30 | \$495.36 | \$476.21 | \$1,161.61 |
| COBRA | \$930.19 | \$247.45 | \$1,010.53 | \$971.46 | \$1,728.39 |

- 401 - Basic
- 403 - Senior Advantage
- 404 - Excess I
- 405 - Excess II
- 406 - Excess III

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 1

| Years of Service | Retiree and Family 411 | Retiree and Family 413 | Retiree and Family 414 |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Less than 10* | \$1,815.90 | \$1,146.55 | \$1,894.67 |
| 10-11* | \$1,089.54 | \$687.93 | \$1,136.80 |
| 11-12* | \$1,016.90 | \$642.07 | \$1,061.02 |
| 12-13* | \$944.27 | \$596.21 | \$985.23 |
| 13-14 | \$871.63 | \$550.34 | \$909.44 |
| 14-15 | \$799.00 | \$504.48 | \$833.65 |
| 15-16 | \$726.36 | \$458.62 | \$757.87 |
| 16-17 | \$653.72 | \$412.76 | \$682.08 |
| 17-18 | \$581.09 | \$366.90 | \$606.29 |
| 18-19 | \$508.45 | \$321.03 | \$530.51 |
| 19-20 | \$435.82 | \$275.17 | \$454.72 |
| 20-21 | \$363.18 | \$229.31 | \$378.93 |
| 21-22 | \$290.54 | \$183.45 | \$303.15 |
| 22-23 | \$217.91 | \$137.59 | \$227.36 |
| 23-24 | \$145.27 | \$91.72 | \$151.57 |
| 24-25 | \$72.64 | \$45.86 | \$75.79 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 |

| | | | |
|--|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | |
| | \$907.95 | \$573.28 | \$947.34 |

| | | | |
|--------------|------------|------------|------------|
| COBRA | \$1,852.22 | \$1,169.48 | \$1,932.56 |
|--------------|------------|------------|------------|

411 - All family members are "Basic"

413 - One family member is "Senior Advantage"; others are "Basic"

414 - One family member is "Excess I"; others are "Basic"

Definitions

"Basic" includes participants who are under age 65.

"Senior Advantage" - includes participants who are age 65 or over and who have assigned both Medicare Parts A and B to Kaiser.

"Excess I" is for participants who have Medicare Part A only.

"Excess II" is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

"Excess III" is for participants in the Excess Plan who have either Medicare Part A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA.

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Kaiser Permanente / Kaiser Senior Advantage for California Residents
 Tier 1

| Years of Service | Retiree and Family 418 | Retiree and Family 419 | Retiree and Family 420 | Retiree and Family 422 |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Less than 10* | \$477.20 | \$1,225.32 | \$1,973.44 | \$1,856.36 |
| 10-11* | \$286.32 | \$735.19 | \$1,184.06 | \$1,113.82 |
| 11-12* | \$267.23 | \$686.18 | \$1,105.13 | \$1,039.56 |
| 12-13* | \$248.14 | \$637.17 | \$1,026.19 | \$965.31 |
| 13-14 | \$229.06 | \$588.15 | \$947.25 | \$891.05 |
| 14-15 | \$209.97 | \$539.14 | \$868.31 | \$816.80 |
| 15-16 | \$190.88 | \$490.13 | \$789.38 | \$742.54 |
| 16-17 | \$171.79 | \$441.12 | \$710.44 | \$668.29 |
| 17-18 | \$152.70 | \$392.10 | \$631.50 | \$594.04 |
| 18-19 | \$133.62 | \$343.09 | \$552.56 | \$519.78 |
| 19-20 | \$114.53 | \$294.08 | \$473.63 | \$445.53 |
| 20-21 | \$95.44 | \$245.06 | \$394.69 | \$371.27 |
| 21-22 | \$76.35 | \$196.05 | \$315.75 | \$297.02 |
| 22-23 | \$57.26 | \$147.04 | \$236.81 | \$222.76 |
| 23-24 | \$38.18 | \$98.03 | \$157.88 | \$148.51 |
| 24-25 | \$19.09 | \$49.01 | \$78.94 | \$74.25 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|---|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$238.60 | \$612.66 | \$986.72 | \$928.18 |

| | | | | |
|-------|----------|------------|------------|------------|
| COBRA | \$486.74 | \$1,249.83 | \$2,012.91 | \$1,893.49 |
|-------|----------|------------|------------|------------|

418 - Two or more family members are "Senior Advantage"
 419 - One family member is "Excess I"; others are "Senior Advantage"
 420 - Two or more family members are "Excess I"
 422 - One family member is "Excess II"; others are "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 1

| Years of Service | Retiree and Family 423 | Retiree and Family 426 | Retiree and Family 427 | Retiree and Family 428 |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Less than 10* | \$2,598.45 | \$1,187.01 | \$1,929.10 | \$1,935.13 |
| 10-11* | \$1,692.75 | \$712.21 | \$1,157.46 | \$1,161.08 |
| 11-12* | \$1,602.18 | \$664.73 | \$1,080.30 | \$1,083.67 |
| 12-13* | \$1,511.61 | \$617.25 | \$1,003.13 | \$1,006.27 |
| 13-14 | \$1,421.03 | \$569.76 | \$925.97 | \$928.86 |
| 14-15 | \$1,330.46 | \$522.28 | \$848.80 | \$851.46 |
| 15-16 | \$1,239.89 | \$474.80 | \$771.64 | \$774.05 |
| 16-17 | \$1,149.32 | \$427.32 | \$694.48 | \$696.65 |
| 17-18 | \$1,058.75 | \$379.84 | \$617.31 | \$619.24 |
| 18-19 | \$968.18 | \$332.36 | \$540.15 | \$541.84 |
| 19-20 | \$877.61 | \$284.88 | \$462.98 | \$464.43 |
| 20-21 | \$787.04 | \$237.40 | \$385.82 | \$387.03 |
| 21-22 | \$696.47 | \$189.92 | \$308.66 | \$309.62 |
| 22-23 | \$605.90 | \$142.44 | \$231.49 | \$232.22 |
| 23-24 | \$515.33 | \$94.96 | \$154.33 | \$154.81 |
| 24-25 | \$424.76 | \$47.48 | \$77.16 | \$77.41 |
| 25 or more | \$334.19 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|---|------------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$1,466.32 | \$593.51 | \$964.55 | \$967.57 |

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$2,650.42 | \$1,210.75 | \$1,967.68 | \$1,973.83 |
|-------|------------|------------|------------|------------|

- 423 - One family member is "Excess III"; others are "Basic"
426 - One family member is "Senior Advantage"; others are "Excess II"
427 - One family member is "Senior Advantage"; others are "Excess III"
428 - One family member is "Excess I"; others are "Excess II"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 1

| Years of Service | Retiree and Family 429 | Retiree and Family 430 | Retiree and Family 431 | Retiree and Family 432 |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Less than 10* | \$2,677.22 | \$1,896.82 | \$2,638.91 | \$3,381.00 |
| 10-11* | \$1,771.52 | \$1,138.09 | \$1,733.21 | \$2,475.30 |
| 11-12* | \$1,680.95 | \$1,062.22 | \$1,642.64 | \$2,384.73 |
| 12-13* | \$1,590.38 | \$986.35 | \$1,552.07 | \$2,294.16 |
| 13-14 | \$1,499.80 | \$910.47 | \$1,461.49 | \$2,203.58 |
| 14-15 | \$1,409.23 | \$834.60 | \$1,370.92 | \$2,113.01 |
| 15-16 | \$1,318.66 | \$758.73 | \$1,280.35 | \$2,022.44 |
| 16-17 | \$1,228.09 | \$682.86 | \$1,189.78 | \$1,931.87 |
| 17-18 | \$1,137.52 | \$606.98 | \$1,099.21 | \$1,841.30 |
| 18-19 | \$1,046.95 | \$531.11 | \$1,008.64 | \$1,750.73 |
| 19-20 | \$956.38 | \$455.24 | \$918.07 | \$1,660.16 |
| 20-21 | \$865.81 | \$379.36 | \$827.50 | \$1,569.59 |
| 21-22 | \$775.24 | \$303.49 | \$736.93 | \$1,479.02 |
| 22-23 | \$684.67 | \$227.62 | \$646.36 | \$1,388.45 |
| 23-24 | \$594.10 | \$151.75 | \$555.79 | \$1,297.88 |
| 24-25 | \$503.53 | \$75.87 | \$465.22 | \$1,207.31 |
| 25 or more | \$412.96 | \$0.00 | \$374.65 | \$1,116.74 |

| | | | | |
|---|------------|----------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$1,545.09 | \$948.41 | \$1,506.78 | \$2,248.87 |

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$2,730.76 | \$1,934.76 | \$2,691.69 | \$3,448.62 |
|-------|------------|------------|------------|------------|

429 - One family member is "Excess I"; others are "Excess III"
430 - Two or more family members are "Excess II"
431 - One family member is "Excess II"; others are "Excess III"
432 - Two or more family members are "Excess III"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Colorado
Tier 1

| Years of Service | Retiree Only 450 | Retiree Only 451 | *Retiree and Family 453 | Retiree and Family 454 | *Retiree and Family 455 |
|------------------|---------------------|---------------------|-------------------------------|---------------------------|-------------------------------|
| Less than 10* | \$1,062.61 | \$343.16 | \$2,349.33 | \$3,171.92 | \$1,397.77 |
| 10-11* | \$637.57 | \$205.90 | \$1,581.39 | \$2,266.22 | \$838.66 |
| 11-12* | \$595.06 | \$192.17 | \$1,504.60 | \$2,175.65 | \$782.75 |
| 12-13* | \$552.56 | \$178.44 | \$1,427.80 | \$2,085.08 | \$726.84 |
| 13-14 | \$510.05 | \$164.72 | \$1,351.01 | \$1,994.50 | \$670.93 |
| 14-15 | \$467.55 | \$150.99 | \$1,274.21 | \$1,903.93 | \$615.02 |
| 15-16 | \$425.04 | \$137.26 | \$1,197.42 | \$1,813.36 | \$559.11 |
| 16-17 | \$382.54 | \$123.54 | \$1,120.63 | \$1,722.79 | \$503.20 |
| 17-18 | \$340.04 | \$109.81 | \$1,043.83 | \$1,632.22 | \$447.29 |
| 18-19 | \$297.53 | \$96.08 | \$967.04 | \$1,541.65 | \$391.38 |
| 19-20 | \$255.03 | \$82.36 | \$890.24 | \$1,451.08 | \$335.46 |
| 20-21 | \$212.52 | \$68.63 | \$813.45 | \$1,360.51 | \$279.55 |
| 21-22 | \$170.02 | \$54.91 | \$736.66 | \$1,269.94 | \$223.64 |
| 22-23 | \$127.51 | \$41.18 | \$659.86 | \$1,179.37 | \$167.73 |
| 23-24 | \$85.01 | \$27.45 | \$583.07 | \$1,088.80 | \$111.82 |
| 24-25 | \$42.50 | \$13.73 | \$506.27 | \$998.23 | \$55.91 |
| 25 or more | \$0.00 | \$0.00 | \$429.48 | \$907.66 | \$0.00 |

| | | | | | |
|---|----------|----------|------------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$531.31 | \$171.58 | \$1,389.41 | \$2,039.79 | \$698.89 |

| | | | | | |
|-------|------------|----------|------------|------------|------------|
| COBRA | \$1,083.86 | \$350.02 | \$2,396.32 | \$3,235.36 | \$1,425.73 |
|-------|------------|----------|------------|------------|------------|

- 450 - "Basic" under age 65
- 451 - "Senior Advantage"
- 453 - Two family members are "Basic"
- 454 - Three or more family members are "Basic"
- 455 - One Family member is "Senior Advantage"; one is "Basic"
- *Deduct Codes 453 and 455 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Colorado
Tier 1

| Years of Service | *Retiree and Family 457 | Retiree and Family 458 | Retiree and Family 459 |
|------------------|----------------------------|---------------------------|---------------------------|
| Less than 10* | \$678.32 | \$2,391.04 | \$1,732.93 |
| 10-11* | \$406.99 | \$1,485.34 | \$1,039.76 |
| 11-12* | \$379.86 | \$1,394.77 | \$970.44 |
| 12-13* | \$352.73 | \$1,304.20 | \$901.12 |
| 13-14 | \$325.59 | \$1,213.62 | \$831.81 |
| 14-15 | \$298.46 | \$1,123.05 | \$762.49 |
| 15-16 | \$271.33 | \$1,032.48 | \$693.17 |
| 16-17 | \$244.20 | \$941.91 | \$623.85 |
| 17-18 | \$217.06 | \$851.34 | \$554.54 |
| 18-19 | \$189.93 | \$760.77 | \$485.22 |
| 19-20 | \$162.80 | \$670.20 | \$415.90 |
| 20-21 | \$135.66 | \$579.63 | \$346.59 |
| 21-22 | \$108.53 | \$489.06 | \$277.27 |
| 22-23 | \$81.40 | \$398.49 | \$207.95 |
| 23-24 | \$54.27 | \$307.92 | \$138.63 |
| 24-25 | \$27.13 | \$217.35 | \$69.32 |
| 25 or more | \$0.00 | \$126.78 | \$0.00 |

| | | | |
|---|----------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | |
| | \$339.16 | \$1,258.91 | \$866.47 |

| | | | |
|-------|----------|------------|------------|
| COBRA | \$691.89 | \$2,438.86 | \$1,767.59 |
|-------|----------|------------|------------|

457 - Two family members are "Senior Advantage"

458 - One family member is "Senior Advantage"; two or more are "Basic"

459 - Two family members are "Senior Advantage"; one or more are "Basic"

*Deduct code 457 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 1

| Years of Service | Retiree Only 440 | Retiree Only 441 | Retiree Only 442 | Retiree Only 443 | *Retiree and Family 444 | *Retiree and Family 445 | *Retiree and Family 446 |
|------------------|---------------------|---------------------|---------------------|---------------------|-------------------------------|-------------------------------|-------------------------------|
| Less than 10* | \$1,164.41 | \$1,164.41 | \$1,164.41 | \$408.26 | \$1,564.67 | \$1,564.67 | \$1,564.67 |
| 10-11* | \$738.09 | \$738.09 | \$738.09 | \$244.96 | \$938.80 | \$938.80 | \$938.80 |
| 11-12* | \$695.46 | \$695.46 | \$695.46 | \$228.63 | \$876.22 | \$876.22 | \$876.22 |
| 12-13* | \$652.83 | \$652.83 | \$652.83 | \$212.30 | \$813.63 | \$813.63 | \$813.63 |
| 13-14 | \$610.20 | \$610.20 | \$610.20 | \$195.96 | \$751.04 | \$751.04 | \$751.04 |
| 14-15 | \$567.57 | \$567.57 | \$567.57 | \$179.63 | \$688.45 | \$688.45 | \$688.45 |
| 15-16 | \$524.94 | \$524.94 | \$524.94 | \$163.30 | \$625.87 | \$625.87 | \$625.87 |
| 16-17 | \$482.30 | \$482.30 | \$482.30 | \$146.97 | \$563.28 | \$563.28 | \$563.28 |
| 17-18 | \$439.67 | \$439.67 | \$439.67 | \$130.64 | \$500.69 | \$500.69 | \$500.69 |
| 18-19 | \$397.04 | \$397.04 | \$397.04 | \$114.31 | \$438.11 | \$438.11 | \$438.11 |
| 19-20 | \$354.41 | \$354.41 | \$354.41 | \$97.98 | \$375.52 | \$375.52 | \$375.52 |
| 20-21 | \$311.78 | \$311.78 | \$311.78 | \$81.65 | \$312.93 | \$312.93 | \$312.93 |
| 21-22 | \$269.15 | \$269.15 | \$269.15 | \$65.32 | \$250.35 | \$250.35 | \$250.35 |
| 22-23 | \$226.51 | \$226.51 | \$226.51 | \$48.99 | \$187.76 | \$187.76 | \$187.76 |
| 23-24 | \$183.88 | \$183.88 | \$183.88 | \$32.66 | \$125.17 | \$125.17 | \$125.17 |
| 24-25 | \$141.25 | \$141.25 | \$141.25 | \$16.33 | \$62.59 | \$62.59 | \$62.59 |
| 25 or more | \$98.62 | \$98.62 | \$98.62 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | | | |
| | \$631.52 | \$631.52 | \$631.52 | \$204.13 | \$782.34 | \$782.34 | \$782.34 |

| | | | | | | | |
|-------|------------|------------|------------|----------|------------|------------|------------|
| COBRA | \$1,187.70 | \$1,187.70 | \$1,187.70 | \$416.43 | \$1,595.96 | \$1,595.96 | \$1,595.96 |
|-------|------------|------------|------------|----------|------------|------------|------------|

440 - "Basic" over age 65 with Medicare Part B only

441 - "Basic" over age 65 with Medicare Part A only

442 - "Basic" over age 65 without Medicare Parts A or B

443 - "Basic" over age 65 - Medicare-eligible who is classified as having renal failure

444 - One family member in "Senior Advantage"; one is "Basic" over age 65 with Medicare Part B only

445 - One family member in "Senior Advantage"; one is "Basic" over age 65 with Medicare Part A only

446 - One family member in "Senior Advantage"; one is "Basic" over age 65 without Medicare Parts A and B

*Deduct codes 444, 445, 446 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 1

| Years of Service | Retiree Only 461 | Retiree Only 462 | *Retiree and Family 463 | Retiree and Family 464 | *Retiree and Family 465 |
|------------------|---------------------|---------------------|-------------------------------|---------------------------|-------------------------------|
| Less than 10* | \$1,164.41 | \$408.26 | \$2,320.83 | \$3,477.24 | \$1,564.67 |
| 10-11* | \$738.09 | \$244.96 | \$1,552.89 | \$2,571.54 | \$938.80 |
| 11-12* | \$695.46 | \$228.63 | \$1,476.10 | \$2,480.97 | \$876.22 |
| 12-13* | \$652.83 | \$212.30 | \$1,399.30 | \$2,390.40 | \$813.63 |
| 13-14 | \$610.20 | \$195.96 | \$1,322.51 | \$2,299.82 | \$751.04 |
| 14-15 | \$567.57 | \$179.63 | \$1,245.71 | \$2,209.25 | \$688.45 |
| 15-16 | \$524.94 | \$163.30 | \$1,168.92 | \$2,118.68 | \$625.87 |
| 16-17 | \$482.30 | \$146.97 | \$1,092.13 | \$2,028.11 | \$563.28 |
| 17-18 | \$439.67 | \$130.64 | \$1,015.33 | \$1,937.54 | \$500.69 |
| 18-19 | \$397.04 | \$114.31 | \$938.54 | \$1,846.97 | \$438.11 |
| 19-20 | \$354.41 | \$97.98 | \$861.74 | \$1,756.40 | \$375.52 |
| 20-21 | \$311.78 | \$81.65 | \$784.95 | \$1,665.83 | \$312.93 |
| 21-22 | \$269.15 | \$65.32 | \$708.16 | \$1,575.26 | \$250.35 |
| 22-23 | \$226.51 | \$48.99 | \$631.36 | \$1,484.69 | \$187.76 |
| 23-24 | \$183.88 | \$32.66 | \$554.57 | \$1,394.12 | \$125.17 |
| 24-25 | \$141.25 | \$16.33 | \$477.77 | \$1,303.55 | \$62.59 |
| 25 or more | \$98.62 | \$0.00 | \$400.98 | \$1,212.98 | \$0.00 |

| | | | | | |
|---|----------|----------|------------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$631.52 | \$204.13 | \$1,360.91 | \$2,345.11 | \$782.34 |

| | | | | | |
|-------|------------|----------|------------|------------|------------|
| COBRA | \$1,187.70 | \$416.43 | \$2,367.25 | \$3,546.78 | \$1,595.96 |
|-------|------------|----------|------------|------------|------------|

461 - "Basic" under age 65

462 - "Senior Advantage"

463 - Two family members are "Basic"

464 - Three or more family members are "Basic"

465 - One family member is "Senior Advantage"; one is "Basic"

*Deduct codes 463 and 465 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 1

| Years of Service | *Retiree and Family 466 | Retiree and Family 467 | Retiree and Family 468 | Retiree and Family 469 | Retiree and Family 470 |
|------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Less than 10* | \$808.52 | \$2,721.09 | \$1,964.93 | \$1,208.78 | \$2,721.09 |
| 10-11* | \$485.11 | \$1,815.39 | \$1,178.96 | \$725.27 | \$1,815.39 |
| 11-12* | \$452.77 | \$1,724.82 | \$1,100.36 | \$676.92 | \$1,724.82 |
| 12-13* | \$420.43 | \$1,634.25 | \$1,021.76 | \$628.57 | \$1,634.25 |
| 13-14 | \$388.09 | \$1,543.67 | \$943.17 | \$580.21 | \$1,543.67 |
| 14-15 | \$355.75 | \$1,453.10 | \$864.57 | \$531.86 | \$1,453.10 |
| 15-16 | \$323.41 | \$1,362.53 | \$785.97 | \$483.51 | \$1,362.53 |
| 16-17 | \$291.07 | \$1,271.96 | \$707.37 | \$435.16 | \$1,271.96 |
| 17-18 | \$258.73 | \$1,181.39 | \$628.78 | \$386.81 | \$1,181.39 |
| 18-19 | \$226.39 | \$1,090.82 | \$550.18 | \$338.46 | \$1,090.82 |
| 19-20 | \$194.04 | \$1,000.25 | \$471.58 | \$290.11 | \$1,000.25 |
| 20-21 | \$161.70 | \$909.68 | \$392.99 | \$241.76 | \$909.68 |
| 21-22 | \$129.36 | \$819.11 | \$314.39 | \$193.40 | \$819.11 |
| 22-23 | \$97.02 | \$728.54 | \$235.79 | \$145.05 | \$728.54 |
| 23-24 | \$64.68 | \$637.97 | \$157.19 | \$96.70 | \$637.97 |
| 24-25 | \$32.34 | \$547.40 | \$78.60 | \$48.35 | \$547.40 |
| 25 or more | \$0.00 | \$456.83 | \$0.00 | \$0.00 | \$456.83 |

| | | | | | |
|---|----------|------------|----------|----------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$404.26 | \$1,588.96 | \$982.47 | \$604.39 | \$1,588.96 |

| | | | | | |
|-------|----------|------------|------------|------------|------------|
| COBRA | \$824.69 | \$2,775.51 | \$2,004.23 | \$1,232.96 | \$2,775.51 |
|-------|----------|------------|------------|------------|------------|

466 - Two family members are "Senior Advantage"

467 - One family member is "Senior Advantage"; two are "Basic"

468 - Two family member are "Senior Advantage"; one is "Basic"

469 - Three or more family members are "Senior Advantage"; one is "Basic"

470 - Three or more family members are "Basic"; one is "Senior Advantage"

*Deduct code 466 represents 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Hawaii
Tier 1

| Years of Service | Retiree Only 471 | Retiree Only 472 | Retiree Only 473 | *Retiree and Family 474 | Retiree and Family 475 |
|------------------|---------------------|---------------------|---------------------|-------------------------------|---------------------------|
| Less than 10* | \$1,003.20 | \$378.22 | \$1,496.36 | \$1,998.40 | \$2,993.60 |
| 10-11* | \$601.92 | \$226.93 | \$1,070.04 | \$1,230.46 | \$2,087.90 |
| 11-12* | \$561.79 | \$211.80 | \$1,027.41 | \$1,153.67 | \$1,997.33 |
| 12-13* | \$521.66 | \$196.67 | \$984.78 | \$1,076.87 | \$1,906.76 |
| 13-14 | \$481.54 | \$181.55 | \$942.15 | \$1,000.08 | \$1,816.18 |
| 14-15 | \$441.41 | \$166.42 | \$899.52 | \$923.28 | \$1,725.61 |
| 15-16 | \$401.28 | \$151.29 | \$856.89 | \$846.49 | \$1,635.04 |
| 16-17 | \$361.15 | \$136.16 | \$814.25 | \$769.70 | \$1,544.47 |
| 17-18 | \$321.02 | \$121.03 | \$771.62 | \$692.90 | \$1,453.90 |
| 18-19 | \$280.90 | \$105.90 | \$728.99 | \$616.11 | \$1,363.33 |
| 19-20 | \$240.77 | \$90.77 | \$686.36 | \$539.31 | \$1,272.76 |
| 20-21 | \$200.64 | \$75.64 | \$643.73 | \$462.52 | \$1,182.19 |
| 21-22 | \$160.51 | \$60.52 | \$601.10 | \$385.73 | \$1,091.62 |
| 22-23 | \$120.38 | \$45.39 | \$558.46 | \$308.93 | \$1,001.05 |
| 23-24 | \$80.26 | \$30.26 | \$515.83 | \$232.14 | \$910.48 |
| 24-25 | \$40.13 | \$15.13 | \$473.20 | \$155.34 | \$819.91 |
| 25 or more | \$0.00 | \$0.00 | \$430.57 | \$78.55 | \$729.34 |

| | | | | | |
|---|----------|----------|----------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$501.60 | \$189.11 | \$963.47 | \$1,038.48 | \$1,861.47 |

| | | | | | |
|-------|------------|----------|------------|------------|------------|
| COBRA | \$1,023.26 | \$385.78 | \$1,526.29 | \$2,038.37 | \$3,053.47 |
|-------|------------|----------|------------|------------|------------|

471 - "Basic" under age 65
472 - "Senior Advantage"
473 - Over age 65 without Medicare Parts A or B
474 - Two family members are "Basic"
475 - Three or more family members are "Basic"
*Deduct code 474 represents 2-party contract

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Kaiser - Hawaii
 Tier 1

| Years of Service | *Retiree and Family 476 | *Retiree and Family 477 | *Retiree and Family 478 | *Retiree and Family 479 |
|------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Less than 10* | \$1,373.42 | \$2,491.56 | \$748.44 | \$1,866.58 |
| 10-11* | \$824.05 | \$1,723.62 | \$449.06 | \$1,119.95 |
| 11-12* | \$769.12 | \$1,646.83 | \$419.13 | \$1,045.28 |
| 12-13* | \$714.18 | \$1,570.03 | \$389.19 | \$970.62 |
| 13-14 | \$659.24 | \$1,493.24 | \$359.25 | \$895.96 |
| 14-15 | \$604.30 | \$1,416.44 | \$329.31 | \$821.30 |
| 15-16 | \$549.37 | \$1,339.65 | \$299.38 | \$746.63 |
| 16-17 | \$494.43 | \$1,262.86 | \$269.44 | \$671.97 |
| 17-18 | \$439.49 | \$1,186.06 | \$239.50 | \$597.31 |
| 18-19 | \$384.56 | \$1,109.27 | \$209.56 | \$522.64 |
| 19-20 | \$329.62 | \$1,032.47 | \$179.63 | \$447.98 |
| 20-21 | \$274.68 | \$955.68 | \$149.69 | \$373.32 |
| 21-22 | \$219.75 | \$878.89 | \$119.75 | \$298.65 |
| 22-23 | \$164.81 | \$802.09 | \$89.81 | \$223.99 |
| 23-24 | \$109.87 | \$725.30 | \$59.88 | \$149.33 |
| 24-25 | \$54.94 | \$648.50 | \$29.94 | \$74.66 |
| 25 or more | \$0.00 | \$571.71 | \$0.00 | \$0.00 |

| | | | | |
|---|----------|------------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$686.71 | \$1,531.64 | \$374.22 | \$933.29 |

| | | | | |
|-------|------------|------------|----------|------------|
| COBRA | \$1,400.89 | \$2,541.39 | \$763.41 | \$1,903.91 |
|-------|------------|------------|----------|------------|

476 - One family member is "Senior Advantage"; one is Basic
 477 - One family member is "Basic" under age 65; one is over age 65 without Medicare Parts A or B
 478 - Two family members are "Senior Advantage"
 479 - One family member is "Senior Advantage" one is over age 65 without Medicare Parts A or B
 *Deduct codes 476,477,478,479 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 1

| Years of Service | Retiree Only 481 | Retiree Only 482 | Retiree Only 483 | *Retiree and Family 484 | Retiree and Family 485 |
|------------------|---------------------|---------------------|---------------------|-------------------------------|---------------------------|
| Less than 10* | \$1,089.31 | \$455.41 | \$1,156.07 | \$2,170.62 | \$3,251.93 |
| 10-11* | \$662.99 | \$273.25 | \$729.75 | \$1,402.68 | \$2,346.23 |
| 11-12* | \$620.36 | \$255.03 | \$687.12 | \$1,325.89 | \$2,255.66 |
| 12-13* | \$577.73 | \$236.81 | \$644.49 | \$1,249.09 | \$2,165.09 |
| 13-14 | \$535.10 | \$218.60 | \$601.86 | \$1,172.30 | \$2,074.51 |
| 14-15 | \$492.47 | \$200.38 | \$559.23 | \$1,095.50 | \$1,983.94 |
| 15-16 | \$449.84 | \$182.16 | \$516.60 | \$1,018.71 | \$1,893.37 |
| 16-17 | \$407.20 | \$163.95 | \$473.96 | \$941.92 | \$1,802.80 |
| 17-18 | \$364.57 | \$145.73 | \$431.33 | \$865.12 | \$1,712.23 |
| 18-19 | \$321.94 | \$127.51 | \$388.70 | \$788.33 | \$1,621.66 |
| 19-20 | \$279.31 | \$109.30 | \$346.07 | \$711.53 | \$1,531.09 |
| 20-21 | \$236.68 | \$91.08 | \$303.44 | \$634.74 | \$1,440.52 |
| 21-22 | \$194.05 | \$72.87 | \$260.81 | \$557.95 | \$1,349.95 |
| 22-23 | \$151.41 | \$54.65 | \$218.17 | \$481.15 | \$1,259.38 |
| 23-24 | \$108.78 | \$36.43 | \$175.54 | \$404.36 | \$1,168.81 |
| 24-25 | \$66.15 | \$18.22 | \$132.91 | \$327.56 | \$1,078.24 |
| 25 or more | \$23.52 | \$0.00 | \$90.28 | \$250.77 | \$987.67 |

| | | | | | |
|---|----------|----------|----------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$556.42 | \$227.71 | \$623.18 | \$1,210.70 | \$2,119.80 |

| | | | | | |
|-------|------------|----------|------------|------------|------------|
| COBRA | \$1,111.10 | \$464.52 | \$1,179.19 | \$2,214.03 | \$3,316.97 |
|-------|------------|----------|------------|------------|------------|

- 481 - "Basic" under age 65
- 482 - "Senior Advantage"
- 483 - Over age 65 without Medicare Parts A or B
- 484 - Two family members are "Basic"
- 485 - Three or more family members are "Basic"
- 489 - Over age 65 with Medicare Part A only
- 490 - Over age 65 with Medicare Part B only
- *Deduct code 484 represents 2-party contract

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Kaiser - Oregon
 Tier 1

| Years of Service | *Retiree & Family 486 | *Retiree & Family 488 | Retiree Only 489 | Retiree Only 490 |
|------------------|--------------------------|--------------------------|---------------------|---------------------|
| Less than 10* | \$1,536.72 | \$902.82 | \$991.06 | \$1,156.07 |
| 10-11* | \$922.03 | \$541.69 | \$594.64 | \$729.75 |
| 11-12* | \$860.56 | \$505.58 | \$554.99 | \$687.12 |
| 12-13* | \$799.09 | \$469.47 | \$515.35 | \$644.49 |
| 13-14 | \$737.63 | \$433.35 | \$475.71 | \$601.86 |
| 14-15 | \$676.16 | \$397.24 | \$436.07 | \$559.23 |
| 15-16 | \$614.69 | \$361.13 | \$396.42 | \$516.60 |
| 16-17 | \$553.22 | \$325.02 | \$356.78 | \$473.96 |
| 17-18 | \$491.75 | \$288.90 | \$317.14 | \$431.33 |
| 18-19 | \$430.28 | \$252.79 | \$277.50 | \$388.70 |
| 19-20 | \$368.81 | \$216.68 | \$237.85 | \$346.07 |
| 20-21 | \$307.34 | \$180.56 | \$198.21 | \$303.44 |
| 21-22 | \$245.88 | \$144.45 | \$158.57 | \$260.81 |
| 22-23 | \$184.41 | \$108.34 | \$118.93 | \$218.17 |
| 23-24 | \$122.94 | \$72.23 | \$79.28 | \$175.54 |
| 24-25 | \$61.47 | \$36.11 | \$39.64 | \$132.91 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$90.28 |

| | | | | |
|---|----------|----------|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$768.36 | \$451.41 | \$495.53 | \$623.18 |

| | | | | |
|-------|------------|----------|------------|------------|
| COBRA | \$1,567.45 | \$920.88 | \$1,010.88 | \$1,179.19 |
|-------|------------|----------|------------|------------|

486 - One family member is "Senior Advantage" one is "Basic"

488 - Two family members are "Senior Advantage"

489 - Over age 65 with Medicare Part A only

490 - Over age 65 with Medicare Part B only

*Deduct codes 486 and 488 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 1

| Years of Service | *Retiree and Family 491 | *Retiree and Family 492 | Retiree and Family 493 | Retiree and Family 494 | *Retiree and Family 495 |
|------------------|----------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
| Less than 10* | \$1,438.47 | \$1,603.48 | \$2,618.03 | \$1,984.13 | \$2,304.14 |
| 10-11* | \$863.08 | \$962.09 | \$1,712.33 | \$1,190.48 | \$1,536.20 |
| 11-12* | \$805.54 | \$897.95 | \$1,621.76 | \$1,111.11 | \$1,459.41 |
| 12-13* | \$748.00 | \$833.81 | \$1,531.19 | \$1,031.75 | \$1,382.61 |
| 13-14 | \$690.47 | \$769.67 | \$1,440.61 | \$952.38 | \$1,305.82 |
| 14-15 | \$632.93 | \$705.53 | \$1,350.04 | \$873.02 | \$1,229.02 |
| 15-16 | \$575.39 | \$641.39 | \$1,259.47 | \$793.65 | \$1,152.23 |
| 16-17 | \$517.85 | \$577.25 | \$1,168.90 | \$714.29 | \$1,075.44 |
| 17-18 | \$460.31 | \$513.11 | \$1,078.33 | \$634.92 | \$998.64 |
| 18-19 | \$402.77 | \$448.97 | \$987.76 | \$555.56 | \$921.85 |
| 19-20 | \$345.23 | \$384.84 | \$897.19 | \$476.19 | \$845.05 |
| 20-21 | \$287.69 | \$320.70 | \$806.62 | \$396.83 | \$768.26 |
| 21-22 | \$230.16 | \$256.56 | \$716.05 | \$317.46 | \$691.47 |
| 22-23 | \$172.62 | \$192.42 | \$625.48 | \$238.10 | \$614.67 |
| 23-24 | \$115.08 | \$128.28 | \$534.91 | \$158.73 | \$537.88 |
| 24-25 | \$57.54 | \$64.14 | \$444.34 | \$79.37 | \$461.08 |
| 25 or more | \$0.00 | \$0.00 | \$353.77 | \$0.00 | \$384.29 |

| | | | | | |
|---|----------|----------|------------|----------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$719.24 | \$801.74 | \$1,485.90 | \$992.07 | \$1,344.22 |

| | | | | | |
|-------|------------|------------|------------|------------|------------|
| COBRA | \$1,467.24 | \$1,635.55 | \$2,670.39 | \$2,023.81 | \$2,350.22 |
|-------|------------|------------|------------|------------|------------|

- 491 - One family member is "Senior Advantage"; one is over age 65 with Medicare Part A only
492 - One family member is "Senior Advantage"; one is over age 65 without Medicare Parts A or B
493 - One family member is "Senior Advantage" two or more are "Basic"
494 - Two family members are "Senior Advantage"; one is "Basic"
495 - Two family members are over age 65 without Medicare Parts A or B
*Deduct codes 491, 492, and 495 represent 2-party contract

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 1

| Years of Service | *Retiree and Family 496 | *Retiree and Family 497 | *Retiree and Family 498 |
|-------------------------|------------------------------------|------------------------------------|------------------------------------|
| Less than 10* | \$1,974.12 | \$2,072.37 | \$2,237.38 |
| 10-11* | \$1,206.18 | \$1,304.43 | \$1,469.44 |
| 11-12* | \$1,129.39 | \$1,227.64 | \$1,392.65 |
| 12-13* | \$1,052.59 | \$1,150.84 | \$1,315.85 |
| 13-14 | \$975.80 | \$1,074.05 | \$1,239.06 |
| 14-15 | \$899.00 | \$997.25 | \$1,162.26 |
| 15-16 | \$822.21 | \$920.46 | \$1,085.47 |
| 16-17 | \$745.42 | \$843.67 | \$1,008.68 |
| 17-18 | \$668.62 | \$766.87 | \$931.88 |
| 18-19 | \$591.83 | \$690.08 | \$855.09 |
| 19-20 | \$515.03 | \$613.28 | \$778.29 |
| 20-21 | \$438.24 | \$536.49 | \$701.50 |
| 21-22 | \$361.45 | \$459.70 | \$624.71 |
| 22-23 | \$284.65 | \$382.90 | \$547.91 |
| 23-24 | \$207.86 | \$306.11 | \$471.12 |
| 24-25 | \$131.06 | \$229.31 | \$394.32 |
| 25 or more | \$54.27 | \$152.52 | \$317.53 |

| | | | |
|--|------------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | |
| | \$1,014.20 | \$1,112.45 | \$1,277.46 |

| | | | |
|--------------|------------|------------|------------|
| COBRA | \$2,013.60 | \$2,113.82 | \$2,282.13 |
|--------------|------------|------------|------------|

496 - Two family members are over age 65 with Medicare Part A only
497 - One family member is "Basic"; one is over age 65 with Medicare Part A only
498 - One family member is "Basic"; one is over age 65 without Medicare Parts A or B
* Deduct codes 496, 497, and 498 represent 2-party contract

Los Angeles County Employees Retirement Association

Rates Effective July 1, 2016

SCAN Health Plan

Retirees and eligible dependents enrolled in Medicare Parts A and B only

Tier 1

| Years of Service | Retiree Only with SCAN 611 | Retiree and 1 Dependent - Both with SCAN 613' |
|-------------------------|---------------------------------------|--|
| Less than 10* | \$307.00 | \$606.00 |
| 10-11* | \$184.20 | \$363.60 |
| 11-12* | \$171.92 | \$339.36 |
| 12-13* | \$159.64 | \$315.12 |
| 13-14 | \$147.36 | \$290.88 |
| 14-15 | \$135.08 | \$266.64 |
| 15-16 | \$122.80 | \$242.40 |
| 16-17 | \$110.52 | \$218.16 |
| 17-18 | \$98.24 | \$193.92 |
| 18-19 | \$85.96 | \$169.68 |
| 19-20 | \$73.68 | \$145.44 |
| 20-21 | \$61.40 | \$121.20 |
| 21-22 | \$49.12 | \$96.96 |
| 22-23 | \$36.84 | \$72.72 |
| 23-24 | \$24.56 | \$48.48 |
| 24-25 | \$12.28 | \$24.24 |
| 25 or more | \$0.00 | \$0.00 |

| | | |
|---|----------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | |
| | \$153.50 | \$303.00 |

| | | |
|-------|----------|----------|
| COBRA | \$313.14 | \$618.12 |
|-------|----------|----------|

¹Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B.

Los Angeles County Employees Retirement Association

Rates Effective July 1, 2016

UnitedHealthcare Group Medicare Advantage HMO/United Healthcare

For both retirees and eligible dependents who are enrolled in the UnitedHealthcare Group Medicare Advantage HMO, or a family combination of UnitedHealthcare Group Medicare Advantage HMO/UnitedHealthcare

Tier 1

| Years of Service | Retiree Only with UnitedHealthCare Group Medicare Advantage HMO 701 | Retiree and 1 Dependent - 1 with UnitedHealthcare Group Medicare Advantage HMO 702¹ | Retiree and 1 Dependent - Both with UnitedHealthcare Group Medicare Advantage HMO 703¹ | Retiree and 2 or More Dependents - 1 with UnitedHealthcare Group Medicare Advantage HMO 704² | Retiree and 2 or More Dependents - 2 with UnitedHealthcare Group Medicare Advantage HMO 705² |
|---|--|---|--|--|--|
| Less than 10* | \$332.58 | \$1,331.52 | \$657.16 | \$1,503.62 | \$829.26 |
| 10-11* | \$199.55 | \$798.91 | \$394.30 | \$902.17 | \$497.56 |
| 11-12* | \$186.24 | \$745.65 | \$368.01 | \$842.03 | \$464.39 |
| 12-13* | \$172.94 | \$692.39 | \$341.72 | \$781.88 | \$431.21 |
| 13-14 | \$159.64 | \$639.13 | \$315.44 | \$721.74 | \$398.04 |
| 14-15 | \$146.34 | \$585.87 | \$289.15 | \$661.59 | \$364.87 |
| 15-16 | \$133.03 | \$532.61 | \$262.86 | \$601.45 | \$331.70 |
| 16-17 | \$119.73 | \$479.35 | \$236.58 | \$541.30 | \$298.53 |
| 17-18 | \$106.43 | \$426.09 | \$210.29 | \$481.16 | \$265.36 |
| 18-19 | \$93.12 | \$372.83 | \$184.00 | \$421.01 | \$232.19 |
| 19-20 | \$79.82 | \$319.57 | \$157.72 | \$360.87 | \$199.02 |
| 20-21 | \$66.52 | \$266.30 | \$131.43 | \$300.72 | \$165.85 |
| 21-22 | \$53.21 | \$213.04 | \$105.15 | \$240.58 | \$132.68 |
| 22-23 | \$39.91 | \$159.78 | \$78.86 | \$180.43 | \$99.51 |
| 23-24 | \$26.61 | \$106.52 | \$52.57 | \$120.29 | \$66.34 |
| 24-25 | \$13.30 | \$53.26 | \$26.29 | \$60.14 | \$33.17 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$166.29 | \$665.76 | \$328.58 | \$751.81 | \$414.63 |
| COBRA | \$339.23 | \$1,358.16 | \$670.30 | \$1,533.70 | \$845.84 |

¹ Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child

² Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
UnitedHealthcare
For retirees and dependents under age 65 (no Medicare)
Tier 1

| Years of Service | Retiree Only 707 | Retiree and 1 Dependent 708 | Retiree and 2 or More Dependents 709 |
|-------------------------|-----------------------------|--|---|
| Less than 10* | \$1,006.94 | \$1,837.24 | \$2,177.99 |
| 10-11* | \$604.17 | \$1,102.34 | \$1,306.79 |
| 11-12* | \$563.89 | \$1,028.85 | \$1,219.67 |
| 12-13* | \$523.61 | \$955.36 | \$1,132.55 |
| 13-14 | \$483.33 | \$881.87 | \$1,045.43 |
| 14-15 | \$443.06 | \$808.38 | \$958.32 |
| 15-16 | \$402.78 | \$734.89 | \$871.20 |
| 16-17 | \$362.50 | \$661.40 | \$784.08 |
| 17-18 | \$322.22 | \$587.92 | \$696.96 |
| 18-19 | \$281.94 | \$514.43 | \$609.84 |
| 19-20 | \$241.67 | \$440.94 | \$522.72 |
| 20-21 | \$201.39 | \$367.45 | \$435.60 |
| 21-22 | \$161.11 | \$293.96 | \$348.48 |
| 22-23 | \$120.83 | \$220.47 | \$261.36 |
| 23-24 | \$80.56 | \$146.98 | \$174.24 |
| 24-25 | \$40.28 | \$73.49 | \$87.12 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 |

| | | | |
|---|----------|----------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | |
| | \$503.47 | \$918.62 | \$1,088.99 |

| | | | |
|-------|------------|------------|------------|
| COBRA | \$1,027.08 | \$1,873.98 | \$2,221.55 |
|-------|------------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Indemnity Dental/Vision
Tier 1

| Years of Service | Retiree Only 501 | Retiree and Dependent(s) 502 |
|---|-----------------------------|---|
| Less than 10* | \$51.13 | \$106.24 |
| 10-11* | \$30.68 | \$63.74 |
| 11-12* | \$28.63 | \$59.49 |
| 12-13* | \$26.59 | \$55.24 |
| 13-14 | \$24.54 | \$51.00 |
| 14-15 | \$22.50 | \$46.75 |
| 15-16 | \$20.45 | \$42.50 |
| 16-17 | \$18.41 | \$38.25 |
| 17-18 | \$16.36 | \$34.00 |
| 18-19 | \$14.32 | \$29.75 |
| 19-20 | \$12.27 | \$25.50 |
| 20-21 | \$10.23 | \$21.25 |
| 21-22 | \$8.18 | \$17.00 |
| 22-23 | \$6.14 | \$12.75 |
| 23-24 | \$4.09 | \$8.50 |
| 24-25 | \$2.05 | \$4.25 |
| 25 or more | \$0.00 | \$0.00 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | |
| | \$25.57 | \$53.12 |
| COBRA | \$52.15 | \$108.36 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Dental HMO/Vision
Tier 1

| Years of Service | Retiree Only 901 | Retiree and Dependent(s) 902 |
|---|-----------------------------|---|
| Less than 10* | \$46.17 | \$94.00 |
| 10-11* | \$27.70 | \$56.40 |
| 11-12* | \$25.86 | \$52.64 |
| 12-13* | \$24.01 | \$48.88 |
| 13-14 | \$22.16 | \$45.12 |
| 14-15 | \$20.31 | \$41.36 |
| 15-16 | \$18.47 | \$37.60 |
| 16-17 | \$16.62 | \$33.84 |
| 17-18 | \$14.77 | \$30.08 |
| 18-19 | \$12.93 | \$26.32 |
| 19-20 | \$11.08 | \$22.56 |
| 20-21 | \$9.23 | \$18.80 |
| 21-22 | \$7.39 | \$15.04 |
| 22-23 | \$5.54 | \$11.28 |
| 23-24 | \$3.69 | \$7.52 |
| 24-25 | \$1.85 | \$3.76 |
| 25 or more | \$0.00 | \$0.00 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | |
| | \$23.09 | \$47.00 |
| COBRA | \$47.09 | \$95.88 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Non-Medicare Surviving Spouse
Tier 1

| Years of Service | Blue Cross Plan I | Kaiser | Blue Cross Prudent Buyer | Cigna | UHC HMO | Cigna Indemnity Dental |
|-------------------------------|-------------------|----------|--------------------------|------------|------------|------------------------|
| Less than 10* | \$1,065.79 | \$911.95 | \$843.86 | \$1,332.53 | \$1,006.94 | \$51.13 |
| 10-11* | \$639.47 | \$547.17 | \$506.32 | \$906.21 | \$604.17 | \$30.68 |
| 11-12* | \$596.84 | \$510.69 | \$472.56 | \$863.58 | \$563.89 | \$28.63 |
| 12-13* | \$554.21 | \$474.21 | \$438.81 | \$820.95 | \$523.61 | \$26.59 |
| 13-14 | \$511.58 | \$437.74 | \$405.05 | \$778.32 | \$483.33 | \$24.54 |
| 14-15 | \$468.95 | \$401.26 | \$371.30 | \$735.69 | \$443.06 | \$22.50 |
| 15-16 | \$426.32 | \$364.78 | \$337.54 | \$693.06 | \$402.78 | \$20.45 |
| 16-17 | \$383.68 | \$328.30 | \$303.79 | \$650.42 | \$362.50 | \$18.41 |
| 17-18 | \$341.05 | \$291.82 | \$270.04 | \$607.79 | \$322.22 | \$16.36 |
| 18-19 | \$298.42 | \$255.35 | \$236.28 | \$565.16 | \$281.94 | \$14.32 |
| 19-20 | \$255.79 | \$218.87 | \$202.53 | \$522.53 | \$241.67 | \$12.27 |
| 20-21 | \$213.16 | \$182.39 | \$168.77 | \$479.90 | \$201.39 | \$10.23 |
| 21-22 | \$170.53 | \$145.91 | \$135.02 | \$437.27 | \$161.11 | \$8.18 |
| 22-23 | \$127.89 | \$109.43 | \$101.26 | \$394.63 | \$120.83 | \$6.14 |
| 23-24 | \$85.26 | \$72.96 | \$67.51 | \$352.00 | \$80.56 | \$4.09 |
| 24-25 | \$42.63 | \$36.48 | \$33.75 | \$309.37 | \$40.28 | \$2.05 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$266.74 | \$0.00 | \$0.00 |
| *Service Connected Disability | \$532.90 | \$455.98 | \$421.93 | \$799.64 | \$503.47 | \$25.57 |
| COBRA | \$1,087.11 | \$930.19 | \$860.74 | \$1,359.18 | \$1,027.08 | \$52.15 |

Los Angeles County Employees Retirement System
Rates Effective July 1, 2016
Non-Medicare Surviving Spouse
Tier 1

| Years of Service | Cigna Prepaid Dental |
|-------------------------------|----------------------------|
| Less than 10* | \$46.17 |
| 10-11* | \$27.70 |
| 11-12* | \$25.86 |
| 12-13* | \$24.01 |
| 13-14 | \$22.16 |
| 14-15 | \$20.31 |
| 15-16 | \$18.47 |
| 16-17 | \$16.62 |
| 17-18 | \$14.77 |
| 18-19 | \$12.93 |
| 19-20 | \$11.08 |
| 20-21 | \$9.23 |
| 21-22 | \$7.39 |
| 22-23 | \$5.54 |
| 23-24 | \$3.69 |
| 24-25 | \$1.85 |
| 25 or more | \$0.00 |
| *Service Connected Disability | \$23.09 |
| COBRA | \$47.09 |

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 Children Only Rates
 Tier 1

| Years of Service | Anthem Plan I 215 or 225 | Kaiser One Child 421 | Kaiser 2 or More 411 | Prudent Buyer 205 | CIGNA 305 | UHC HMO 706 | Cigna Indemnity Dental/ Vision 503 | Cigna Prepaid Dental/ Vision 903 |
|-------------------------------|--------------------------|----------------------|----------------------|-------------------|-----------|-------------|------------------------------------|----------------------------------|
| Less than 10* | \$354.51 | \$911.95 | \$1,815.90 | \$231.33 | \$443.00 | \$289.23 | \$62.84 | \$46.75 |
| 10-11* | \$212.71 | \$547.17 | \$1,089.54 | \$138.80 | \$265.80 | \$173.54 | \$37.70 | \$28.05 |
| 11-12* | \$198.53 | \$510.69 | \$1,016.90 | \$129.54 | \$248.08 | \$161.97 | \$35.19 | \$26.18 |
| 12-13* | \$184.35 | \$474.21 | \$944.27 | \$120.29 | \$230.36 | \$150.40 | \$32.68 | \$24.31 |
| 13-14 | \$170.16 | \$437.74 | \$871.63 | \$111.04 | \$212.64 | \$138.83 | \$30.16 | \$22.44 |
| 14-15 | \$155.98 | \$401.26 | \$799.00 | \$101.79 | \$194.92 | \$127.26 | \$27.65 | \$20.57 |
| 15-16 | \$141.80 | \$364.78 | \$726.36 | \$92.53 | \$177.20 | \$115.69 | \$25.14 | \$18.70 |
| 16-17 | \$127.62 | \$328.30 | \$653.72 | \$83.28 | \$159.48 | \$104.12 | \$22.62 | \$16.83 |
| 17-18 | \$113.44 | \$291.82 | \$581.09 | \$74.03 | \$141.76 | \$92.55 | \$20.11 | \$14.96 |
| 18-19 | \$99.26 | \$255.35 | \$508.45 | \$64.77 | \$124.04 | \$80.98 | \$17.60 | \$13.09 |
| 19-20 | \$85.08 | \$218.87 | \$435.82 | \$55.52 | \$106.32 | \$69.42 | \$15.08 | \$11.22 |
| 20-21 | \$70.90 | \$182.39 | \$363.18 | \$46.27 | \$88.60 | \$57.85 | \$12.57 | \$9.35 |
| 21-22 | \$56.72 | \$145.91 | \$290.54 | \$37.01 | \$70.88 | \$46.28 | \$10.05 | \$7.48 |
| 22-23 | \$42.54 | \$109.43 | \$217.91 | \$27.76 | \$53.16 | \$34.71 | \$7.54 | \$5.61 |
| 23-24 | \$28.36 | \$72.96 | \$145.27 | \$18.51 | \$35.44 | \$23.14 | \$5.03 | \$3.74 |
| 24-25 | \$14.18 | \$36.48 | \$72.64 | \$9.25 | \$17.72 | \$11.57 | \$2.51 | \$1.87 |
| 25 or more | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| *Service Connected Disability | \$177.26 | \$455.98 | \$907.95 | \$115.67 | \$221.50 | \$144.62 | \$31.42 | \$23.38 |
| COBRA | \$361.60 | \$930.19 | \$1,852.22 | \$235.96 | \$451.86 | \$295.02 | \$64.10 | \$47.69 |

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 COBRA Rates
 Tier 1

| Blue Cross, UHC and CIGNA - COBRA Rates | Retiree Only | Retiree & Spouse | Retiree, Spouse & Children | Retiree & Children | Spouse Only | Under 23 Child or Children Only | Spouse & Children | Over 23 Child |
|---|--------------|------------------|----------------------------|--------------------|-------------|---------------------------------|-------------------|---------------|
| Plan I & II | \$1,087.11 | \$1,958.25 | \$2,309.55 | \$1,437.67 | \$1,087.11 | \$361.60 | \$1,437.67 | \$1,087.11 |
| Blue Cross Prudent Buyer | \$860.74 | \$1,692.00 | \$1,909.31 | \$1,105.83 | \$860.74 | \$235.96 | \$1,105.83 | \$860.74 |
| CIGNA | \$1,359.18 | \$2,452.37 | \$2,894.76 | \$1,802.99 | \$1,359.18 | \$451.86 | \$1,802.99 | \$1,359.18 |
| CIGNA Indemnity Dental/Vision | \$52.15 | \$108.36 | \$108.36 | \$108.36 | \$52.15 | \$64.10 | \$108.36 | \$52.15 |
| CIGNA Prepaid Dental/Vision | \$47.09 | \$95.88 | \$95.88 | \$95.88 | \$47.09 | \$47.69 | \$95.88 | \$47.09 |

| UHC Without Medicare COBRA Rates | Retiree Only 707 | Retiree & 1 Dependent 708 | Retiree & 2 Or More Dependents 709 | Spouse Only 707 | Spouse & 1 Dependent 708 | Spouse & 2 Or More Dependents 709 | Under 23 Child or Children Only 706 | Over 23 Child 707 |
|----------------------------------|------------------|---------------------------|------------------------------------|-----------------|--------------------------|-----------------------------------|-------------------------------------|-------------------|
| | \$1,027.08 | \$1,873.98 | \$2,221.55 | \$1,027.08 | \$1,873.98 | \$2,221.55 | \$295.02 | \$1,027.08 |

| Plan III* COBRA Rates | Retiree Only With Medicare 240 | Spouse Only With Medicare 240 | Retiree & Spouse - One With Medicare 241/242 | Retiree & Spouse - Both With Medicare 243 | Retiree With Medicare & Children 244/245 | Spouse With Medicare & Children 244/245 | Retiree, Spouse & Children - One With Medicare 246/247 | Retiree, Spouse & Children - Two With Medicare 248/249 |
|-----------------------|--------------------------------|-------------------------------|--|---|--|---|--|--|
| | \$440.33 | \$440.33 | \$1,403.08 | \$874.28 | \$786.76 | \$786.76 | \$1,749.40 | \$1,220.52 |

* See Plan I & II where no family member has Medicare

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
COBRA Rates -- Cigna Medicare Risk
Tier 1

| Cigna Medicare Risk - COBRA Rates | Retiree Only With Medicare 321 | Retiree & Spouse - One With Medicare 322 | Retiree & Spouse - Both With Medicare 324 | Retiree & Children 325 | Retiree, Spouse & Children - One With Medicare 327 | Retiree, Spouse & Children - Two With Medicare 329 |
|-----------------------------------|--------------------------------|--|---|------------------------|--|--|
| | \$351.38 | \$1,443.84 | \$694.60 | \$794.03 | \$1,885.71 | \$1,204.86 |

Los Angeles County Employees Retirement Association
 Rates Effective July 1, 2016
 COBRA Rates -- UHC MA-PD Risk
 Tier 1

| UHC MAPD Risk - COBRA Rates | Retiree Only With Medicare Risk* 701 | Retiree & 1 Dependent - One With Medicare Risk* 702 | Retiree & 1 Dependent - Both With Medicare Risk* 703 | Retiree & 2 Or More Dependents - One With Medicare Risk* 704 | Retiree & 2 Or More Dependents - Two With Medicare Risk* 705 | Under 23 Child or Children Only 706 | Over 23 Child 707 |
|--------------------------------|---|---|--|---|---|--|----------------------|
| | \$339.23 | \$1,358.16 | \$670.30 | \$1,533.70 | \$845.84 | \$295.02 | \$1,027.08 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
COBRA Rates -- SCAN Health Plan
Tier 1

| SCAN - COBRA Rates | Retiree Only With Medicare Risk 611 | Retiree & 1 Dependent - Both With Medicare Risk 613 |
|-------------------------------|--|--|
| | \$313.14 | \$618.12 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
COBRA Rates -- Kaiser
Tier 1

| Kaiser COBRA Rates | |
|---|------------|
| Single "Basic" | \$930.19 |
| Single Senior Advantage | \$247.45 |
| Single "Excess" | \$1,010.53 |
| All family members are "Basic" | \$1,852.22 |
| One family member is "Sr. Advantage"; others are "Basic" | \$1,169.48 |
| One family member is "Excess"; others are "Basic" | \$1,932.56 |
| Two or more family members are "Sr. Advantage" | \$486.74 |
| One family member is "Excess"; another is "Sr. Advantage" | \$1,249.83 |
| Two family members are "Excess" | \$2,012.91 |
| Child under 23 | \$930.19 |
| Children under 23 | \$1,852.22 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross I
Tier 2

| Years of Service | Retiree Only 211 | Retiree and Spouse 212 | Retiree, Spouse, and Children 213 | Retiree and Children 214 |
|-------------------------|-----------------------------|---------------------------------------|--|---|
| Less than 10* | \$1,065.79 | \$1,919.85 | \$2,264.26 | \$1,409.48 |
| 10-11* | \$639.47 | \$1,493.53 | \$1,837.94 | \$983.16 |
| 11-12* | \$596.84 | \$1,450.90 | \$1,795.31 | \$940.53 |
| 12-13* | \$554.21 | \$1,408.27 | \$1,752.68 | \$897.90 |
| 13-14 | \$511.58 | \$1,365.64 | \$1,710.05 | \$855.27 |
| 14-15 | \$468.95 | \$1,323.01 | \$1,667.42 | \$812.64 |
| 15-16 | \$426.32 | \$1,280.38 | \$1,624.79 | \$770.01 |
| 16-17 | \$383.68 | \$1,237.74 | \$1,582.15 | \$727.37 |
| 17-18 | \$341.05 | \$1,195.11 | \$1,539.52 | \$684.74 |
| 18-19 | \$298.42 | \$1,152.48 | \$1,496.89 | \$642.11 |
| 19-20 | \$255.79 | \$1,109.85 | \$1,454.26 | \$599.48 |
| 20-21 | \$213.16 | \$1,067.22 | \$1,411.63 | \$556.85 |
| 21-22 | \$170.53 | \$1,024.59 | \$1,369.00 | \$514.22 |
| 22-23 | \$127.89 | \$981.95 | \$1,326.36 | \$471.58 |
| 23-24 | \$85.26 | \$939.32 | \$1,283.73 | \$428.95 |
| 24-25 | \$42.63 | \$896.69 | \$1,241.10 | \$386.32 |
| 25 or more | \$0.00 | \$854.06 | \$1,198.47 | \$343.69 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|-------|------------|------------|------------|------------|
| | \$532.90 | \$1,386.96 | \$1,731.37 | \$876.59 |
| COBRA | \$1,087.11 | \$1,958.25 | \$2,309.55 | \$1,437.67 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross II
Tier 2

| Years of Service | Retiree Only 221 | Retiree and Spouse 222 | Retiree, Spouse, and Children 223 | Retiree and Children 224 |
|-------------------------|-----------------------------|---------------------------------------|--|---|
| Less than 10* | \$1,065.79 | \$1,919.85 | \$2,264.26 | \$1,409.48 |
| 10-11* | \$639.47 | \$1,493.53 | \$1,837.94 | \$983.16 |
| 11-12* | \$596.84 | \$1,450.90 | \$1,795.31 | \$940.53 |
| 12-13* | \$554.21 | \$1,408.27 | \$1,752.68 | \$897.90 |
| 13-14 | \$511.58 | \$1,365.64 | \$1,710.05 | \$855.27 |
| 14-15 | \$468.95 | \$1,323.01 | \$1,667.42 | \$812.64 |
| 15-16 | \$426.32 | \$1,280.38 | \$1,624.79 | \$770.01 |
| 16-17 | \$383.68 | \$1,237.74 | \$1,582.15 | \$727.37 |
| 17-18 | \$341.05 | \$1,195.11 | \$1,539.52 | \$684.74 |
| 18-19 | \$298.42 | \$1,152.48 | \$1,496.89 | \$642.11 |
| 19-20 | \$255.79 | \$1,109.85 | \$1,454.26 | \$599.48 |
| 20-21 | \$213.16 | \$1,067.22 | \$1,411.63 | \$556.85 |
| 21-22 | \$170.53 | \$1,024.59 | \$1,369.00 | \$514.22 |
| 22-23 | \$127.89 | \$981.95 | \$1,326.36 | \$471.58 |
| 23-24 | \$85.26 | \$939.32 | \$1,283.73 | \$428.95 |
| 24-25 | \$42.63 | \$896.69 | \$1,241.10 | \$386.32 |
| 25 or more | \$0.00 | \$854.06 | \$1,198.47 | \$343.69 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|-------|------------|------------|------------|------------|
| | \$532.90 | \$1,386.96 | \$1,731.37 | \$876.59 |
| COBRA | \$1,087.11 | \$1,958.25 | \$2,309.55 | \$1,437.67 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross III (Medicare Supplement Plan)
Tier 2

| Years of Service | Retiree Only with Medicare 240 | Retiree and Spouse - (Retiree with Medicare) 241¹/242 (Plan III Benchmark) | Retiree and Spouse - (Dependent with Medicare) 241/242² (Plan I,II Benchmark) | Retiree and Spouse -(Both with Medicare) 243 (Plan III Benchmark) |
|-------------------------|---|--|---|--|
| Less than 10* | \$431.70 | \$1,375.57 | \$1,375.57 | \$857.14 |
| 10-11* | \$259.02 | \$1,202.89 | \$949.25 | \$684.46 |
| 11-12* | \$241.75 | \$1,185.62 | \$906.62 | \$667.19 |
| 12-13* | \$224.48 | \$1,168.35 | \$863.99 | \$649.92 |
| 13-14 | \$207.22 | \$1,151.09 | \$821.36 | \$632.66 |
| 14-15 | \$189.95 | \$1,133.82 | \$778.73 | \$615.39 |
| 15-16 | \$172.68 | \$1,116.55 | \$736.10 | \$598.12 |
| 16-17 | \$155.41 | \$1,099.28 | \$693.46 | \$580.85 |
| 17-18 | \$138.14 | \$1,082.01 | \$650.83 | \$563.58 |
| 18-19 | \$120.88 | \$1,064.75 | \$608.20 | \$546.32 |
| 19-20 | \$103.61 | \$1,047.48 | \$565.57 | \$529.05 |
| 20-21 | \$86.34 | \$1,030.21 | \$522.94 | \$511.78 |
| 21-22 | \$69.07 | \$1,012.94 | \$480.31 | \$494.51 |
| 22-23 | \$51.80 | \$995.67 | \$437.67 | \$477.24 |
| 23-24 | \$34.54 | \$978.41 | \$395.04 | \$459.98 |
| 24-25 | \$17.27 | \$961.14 | \$352.41 | \$442.71 |
| 25 or more | \$0.00 | \$943.87 | \$309.78 | \$425.44 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|----------|------------|----------|----------|
| | \$215.85 | \$1,159.72 | \$842.68 | \$641.29 |
|--|----------|------------|----------|----------|

| | | | | |
|-------|----------|------------|------------|----------|
| COBRA | \$440.33 | \$1,403.08 | \$1,403.08 | \$874.28 |
|-------|----------|------------|------------|----------|

¹ Non-Medicare has Anthem Blue Cross I

² Non-Medicare has Anthem Blue Cross II

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross III (Medicare Supplement Plan)
Tier 2

| Years of Service | Retiree and Children (Retiree with Medicare) 244 ³ /245 | Retiree and Children - (Dependent with Medicare) 244/245 ⁴ (Plan III Benchmark) | Retiree, Spouse, and Children - (Retiree with Medicare) 246 ⁵ /247 (Plan III Benchmark) | Retiree, Spouse, and Children - (1 Dependent with Medicare) 246/247 ⁶ (Plan I,II Benchmark) | Retiree, Spouse, and Children - (Retiree + 1 with Medicare) 248 ⁷ /249 (Plan III Benchmark) | Retiree, Spouse, and Children - (Dependent + 1 with Medicare) 248/249 ⁸ (Plan I,II Benchmark) | Retiree, Spouse & Children - (each with Medicare) 250 ⁹ (Plan III Benchmark) |
|---|--|--|--|--|--|--|---|
| Less than 10* | \$771.33 | \$771.33 | \$1,715.10 | \$1,715.10 | \$1,196.59 | \$1,196.59 | \$1,340.77 |
| 10-11* | \$598.65 | \$462.80 | \$1,542.42 | \$1,288.78 | \$1,023.91 | \$770.27 | \$1,168.09 |
| 11-12* | \$581.38 | \$431.94 | \$1,525.15 | \$1,246.15 | \$1,006.64 | \$727.64 | \$1,150.82 |
| 12-13* | \$564.11 | \$401.09 | \$1,507.88 | \$1,203.52 | \$989.37 | \$685.01 | \$1,133.55 |
| 13-14 | \$546.85 | \$370.24 | \$1,490.62 | \$1,160.89 | \$972.11 | \$642.38 | \$1,116.29 |
| 14-15 | \$529.58 | \$339.39 | \$1,473.35 | \$1,118.26 | \$954.84 | \$599.75 | \$1,099.02 |
| 15-16 | \$512.31 | \$308.53 | \$1,456.08 | \$1,075.63 | \$937.57 | \$557.12 | \$1,081.75 |
| 16-17 | \$495.04 | \$277.68 | \$1,438.81 | \$1,032.99 | \$920.30 | \$514.48 | \$1,064.48 |
| 17-18 | \$477.77 | \$246.83 | \$1,421.54 | \$990.36 | \$903.03 | \$471.85 | \$1,047.21 |
| 18-19 | \$460.51 | \$215.97 | \$1,404.28 | \$947.73 | \$885.77 | \$429.22 | \$1,029.95 |
| 19-20 | \$443.24 | \$185.12 | \$1,387.01 | \$905.10 | \$868.50 | \$386.59 | \$1,012.68 |
| 20-21 | \$425.97 | \$154.27 | \$1,369.74 | \$862.47 | \$851.23 | \$343.96 | \$995.41 |
| 21-22 | \$408.70 | \$123.41 | \$1,352.47 | \$819.84 | \$833.96 | \$301.33 | \$978.14 |
| 22-23 | \$391.43 | \$92.56 | \$1,335.20 | \$777.20 | \$816.69 | \$258.69 | \$960.87 |
| 23-24 | \$374.17 | \$61.71 | \$1,317.94 | \$734.57 | \$799.43 | \$216.06 | \$943.61 |
| 24-25 | \$356.90 | \$30.85 | \$1,300.67 | \$691.94 | \$782.16 | \$173.43 | \$926.34 |
| 25 or more | \$339.63 | \$0.00 | \$1,283.40 | \$649.31 | \$764.89 | \$130.80 | \$909.07 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | | | |
| | \$555.48 | \$385.67 | \$1,499.25 | \$1,182.21 | \$980.74 | \$663.70 | \$1,124.92 |
| COBRA | \$786.76 | \$786.76 | \$1,749.40 | \$1,749.40 | \$1,220.52 | \$1,220.52 | \$1,367.59 |

³ Retiree has Medicare; Children have Anthem Blue Cross I

⁴ Retiree has Medicare; Children have Anthem Blue Cross II

⁵ Non-Medicare has Anthem Blue Cross I

⁶ Non-Medicare has Anthem Blue Cross II

⁷ Children have Anthem Blue Cross I

⁸ Children have Anthem Blue Cross II

⁹ Please note: only retirees or eligible survivors will qualify for the Medicare Part B Premium Reimbursement Program, approved annually by the Los Angeles County Board of Supervisors.

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Anthem Blue Cross Prudent Buyer Plan
Tier 2

| Years of Service | Retiree Only 201 | Retiree and Spouse 202 | Retiree, Spouse, and Children 203 | Retiree and Children 204 |
|-------------------------|-----------------------------|---------------------------------------|--|---|
| Less than 10* | \$843.86 | \$1,658.82 | \$1,871.87 | \$1,084.15 |
| 10-11* | \$506.32 | \$1,232.50 | \$1,445.55 | \$657.83 |
| 11-12* | \$472.56 | \$1,189.87 | \$1,402.92 | \$615.20 |
| 12-13* | \$438.81 | \$1,147.24 | \$1,360.29 | \$572.57 |
| 13-14 | \$405.05 | \$1,104.61 | \$1,317.66 | \$529.94 |
| 14-15 | \$371.30 | \$1,061.98 | \$1,275.03 | \$487.31 |
| 15-16 | \$337.54 | \$1,019.35 | \$1,232.40 | \$444.68 |
| 16-17 | \$303.79 | \$976.71 | \$1,189.76 | \$402.04 |
| 17-18 | \$270.04 | \$934.08 | \$1,147.13 | \$359.41 |
| 18-19 | \$236.28 | \$891.45 | \$1,104.50 | \$316.78 |
| 19-20 | \$202.53 | \$848.82 | \$1,061.87 | \$274.15 |
| 20-21 | \$168.77 | \$806.19 | \$1,019.24 | \$231.52 |
| 21-22 | \$135.02 | \$763.56 | \$976.61 | \$188.89 |
| 22-23 | \$101.26 | \$720.92 | \$933.97 | \$146.25 |
| 23-24 | \$67.51 | \$678.29 | \$891.34 | \$103.62 |
| 24-25 | \$33.75 | \$635.66 | \$848.71 | \$60.99 |
| 25 or more | \$0.00 | \$593.03 | \$806.08 | \$18.36 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|----------|------------|------------|----------|
| | \$421.93 | \$1,125.93 | \$1,338.98 | \$551.26 |
|--|----------|------------|------------|----------|

| | | | | |
|-------|----------|------------|------------|------------|
| COBRA | \$860.74 | \$1,692.00 | \$1,909.31 | \$1,105.83 |
|-------|----------|------------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Network Model Plan
Tier 2

| Years of Service | Retiree Only 301 | Retiree and Spouse 302 | Retiree, Spouse and Children 303 | Retiree and Children 304 |
|-------------------------|-----------------------------|---------------------------------------|---|---|
| Less than 10* | \$1,332.53 | \$2,404.28 | \$2,838.00 | \$1,767.64 |
| 10-11* | \$906.21 | \$1,977.96 | \$2,411.68 | \$1,341.32 |
| 11-12* | \$863.58 | \$1,935.33 | \$2,369.05 | \$1,298.69 |
| 12-13* | \$820.95 | \$1,892.70 | \$2,326.42 | \$1,256.06 |
| 13-14 | \$778.32 | \$1,850.07 | \$2,283.79 | \$1,213.43 |
| 14-15 | \$735.69 | \$1,807.44 | \$2,241.16 | \$1,170.80 |
| 15-16 | \$693.06 | \$1,764.81 | \$2,198.53 | \$1,128.17 |
| 16-17 | \$650.42 | \$1,722.17 | \$2,155.89 | \$1,085.53 |
| 17-18 | \$607.79 | \$1,679.54 | \$2,113.26 | \$1,042.90 |
| 18-19 | \$565.16 | \$1,636.91 | \$2,070.63 | \$1,000.27 |
| 19-20 | \$522.53 | \$1,594.28 | \$2,028.00 | \$957.64 |
| 20-21 | \$479.90 | \$1,551.65 | \$1,985.37 | \$915.01 |
| 21-22 | \$437.27 | \$1,509.02 | \$1,942.74 | \$872.38 |
| 22-23 | \$394.63 | \$1,466.38 | \$1,900.10 | \$829.74 |
| 23-24 | \$352.00 | \$1,423.75 | \$1,857.47 | \$787.11 |
| 24-25 | \$309.37 | \$1,381.12 | \$1,814.84 | \$744.48 |
| 25 or more | \$266.74 | \$1,338.49 | \$1,772.21 | \$701.85 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|----------|------------|------------|------------|
| | \$799.64 | \$1,871.39 | \$2,305.11 | \$1,234.75 |
|--|----------|------------|------------|------------|

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$1,359.18 | \$2,452.37 | \$2,894.76 | \$1,802.99 |
|-------|------------|------------|------------|------------|

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Medicare Select Plus Rx (Phoenix, AZ)
Tier 2

| Years of Service | Retiree Only with Medicare 321 | Retiree and Spouse/Domestic Partner - (Retiree with Medicare) 322 (Plan III Benchmark) | Retiree and Spouse/Domestic Partner - Both with Medicare 324 | Retiree and Children 325 | Retiree, Spouse/Domestic Partner and Children - (Retiree with Medicare) 327 (Plan III Benchmark) | Retiree, Spouse/Domestic Partner, and Children - (Retiree +1 with Medicare) 329 (Plan III Benchmark) |
|-------------------------|---|---|---|-------------------------------------|---|---|
| Less than 10* | \$344.49 | \$1,415.53 | \$680.98 | \$778.46 | \$1,848.74 | \$1,181.24 |
| 10-11* | \$206.69 | \$1,242.85 | \$508.30 | \$605.78 | \$1,676.06 | \$1,008.56 |
| 11-12* | \$192.91 | \$1,225.58 | \$491.03 | \$588.51 | \$1,658.79 | \$991.29 |
| 12-13* | \$179.13 | \$1,208.31 | \$473.76 | \$571.24 | \$1,641.52 | \$974.02 |
| 13-14 | \$165.36 | \$1,191.05 | \$456.50 | \$553.98 | \$1,624.26 | \$956.76 |
| 14-15 | \$151.58 | \$1,173.78 | \$439.23 | \$536.71 | \$1,606.99 | \$939.49 |
| 15-16 | \$137.80 | \$1,156.51 | \$421.96 | \$519.44 | \$1,589.72 | \$922.22 |
| 16-17 | \$124.02 | \$1,139.24 | \$404.69 | \$502.17 | \$1,572.45 | \$904.95 |
| 17-18 | \$110.24 | \$1,121.97 | \$387.42 | \$484.90 | \$1,555.18 | \$887.68 |
| 18-19 | \$96.46 | \$1,104.71 | \$370.16 | \$467.64 | \$1,537.92 | \$870.42 |
| 19-20 | \$82.68 | \$1,087.44 | \$352.89 | \$450.37 | \$1,520.65 | \$853.15 |
| 20-21 | \$68.90 | \$1,070.17 | \$335.62 | \$433.10 | \$1,503.38 | \$835.88 |
| 21-22 | \$55.12 | \$1,052.90 | \$318.35 | \$415.83 | \$1,486.11 | \$818.61 |
| 22-23 | \$41.34 | \$1,035.63 | \$301.08 | \$398.56 | \$1,468.84 | \$801.34 |
| 23-24 | \$27.56 | \$1,018.37 | \$283.82 | \$381.30 | \$1,451.58 | \$784.08 |
| 24-25 | \$13.78 | \$1,001.10 | \$266.55 | \$364.03 | \$1,434.31 | \$766.81 |
| 25 or more | \$0.00 | \$983.83 | \$249.28 | \$346.76 | \$1,417.04 | \$749.54 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | | | |
|-------|----------|------------|----------|----------|------------|------------|
| | \$172.25 | \$1,199.68 | \$465.13 | \$562.61 | \$1,632.89 | \$965.39 |
| COBRA | \$351.38 | \$1,443.84 | \$694.60 | \$794.03 | \$1,885.71 | \$1,204.86 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 2

| Years of Service | Retiree Basic (Under 65) 401 | Retiree with Medicare 403 |
|-------------------------|---|--------------------------------------|
| Less than 10* | \$911.95 | \$242.60 |
| 10-11* | \$547.17 | \$145.56 |
| 11-12* | \$510.69 | \$135.86 |
| 12-13* | \$474.21 | \$126.15 |
| 13-14 | \$437.74 | \$116.45 |
| 14-15 | \$401.26 | \$106.74 |
| 15-16 | \$364.78 | \$97.04 |
| 16-17 | \$328.30 | \$87.34 |
| 17-18 | \$291.82 | \$77.63 |
| 18-19 | \$255.35 | \$67.93 |
| 19-20 | \$218.87 | \$58.22 |
| 20-21 | \$182.39 | \$48.52 |
| 21-22 | \$145.91 | \$38.82 |
| 22-23 | \$109.43 | \$29.11 |
| 23-24 | \$72.96 | \$19.41 |
| 24-25 | \$36.48 | \$9.70 |
| 25 or more | \$0.00 | \$0.00 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | |
|--|----------|----------|
| | \$455.98 | \$121.30 |
|--|----------|----------|

| | | |
|-------|----------|----------|
| COBRA | \$930.19 | \$247.45 |
|-------|----------|----------|

401 - Basic

403 - Senior Advantage

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser Permanente / Kaiser Senior Advantage for California Residents
Tier 2

| Years of Service | Retiree with Family Basic 411 | Retiree with Medicare 413 | Dependent with Medicare 413 | Two or more family members with Medicare 418 |
|-------------------------|--------------------------------------|----------------------------------|------------------------------------|---|
| Less than 10* | \$1,815.90 | \$1,146.55 | \$1,146.55 | \$477.20 |
| 10-11* | \$1,389.58 | \$973.87 | \$720.23 | \$304.52 |
| 11-12* | \$1,346.95 | \$956.60 | \$677.60 | \$287.25 |
| 12-13* | \$1,304.32 | \$939.33 | \$634.97 | \$269.98 |
| 13-14 | \$1,261.69 | \$922.07 | \$592.34 | \$252.72 |
| 14-15 | \$1,219.06 | \$904.80 | \$549.71 | \$235.45 |
| 15-16 | \$1,176.43 | \$887.53 | \$507.08 | \$218.18 |
| 16-17 | \$1,133.79 | \$870.26 | \$464.44 | \$200.91 |
| 17-18 | \$1,091.16 | \$852.99 | \$421.81 | \$183.64 |
| 18-19 | \$1,048.53 | \$835.73 | \$379.18 | \$166.38 |
| 19-20 | \$1,005.90 | \$818.46 | \$336.55 | \$149.11 |
| 20-21 | \$963.27 | \$801.19 | \$293.92 | \$131.84 |
| 21-22 | \$920.64 | \$783.92 | \$251.29 | \$114.57 |
| 22-23 | \$878.00 | \$766.65 | \$208.65 | \$97.30 |
| 23-24 | \$835.37 | \$749.39 | \$166.02 | \$80.04 |
| 24-25 | \$792.74 | \$732.12 | \$123.39 | \$62.77 |
| 25 or more | \$750.11 | \$714.85 | \$80.76 | \$45.50 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|------------|----------|----------|----------|
| | \$1,283.01 | \$930.70 | \$613.66 | \$261.35 |
|--|------------|----------|----------|----------|

| | | | | |
|-------|------------|------------|------------|----------|
| COBRA | \$1,852.22 | \$1,169.48 | \$1,169.48 | \$486.74 |
|-------|------------|------------|------------|----------|

411 - All family members are "Basic"

413 - One family member is "Senior Advantage"; others are "Basic"

418 - Two or more family members are "Senior Advantage"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Colorado
Tier 2

| Years of Service | Retiree Only 450 | Retiree Only 451 | Retiree and Family 453 | Retiree and Family 454 | Retiree and Family (Retiree with Medicare) 455 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 455 (Plan I,II Benchmark) |
|------------------|---------------------|---------------------|------------------------------|------------------------------|---|--|
| Less than 10* | \$1,062.61 | \$343.16 | \$2,349.33 | \$3,171.92 | \$1,397.77 | \$1,397.77 |
| 10-11* | \$637.57 | \$205.90 | \$1,923.01 | \$2,745.60 | \$1,225.09 | \$971.45 |
| 11-12* | \$595.06 | \$192.17 | \$1,880.38 | \$2,702.97 | \$1,207.82 | \$928.82 |
| 12-13* | \$552.56 | \$178.44 | \$1,837.75 | \$2,660.34 | \$1,190.55 | \$886.19 |
| 13-14 | \$510.05 | \$164.72 | \$1,795.12 | \$2,617.71 | \$1,173.29 | \$843.56 |
| 14-15 | \$467.55 | \$150.99 | \$1,752.49 | \$2,575.08 | \$1,156.02 | \$800.93 |
| 15-16 | \$425.04 | \$137.26 | \$1,709.86 | \$2,532.45 | \$1,138.75 | \$758.30 |
| 16-17 | \$382.54 | \$123.54 | \$1,667.22 | \$2,489.81 | \$1,121.48 | \$715.66 |
| 17-18 | \$340.04 | \$109.81 | \$1,624.59 | \$2,447.18 | \$1,104.21 | \$673.03 |
| 18-19 | \$297.53 | \$96.08 | \$1,581.96 | \$2,404.55 | \$1,086.95 | \$630.40 |
| 19-20 | \$255.03 | \$82.36 | \$1,539.33 | \$2,361.92 | \$1,069.68 | \$587.77 |
| 20-21 | \$212.52 | \$68.63 | \$1,496.70 | \$2,319.29 | \$1,052.41 | \$545.14 |
| 21-22 | \$170.02 | \$54.91 | \$1,454.07 | \$2,276.66 | \$1,035.14 | \$502.51 |
| 22-23 | \$127.51 | \$41.18 | \$1,411.43 | \$2,234.02 | \$1,017.87 | \$459.87 |
| 23-24 | \$85.01 | \$27.45 | \$1,368.80 | \$2,191.39 | \$1,000.61 | \$417.24 |
| 24-25 | \$42.50 | \$13.73 | \$1,326.17 | \$2,148.76 | \$983.34 | \$374.61 |
| 25 or more | \$0.00 | \$0.00 | \$1,283.54 | \$2,106.13 | \$966.07 | \$331.98 |

| | | | | | | |
|---|----------|----------|------------|------------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | \$531.31 | \$171.58 | \$1,816.44 | \$2,639.03 | \$1,181.92 | \$864.88 |
|---|----------|----------|------------|------------|------------|----------|

| | | | | | | |
|-------|------------|----------|------------|------------|------------|------------|
| COBRA | \$1,083.86 | \$350.02 | \$2,396.32 | \$3,235.36 | \$1,425.73 | \$1,425.73 |
|-------|------------|----------|------------|------------|------------|------------|

450 - "Basic" under age 65

451 - "Senior Advantage"

453 - Two family members are "Basic"

454 - Three or more family members are "Basic"

455 - One Family member is "Senior Advantage"; one is "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Colorado
Tier 2

| Years of Service | Retiree and Family 457 | Retiree and Family (Retiree with Medicare) 458 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 458 (Plan I,II Benchmark) | Retiree and Family (Retiree with Medicare) 459 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 459 (Plan I,II Benchmark) |
|-------------------------|-----------------------------------|--|---|--|---|
| Less than 10* | \$678.32 | \$2,391.04 | \$2,391.04 | \$1,732.93 | \$1,732.93 |
| 10-11* | \$505.64 | \$2,218.36 | \$1,964.72 | \$1,560.25 | \$1,306.61 |
| 11-12* | \$488.37 | \$2,201.09 | \$1,922.09 | \$1,542.98 | \$1,263.98 |
| 12-13* | \$471.10 | \$2,183.82 | \$1,879.46 | \$1,525.71 | \$1,221.35 |
| 13-14 | \$453.84 | \$2,166.56 | \$1,836.83 | \$1,508.45 | \$1,178.72 |
| 14-15 | \$436.57 | \$2,149.29 | \$1,794.20 | \$1,491.18 | \$1,136.09 |
| 15-16 | \$419.30 | \$2,132.02 | \$1,751.57 | \$1,473.91 | \$1,093.46 |
| 16-17 | \$402.03 | \$2,114.75 | \$1,708.93 | \$1,456.64 | \$1,050.82 |
| 17-18 | \$384.76 | \$2,097.48 | \$1,666.30 | \$1,439.37 | \$1,008.19 |
| 18-19 | \$367.50 | \$2,080.22 | \$1,623.67 | \$1,422.11 | \$965.56 |
| 19-20 | \$350.23 | \$2,062.95 | \$1,581.04 | \$1,404.84 | \$922.93 |
| 20-21 | \$332.96 | \$2,045.68 | \$1,538.41 | \$1,387.57 | \$880.30 |
| 21-22 | \$315.69 | \$2,028.41 | \$1,495.78 | \$1,370.30 | \$837.67 |
| 22-23 | \$298.42 | \$2,011.14 | \$1,453.14 | \$1,353.03 | \$795.03 |
| 23-24 | \$281.16 | \$1,993.88 | \$1,410.51 | \$1,335.77 | \$752.40 |
| 24-25 | \$263.89 | \$1,976.61 | \$1,367.88 | \$1,318.50 | \$709.77 |
| 25 or more | \$246.62 | \$1,959.34 | \$1,325.25 | \$1,301.23 | \$667.14 |

| | | | | | |
|---|----------|------------|------------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | \$462.47 | \$2,175.19 | \$1,858.15 | \$1,517.08 | \$1,200.04 |
|---|----------|------------|------------|------------|------------|

| | | | | | |
|-------|----------|------------|------------|------------|------------|
| COBRA | \$691.89 | \$2,438.86 | \$2,438.86 | \$1,767.59 | \$1,767.59 |
|-------|----------|------------|------------|------------|------------|

457 - Two family members are "Senior Advantage"

458 - One family member is "Senior Advantage"; two or more are "Basic"

459 - Two family members are "Senior Advantage"; one or more are "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 2

| Years of Service | Retiree Only 443 | Retiree Only 461 | Retiree Only 462 | Retiree and Family (Retiree with Medicare) 463 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 463 (Plan I,II Benchmark) |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|--|---|
| Less than 10* | \$408.26 | \$1,164.41 | \$408.26 | \$2,320.83 | \$2,320.83 |
| 10-11* | \$244.96 | \$738.09 | \$244.96 | \$2,148.15 | \$1,894.51 |
| 11-12* | \$228.63 | \$695.46 | \$228.63 | \$2,130.88 | \$1,851.88 |
| 12-13* | \$212.30 | \$652.83 | \$212.30 | \$2,113.61 | \$1,809.25 |
| 13-14 | \$195.96 | \$610.20 | \$195.96 | \$2,096.35 | \$1,766.62 |
| 14-15 | \$179.63 | \$567.57 | \$179.63 | \$2,079.08 | \$1,723.99 |
| 15-16 | \$163.30 | \$524.94 | \$163.30 | \$2,061.81 | \$1,681.36 |
| 16-17 | \$146.97 | \$482.30 | \$146.97 | \$2,044.54 | \$1,638.72 |
| 17-18 | \$130.64 | \$439.67 | \$130.64 | \$2,027.27 | \$1,596.09 |
| 18-19 | \$114.31 | \$397.04 | \$114.31 | \$2,010.01 | \$1,553.46 |
| 19-20 | \$97.98 | \$354.41 | \$97.98 | \$1,992.74 | \$1,510.83 |
| 20-21 | \$81.65 | \$311.78 | \$81.65 | \$1,975.47 | \$1,468.20 |
| 21-22 | \$65.32 | \$269.15 | \$65.32 | \$1,958.20 | \$1,425.57 |
| 22-23 | \$48.99 | \$226.51 | \$48.99 | \$1,940.93 | \$1,382.93 |
| 23-24 | \$32.66 | \$183.88 | \$32.66 | \$1,923.67 | \$1,340.30 |
| 24-25 | \$16.33 | \$141.25 | \$16.33 | \$1,906.40 | \$1,297.67 |
| 25 or more | \$0.00 | \$98.62 | \$0.00 | \$1,889.13 | \$1,255.04 |

| | | | | | |
|---|----------|----------|----------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | \$204.13 | \$631.52 | \$204.13 | \$2,104.98 | \$1,787.94 |
|---|----------|----------|----------|------------|------------|

| | | | | | |
|-------|----------|------------|----------|------------|------------|
| COBRA | \$416.43 | \$1,187.70 | \$416.43 | \$2,367.25 | \$2,367.25 |
|-------|----------|------------|----------|------------|------------|

443 - "Basic" over age 65 - Medicare-eligible who is classified as having renal failure (ESRD)

461 - "Basic" under age 65

462 - "Senior Advantage"

463 - Two family members are "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 2

| Years of Service | Retiree and Family 464 | Retiree and Family (Retiree with Medicare) 465 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 465 (Plan I,II Benchmak) |
|-------------------------|-----------------------------------|--|--|
| Less than 10* | \$3,477.24 | \$1,564.67 | \$1,564.67 |
| 10-11* | \$3,050.92 | \$1,391.99 | \$1,138.35 |
| 11-12* | \$3,008.29 | \$1,374.72 | \$1,095.72 |
| 12-13* | \$2,965.66 | \$1,357.45 | \$1,053.09 |
| 13-14 | \$2,923.03 | \$1,340.19 | \$1,010.46 |
| 14-15 | \$2,880.40 | \$1,322.92 | \$967.83 |
| 15-16 | \$2,837.77 | \$1,305.65 | \$925.20 |
| 16-17 | \$2,795.13 | \$1,288.38 | \$882.56 |
| 17-18 | \$2,752.50 | \$1,271.11 | \$839.93 |
| 18-19 | \$2,709.87 | \$1,253.85 | \$797.30 |
| 19-20 | \$2,667.24 | \$1,236.58 | \$754.67 |
| 20-21 | \$2,624.61 | \$1,219.31 | \$712.04 |
| 21-22 | \$2,581.98 | \$1,202.04 | \$669.41 |
| 22-23 | \$2,539.34 | \$1,184.77 | \$626.77 |
| 23-24 | \$2,496.71 | \$1,167.51 | \$584.14 |
| 24-25 | \$2,454.08 | \$1,150.24 | \$541.51 |
| 25 or more | \$2,411.45 | \$1,132.97 | \$498.88 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | |
|--|------------|------------|------------|
| | \$2,944.35 | \$1,348.82 | \$1,031.78 |
|--|------------|------------|------------|

| | | | |
|-------|------------|------------|------------|
| COBRA | \$3,546.78 | \$1,595.96 | \$1,595.96 |
|-------|------------|------------|------------|

464 - Three or more family members are "Basic"

465 - One family member is "Senior Advantage"; one is "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 2

| Years of Service | Retiree and Family 466 | Retiree and Family (Retiree with Medicare) 467 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 467 (Plan I,II Benchmark) | Retiree and Family (Retiree with Medicare) 468 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 468 (Plan I,II Benchmark) |
|-------------------------|-----------------------------------|--|---|--|---|
| Less than 10* | \$808.52 | \$2,721.09 | \$2,721.09 | \$1,964.93 | \$1,964.93 |
| 10-11* | \$635.84 | \$2,548.41 | \$2,294.77 | \$1,792.25 | \$1,538.61 |
| 11-12* | \$618.57 | \$2,531.14 | \$2,252.14 | \$1,774.98 | \$1,495.98 |
| 12-13* | \$601.30 | \$2,513.87 | \$2,209.51 | \$1,757.71 | \$1,453.35 |
| 13-14 | \$584.04 | \$2,496.61 | \$2,166.88 | \$1,740.45 | \$1,410.72 |
| 14-15 | \$566.77 | \$2,479.34 | \$2,124.25 | \$1,723.18 | \$1,368.09 |
| 15-16 | \$549.50 | \$2,462.07 | \$2,081.62 | \$1,705.91 | \$1,325.46 |
| 16-17 | \$532.23 | \$2,444.80 | \$2,038.98 | \$1,688.64 | \$1,282.82 |
| 17-18 | \$514.96 | \$2,427.53 | \$1,996.35 | \$1,671.37 | \$1,240.19 |
| 18-19 | \$497.70 | \$2,410.27 | \$1,953.72 | \$1,654.11 | \$1,197.56 |
| 19-20 | \$480.43 | \$2,393.00 | \$1,911.09 | \$1,636.84 | \$1,154.93 |
| 20-21 | \$463.16 | \$2,375.73 | \$1,868.46 | \$1,619.57 | \$1,112.30 |
| 21-22 | \$445.89 | \$2,358.46 | \$1,825.83 | \$1,602.30 | \$1,069.67 |
| 22-23 | \$428.62 | \$2,341.19 | \$1,783.19 | \$1,585.03 | \$1,027.03 |
| 23-24 | \$411.36 | \$2,323.93 | \$1,740.56 | \$1,567.77 | \$984.40 |
| 24-25 | \$394.09 | \$2,306.66 | \$1,697.93 | \$1,550.50 | \$941.77 |
| 25 or more | \$376.82 | \$2,289.39 | \$1,655.30 | \$1,533.23 | \$899.14 |

| | | | | | |
|---|----------|------------|------------|------------|------------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | \$592.67 | \$2,505.24 | \$2,188.20 | \$1,749.08 | \$1,432.04 |
|---|----------|------------|------------|------------|------------|

| | | | | | |
|-------|----------|------------|------------|------------|------------|
| COBRA | \$824.69 | \$2,775.51 | \$2,775.51 | \$2,004.23 | \$2,004.23 |
|-------|----------|------------|------------|------------|------------|

466 - Two family members are "Senior Advantage"

467 - One family member is "Senior Advantage"; two are "Basic"

468 - Two family member are "Senior Advantage"; one is "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Georgia
Tier 2

| Years of Service | Retiree and Family (Retiree with Medicare) 469 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 469 (Plan I,II Benchmark) | Retiree and Family (Retiree with Medicare) 470 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 470 (Plan I,II Benchmark) |
|---|--|---|--|---|
| Less than 10* | \$1,208.78 | \$1,208.78 | \$2,721.09 | \$2,721.09 |
| 10-11* | \$1,036.10 | \$782.46 | \$2,548.41 | \$2,294.77 |
| 11-12* | \$1,018.83 | \$739.83 | \$2,531.14 | \$2,252.14 |
| 12-13* | \$1,001.56 | \$697.20 | \$2,513.87 | \$2,209.51 |
| 13-14 | \$984.30 | \$654.57 | \$2,496.61 | \$2,166.88 |
| 14-15 | \$967.03 | \$611.94 | \$2,479.34 | \$2,124.25 |
| 15-16 | \$949.76 | \$569.31 | \$2,462.07 | \$2,081.62 |
| 16-17 | \$932.49 | \$526.67 | \$2,444.80 | \$2,038.98 |
| 17-18 | \$915.22 | \$484.04 | \$2,427.53 | \$1,996.35 |
| 18-19 | \$897.96 | \$441.41 | \$2,410.27 | \$1,953.72 |
| 19-20 | \$880.69 | \$398.78 | \$2,393.00 | \$1,911.09 |
| 20-21 | \$863.42 | \$356.15 | \$2,375.73 | \$1,868.46 |
| 21-22 | \$846.15 | \$313.52 | \$2,358.46 | \$1,825.83 |
| 22-23 | \$828.88 | \$270.88 | \$2,341.19 | \$1,783.19 |
| 23-24 | \$811.62 | \$228.25 | \$2,323.93 | \$1,740.56 |
| 24-25 | \$794.35 | \$185.62 | \$2,306.66 | \$1,697.93 |
| 25 or more | \$777.08 | \$142.99 | \$2,289.39 | \$1,655.30 |
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | |
| | \$992.93 | \$675.89 | \$2,505.24 | \$2,188.20 |
| COBRA | \$1,232.96 | \$1,232.96 | \$2,775.51 | \$2,775.51 |

469 - Three or more family members are "Senior Advantage"; one is "Basic"

470 - Three or more family members are "Basic"; one is "Senior Advantage"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Hawaii
Tier 2

| Years of Service | Retiree Only 471 | Retiree Only 472 | Retiree and Dependent 474 | Retiree and Family 475 |
|-------------------------|-----------------------------|-----------------------------|--|-----------------------------------|
| Less than 10* | \$1,003.20 | \$378.22 | \$1,998.40 | \$2,993.60 |
| 10-11* | \$601.92 | \$226.93 | \$1,572.08 | \$2,567.28 |
| 11-12* | \$561.79 | \$211.80 | \$1,529.45 | \$2,524.65 |
| 12-13* | \$521.66 | \$196.67 | \$1,486.82 | \$2,482.02 |
| 13-14 | \$481.54 | \$181.55 | \$1,444.19 | \$2,439.39 |
| 14-15 | \$441.41 | \$166.42 | \$1,401.56 | \$2,396.76 |
| 15-16 | \$401.28 | \$151.29 | \$1,358.93 | \$2,354.13 |
| 16-17 | \$361.15 | \$136.16 | \$1,316.29 | \$2,311.49 |
| 17-18 | \$321.02 | \$121.03 | \$1,273.66 | \$2,268.86 |
| 18-19 | \$280.90 | \$105.90 | \$1,231.03 | \$2,226.23 |
| 19-20 | \$240.77 | \$90.77 | \$1,188.40 | \$2,183.60 |
| 20-21 | \$200.64 | \$75.64 | \$1,145.77 | \$2,140.97 |
| 21-22 | \$160.51 | \$60.52 | \$1,103.14 | \$2,098.34 |
| 22-23 | \$120.38 | \$45.39 | \$1,060.50 | \$2,055.70 |
| 23-24 | \$80.26 | \$30.26 | \$1,017.87 | \$2,013.07 |
| 24-25 | \$40.13 | \$15.13 | \$975.24 | \$1,970.44 |
| 25 or more | \$0.00 | \$0.00 | \$932.61 | \$1,927.81 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|----------|----------|------------|------------|
| | \$501.60 | \$189.11 | \$1,465.51 | \$2,460.71 |
|--|----------|----------|------------|------------|

| | | | | |
|-------|------------|----------|------------|------------|
| COBRA | \$1,023.26 | \$385.78 | \$2,038.37 | \$3,053.47 |
|-------|------------|----------|------------|------------|

471 - "Basic" under age 65

472 - "Senior Advantage"

474 - Two family members are "Basic"

475 - Three or more family members are "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Hawaii
Tier 2

| Years of Service | Retiree and Family (Retiree with Medicare) 476 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 476 (Plan I,II Benchmark) | Retiree and Family 478 |
|-------------------------|--|---|-----------------------------------|
| Less than 10* | \$1,373.42 | \$1,373.42 | \$748.44 |
| 10-11* | \$1,200.74 | \$947.10 | \$575.76 |
| 11-12* | \$1,183.47 | \$904.47 | \$558.49 |
| 12-13* | \$1,166.20 | \$861.84 | \$541.22 |
| 13-14 | \$1,148.94 | \$819.21 | \$523.96 |
| 14-15 | \$1,131.67 | \$776.58 | \$506.69 |
| 15-16 | \$1,114.40 | \$733.95 | \$489.42 |
| 16-17 | \$1,097.13 | \$691.31 | \$472.15 |
| 17-18 | \$1,079.86 | \$648.68 | \$454.88 |
| 18-19 | \$1,062.60 | \$606.05 | \$437.62 |
| 19-20 | \$1,045.33 | \$563.42 | \$420.35 |
| 20-21 | \$1,028.06 | \$520.79 | \$403.08 |
| 21-22 | \$1,010.79 | \$478.16 | \$385.81 |
| 22-23 | \$993.52 | \$435.52 | \$368.54 |
| 23-24 | \$976.26 | \$392.89 | \$351.28 |
| 24-25 | \$958.99 | \$350.26 | \$334.01 |
| 25 or more | \$941.72 | \$307.63 | \$316.74 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | |
|--|------------|----------|----------|
| | \$1,157.57 | \$840.53 | \$532.59 |
|--|------------|----------|----------|

| | | | |
|-------|------------|------------|----------|
| COBRA | \$1,400.89 | \$1,400.89 | \$763.41 |
|-------|------------|------------|----------|

476 - One family member is "Senior Advantage"; one is Basic

478 - Two family members are "Senior Advantage"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 2

| Years of Service | Retiree Only 481 | Retiree Only 482 | Retiree and Family 484 | Retiree and Family 485 |
|-------------------------|-----------------------------|-----------------------------|-----------------------------------|-----------------------------------|
| Less than 10* | \$1,089.31 | \$455.41 | \$2,170.62 | \$3,251.93 |
| 10-11* | \$662.99 | \$282.73 | \$1,744.30 | \$2,825.61 |
| 11-12* | \$620.36 | \$265.46 | \$1,701.67 | \$2,782.98 |
| 12-13* | \$577.73 | \$248.19 | \$1,659.04 | \$2,740.35 |
| 13-14 | \$535.10 | \$230.93 | \$1,616.41 | \$2,697.72 |
| 14-15 | \$492.47 | \$213.66 | \$1,573.78 | \$2,655.09 |
| 15-16 | \$449.84 | \$196.39 | \$1,531.15 | \$2,612.46 |
| 16-17 | \$407.20 | \$179.12 | \$1,488.51 | \$2,569.82 |
| 17-18 | \$364.57 | \$161.85 | \$1,445.88 | \$2,527.19 |
| 18-19 | \$321.94 | \$144.59 | \$1,403.25 | \$2,484.56 |
| 19-20 | \$279.31 | \$127.32 | \$1,360.62 | \$2,441.93 |
| 20-21 | \$236.68 | \$110.05 | \$1,317.99 | \$2,399.30 |
| 21-22 | \$194.05 | \$92.78 | \$1,275.36 | \$2,356.67 |
| 22-23 | \$151.41 | \$75.51 | \$1,232.72 | \$2,314.03 |
| 23-24 | \$108.78 | \$58.25 | \$1,190.09 | \$2,271.40 |
| 24-25 | \$66.15 | \$40.98 | \$1,147.46 | \$2,228.77 |
| 25 or more | \$23.52 | \$23.71 | \$1,104.83 | \$2,186.14 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|-------|------------|----------|------------|------------|
| | \$556.42 | \$239.56 | \$1,637.73 | \$2,719.04 |
| COBRA | \$1,111.10 | \$464.52 | \$2,214.03 | \$3,316.97 |

481 - "Basic" under age 65

482 - "Senior Advantage"

484 - Two family members are "Basic"

485 - Three or more family members are "Basic"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 2

| Years of Service | Retiree & Family (Retiree with Medicare) 486 (Plan III Benchmark) | Retiree & Family (Dependent with Medicare) 486 (Plan I,II Benchmark) | Retiree & Family 488 |
|-------------------------|--|---|-------------------------------------|
| Less than 10* | \$1,536.72 | \$1,536.72 | \$902.82 |
| 10-11* | \$1,364.04 | \$1,110.40 | \$730.14 |
| 11-12* | \$1,346.77 | \$1,067.77 | \$712.87 |
| 12-13* | \$1,329.50 | \$1,025.14 | \$695.60 |
| 13-14 | \$1,312.24 | \$982.51 | \$678.34 |
| 14-15 | \$1,294.97 | \$939.88 | \$661.07 |
| 15-16 | \$1,277.70 | \$897.25 | \$643.80 |
| 16-17 | \$1,260.43 | \$854.61 | \$626.53 |
| 17-18 | \$1,243.16 | \$811.98 | \$609.26 |
| 18-19 | \$1,225.90 | \$769.35 | \$592.00 |
| 19-20 | \$1,208.63 | \$726.72 | \$574.73 |
| 20-21 | \$1,191.36 | \$684.09 | \$557.46 |
| 21-22 | \$1,174.09 | \$641.46 | \$540.19 |
| 22-23 | \$1,156.82 | \$598.82 | \$522.92 |
| 23-24 | \$1,139.56 | \$556.19 | \$505.66 |
| 24-25 | \$1,122.29 | \$513.56 | \$488.39 |
| 25 or more | \$1,105.02 | \$470.93 | \$471.12 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | |
|--|------------|------------|----------|
| | \$1,320.87 | \$1,003.83 | \$686.97 |
|--|------------|------------|----------|

| | | | |
|-------|------------|------------|----------|
| COBRA | \$1,567.45 | \$1,567.45 | \$920.88 |
|-------|------------|------------|----------|

486 - One family member is "Senior Advantage" one is "Basic"

488 - Two family members are "Senior Advantage"

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Kaiser - Oregon
Tier 2

| Years of Service | Retiree and Family (Retiree with Medicare) 493 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 493 (Plan I,II Benchmark) | Retiree and Family (Retiree with Medicare) 494 (Plan III Benchmark) | Retiree and Family (Dependent with Medicare) 494 (Plan I,II Benchmark) |
|-------------------------|--|---|--|---|
| Less than 10* | \$2,618.03 | \$2,618.03 | \$1,984.13 | \$1,984.13 |
| 10-11* | \$2,445.35 | \$2,191.71 | \$1,811.45 | \$1,557.81 |
| 11-12* | \$2,428.08 | \$2,149.08 | \$1,794.18 | \$1,515.18 |
| 12-13* | \$2,410.81 | \$2,106.45 | \$1,776.91 | \$1,472.55 |
| 13-14 | \$2,393.55 | \$2,063.82 | \$1,759.65 | \$1,429.92 |
| 14-15 | \$2,376.28 | \$2,021.19 | \$1,742.38 | \$1,387.29 |
| 15-16 | \$2,359.01 | \$1,978.56 | \$1,725.11 | \$1,344.66 |
| 16-17 | \$2,341.74 | \$1,935.92 | \$1,707.84 | \$1,302.02 |
| 17-18 | \$2,324.47 | \$1,893.29 | \$1,690.57 | \$1,259.39 |
| 18-19 | \$2,307.21 | \$1,850.66 | \$1,673.31 | \$1,216.76 |
| 19-20 | \$2,289.94 | \$1,808.03 | \$1,656.04 | \$1,174.13 |
| 20-21 | \$2,272.67 | \$1,765.40 | \$1,638.77 | \$1,131.50 |
| 21-22 | \$2,255.40 | \$1,722.77 | \$1,621.50 | \$1,088.87 |
| 22-23 | \$2,238.13 | \$1,680.13 | \$1,604.23 | \$1,046.23 |
| 23-24 | \$2,220.87 | \$1,637.50 | \$1,586.97 | \$1,003.60 |
| 24-25 | \$2,203.60 | \$1,594.87 | \$1,569.70 | \$960.97 |
| 25 or more | \$2,186.33 | \$1,552.24 | \$1,552.43 | \$918.34 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | | |
|--|------------|------------|------------|------------|
| | \$2,402.18 | \$2,085.14 | \$1,768.28 | \$1,451.24 |
|--|------------|------------|------------|------------|

| | | | | |
|-------|------------|------------|------------|------------|
| COBRA | \$2,670.39 | \$2,670.39 | \$2,023.81 | \$2,023.81 |
|-------|------------|------------|------------|------------|

493 - One family member is "Senior Advantage" two or more are "Basic"

494 - Two family members are "Senior Advantage"; one is "Basic"

Los Angeles County Employees Retirement Association**Rates Effective July 1, 2016****SCAN Health Plan****Retirees and eligible dependents enrolled in Medicare Parts A and B only****Tier 2**

| Years of Service | Retiree Only with SCAN 611 | Retiree and 1 Dependent - Both with SCAN 613¹ |
|-------------------------|---------------------------------------|---|
| Less than 10* | \$307.00 | \$606.00 |
| 10-11* | \$184.20 | \$433.32 |
| 11-12* | \$171.92 | \$416.05 |
| 12-13* | \$159.64 | \$398.78 |
| 13-14 | \$147.36 | \$381.52 |
| 14-15 | \$135.08 | \$364.25 |
| 15-16 | \$122.80 | \$346.98 |
| 16-17 | \$110.52 | \$329.71 |
| 17-18 | \$98.24 | \$312.44 |
| 18-19 | \$85.96 | \$295.18 |
| 19-20 | \$73.68 | \$277.91 |
| 20-21 | \$61.40 | \$260.64 |
| 21-22 | \$49.12 | \$243.37 |
| 22-23 | \$36.84 | \$226.10 |
| 23-24 | \$24.56 | \$208.84 |
| 24-25 | \$12.28 | \$191.57 |
| 25 or more | \$0.00 | \$174.30 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | |
|--|----------|----------|
| | \$153.50 | \$390.15 |
|--|----------|----------|

| | | |
|-------|----------|----------|
| COBRA | \$313.14 | \$618.12 |
|-------|----------|----------|

¹Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and eligible dependent must be enrolled in Medicare Parts A & B.

Los Angeles County Employees Retirement Association**Rates Effective July 1, 2016****UnitedHealthcare Group Medicare Advantage HMO/United Healthcare**

For both retirees and eligible dependents who are enrolled in the UnitedHealthcare Group Medicare Advantage HMO, or a family combination of UnitedHealthcare Group Medicare Advantage HMO/UnitedHealthcare

Tier 2

| Years of Service | Retiree Only with UnitedHealthCare Group Medicare Advantage HMO 701 | Retiree and 1 Dependent - 1 with UnitedHealthcare Group Medicare Advantage HMO 702¹ | Retiree and 1 Dependent - Both with UnitedHealthcare Group Medicare Advantage HMO 703¹ | Retiree and 2 or More Dependents - Retiree with Medicare UnitedHealthcare Group Medicare Advantage HMO 704² | Retiree and 2 or More Dependents - Retiree +1 with Medicare UnitedHealthcare Group Medicare Advantage HMO 705² |
|-------------------------|--|---|--|---|--|
| Less than 10* | \$332.58 | \$1,331.52 | \$657.16 | \$1,503.62 | \$829.26 |
| 10-11* | \$199.55 | \$1,158.84 | \$484.48 | \$1,330.94 | \$656.58 |
| 11-12* | \$186.24 | \$1,141.58 | \$467.21 | \$1,313.68 | \$639.31 |
| 12-13* | \$172.94 | \$1,124.31 | \$449.94 | \$1,296.41 | \$622.04 |
| 13-14 | \$159.64 | \$1,107.04 | \$432.68 | \$1,279.14 | \$604.78 |
| 14-15 | \$146.34 | \$1,089.77 | \$415.41 | \$1,261.87 | \$587.51 |
| 15-16 | \$133.03 | \$1,072.50 | \$398.14 | \$1,244.60 | \$570.24 |
| 16-17 | \$119.73 | \$1,055.24 | \$380.87 | \$1,227.34 | \$552.97 |
| 17-18 | \$106.43 | \$1,037.97 | \$363.60 | \$1,210.07 | \$535.70 |
| 18-19 | \$93.12 | \$1,020.70 | \$346.34 | \$1,192.80 | \$518.44 |
| 19-20 | \$79.82 | \$1,003.43 | \$329.07 | \$1,175.53 | \$501.17 |
| 20-21 | \$66.52 | \$986.16 | \$311.80 | \$1,158.26 | \$483.90 |
| 21-22 | \$53.21 | \$968.90 | \$294.53 | \$1,141.00 | \$466.63 |
| 22-23 | \$39.91 | \$951.63 | \$277.26 | \$1,123.73 | \$449.36 |
| 23-24 | \$26.61 | \$934.36 | \$260.00 | \$1,106.46 | \$432.10 |
| 24-25 | \$13.30 | \$917.09 | \$242.73 | \$1,089.19 | \$414.83 |
| 25 or more | \$0.00 | \$899.82 | \$225.46 | \$1,071.92 | \$397.56 |

| | | | | | |
|---|----------|------------|----------|------------|----------|
| *If you are on a service connected disability retirement with less than thirteen years of service, you pay: | | | | | |
| | \$166.29 | \$1,115.67 | \$441.31 | \$1,287.77 | \$613.41 |

| | | | | | |
|-------|----------|------------|----------|------------|----------|
| COBRA | \$339.23 | \$1,358.16 | \$670.30 | \$1,533.70 | \$845.84 |
|-------|----------|------------|----------|------------|----------|

¹ Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child

² Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
UnitedHealthcare
For retirees and dependents under age 65 (no Medicare)
Tier 2

| Years of Service | Retiree Only 707 | Retiree and 1 Dependent 708 | Retiree and 2 or More Dependents 709 |
|-------------------------|-----------------------------|--|---|
| Less than 10* | \$1,006.94 | \$1,837.24 | \$2,177.99 |
| 10-11* | \$604.17 | \$1,410.92 | \$1,751.67 |
| 11-12* | \$563.89 | \$1,368.29 | \$1,709.04 |
| 12-13* | \$523.61 | \$1,325.66 | \$1,666.41 |
| 13-14 | \$483.33 | \$1,283.02 | \$1,623.78 |
| 14-15 | \$443.06 | \$1,240.39 | \$1,581.15 |
| 15-16 | \$402.78 | \$1,197.76 | \$1,538.52 |
| 16-17 | \$362.50 | \$1,155.13 | \$1,495.88 |
| 17-18 | \$322.22 | \$1,112.50 | \$1,453.25 |
| 18-19 | \$281.94 | \$1,069.87 | \$1,410.62 |
| 19-20 | \$241.67 | \$1,027.23 | \$1,367.99 |
| 20-21 | \$201.39 | \$984.60 | \$1,325.36 |
| 21-22 | \$161.11 | \$941.97 | \$1,282.73 |
| 22-23 | \$120.83 | \$899.34 | \$1,240.09 |
| 23-24 | \$80.56 | \$856.71 | \$1,197.46 |
| 24-25 | \$40.28 | \$814.08 | \$1,154.83 |
| 25 or more | \$0.00 | \$771.45 | \$1,112.20 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | | |
|-------|------------|------------|------------|
| | \$503.47 | \$1,304.34 | \$1,645.09 |
| COBRA | \$1,027.08 | \$1,873.98 | \$2,221.55 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Indemnity Dental/Vision
Tier 2

| Years of Service | Retiree Only 501 | Retiree and Dependent(s) 502 |
|-------------------------|-----------------------------|---|
| Less than 10* | \$51.13 | \$106.24 |
| 10-11* | \$30.68 | \$85.79 |
| 11-12* | \$28.63 | \$83.74 |
| 12-13* | \$26.59 | \$81.70 |
| 13-14 | \$24.54 | \$79.65 |
| 14-15 | \$22.50 | \$77.61 |
| 15-16 | \$20.45 | \$75.56 |
| 16-17 | \$18.41 | \$73.52 |
| 17-18 | \$16.36 | \$71.47 |
| 18-19 | \$14.32 | \$69.43 |
| 19-20 | \$12.27 | \$67.38 |
| 20-21 | \$10.23 | \$65.34 |
| 21-22 | \$8.18 | \$63.29 |
| 22-23 | \$6.14 | \$61.25 |
| 23-24 | \$4.09 | \$59.20 |
| 24-25 | \$2.05 | \$57.16 |
| 25 or more | \$0.00 | \$55.11 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | |
|-------|---------|----------|
| | \$25.57 | \$80.68 |
| COBRA | \$52.15 | \$108.36 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Cigna Dental HMO/Vision
Tier 2

| Years of Service | Retiree Only 901 | Retiree and Dependent(s) 902 |
|-------------------------|-----------------------------|---|
| Less than 10* | \$46.17 | \$94.00 |
| 10-11* | \$27.70 | \$73.55 |
| 11-12* | \$25.86 | \$71.50 |
| 12-13* | \$24.01 | \$69.46 |
| 13-14 | \$22.16 | \$67.41 |
| 14-15 | \$20.31 | \$65.37 |
| 15-16 | \$18.47 | \$63.32 |
| 16-17 | \$16.62 | \$61.28 |
| 17-18 | \$14.77 | \$59.23 |
| 18-19 | \$12.93 | \$57.19 |
| 19-20 | \$11.08 | \$55.14 |
| 20-21 | \$9.23 | \$53.10 |
| 21-22 | \$7.39 | \$51.05 |
| 22-23 | \$5.54 | \$49.01 |
| 23-24 | \$3.69 | \$46.96 |
| 24-25 | \$1.85 | \$44.92 |
| 25 or more | \$0.00 | \$42.87 |

*If you are on a service connected disability retirement with less than thirteen years of service, you pay:

| | | |
|-------|---------|---------|
| | \$23.09 | \$68.44 |
| COBRA | \$47.09 | \$95.88 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
Children Only Rates
Tier 2

| Years of Service | Anthem Plan I 215 or 225 | Kaiser One Child 421 | Kaiser 2 or More 411 | Prudent Buyer 205 | CIGNA 305 | UHC HMO 706 | Cigna Indemnity Dental/ Vision 503 | Cigna Prepaid Dental/ Vision 903 |
|-------------------------------|---|-------------------------------------|-------------------------------------|------------------------------|----------------------|------------------------|---|---|
| Less than 10* | \$354.51 | \$911.95 | \$1,815.90 | \$231.33 | \$443.00 | \$289.23 | \$62.84 | \$46.75 |
| 10-11* | \$212.71 | \$547.17 | \$1,389.58 | \$138.80 | \$265.80 | \$173.54 | \$37.70 | \$28.05 |
| 11-12* | \$198.53 | \$510.69 | \$1,346.95 | \$129.54 | \$248.08 | \$161.97 | \$35.19 | \$26.18 |
| 12-13* | \$184.35 | \$474.21 | \$1,304.32 | \$120.29 | \$230.36 | \$150.40 | \$32.68 | \$24.31 |
| 13-14 | \$170.16 | \$437.74 | \$1,261.69 | \$111.04 | \$212.64 | \$138.83 | \$30.16 | \$22.44 |
| 14-15 | \$155.98 | \$401.26 | \$1,219.06 | \$101.79 | \$194.92 | \$127.26 | \$27.65 | \$20.57 |
| 15-16 | \$141.80 | \$364.78 | \$1,176.43 | \$92.53 | \$177.20 | \$115.69 | \$25.14 | \$18.70 |
| 16-17 | \$127.62 | \$328.30 | \$1,133.79 | \$83.28 | \$159.48 | \$104.12 | \$22.62 | \$16.83 |
| 17-18 | \$113.44 | \$291.82 | \$1,091.16 | \$74.03 | \$141.76 | \$92.55 | \$20.11 | \$14.96 |
| 18-19 | \$99.26 | \$255.35 | \$1,048.53 | \$64.77 | \$124.04 | \$80.98 | \$17.60 | \$13.09 |
| 19-20 | \$85.08 | \$218.87 | \$1,005.90 | \$55.52 | \$106.32 | \$69.42 | \$15.08 | \$11.22 |
| 20-21 | \$70.90 | \$182.39 | \$963.27 | \$46.27 | \$88.60 | \$57.85 | \$12.57 | \$9.35 |
| 21-22 | \$56.72 | \$145.91 | \$920.64 | \$37.01 | \$70.88 | \$46.28 | \$10.05 | \$7.48 |
| 22-23 | \$42.54 | \$109.43 | \$878.00 | \$27.76 | \$53.16 | \$34.71 | \$7.54 | \$5.61 |
| 23-24 | \$28.36 | \$72.96 | \$835.37 | \$18.51 | \$35.44 | \$23.14 | \$5.03 | \$3.74 |
| 24-25 | \$14.18 | \$36.48 | \$792.74 | \$9.25 | \$17.72 | \$11.57 | \$2.51 | \$1.87 |
| 25 or more | \$0.00 | \$0.00 | \$750.11 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| *Service Connected Disability | \$177.26 | \$455.98 | \$1,283.01 | \$115.67 | \$221.50 | \$144.62 | \$31.42 | \$23.38 |
| COBRA | \$361.60 | \$930.19 | \$1,852.22 | \$235.96 | \$451.86 | \$295.02 | \$64.10 | \$47.69 |

Los Angeles County Employees Retirement Association
Rates Effective July 1, 2016
COBRA Rates -- Kaiser

| | |
|---|------------|
| Single "Basic" | \$930.19 |
| Single Senior Advantage | \$247.45 |
| Single "Excess" | \$1,010.53 |
| All family members are "Basic" | \$1,852.22 |
| One family member is "Sr. Advantage"; others are "Basic" | \$1,169.48 |
| Two or more family members are "Sr. Advantage" | \$486.74 |
| One family member is "Excess"; another is "Sr. Advantage" | \$1,249.83 |
| Two family members are "Excess" | \$2,012.91 |
| Child under 23 | \$930.19 |
| Children under 23 | \$1,852.22 |

California Mandatory Contract Changes

Contract Changes checklists are a tool to be utilized in conjunction with the enclosed notice of contract language changes upon renewal. If not already included, the following is the list of changes that will be added to contract documents. Effective dates are shown and apply at renewal on or after that date. Please note: Some of the changes below will be or have been submitted to State regulatory agencies and will require approval prior to implementation.

| Product Unit | Provision | Description of Change | Type of Change | Date of Change | Effective |
|--|---|--|--|----------------|------------|
| PBP, Plan I, Plan II | Mental or Nervous Disorder or Substance Abuse | Revised benefit text for mental or nervous disorders or substance abuse to further describe and break out inpatient, outpatient, and office visit services. This also resulted in changing "mental or nervous disorders" references to "mental health conditions" where appropriate throughout the EOC. | Federal Legislative Requirement - Mental Health Parity | 1/1/2016 | At Renewal |
| All | Nicotine Use | Deleted the Nicotine Use exclusion. | Federal Legislative Requirement - Mental Health Parity | 1/1/2016 | At Renewal |
| All | Skilled Nursing Facility | The calendar limit of 100 days per calendar year does not apply to visits for the treatment of mental health or substance abuse. | Federal Legislative Requirement - Mental Health Parity | 1/1/2016 | At Renewal |
| PBP, Plan I, Plan II | Summary of Benefits | In the Deductibles, Co-Payments, and Out-of-Pocket Amount sections, added a statement that the listed amounts also apply to mental health and substance abuse services. | Federal Legislative Requirement - Mental Health Parity | 1/1/2016 | At Renewal |
| All | Payment to Providers | Revised the Payment to Providers provision to indicate that Anthem may pay a member directly when they receive services from a non-participating provider and that the member would be responsible for paying the non-participating provider directly. | Recommended EOC Change | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Binding Arbitration | For CDI regulated PPO plans, the provision describing the process for disputes that may lead to binding arbitration has been revised to comply with California regulations. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Contraceptives | For CDI regulated PPO plans, the benefit for contraceptives has been revised to clarify Anthem will cover contraceptive supplies prescribed by a physician for reasons other than contraceptive purposes for medically necessary treatment such as decreasing the risk of ovarian cancer, eliminating symptoms of menopause or for contraception that is necessary to preserve life or health. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Dental Care | For CDI regulated PPO plans, the benefit for general anesthesia when receiving medically necessary dental care has been revised to indicate charges for the dental procedure itself, including professional fees of a dentist, may not be covered. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Exclusion: Not Specifically Listed | For CDI regulated PPO plans, removed the exclusion for Not Specifically Listed services. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Exclusion: Work Related | For CDI regulated PPO plans, revised the exclusion for Work Related situations where services may be recovered through situations like worker's compensation. Anthem may only recover these payments when they are actually recovered by workers compensation or related coverage. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Jaw Joint Disorders | For CDI regulated PPO plans, benefit text for Jaw Joint Disorders has been revised to indicate covered benefits apply to conditions directly affecting the upper or lower jawbone or the joints linking the jawbones and the skull (the temporomandibular joints). | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Osteoporosis | For CDI regulated PPO plans, benefit text for Osteoporosis treatment has been added for clarification purposes. Benefits for medically necessary osteoporosis treatments were already considered covered services prior to this change. | CDI Regulatory requirement | 1/1/2016 | At Renewal |

| Product Unit | Provision | Description of Change | Type of Change | Date of Change | Effective |
|--|---|---|---|----------------|------------|
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Pregnancy and Maternity Care | For CDI regulated PPO plans, the benefit for prenatal, postnatal and postpartum care has been revised to indicate prenatal care also includes participation in the California Prenatal Screening Program, which is a statewide prenatal testing program administered by the State Department of Public Health. In addition, a reference to the Important Note for Newborn and Newly-Adopted Children in the plan's Eligibility section has been added for clarification purposes. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Special Food Products | For CDI regulated PPO plans, benefit text for Special Food Products has been removed and has been replaced with benefit text for Phenylketonuria (PKU). This change does not indicate a change in benefits. The revised benefit text includes additional information and details regarding the member's benefits. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| Plan I CA and OOS, Plan II OOS, Plan III OOS | Timely Payment of Claims | For CDI regulated PPO plans, the provision describing the timely payment of claims has been revised to comply with California regulations. | CDI Regulatory requirement | 1/1/2016 | At Renewal |
| All | Authorized Referral Definition | Added text clarification to the definition of Authorized Referral to further clarify and simplify the explanation of how a member can get an authorized referral. Also, added clarifying text which indicates an authorized referral is permitted when the member is referred to a hospital or physician that does not have an agreement with Anthem for a covered service by a participating provider. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Benefits for Pervasive Developmental Disorder or Autism | Removed the following statement: "No benefits are payable for these services if pre-service review is not obtained." Services remain subject to Utilization Review to determine medical necessity. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Chemotherapy | The benefit text for Chemotherapy has been revised to be more descriptive and clarify the intent of the benefit. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Cosmetic Surgery | Revised the exclusion for cosmetic surgery to reflect the state definition, and also added a definition for Cosmetic Services under the "Definitions" section. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Hemodialysis Treatment | The benefit text for has been revised to be more descriptive and clarify the intent of the benefit. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Maximum Allowed Amount: Authorized Referrals | Added clarifying text to indicate when a member receives prior authorization for a non-participating provider due to network adequacy issues, he or she will not be responsible for the difference between the non-participating provider's charge and the maximum allowed amount. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Mental or Nervous Disorder or Substance Abuse | Removed the following statement from the benefit text describing coverage for behavioral health treatment for pervasive developmental disorder or autism: "No benefits are payable for these services if pre-service review is not obtained." Services remain subject to Utilization Review to determine medical necessity. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Mental or Nervous Disorder or Substance Abuse | The Certificate and EOC has been revised to clarify coverage for the diagnosis and medically necessary treatment of severe mental illness or a person of any age and serious emotional disturbances of a child. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Radiation Therapy | The benefit text for Radiation Therapy has been revised to be more descriptive and clarify the intent of the benefit. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Reconstructive Surgery | Revised benefit text for reconstructive surgery to reflect the state definition. Also, a definition for Reconstructive Surgery was added under the Definitions section. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| All | Speech Therapy | The benefit text for Speech Therapy has been revised to be more descriptive and clarify the intent of the benefit. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |

| Product Unit | Provision | Description of Change | Type of Change | Date of Change | Effective |
|----------------------|-----------------------------|---|---|----------------|------------|
| PBP, Plan I, Plan II | Transgender Services | Removed the following statement from the benefit text: "Services that are excluded on the basis that they are cosmetic include, but are not limited to, liposuction, facial bone reconstruction, voice modification surgery, breast implants, and hair removal." In addition, the Transgender Services exclusion was removed from the Medical Care That is Not Covered section. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| PBP | AIDS Vaccine | Added benefit text that indicates a vaccination for AIDS will be covered when approved by the federal Food and Drug Administration and is recommended by the US Public Health Service. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |
| PBP | Prescription Drug Formulary | To comply with California Bill SB282, text was added that describes the exception process to access drugs that are not on the formulary. Also, revised prior authorization review time periods for prescription drugs from two business days to 72 hours for non-urgent reviews and 24 hours for exigent circumstances. | CA Regulatory requirement - EOC Clarification | 1/1/2016 | At Renewal |



Lacera

2016 Cigna-HealthSpring Preferred with Rx (HMO) - MAPD

| Accumulation Period | Calendar Year |
|---|--|
| Effective Dates | July 1, 2016 - June 30, 2017 |
| Plan Type | Non-Standard, Rx Option 2 |
| Premium (per member per month) | \$336.49 |
| Service Type | In Network Benefits |
| Plan Deductible | \$0 |
| Plan Out Of Pocket Maximum | \$5,500 |
| Lifetime Coverage Maximum | N/A |
| Annual Maximum | N/A |
| Inpatient | |
| Inpatient Hospital Care (including Substance Abuse and Rehab) | \$0 per admission |
| Inpatient Hospital Care – Coverage Limit (days) | None |
| Inpatient Mental Health Care | \$0 per admission |
| Inpatient Mental Health Care - Coverage Limit (lifetime days) | 190 |
| Skilled Nursing Facility | |
| Benefit Period – 1-20 days (per day) | \$0 |
| Benefit Period – 21-100 days (per day) | \$0 |
| Coverage Limit (days) | 100 |
| Hospital Stay Required? | No |
| Home Health Care | |
| Benefit | \$0 |
| Coverage Limit | None |
| Outpatient | |
| Ambulance Services (ground & air) | \$0 |
| Hospital Outpatient Surgery | \$12 |
| Ambulatory Surgical Center (ASC) | \$12 |
| Renal Dialysis | \$12 |
| Outpatient Non-Surgical Services | \$12 |
| Emergency Room (waived if admitted) (\$65 in 2015) | \$75 |
| Urgent Care | \$25 |
| Primary Care Physician Office Visit | \$0 |
| Physician Specialist Office Visit | \$12 |
| Mental Health Specialty Individual Visit | \$12 |
| Mental Health Specialty Group Visit | \$12 |
| Chiropractic Visit – Medicare covered services | \$12 |
| Podiatrist Visit – Medicare Covered Services | \$12 |
| Diagnostic Radiological Services (MRI, CT, PET) | CMG - \$100 ASC/HospOP - \$150 non-cardiac nuclear studies - \$0 cardiac nuclear studies - \$12 routine stress test - \$12 |
| Therapeutic Radiological Services | \$12 |
| X-Ray | \$0 |
| Lab Services (Pathology) | \$0 |
| Short Term Rehabilitation Service cardiac, pulmonary, occupational, and physical therapy | \$12 |
| Short Term Rehabilitation Max Per Year | same as standard Medicare |
| Durable Medical Equipment (DME) | \$0 |
| Medical Supplies | \$0 |
| Prosthetics | \$0 |
| Part B Drugs Including Chemotherapy | Oral Part B Drugs - 20% All other Part B - \$0 |
| Diabetic Monitoring Supplies | \$0 |
| Hearing Exams (Diagnostic Medicare Covered) | \$12 |
| Eye Exams (Diagnostic Medicare Covered) | \$12 |

Lacera

2016 Cigna-HealthSpring Preferred with Rx (HMO) - MAPD

| Accumulation Period | Calendar Year |
|--|--|
| Effective Dates | July 1, 2016 - June 30, 2017 |
| Plan Type | Non-Standard, Rx Option 2 |
| Premium (per member per month) | \$336.49 |
| Wellness | |
| Annual Physical Exams | \$0 |
| Immunization Coverage (Flu shots, Pneumonia, Hepatitis B) | \$0 |
| Other HRC Wellness * | \$0 |
| Part D (Rx) Initial Coverage Level (up to \$3,310 of Drug Spend) | |
| Retail Tier 1 - Preferred Generic (30 days) | \$0 |
| Retail Tier 2 - Non-Preferred Generic (30 days) | \$10 |
| Retail Tier 3 - Preferred Brand (30 days) | \$45 |
| Retail Tier 4 - Non-Preferred Brand (30 days) | \$95 |
| Retail Tier 5 - Specialty (30 days) | 33% |
| 90 Days Supply at Retail | 3x retail copay applies |
| Mail Order Tier 1 (90 days) | \$0 |
| Mail Order Tier 2 (90 days) | \$30 |
| Mail Order Tier 3 (90 days) | \$135 |
| Mail Order Tier 4 (90 days) | \$285 |
| Mail Order Tier 5 (90 days) | 33% |
| Part D (Rx) Coverage Gap (from \$3,310 in Drug Spend up to True Out-of-Pocket of \$4,850) The coverage gap design assumes new CMS regulations for the coverage gap. | |
| Retail Tier 1 - Preferred Generic (30 days) | \$0 |
| Retail Tier 2 - Non-Preferred Generic (30 days) | \$10 |
| Retail Tier 3 - Preferred Brand (30 days) | \$45 |
| Retail Tier 4 - Non-Preferred Brand (30 days) | \$95 |
| Retail Tier 5 - Specialty (30 days) | 33% |
| Mail Order Tier 1 (90 days) | \$0 |
| Mail Order Tier 2 (90 days) | \$30 |
| Mail Order Tier 3 (90 days) | \$135 |
| Mail Order Tier 4 (90 days) | \$285 |
| Mail Order Tier 5 (90 days) | 33% |
| Part D (Rx) Misc. Info | |
| Out-of-network (all tiers) | Same as in-network (limited to 30 day supply) |
| Catastrophic coverage | Once out of pocket drug costs reach \$4,850 (\$4,700 in 2015) Greater of 5% or \$2.95 (\$2.65 in 2015) generic copay/\$7.40 (\$6.60 in 2015) brand copay |
| Prior authorization required for certain drugs | Yes |
| Step therapy required for certain drugs | Yes |
| Quantity limits on certain drugs | Yes |
| Part D Supplemental Benefits | None |
| Supplemental Benefits NOTE: Not all benefits listed below are included with our standard plan designs. Each benefit indicates whether it is included or available as a Buy-Up option. | |
| Vision - Routine Eye Exams and Hardware | \$0 copay for 1 routine exam every year \$50 limit on eyewear every year |
| Hearing - Exam, fitting & hearing aids | \$0 Copay for 1 exam/ year Fitting/Evaluation - \$0 Hearing aids - \$200 max per unit |
| Fitness | \$0 Cost to member |

Lacera

2016 Cigna-HealthSpring Preferred with Rx (HMO) - MAPD

| Accumulation Period | Calendar Year |
|---------------------------------------|---|
| Effective Dates | July 1, 2016 - June 30, 2017 |
| Plan Type | Non-Standard, Rx Option 2 |
| Premium (per member per month) | \$336.49 |
| Preventive Dental Services | Not Covered |
| Transportation Services | Not Covered |
| World Wide Emergency Coverage | \$75 copay with no max plan coverage amount |
| Cigna-HealthSpring 24 Hour Nurse Line | The 24 Hour Nurse Line assists individuals in understanding the right level of treatment at the right time. Caring registered nurses are available 24 hours a day, 7 days a week, 365 days a year to provide telephonic access for members who request health and medical information and guidance. |

* Other HCR Wellness services includes:

- Abdominal Aortic Aneurysm Screening
- Bone Mass Measurement
- Cardiovascular Screening
- Cervical and Vaginal Cancer Screening
- Colorectal Cancer Screening
- Diabetes Screening
- Diabetes Self-Management Training
- Kidney Disease Education Services
- HIV Screening (HIV screening is covered for people with Medicare who are pregnant and people at increased risk for the infection, including anyone who asks for the test. Medicare covers this test once every 12 months or up to three times during a pregnancy.)
- Breast Cancer Screening (Mammogram)
- Medical Nutrition Therapy Services
- Personalized Prevention Plan Services (Annual Wellness Visits)
- Prostate Cancer Screening (Prostate Specific Antigen (PSA) Test only)
- Smoking Cessation (counseling to stop smoking)
- Welcome to Medicare Physical Exam (Initial Preventive Physical Exam)

Lacera

2016 Cigna-HealthSpring Preferred with Rx (HMO) - MAPD

| Accumulation Period | Calendar Year |
|--------------------------------|------------------------------|
| Effective Dates | July 1, 2016 - June 30, 2017 |
| Plan Type | Non-Standard, Rx Option 2 |
| Premium (per member per month) | \$336.49 |

**2016
Cigna-HealthSpring Medicare Advantage Employer Plan
Rating Assumptions and Stipulations**

The following assumptions and stipulations apply to the Proposal provided. Cigna-HealthSpring may revise or withdraw this Proposal if there are discrepancies to any of the below items:

- The quoted rates are valid only for the specified effective date and are offered for the time period specified.
- In the event the effective date is other than 01/01/2016-12/31/2016, the rates are subject to change.
- The rates are contingent upon the retiree residing in the service areas of the quoted Medicare Advantage (MA) plan. The enrollment will be based on the retiree's primary residence as defined by CMS.
- Information provided here is pending CMS approval unless otherwise noted.
- The premium(s) and plan(s) quoted cannot be altered or adjusted in anyway, up or down, without Cigna-HealthSpring's approval.
- The quoted rates do not include a possible reduction for those eligible for CMS regulated low income subsidy. If applicable, the rate reductions will be made available at a later date upon CMS releasing the new subsidies.
- This proposal assumes all retirees are enrolled in Medicare Part A and Part B.
- This quote is on an incurred basis. Cigna-HealthSpring will be responsible for all eligible claims incurred on or after the effective date through the end of the contract period.
- These rates are based on the assumption there is no secondary plan wrapping around Cigna-HealthSpring plan.
- The benefits presented in the Proposal are a high-level summary. Please consult the summary of benefits for a more detailed list of benefits proposed in this Cigna-HealthSpring plan. Due to annual changes in CMS mandated benefits, benefits may differ for certain service categories.
- CMS has strict guidelines in regards to a carrier's ability to accept members with a diagnosis of End Stage Renal Disease (ESRD). With few exceptions, individuals with ESRD cannot enroll in a Cigna-HealthSpring Medicare Advantage plan. If an individual develops ESRD while a Cigna-HealthSpring Medicare Advantage member, they may remain in the plan.
- Although this proposal may include multiple plans/options for the employer sponsored plan, Cigna-HealthSpring reserves the right to limit the number of plans/options based on the offering environment and the total number of Medicare eligible retirees. Final plan selection requires approval by underwriting prior to implementation.
- The information and materials provided for evaluation of this quote were assumed to be correct. If material errors or omissions are found after the quote is issued, Cigna-HealthSpring reserves the right to revise or rescind the quote.
- Cigna-HealthSpring requires a minimum of 20 enrolled members per standard product offering to renew an Employer Sponsored plan.
- To the extent that this proposal includes Medicare Advantage and/or Medicare Part D products, certain administrative services, such as audits and certifications, will be integrated. Account management and implementations are also integrated, but with special processes for Medicare Advantage and/or Medicare Part D.
- Due to regulatory requirements for the Medicare Advantage and/or Medicare Part D products, services and timing may differ. Some areas of difference include, but are not limited to: reporting, web services, disease and wellness management, quality incentives, provider directories and networks, eligibility timing, communication pieces for pre-enrollment and members, billing, pharmacy and medical data integration, customer service, claims and appeals.
- Unless otherwise stated, performance guarantees are not applicable to the Medicare products at this time.
- All MAPD (HMO and HMO-POS) plans with pharmacy benefits above the standard Medicare Part D plan design must follow pharmacy state mandates in the markets being offered. Benefits may differ should state mandates change.
- This Proposal is subject to change if there is a change in law, regulation, tax rates, or the application of any of these that affects Cigna-HealthSpring costs.
- This proposal may change if the employer changes its level of contribution toward the cost of the coverage.
- This Proposal may also change if there are less than 70% of total eligible employees enroll in the Plan or if enrollment increases or decreased by 10% or more by product from the enrollment assumptions used to establish the rates and fees.
- This Proposal may be rescinded if 100% of the medical underwriting forms are not completed as part of the enrollment process when required by Cigna.
- This Proposal may change if there is a request to modify Commissions / benefit advisor fees.
- This Proposal may change if Cigna-HealthSpring is requested to interface with a third party vendor.
- This Proposal may change if there is a request to provide optional services beyond those being included in the quote.
- The Proposal may change if the census data or experience data provided is deemed inaccurate.

LACERA Medicare Advantage HMO Changes for 7/1/16 Renewal

2016 Member Cost Sharing Thresholds

In 2016, the cost sharing thresholds or amounts members must pay for Part D have changed. The standard member coverage in the gap continues to increase. See chart below:

| | 2016 | 2015 |
|---|---|---|
| Initial Coverage Limit | \$3,310 | \$2,960 |
| Catastrophic Phase Begins | \$4,850 TrOOP | \$4,700 TrOOP |
| Standard Catastrophic Member Cost Share | The greater of \$2.95 or 5% coinsurance for generic drugs The greater of \$7.40 or 5% coinsurance for brand name drugs | The greater of \$2.65 or 5% coinsurance for generic drugs The greater of \$6.60 or 5% coinsurance for brand name drugs |

High Risk Medications

For the health and safety of our members, effective January 1, 2016, certain High Risk Medications (HRMs) will be removed from the formulary. HRMs are drugs that are generally not recommended for use by those age 65 and older due to the increased risk of potential side effects or safety concerns.* The use of better-tolerated alternatives is recommended for the Medicare population. The member or their provider can request an exception for the plan to cover these drugs.

*http://www.americangeriatrics.org/files/documents/beers/2012BeersCriteria_JAGS.pdf

Retail and Mail Order Cost Share Parity

To comply with CMS guidelines, member cost sharing must be the same for 30-day supplies of prescription drugs purchased at the retail or mail order settings.



Changes to 2016 benefits

This is an overview of some significant changes we're planning to make to California's 2016 Kaiser Foundation Health Plan (KFHP) *Group Agreement and Evidence of Coverage (EOC)*, as well as our Kaiser Permanente Insurance Company (KPIC) *Group Policies and Certificates of Insurance (COI)*. Unless otherwise noted, these changes apply to all of the plans we offer, and will become effective as contracts renew starting in January 2016.

These changes may be subject to regulatory approval. This summary doesn't include all changes that may be made for 2016, including changes to Medicare coverage. You'll find information on the final changes and clarifications in your 2016 renewal notice or renewal contract for KFHP coverage, and in your *Summary of Benefit Changes for 2016* for KPIC coverage.*

Expanded coverage

- Residential treatment for mental health and chemical dependency** – As of July 1, 2014, when a health plan or insurer covers care in a skilled nursing facility for medical and surgical diagnoses, it's required to cover residential treatment for mental health and chemical dependency as well. The residential treatment services we cover include services that were previously covered under other benefits in your plan. The description of coverage in your 2016 EOCs will reflect this expanded coverage.
- Contraceptive products and services** – The Contraceptive Coverage Equity Act (SB 1053) expands California's coverage mandates to include over-the-counter contraceptives when prescribed by a plan provider. SB 1053 allows cost sharing on contraceptive services only in grandfathered coverage. Qualified religious employers may still exclude coverage for contraceptive services.
- Lower specialty care cost sharing** – Some plans have a higher cost share for visits with a specialist. As of January 2015, members in these plans now pay the primary care visit cost share for most visits with a specialist who isn't a physician, such as a nurse practitioner, physician assistant, or optometrist.

(continues)



For more information, please refer to your *Summary of Benefit Changes*.

Expanded coverage for KPIC plan members

- The California Department of Insurance has redefined hospice eligibility requirements from a 6-month life expectancy to a 12-month life expectancy. There is no longer a 180-day limit for hospice care in our plans.
- We've also removed the 60-visit annual limit on outpatient rehabilitative, habilitative, and multidisciplinary therapy visits. There will now be no annual limit.

The traditional HMO and deductible HMO plans and the HMO portion of the POS plan are underwritten by Kaiser Foundation Health Plan, Inc. (KFHP). Kaiser Permanente Insurance Company (KPIC) underwrites the out-of-network portions of the POS plan, the PPO, and the out-of-area indemnity plans. KPIC is a subsidiary of KFHP.



3800 Kilroy Airport Way, Suite 100
Long Beach, CA 90806
562-989-5106

January 25, 2016

Ms. Mary D. Loverde
Senior Consultant
Aon Hewitt Health and Benefits
707 Wilshire Blvd., Suite 2600
Los Angeles, CA 90017

Sent Via Email 1.25.16

Subject: LACERA Request for Renewal

Dear Mary:

SCAN Health Plan appreciates the opportunity to serve the health care needs of Los Angeles County Employees Retirement Association (LACERA).

As part of the renewal we are including a Fully-Insured Medicare Advantage Plan inclusive of value-added benefits. The renewal includes the following:

- 2016-2017 Medical Plan Benefits
- Independent Living Power™ (ILP) – In-Home Care Services
- Healthways SilverSneakers – Fitness Program

Proposed Rates

We are pleased to inform you that SCAN Health Plan is presenting LACERA a rate decrease for Plan Year July 1, 2016 – June 30, 2017.

| | <u>2015-2016</u> | <u>2016-2017</u> | -11.0 % decrease |
|--------------------|------------------|------------------|------------------|
| Retiree | \$336.00 | \$299.00 | |
| Retiree+ Dependent | \$672.00 | \$598.00 | |

(Retiree and dependents must be eligible with Medicare Parts A and B)

LACERA-SCAN Membership count is 448 members.

Rates are guaranteed July 1, 2016 – June 30, 2017.

Medical Benefits

No changes to the medical plan benefits.

Pg. 2 of 2
Aon Hewitt
LACERA 2016-2017 Renewal

Service Area

SCAN Health Plan continues to provide coverage in the following Service Area Counties: Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Santa Clara, San Joaquin, Sonoma, Napa Valley, San Francisco and Marin Counties. At this time, we do not anticipate any service area expansions, disruptions and/or network changes in the near future.

Any potential service area expansion, disruptions and/or network changes will be communicated by October 1, 2016.

CMS Changes in 2016

We are not anticipating any CMS changes that will affect our MAPD/EGWP Plans. Any mandated CMS changes starting in January 2017 will be communicated by October 1, 2016.

Please take a moment to review the information provided as part of the LACERA Renewal. If you have any questions, please feel free to contact me at 562-989-5106, or via email at emonge@scanhealthplan.com.

We look forward to continuing to work closely with you and our mutual client throughout the renewal process.

Sincerely,

A handwritten signature in cursive script that reads "Edith Monge".

Edith Monge
Manager, Employer Group Sales

EM:dm
Enc.

Independent Living Power

SCAN offers unique in-home services designed to keep retirees on Medicare healthy and independent called Independent Living Power, these services can help retirees during recovery from a hospital stay or provide support during an acute of long-term illness. For many retirees, these benefits provide the extra help necessary to remain out of a nursing home. Qualifying members are eligible for up to \$500 per month of these additional services. Retirees must qualify for Independent Living Power.

| | |
|---|-----------------------|
| <p>Personal Care Coordinator SCAN staff will provide personal assistance to coordinate your Independent Living Power services</p> | <p>\$0 copay</p> |
| <p>Home Delivered Meals SCAN members are covered for home delivery of meals to meet nutritional needs.</p> | <p>\$0 copay</p> |
| <p>Personal Care You are covered for in-home assistance for tasks such as bathing, dressing, eating, getting in and out of bed, moving about/walking, and grooming.</p> | <p>\$15.00 copay</p> |
| <p>Emergency Response System SCAN members are covered for the installation of a personal emergency response device that alerts emergency medical personnel to provide immediate help. There is no cost for installation.</p> | <p>\$15 per month</p> |
| <p>Transportation Escort As a SCAN member you are eligible to receive an escort to assist you during transportation to and from medical appointments.</p> | <p>\$15.00 copay</p> |
| <p>Homemaker Service SCAN members are eligible to receive assistance with light cleaning, grocery shopping, laundry and meal preparation.</p> | <p>\$15.00 copay</p> |
| <p>Inpatient Custodial Level Care You are covered for up to 5 days for post acute or respite support in an in-patient facility such as a skilled nursing facility. You may use this service following a hospital discharge, ER visit, or for respite care purposes</p> | <p>\$0 copay</p> |
| <p>In-Home Caregiver Relief SCAN provides alternative caregiver services in your home when a regular caregiver can't be there.</p> | <p>\$ 15.00 copay</p> |
| <p>Adult Day Care SCAN covers adult day care services to provide relief for your regular Caregiver while addressing the individual needs of the member for Physical, social or intellectual exercises and stimulation</p> | <p>\$15.00 copay</p> |



March 25, 2016

TO: Each Member
Board of Retirement

FROM: Fern M. Billingsy 
Senior Staff Counsel

DATE: Meeting of April 6, 2016

SUBJECT: **PENSIONABLE COMPENSATION AND COMPENSATION
EARNABLE**

INTRODUCTION

In the past, the Legal Office submitted recommendations defining pensionable compensation and compensation earnable. We informed your Board that we would periodically return with additional items not previously addressed or items recently discovered. This memorandum will address eight such items included in the attached resolutions.

PENSIONABLE COMPENSATION

As of January 1, 2013, with the enactment of the California Public Employees' Pension Reform Act of 2013 (PEPRA), new members are subject to the definition of "pensionable compensation." Section 7522.34(a) states:

““Pensionable compensation” of a new member of any public retirement system means the normal monthly rate of pay or base pay of a member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.” (Emphasis added).

This section provides that any compensation outside of base pay may not be included in final compensation when calculating a member's retirement allowance. However, "base pay" is not defined in the statute. The section goes on to specifically delineate which items of compensation should be excluded.

Subdivision (c) states:

- “(c) "Pensionable compensation" does not include the following:
- (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
 - (2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.
 - (3) Any one-time or ad hoc payments made to a member.
 - (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
 - (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
 - (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
 - (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
 - (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
 - (9) Employer contributions to deferred compensation or defined contribution plans.
 - (10) Any bonus paid in addition to the compensation described in subdivision (a).
 - (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).
 - (12) Any other form of compensation a public retirement board determines should not be pensionable compensation.”

Each Member
Board of Retirement
March 25, 2016
Page Three

COMPENSATION EARNABLE

In January of 1998, your Board determined that pursuant to the California Supreme Court's decision in Ventura County Deputy Sheriff's Association v. County of Ventura (1997) 16 Cal. 4th 483 ("Ventura"), certain items of remuneration must be included in the definition of "compensation earnable." Your Board adopted Resolution 98-001 identifying those items. Since that time other Resolutions have been adopted when new items of compensation are determined to be included in or excluded from the definition of "compensation earnable." In making those determinations, your Board reviewed analysis of all items of compensation and adopted recommendations from the Legal Office regarding the definition of "compensation earnable."

Section 31461 defines "compensation earnable." It states:

- "(a) "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.
- (b) "Compensation earnable" does not include, in any case, the following:
 - (1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:
 - (A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

- (B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.
 - (C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.
- (2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
 - (3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
 - (4) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
- (c) The terms of subdivision (b) are intended to be consistent with and not in conflict with the holdings in *Salus v. San Diego County Employees Retirement Association* (2004) 117 Cal.App.4th 734 and *In re Retirement Cases* (2003) 110 Cal.App.4th 426."

ITEMS OF COMPENSATION

As you know, your Board is charged with determining which items of compensation qualify as pensionable earnings includable in the member's retirement allowance. Items of compensation must now be analyzed as pensionable under the definition of "compensation earnable" in Government

Code section 31461, and the definition of "pensionable compensation" in Government Code section 7522.34.

Based on these new criteria, staff reviewed and analyzed these additional items of remuneration to determine whether the items should be included in the member's final compensation when calculating a retirement benefit. Attached for your convenience is a summary of the analysis of these items.

1) Advanced Educational Degree Bonus

Additional compensation pursuant to Memorandum of Understanding (MOU) 701 paid to employees who have a Master's degree from an accredited university in one of the following fields:

- Criminal Justice
- Social Work
- Psychology
- Sociology
- Marriage and Family Therapy
- Counseling
- Public Administration

Provides a 2% bonus to employees in a permanent full-time position who have an advanced degree in a closely related field as determined by the Probation Department. Similarly, provides a bonus to employees who have a Bachelor's degree in Nursing or a closely related health field. As these classifications do not currently require possession of a Master's degree for Probation employees, or a Bachelor's degree for nurses, it is not an essential function of the job, and should not be included for PEPRA members.

Recommendation: Include under 31461 (c).

Exclude under 7522.34 (c)(10).

2) Registered Nurse Assigned to Critical Care Unit

Additional compensation pursuant to MOU 311 and 312 paid to Registered Nurses who have completed required training and work in designated areas, such as Intensive Care Units. Such additional compensation is already included in the definition of compensation earnable for Registered Nurses assigned to an Emergency Department. These MOUs add nurses assigned to Intensive Care, and Critical Care Units. As the additional training is not a requirement of the job as a registered nurse, the additional compensation should not be included for PEPRA members.

Recommendation: Include under 31461 (c).

Exclude under 7522.34 (c)(10), (11).

3) Agriculture Inspector Aid Rover Bonus

Additional compensation pursuant to MOU 821 paid to Agricultural Inspector Aids appointed at management's discretion. This additional compensation is a bonus paid to employees temporarily assigned to this position. It is similar to an additional responsibilities bonus which is includable for legacy members, but excludable for PEPRA members.

Recommendation: Include under 31461 (c).

Exclude under 7522.34 (c)(10), (11).

4) Custody Assistant Academy Drill Inspector

This is a temporary assignment in the Sheriff's department that receives additional compensation pursuant to MOU 621. It is similar to an additional responsibility bonus which is pensionable for legacy members, but excludable for PEPRA members.

Recommendation: Include under 31461.

Exclude under 7522.34 (c)(11).

5) Wellness/Fitness for Life Bonus

Paid to firefighting and lifeguard classes upon completion of annual Wellness/Fitness for Life Program. Excludable for PEPRA employees as outside normal working hours and not part of base pay.

Recommendation: Include under 31461 (a).

Exclude under 7522.34 (c)(11).

6) 56 hour to 40 hour Assignment Bonus

This additional compensation applies to Firefighter Specialists and Fire Captains who move from a 56 hour shift with built-in Fair Labor Standards Act (FLSA) premium pay to a 40 hour shift without FLSA pay. Pursuant to MOUs 601 and 602, this bonus provides equity to the firefighters who accept assignment to a 40 hour shift. The compensation is available to all similarly situated employees, it is listed on a public pay schedule, and it takes place during normal working hours.

Recommendation: Include under 31461 and 7522.34 (a).

7) Fire Suppression Camp Assignment - Premium

This additional compensation is overtime which is not pensionable. With limited exception, services rendered by employees outside of normal working hours are excludable for both legacy and PEPRA members.

Recommendation: Exclude under 31461 (b)(3) and 7522.34 (c)(8).

8) Fire Suppression Camp Assignment – Compensatory Time Earned.

Under this pay item, employees may elect to receive compensatory time off in lieu of overtime for work in excess of 40-hour schedule. Payment for additional services rendered outside of normal working hours are excludable from compensation earnable and pensionable compensation.

Recommendation: Exclude under 31461 (b)(3) and 7522.34 (c)(6).

Each Member
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Page Eight

CONCLUSION

Consistent with the foregoing, we submit the attached Resolutions of the Board of Retirement specifying pay items as "Compensation Earnable" under Government Code section 31461 and "Pensionable Compensation" under Government Code section 7522.34.

IT IS THEREFORE RECOMMENDED your Board:

1. Adopt the enclosed Resolutions specifying pay items as "compensation earnable" and "pensionable compensation."
2. Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the qualifying items in the calculation of final compensation.

Reviewed and Approved



Steven P. Rice
Chief Counsel

FMB/et
Attachments

Billiny/BOR/Pensionable Items 2016

**Attachment: Newly Discovered or Newly Created Codes
reviewed under Section 31461 and 7522.34**

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|-------------------------------------|--|--|-----------------|-------------------|--|
| INCLUDED under Section 31461 | | | | | |
| 349 | WELLNESS/FITNESS FOR LIFE BONUS | <p>Paid to permanent safety employees in firefighting and lifeguard classes provided that they annually complete the Wellness/Fitness for Life Program as specified in the MOU's for these classes. Also applies to related non-represented classes. Open to all safety classes in MOU's following, and related non-represented classes. Paid up to twelve (12) standard salary levels or at 3%.</p> | (a) | — | <p>The Fitness For Life Program consists of three separate requirements: 1) a) Annually complete 12 hrs. of Wellness/Fitness For Life Continuing education. b) Complete a medical evaluation at specified intervals. 2) Annually complete a physical fitness assessment and achieve targets (push-ups, crunches or plank). 3) Annually complete an aerobic test and achieve a VO2 Max targets (specified by age). The bonus is contingent on successful completion of the annual Fitness for Life Program.</p> <p>This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a).</p> |
| 369 | ADVANCED EDUCATIONAL DEGREE BONUS | <p>Full-time <i>Probation</i> employees covered by this Memorandum of Understanding and who have a Master's degree from an accredited university in one of the following fields:</p> <ul style="list-style-type: none"> - Criminal Justice - Social Work - Psychology - Sociology - Marriage and Family Therapy (MFT) - Counseling - Public Administration - OR - - Closely related field as determined by the Probation Department. <p>Employees will receive a 2% bonus, effective with the first pay period after presentation of written proof (i.e., official transcript) by the employee to Probation HR.</p> <p>Does not constitute a base rate bonus.</p> <p>For <i>Registered Nurses (RN)</i>, on implementation of the RN 20-step salary range, any employee on a permanent full-time position who has a Bachelor's Degree in Nursing or a closely-related health field are paid a 2% bonus, provided that the minimum requirement established for the employee's class does not include a degree. Eligible items: All classes in BU 311, 312</p> | (a) | — | <p>Provides a 2% bonus to employees in a permanent, full-time position and who have a Master's degree in a closely related field as determined by the <i>Probation Department</i>.</p> <p>Provides a 2% bonus to employees in a permanent, full-time position and who have a Bachelor's degree in Nursing or a closely related health field. Available to employees only if the minimum requirements of the employee's classification do not require the degree.</p> <p>This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a).</p> |

Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|-------------------------------------|--|--|-----------------|-------------------|---|
| INCLUDED under Section 31461 | | | | | |
| NONE | 56 HOUR TO 40 HOUR ASSIGNMENT BONUS | All Fire Fighter Specialists (56 hours) and Fire Captains (56 hours) assigned to a 40-Hour position shall receive a bonus. When assigned to the 40-hour assignments, these 56-hour employees do not receive built-in overtime they would have received working in a platoon shift. Effective 9/1/2015, the bonus is four (4) standard salary levels. Effective 7/1/2016, this bonus shall equal ten (10) standard salary levels. | (a) | — | The purpose of the bonus is to provide equity to those 56-hour Fire Fighter Specialists and Fire Captains who are normally assigned to 40-hour assignment. This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a). |
| 334 | CUSTODY ASSISTANT ACADEMY DRILL INSTRUCTOR | A Custody Assistant, Sheriff (Item #2749) assigned <u>temporarily</u> by management to a Sheriff's Custody Assistant Academy Drill Instructor position shall receive an assignment bonus off two (2) standard salary schedules (5.5%). The additional compensation shall begin on the first day the duties are performed and shall end on the day the duties are no longer performed. | (a) | — | This special temporary assignment bonus compensates an employee for additional responsibilities above those associated with the normal Custody Assistant assignment. This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a). |
| 249 | AGRICULTURE INSPECTORS AID ROVER BONUS | Any permanent, fulltime Agricultural Inspector Aid appointed or assigned at management's discretion as Rovers in the Environmental Protection Bureau-Pest Detection Division shall receive a bonus of 8 levels (2.0176%) effective October 1, 2015. This bonus shall end when the Agricultural Inspector Aid is reassigned at management's discretion to a Non-Rover role in the Environmental Protection Bureau-Pest Detection Division. | (a) | — | This bonus compensates an employee for a full-time assignment in the Environmental Protection Bureau - Pest Detection Division, as assigned at management's discretion. This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a). |
| NONE | REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNIT | Full-time permanent Registered Nurses and Supervising Staff Nurses performing direct patient care in the following units shall receive a bonus of \$100 per pay period. To receive the bonus the RN must have completed the required training program and remain working in the areas designated below: <u>ICU Nurses</u> Medical ICU, Surgical ICU, Neuroscience ICU, Coronary Care Unit, Progressive Care Unit, Burn ICU, Pediatric ICU, Neonatal ICU, Cardiothoracic ICA, ICU Critical Care Transport, Cardiac Cath Lab <u>ER Department</u> Adult ER, Pediatrics ER, Psychiatric ER, Jail ER | (a) | — | This fixed amount pay period bonus is provided to Registered Nurses and Supervising Staff Nurses that have completed a required training program, work in the ICU and ER departments, and is in effect as long as the employee remains working in the designated departments. This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a). |

**Attachment: Newly Discovered or Newly Created Codes
reviewed under Section 31461 and 7522.34**

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|---------------------------------------|--|--|-----------------|-------------------|--|
| INCLUDED under Section 7522.34 | | | | | |
| NONE | 56 HOUR TO 40 HOUR ASSIGNMENT BONUS | All Fire Fighter Specialists (56 hours) and Fire Captains (56 hours) assigned to a 40-Hour position shall receive a bonus. When assigned to the 40-hour assignments, these 56-hour employees do not receive built-in overtime they would have received working in a platoon shift. Effective 9/1/2015, the bonus is four (4) standard salary levels. Effective 7/1/2016, this bonus shall equal ten (10) standard salary levels. | — | (a) | The purpose of the bonus is to provide equity to those 56-hour Fire Fighter Specialists and Fire Captains who are normally assigned to 40-hour assignment. These earnings are included under 7522.34(a), as it is in the public pay schedule, applies to all similarly situated employees working a 40-hour work week assignment, and is for work that takes place during normal working hours. |

Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|---------------------------------------|--|--|-----------------|-------------------|---|
| EXCLUDED under Section 7522.34 | | | | | |
| 349 | WELLNESS/FITNESS FOR LIFE BONUS | <p>Paid to permanent safety employees in firefighting and lifeguard classes provided that they annually complete the Wellness/Fitness for Life Program as specified in the MOU's for these classes. Also applies to related non-represented classes. Open to all safety classes in MOU's following, and related non-represented classes. Paid up to twelve (12) standard salary levels or at 3%.</p> | — | (c)(11) | <p>The Fitness For Life Program consists of three separate requirements:</p> <ol style="list-style-type: none"> 1) a) Annually complete 12 hrs. of Wellness/Fitness For Life Continuing education. <li style="padding-left: 20px;">b) Complete a medical evaluation at specified intervals. 2) Annually complete a physical fitness assessment and achieve targets (push-ups, crunches or plank). 3) Annually complete an aerobic test and achieve a VO2 Max targets (specified by age). <p>The Fitness for Life program is not mandatory and the bonus is contingent on successful completion of the annual program. Therefore, all similarly situated employees are not entitled to this bonus and is excluded under 7522.34(c)(11).</p> |
| 369 | ADVANCED EDUCATIONAL DEGREE BONUS | <p>Full-time <i>Probation</i> employees covered by this Memorandum of Understanding and who have a Master's degree from an accredited university in one of the following fields:</p> <ul style="list-style-type: none"> - Criminal Justice - Social Work - Psychology - Sociology - Marriage and Family Therapy (MFT) - Counseling - Public Administration - OR - - Closely related field as determined by the Probation Department. <p>Employees will receive a 2% bonus, effective with the first pay period after presentation of written proof (i.e., official transcript) by the employee to Probation HR.</p> <p>Does not constitute a base rate bonus.</p> <p>For <i>Registered Nurses (RN)</i>, on implementation of the RN 20-step salary range, any employee on a permanent full-time position who has a Bachelor's Degree in Nursing or a closely-related health field are paid a 2% bonus, provided that the minimum requirement established for the employee's class does not include a degree.</p> <p>Eligible items: All classes in BU 311, 312</p> | — | (c)(10) | <p>Provides a 2% bonus to employees in a permanent, full-time position and who have a Master's degree in a closely related field as determined by the <i>Probation Department</i>. Since these classifications do not currently require possession of a Master's degree, it is not essential to the job function.</p> <p>Provides a 2% bonus to employees in a permanent, full-time position and who have a Bachelor's degree in Nursing or a closely related health field. Available to employees only if the minimum requirements of the employee's classification do not require the degree. Since these classifications do not require possession a Bachelor's degree, it is not essential to the job function.</p> <p>This is a bonus is paid in additional to compensation and is excluded under 7522.34(c)(10). In addition, all similarly situated employees are not entitled to this bonus, the form of compensation is not found in the public pay schedule and, therefore, is excluded under 7522.34(c)(11).</p> |

Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|---------------------------------------|--|---|-----------------|-------------------|---|
| EXCLUDED under Section 7522.34 | | | | | |
| 334 | CUSTODY ASSISTANT ACADEMY DRILL INSTRUCTOR | <p>A Custody Assistant, Sheriff (Item #2749) assigned <u>temporarily</u> by management to a Sheriff's Custody Assistant Academy Drill Instructor position shall receive an assignment bonus off two (2) standard salary schedules (5.5%).</p> <p>The additional compensation shall begin on the first day the duties are performed and shall end on the day the duties are no longer performed.</p> | — | (c)(11) | This special temporary assignment bonus compensates an employee for additional responsibilities above those associated with the normal Custody Assistant assignment. All similarly situated employees are not entitled to this bonus and is excluded under 7522.34(c)(11). In addition, this is a bonus is paid in additional to compensation and is excluded under 7522.34(c)(10). |
| 249 | AGRICULTURE INSPECTORS AID ROVER BONUS | <p>Any permanent, fulltime Agricultural Inspector Aid appointed or assigned at management's discretion as Rovers in the Environmental Protection Bureau-Pest Detection Division shall receive a bonus of 8 levels (2.0176%) effective October 1, 2015.</p> <p>This bonus shall end when the Agricultural Inspector Aid is reassigned at management's discretion to a Non-Rover role in the Environmental Protection Bureau-Pest Detection Division.</p> | — | (c)(11) | This bonus compensates an employee for a full-time assignment in the Environmental Protection Bureau - Pest Detection Division, as assigned at management's discretion. All similarly situated employees are not entitled to this bonus and is excluded under 7522.34(c)(11). In addition, this is a bonus is paid in additional to compensation and is excluded under 7522.34(c)(10). |
| NONE | REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNIT | <p>Full-time permanent Registered Nurses and Supervising Staff Nurses performing direct patient care in the following units shall receive a bonus of \$100 per pay period. To receive the bonus the RN must have completed the required training program and remain working in the areas designated below:</p> <p><u>ICU Nurses</u> Medical ICU, Surgical ICU, Neuroscience ICU, Coronary Care Unit, Progressive Care Unit, Burn ICU, Pediatric ICU, Neonatal ICU, Cardiothoracic ICA, ICU Critical Care Transport, Cardiac Cath Lab</p> <p><u>ER Department</u> Adult ER, Pediatrics ER, Psychiatric ER, Jail ER</p> | — | (c)(11) | This fixed amount pay period bonus is provided to Registered Nurses and Supervising Staff Nurses that have completed a required training program, work in the ICU and ER departments, and is in effect as long as the employee remains working in the designated departments. The form of compensation is not found in the public pay schedule and is excluded under 7522.34(c)(11). In addition, this is a bonus is paid in additional to compensation and is excluded under 7522.34(c)(10). |

**Attachment: Newly Discovered or Newly Created Codes
reviewed under Section 31461 and 7522.34**

| Event | Description | Earnings Code Description | 31461 Reference | 7522.34 Reference | Analysis |
|---|--|--|-----------------|-------------------|---|
| EXCLUDED under Section 31461 and 7522.34 | | | | | |
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT - PREMIUM | Employees regularly assigned to a 40-hour schedule in Fire Suppression Camps shall be compensated at the rate of time and one-half their regular rate of pay for all hours worked in their regular classification on a 40-hour schedule in excess of 40 hours in a 7 consecutive day period. | (b)(3) | (c)(8) | <p>Payments for additional services rendered outside of normal working hours, including overtime, whether paid in a lump sum or otherwise, is excluded under 31461(b)(3).</p> <p>Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code is excluded under (c)(8).</p> |
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT - COMPENSATORY TIME EARNED | Employees assigned to a 40-hour work schedule in the Fire Suppression Camps may elect to receive compensatory time off at the straight time rate in lieu of pay for work performed in excess of 40 hour but less than 53 hours on the 40-hour schedule. | (b)(3) | (c)(6) | <p>Earnings code used to report overtime hours that are to be accrued as a leave benefit (rather than being paid the Straight rate).</p> <p>This earnings code is to account for overtime hours converted to compensatory time. Hours reported for this earnings code are accrued on an hour-for-hour basis.</p> <p>Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise, are excluded under 31461(b)(3) and 7522.34(c)(6).</p> |

BEFORE THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

RESOLUTION OF THE BOARD OF
RETIREMENT SPECIFYING ITEMS OF
REMUNERATION AS "PENSIONABLE
COMPENSATION"

RESOLUTION NO. 2016-BR001

WHEREAS, Government Code section 7522.34 governs the determination of pensionable compensation for those members who became active members for the first time on or after January 1, 2013, who are subject to the California Public Employees' Pension Reform Act of 2013; and

WHEREAS, LACERA calculates retirement allowances based on a member's final compensation; and

WHEREAS, LACERA is required to include in the calculation of "final compensation," a member's base pay and certain other items of compensation, if such compensation qualifies as "pensionable compensation" under Government Code section 7522.34; and

WHEREAS, Government Code section 7522.34 defines "pensionable compensation" as:

“. . .the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules”; and

WHEREAS, the Board has analyzed each current pay item and determined whether or not those items should be included in "pensionable compensation"; and

WHEREAS, the Board may find it necessary from time to time to amend its determinations based on changes made by employers, the Legislature, or the Courts;

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. For purposes of calculating a member's retirement allowance, earnings on or after January 1, 2013, for members subject to Government Code section 7522.32, as set forth in the Attachment No. 1 qualify as "pensionable compensation" as defined in Section 7522.34.
2. For purposes of calculating a member's retirement allowance, earnings on or after January 1, 2013, for members subject to Government Code section 7522.32, as set forth in Attachment No. 2 do not qualify as "pensionable compensation" as defined in section 7522.34.

Adopted on April 6, 2016, by _____ vote.

BOARD OF RETIREMENT,
LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Shawn R. Kehoe
Chair, Board of Retirement

Approved as to Form

ATTEST:

Steven P. Rice
Chief Counsel

William de la Garza
Secretary, Board of Retirement

ITEMS OF REMUNERATION EARNED ON OR AFTER JANUARY 1, 2013, FOR MEMBERS SUBJECT TO GOVERNMENT CODE SECTION 7522.32, WHICH QUALIFY AS "PENSIONABLE COMPENSATION" AS DEFINED IN SECTION 7522.34

| <u>EARNINGS CODE NO.</u> | <u>ITEMS</u> |
|------------------------------|--|
| 206A | LONGEVITY BONUS 10 YEARS |
| 207A | LONGEVITY BONUS 15 YEARS |
| 208A | LONGEVITY BONUS 20 YEARS |
| 213 | PSYCHIATRIC TECHNICIAN - P.E.T. SUPERVISOR |
| 216 | POST BONUS - BASIC |
| 218 | PROBATION - TOP RANGE |
| 235 | LONGEVITY BONUS 20 YEARS |
| 235A | LONGEVITY BONUS 20 YEARS |
| 235C | LONGEVITY BONUS 20 YEARS |
| 235D | LONGEVITY BONUS 20 YEARS |
| 235F | LONGEVITY BONUS 20 YEARS |
| 235G | LONGEVITY BONUS 20 YEARS |
| 235H | LONGEVITY BONUS 20 YEARS |
| 235I | LONGEVITY BONUS 20 YEARS |
| 235J | LONGEVITY BONUS 20 YEARS |
| 236 | LONGEVITY BONUS 25 YEARS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 236A | LONGEVITY BONUS 25 YEARS |
| 236C | LONGEVITY BONUS 25 YEARS |
| 236D | LONGEVITY BONUS 25 YEARS |
| 236F | LONGEVITY BONUS 25 YEARS |
| 236G | LONGEVITY BONUS 25 YEARS |
| 236H | LONGEVITY BONUS 25 YEARS |
| 236I | LONGEVITY BONUS 25 YEARS |
| 236J | LONGEVITY BONUS 25 YEARS |
| 237 | LONGEVITY BONUS 30 YEARS |
| 237A | LONGEVITY BONUS 30 YEARS |
| 237C | LONGEVITY BONUS 30 YEARS |
| 237D | LONGEVITY BONUS 30 YEARS |
| 237F | LONGEVITY BONUS 30 YEARS |
| 237G | LONGEVITY BONUS 30 YEARS |
| 237H | LONGEVITY BONUS 30 YEARS |
| 237I | LONGEVITY BONUS 30 YEARS |
| 237J | LONGEVITY BONUS 30 YEARS |
| 238A | COMMAND PAY 24YR |
| 239A | COMMAND PAY 29YR |
| 241 | WEIGHTS & MEASURES INSPECTOR |
| 242 | WEIGHTS & MEASURES INSPECTOR COMMERCIAL DRVRS LIC |

EARNINGS
CODE NO.

ITEMS

| | |
|------|---|
| 244A | LONGEVITY BONUS 20 YEARS - SOCIAL WORKERS |
| 244B | LONGEVITY BONUS 20 YEARS - SOCIAL WORKERS |
| 244C | LONGEVITY BONUS 20 YEARS - SOCIAL WORKERS |
| 245A | LONGEVITY BONUS 25 YEARS - SOCIAL WORKERS |
| 245B | LONGEVITY BONUS 25 YEARS - SOCIAL WORKERS |
| 245C | LONGEVITY BONUS 25 YEARS - SOCIAL WORKERS |
| 246A | LONGEVITY BONUS 30 YEARS - SOCIAL WORKERS |
| 246B | LONGEVITY BONUS 30 YEARS - SOCIAL WORKERS |
| 246C | LONGEVITY BONUS 30 YEARS - SOCIAL WORKERS |
| 247 | DISPATCHER EMD CERTIFICATION BONUS |
| 260 | CATALINA ISLAND LIVING - LIFEGUARD/FIRE FIGHTER |
| 261 | LIFEGUARD – EMT |
| 262 | UNDERWATER RECOVERY - BEACHES AND HARBORS |
| 280 | CATALINA ISLAND LIVING |
| 331 | INMATE SUPERVISOR |
| 333 | REFUSE TRUCK DRIVER BONUS |
| 337 | TRANSPORTATION SUPERVISOR BONUS |
| 350 | AIR OPERATIONS BONUS |
| 351 | DRIVER - COUNTY FORESTER AND FIRE WARDEN |
| 353 | FIREFIGHTER - EMT |
| 354 | FIRE FIGHTER - HAZARD MATERIALS |
| 355 | FIREFIGHTER - PARAMEDIC |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 359 | LIFEGUARD PARAMEDIC CATALINA BONUS |
| 360 | URBAN SEARCH AND RESCUE |
| 378 | LICENSED VOCATIONAL NURSE - INTENSIVE CARE |
| 382 | PUBLIC HEALTH INVESTIGATOR ASSIGNMENT BONUS |
| 390 | BOOKMOBILE BONUS |
| 420 | CATALINA ISLAND LIVING PARKS AND RECREATION |
| 421 | LAKE AQUATICS - EMT CERTIFICATE |
| 422 | LAKE LIFEGUARD – EMT CERTIFIED |
| 423 | UNDERWATER RECOVERY - PARKS AN RECREATION |
| 431 | LEGISLATION CONSULTANT - DPSS |
| 433 | TWELVE LEVEL BONUS |
| 434 | DEPUTY SHERIFF FIELD TRAINING OFFICER |
| 435 | SENIOR FIELD TRAINING OFFICER, 12 MONTHS |
| 436 | MASTER FIELD TRAINING OFFICER LEVEL 1, 18 MONTHS |
| 437 | MASTER FIELD TRAINING OFFICER LEVEL 2, 30 MONTHS |
| 438 | PATROL AND CUSTODY TRAINING - 7TH STEP |
| 440 | AERIAL PATROL OBSERVER DUTY |
| 442 | COOKS, BAKERS, BUTCHERS BONUS |
| 443 | DEPUTY SHERIFF-LEVEL I BONUS |
| 444 | DEPUTY SHERIFF - LEVEL II BONUS |
| 446 | EXPLOSIVES DETAIL BONUS |
| 447 | HELICOPTER DETAIL |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 449 | SENIOR COOK BONUS - SHERIFF |
| 451 | UNDERWATER RECOVERY - SHERIFF |
| 452 | SUPERVISORY BONUS |
| 454 | SHERIFF INTERNAL EQUITY |
| 455 | MOTORCYCLE PATROL UNIT BONUS |
| 457 | PATROL STATION RETENTION BONUS |
| 459 | SHERIFF'S STATION JAILER BONUS |
| 460 | SHERIFF - MAINTENANCE WORKER |
| 462 | MANPOWER SHORTAGE-SHERIFF CATALINA ISLAND |
| 466 | SEWER MAINTENANCE ASSIGNMENT |
| 467 | UNDERGROUND STORM DRAIN ASSIGNMENT |
| 490 | SENIOR COOK - PROBATION |
| 491 | GROUP SUPERVISOR - PROBATION |
| 492 | HEAD COOK - PROBATION |
| 496 | INSTITUTIONAL INCENTIVE |
| 626 | FIREFIGHTER PARAM. NOT ASSGND TO PARAM. |
| 782 | PLATOON/40HR/DISPATCHER |
| PP056 | FLSA PREMIUM OVERTIME |
| NONE | 56 HOUR TO 40 HOUR ASSIGNMENT BONUS |

ITEMS OF REMUNERATION EARNED ON OR AFTER JANUARY 1, 2013, FOR MEMBERS SUBJECT TO GOVERNMENT CODE SECTION 7522.32, WHICH DO NOT QUALIFY AS "PENSIONABLE COMPENSATION" AS DEFINED IN SECTION 7522.34.

EARNINGS **ITEMS**
CODE NO.

| | |
|-----|---|
| 200 | 76-INCH MOWER BONUS |
| 201 | ACTING DEPARTMENT HEAD |
| 202 | ACTING MEDICAL DIRECTOR |
| 203 | ADDITIONAL RESPONSIBILITIES |
| 204 | AMERICAN MEDICAL ASSOCIATION BOARD CERT 8.25% |
| 205 | AMERICAN MEDICAL ASSOCIATION BOARD CERT 5.50% |
| 209 | MANPOWER SHORTAGE RANGE |
| 210 | MEDICAL DIRECTOR'S BONUS - 2.75 |
| 211 | MEDICAL DIRECTOR'S BONUS - 5.50% |
| 212 | MEDICAL DIRECTOR'S BONUS - 8.25% |
| 214 | OUT OF CLASS BONUS |
| 215 | POST BONUS _ ADVANCE/EXECUTIVE |
| 217 | POST BONUS - INTERMEDIATE |
| 219 | SUPERIOR SUBORDINATE PAY |
| 220 | WATCHMAN - CUSTODIAN |
| 221 | WELFARE RECIPIENT SUPERVISOR |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 222 | OUT OF CLASS BONUS SCHEDULE/LEVEL/PERCENT |
| 223 | TEMPORARY CLERICAL & OFFICE SERVICES EMPLOYEES |
| 224 | PBP NON-BASE MERIT SALARY ADJUSTMENT |
| 225 | EXECUTIVE SECRETARY ADDED SALARY SCHEDULES |
| 227 | PBP TO SCHEDULE SALARY ADJUSTMENT |
| 228 | ADDITIONAL RESPONSIBILITIES – REPRESENTED |
| 229 | TEMPORARY SPECIAL MAP ACHIEVEMENT – FLAT |
| 230 | TEMPORARY SPECIAL MAP ACHIEVEMENT – PERCENT |
| 231 | TEMPORARY ASSIGNMENT MAP EMPLOYEE – FLAT |
| 240 | AGRICULTURAL INSPECTOR BONUS |
| 243 | CAREER DEVELOPMENT INTERN BONUS |
| 248 | REGIONAL PLANNING AICP CERTIFICATION BONUS |
| 249 | AGRICULTURE INSPECTORS AID ROVER BONUS |
| 250 | ACCOUNTING CERTIFICATE |
| 252 | 6TH AND 7TH STEP FINANCIAL SPECIALIST |
| 256 | ANIMAL CONTROL MGR-BOARD LIAISON BONUS |
| 257 | HALF STEP-01 |
| 258 | HALF STEP-02 |
| 263 | AUDITOR-CONTROLLER MERIT - ONE SCHEDULE |
| 264 | AUDITOR-CONTROLLER MERIT - TWO SCHEDULES |
| 265 | AUDITOR-CONTROLLER MERIT - THREE SCHEDULES |
| 266 | AUDITOR-CONTROLLER MERIT - FOUR SCHEDULES |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 267 | AUDITOR-CONTROLLER MERIT - FIVE SCHEDULES |
| 268 | AUDITOR-CONTROLLER MERIT - SIX SCHEDULES |
| 270 | BOARD OF SUPERVISOR SPECIAL ASSIGNMENT |
| 271 | ASSESSMENT APPEALS BOARD ASSIGNMENT |
| 272 | HEAD BOARD SPECIALIST ADDITIONAL STEPS |
| 273 | MAPP TIER II STEP 13 |
| 274 | MAPP TIER II STEP 14 |
| 275 | MAPP TIER II STEP 15 |
| 276 | MAPP TIER II STEP 16 |
| 277 | MAPP TIER II STEP 17 |
| 278 | MAPP TIER II STEP 18 |
| 281 | MAPP TO SCHEDULE FLAT AMOUNT |
| 282 | MAPP TO SCHEDULE PERCENTAGE |
| 283 | PERM PHYSICIAN TRANSITION RATE – PERCENT |
| 285 | COURT CLERK - GREATER SKILLS |
| 291 | INTERGOVERNMENTAL RELATIONS |
| 293 | LEGISLATIVE REPRESENTATIVE-CAO |
| 295 | MANAGEMENT TRAINEE |
| 300 | CURATOR BONUS |
| 310 | LEGISLATIVE ADVOCATE - COUNTY COUNSEL |
| 320 | ACCOUNTING CERTIFICATE - DA |
| 321 | DISTRICT ATTORNEY - OUT OF CLASS BONUS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 322 | RECLASSIFIED INVESTIGATOR |
| 323 | ANTELOPE VALLEY ASSIGN. 30 MILES FROM RESIDENCE |
| 332 | JOURNEY EMPLOYEES BONUS |
| 334 | CUSTODY ASSISTANT ACADEMY DRILL INSTRUCTOR |
| 338 | ELEVATOR ADJUSTOR |
| 340 | A OR B MOTOR VEHICLE LICENSE BONUS |
| 349 | WELLNESS/FITNESS FOR LIFE BONUS |
| 356 | FIRE SAFETY PERSONNEL BONUS |
| 357 | HELICOPTER INSPECTION LICENSE |
| 358 | TEMPORARY PROMOTION BONUS |
| 361 | TEMPORARY PROMOTION BONUS - NON SCHEDULE |
| 367 | MEDICAL STAFF CREDENTIALING ASSIGNMENT BONUS |
| 368 | RN ASSIGNED TO SHERIFFS DEPT |
| 369 | RN ADVANCED EDUCATIONAL DEGREE BONUS |
| 370 | CLINIC NURSE - STAND BY |
| 371 | CLINICAL INSTRUCTOR - GENERAL |
| 372 | CLINICAL INSTRUCTOR - LAC+USC MEDICAL CENTER |
| 373 | EMERG MEDICINE - BOARD CERTIFICATION |
| 374 | EMERG MEDICINE - BOARD CERT |
| 375 | EMERG MEDICINE - BOARD CERTIFICATION 8.25% |
| 376 | HIGH DESERT HOSPITAL - PHYSICIAN BONUS |
| 377 | JOURNEY EMPLOYEES BONUS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 379 | SUPERVISING NURSE - ICU |
| 380 | SUPVG RAD TECHN - DIAGNOSTIC ULTRASOUND |
| 383 | VETERINARY MEDICINE- BOARD CERTIFICATION |
| 385 | PSYCHIATRY SPECIALTY BONUS |
| 386 | PHYSICIAN SPECIALTY BONUS |
| 387 | PHARMACIST SPECIALTY ASSIGNMENTS |
| 388 | PSYCHIATRY JAIL BONUS |
| 392 | LIBRARIAN BONUS |
| 395 | PHYSICIAN SPECIALTY BONUS - 5.75% |
| 396 | PHYSICIAN ADDITIONAL COMPENSATION |
| 397 | PHYSICIAN FORENSIC PATHOLOGY BONUS |
| 398 | HOSPITAL ADMINISTRATOR - ADDITIONAL COMPENSATION |
| 400 | DEPUTY COURT ADMINISTRATOR - OPINION/ADVISOR |
| 401 | DEPUTY MARSHALL - LEVEL I BONUS |
| 402 | DEPUTY MARSHALL - LEVEL II BONUS |
| 403 | DEPUTY MARSHALL TRAINEE |
| 404 | ELECTRONIC RECORDING EQUIPMENT |
| 405 | MARSHALL SUPERVISING BONUS |
| 406 | DEPUTY MARSHAL SPECIAL TRAINING - 6TH STEP |
| 407 | SKILL & RESPONSIBILITY BONUS |
| 408 | DEPUTY CLERK III OUT OF CLASS BONUS |
| 409 | STENOGRAPHIC SKILLS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 410 | SUPERVISING DEPUTY CLERK |
| 411 | ADVISOR-COURT ADMINISTRATOR AND JUDGES |
| 412 | NIGHT SHIFT AND WEEKEND BONUS |
| 413 | DEPUTY CLERK IV - GREATER SKILLS |
| 414 | RECORDING EQUIPMENT-DEPUTY CLERK IV M.C. |
| 430 | ASST. DIRECTOR - PUBLIC SOCIAL SERVICES |
| 432 | DEPUTY DISTRICT DIRECTOR TRAINEE |
| 441 | CATALINA ISLAND LIVING - SHERIFF |
| 450 | SHERIFF OUT OF CLASS BONUS |
| 453 | SERGEANT-AT-ARMS BOARD OF SUPERVISOR |
| 456 | TRAINING OFFC/INVESTIGATOR/K-9 BONUS |
| 458 | ACTING CAPACITY BONUS |
| 461 | SHERIFF BUSINESS MACHINE TECHNICIAN |
| 464 | STATE OF CALIF STRUCTURAL ENGINEER LICENSE BONUS |
| 465 | REHABILITATION INSPECTOR-PUBLIC WORKS |
| 468 | LICENSED LAND SURVEYOR BONUS |
| 469 | LICENSED REGISTERED TRAFFIC ENGINEER BONUS |
| 470 | BUSINESS LICENSE LIAISON |
| 475 | CERTIFICATION BONUS - LACERA |
| 480 | SUPERIOR COURT CLERK BONUS |
| 481 | COURT REPORTERS REALTIME CERTIFICATION |
| 482 | JUDICIAL ASSISTANT BONUS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 483 | REALTIME WRITING BONUS |
| 485 | SUP CRT EXEC OFFICER ADDITIONAL COMPENSATION |
| 493 | SENIOR PROBATION DIRECTOR-CENTRAL JUVENILE HALL |
| 494 | SENIOR PROB DIR-LOS PADRINOS/SAN FERNANDO JUV HALL |
| 495 | PROBATION DIRECTOR-ADMIN RESP./FOOTHILL JUV AREA |
| 498 | PROBATION DIRECTOR-CHALLENGER YOUTH CENTER |
| 501 | BOARD OF RETIREMENT CASE REVIEW |
| 503 | UNIFORM ALLOWANCE |
| 504 | NIGHT SHIFT DIFFERENTIAL |
| 505 | CORONER'S INQUEST REPORTER |
| 506 | ALLOWANCE IN LIEU OF VEHICLE USE |
| 507 | CO-GENERATION OR HYDRO-ELECTRIC OPS & MTCE |
| 508 | HENNINGER FLATS WATCHMAN |
| 509 | FREEZER WORK |
| 510 | DEPARTMENT HEAD MERIT |
| 511 | BOARD OF SUPERVISORS PERFORMANCE LUMP SUM |
| 512 | FIRE SUPPRESSION TRANSPORTATION TRUCK DRIVER |
| 513 | MOU LUMP SUM BONUS |
| 514 | BACKHOE OPERATOR |
| 515 | WEEKEND BONUS |
| 516 | EXPLOSIVES WORK |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 517 | EVENING SHIFT DIFFERENTIAL |
| 518 | POWER EQUIPMENT REPAIR, SNOW CONDITIONS |
| 519 | ENGINEERING EMPLOYEES, HAZARD PAY |
| 520 | HOME CARE COMPENSATION |
| 522 | CUSTODIAN ACTING AS WATCHMAN |
| 523 | DPD DEPUTY DIRECTOR RECRUITMENT INCENTIVE |
| 525 | CONTRACTING & PRODUCTIVITY IMPROVE INCNTV FOR MNGR |
| 528 | WEBCOM PRESS OPERATOR |
| 529 | POWER EQUIPMENT OPERATOR, FIRE SUPPRESSION |
| 531 | STANDBY |
| 532 | ADDITIONAL RESPONSIBILITIES AND EXCEPTIONAL PERFORMANCE |
| 533 | POWER SWEEPER OPERATOR IN EMERGENCY CONDITIONS |
| 534 | POWER PLANT RELIEF ENGINEER |
| 535 | CLINIC PHYSICIAN FIRST HOUR |
| 536 | CONSULTING SPEC, MD & MNTL HEALTH CONSLT, 1 st & 5 th |
| 538 | RN ASSIGNED AS ACTING OR RELIEF CHARGE NURSE |
| 539 | RN WEEKEND DIFFERENTIAL |
| 540 | RELIEF NURSE HOLIDAY DIFFERENTIAL |
| 541 | RELIEF NURSE WEEKEND DIFFERENTIAL |
| 544 | APPRAISERS LAUNDRY AND DRY CLEANING ALLOWANCE |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 545 | HEAVY DUTY TOW TRUCK DRIVER |
| 546 | SLURRY SEAL TRUCK_DRIVER |
| 548 | LIFEGUARD PARAMEDIC - RELIEF |
| 550 | INCENTIVE AWARDS FOR MEDI-CAL REIMBRMNTS/ HEALTH SR |
| 551 | GROUP INCENTIVE AWARD, TREASURER TAX COLLECTOR |
| 552 | STANDBY - EMERGENCY ROLL OUT PROGRAM |
| 553 | PIONEER EXCAVTN, TUNNEL OPERATNS, FIRE SUPP, SNOW |
| 554 | PIONEER EXCAVTN, TUNNEL OPERATNS, FIRE SUPP, SNOW |
| 555 | SCAFFOLD OR SWING STAGE, 30 FEET ABOVE GRADE |
| 556 | HIGH SCALE AND RIGGING OPERATIONS, GENERAL |
| 557 | EVENING SHIFT, MED TECH |
| 558 | NIGHT SHIFT, MED TECH |
| 565 | PARAMEDIC RECERTIFICATION BONUS |
| 565A | PARAMEDIC RECERTIFICATION BONUS-ELIGIBILITY INDICATOR |
| 567 | DEPUTY SHERIFF RESERVE ANNUAL COMPENSATION |
| 568 | ASSESSMENT APPEALS FULL DAY INCREMENT |
| 570 | HOME CARE PROGRAM STANDYBY |
| 571 | CHILDREN'S SOCIAL WORKERS LICENSURE SUPERVISION |
| 572 | MOU LUMP SUM BONUS |
| 574 | STANDBY - INS WITNESS PROGRAM |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 575 | WASTEWATER PLANT RELIEF BONUS |
| 576 | SOLO DAILY EARNINGS |
| 577 | INTERPRETER HALF DAY BONUS - SUP CT |
| 578 | ER ATTENDING PHYSICIAN - DAY RATE |
| 579 | ER ATTENDING PHY/-WKDY EVE/WKND HOLIDAY |
| 580 | ER ATTENDING PHY/-WKDY NITE/WKND HOLIDAY EVE NITE |
| 581 | SWIM PROFICIENCY BONUS |
| 582 | INTERPRETER REGULAR MULTIPLE LANGUAGE SAME DAY |
| 583 | INTERPRETER-HOURLY/DAILY MULT LANG SAME DAY |
| 584 | PHYSICIAN STIPENDS |
| 600 | REGISTERED NURSE MOBILE INTENSIVE CARE CERTIFICATION, SUB-ITEM D |
| 602 | SUPERVISING TRANSPORTATN DEPTY PERFORMING DISPATCHER DUTIES |
| 603 | AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATE |
| 604 | REGISTERED NURSE MOBILE INTENSIVE CARE CERTIFICATION |
| 605 | CUSTODIAN FLOOR WAXING BONUS |
| 606 | FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTY |
| 606A | FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTY - ELIGIBILITY INDICATOR |
| 607 | SUPERVISING DEPUTY PROBATION OFFICER (SPDO) ASSIGNED ACTING DIRECTOR IN A CAMP |
| 608 | BILINGUAL BONUS |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 609 | REGISTERED NURSE ASSIGNED TO EMERGENCY ROOM |
| 610 | ANTELOPE VALLEY FIREFIGHTING CREW |
| 611 | TREE TRIMMER SUPERVISOR, POWER OPERATIONS |
| 612 | SHOOTING BONUS, EXPERT |
| 613 | SHOOTING BONUS, DISTINGUISHED EXPERT |
| 614 | SHOOTING BONUS, MARKSMAN |
| 615 | SHOOTING BONUS, SHARPSHOOTER |
| 616 | ANTELOPE VALLEY QUARTERS, ON FIRE CALL |
| 617 | CLINIC NURSE ASSIGNED TO PROBATION CAMP |
| 618 | TRANSPORTATION BUS DRIVER, SHERIFF |
| 620 | SAN GABRIEL DAM OPERATOR |
| 621 | NURSE RETENTION INCENTIVE |
| 622 | ADVANCED APPRAISER CERTIFICATION |
| 624 | BILINGUAL ADDITIONAL BONUS, CHILDREN'S SOCIAL WORK |
| 625 | AGRICULTURE INSPECTORS ASSIGNED TO STANDARDIZATION |
| 627 | DETENTION & TRANSPORTATION EXTRA SUPERVISION BONUS |
| 628 | BILINGUAL BONUS FOR OTHER THAN MONTHLY |
| 628A | BILINGUAL BONUS FOR OTHER THAN MONTHLY- ELIGIBILITY INDICATOR |
| 629 | MORTUARY ATTENDANT AT LAC+USCMC |
| 631 | BILINGUAL BONUS-SUB D |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| 632 | MENTAL HEALTH WORKERS ASSIGNED SHERIFF DETENTION FACILITY |
| 633 | RN ASSIGNED TO EMERGENCY ROOM SUB D |
| 634 | SUPERVISING DETENTION SERVICES OFFICER OF THE DAY |
| 635 | TRANSPORTATION DEPUTY BUS DRIVER, PROBATION |
| 636 | INCIDENTAL EXPENSE ALLOWANCE |
| 637 | PROFESSIONAL DEVELOPMENT EXPENSES |
| 638 | PROBATION TELECOM EQUIPMENT BONUS |
| 640 | CHILDRENS SERVICES ERCP RETENTION |
| 641 | SHOOTING BONUS, EXPERT – RESERVE |
| 642 | SHOOTING BONUS, DISTINGUISHED EXPERT – RESERVE |
| 643 | SHOOTING BONUS, MARKSMAN – RESERVE |
| 644 | SHOOTING BONUS, SHARPSHOOTER – RESERVE |
| 645 | EMERGENCY ROOM BONUS/PAT FIN SVCS WKR/PAT RES WKR |
| 646 | EMERGENCY ROLL OUT PROGRAM & SHIFT BONUS |
| 647 | BILINGUAL ADDITIONAL BONUS, PSYCH SOCIAL WORK |
| 648 | DEFIBRILLATION AIRWAY BONUS |
| 649 | MAMMOGRAPHY BONUS |
| 690 | CELLULAR PHONE STIPEND - VOICEMAIL |
| 691 | CELLULAR PHONE STIPEND - DATA ONLY |
| 692 | CELLULAR PHONE STIPEND - VOICE AND DATA |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 694 | CIVIC CENTER COMMUTER ALLOWANCE |
| 695 | DEPARTMENT HEAD TRANSPORTATION ALLOWANCE |
| 696 | DEPARTMENT HEAD TRAFFIC MITIGATION ALLOWANCE |
| 700 | PENSIONABLE OVERTIME |
| 730 | PREMIUM OVERTIME - SYSTEM PENSIONABLE |
| PF004 | MEGAFLEX PENSIONABLE CONTRIBUTION |
| PF007 | FLEX PENSIONABLE CONTRIBUTION |
| PF010 | CHOICES PENSIONABLE CONTRIBUTION |
| PF013 | OPTIONS PENSIONABLE CONTRIBUTION |
| PK003 | NON-ELECTIVE LEAVE |
| PK011 | SICK - 100% |
| PK012 | HOLIDAY |
| PK021 | VACATION |
| PK030 | SPECIAL PAID LEAVE |
| PK031 | APPRAISERS LEAVE |
| PK032 | INTERN/RESIDENT LEAVE |
| PK113 | SICK PRE-71 |
| PKP11 | SICK LEAVE BUYBACK 100% |
| PKP21 | VACATION BUYBACK |
| PP046 | EMPLOYEE SUGGESTION |
| NONE | REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNITS |

EARNINGS
CODE NO.

ITEMS

| | |
|------|--|
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT – PREMIUM |
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT – COMPENSATORY TIME EARNED |

BEFORE THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

RESOLUTION OF THE BOARD OF
RETIREMENT SPECIFYING ITEMS OF
REMUNERATION AS
"COMPENSATION EARNABLE"

RESOLUTION NO. 2016-BR002

WHEREAS, LACERA calculates retirement allowances based on a member's "final compensation;"

WHEREAS, LACERA is required to include in the calculation of "final compensation" a member's base pay, and certain other items of remuneration, if such remuneration qualifies as "compensation" under Government Code section 31460 and "compensation earnable" under Government Code section 31461;

WHEREAS, on March 4, 1998, the Board of Retirement adopted Resolution No. 98-004 specifying certain items of remuneration payable to employees of the County of Los Angeles which the Board determined qualify as "compensation" under Government Code section 31460 and "compensation earnable" under section 31461.

WHEREAS, on August 4, 1999, the Board of Retirement adopted Resolution No. 99-001 specifying an additional item of remuneration qualifies as "compensation" and "compensation earnable" under Government Code sections 31460 and 31461, respectively.

WHEREAS, the Court's ruling in Ventura County Deputy Sheriff's Association v. County of Ventura (1997) 16 Cal. 4th 483 became final on October 1, 1997, and requires LACERA to include in the calculation of retirement allowances various forms of remuneration not formerly included.

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. The items of remuneration set forth in Attachment 1 qualify as "compensation earnable" as defined in Government Code section 31461, for purposes of calculating a member's retirement allowance.

2. The items of remuneration set forth in Attachment 2 do not qualify as “compensation earnable” as defined in Government Code section 31461, for purposes of calculating a member’s retirement allowance.

Adopted on April 6, 2016, by _____ vote.

BOARD OF RETIREMENT,
LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Shawn R. Kehoe
Chair, Board of Retirement

Approved as to Form:

ATTEST:

Steven P. Rice
Chief Counsel

William de la Garza
Secretary, Board of Retirement

ITEMS OF COUNTY REMUNERATION WHICH QUALIFY AS
"COMPENSATION," AS DEFINED BY GOVERNMENT CODE SECTION 31460,
AND/OR "COMPENSATION EARNABLE," AS DEFINED BY GOVERNMENT
CODE SECTION 31461.

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 099 | PATROL STATION RETENTION BONUS |
| 249 | AGRICULTURE INSPECTORS AID ROVER BONUS |
| 334 | CUSTODY ASSISTANT ACADEMY DRILL INSTRUCTOR |
| 349 | WELLNESS/FITNESS FOR LIFE BONUS |
| 350 | "PILOT PAY" – FIRE DEPARTMENT |
| 358 | TEMPORARY PROMOTION BONUS |
| 359 | LIFEGUARD PARAMEDIC, CATALINA |
| 369 | ADVANCED EDUCATION DEGREE BONUS |
| 503 | UNIFORM ALLOWANCE |
| 504 | NIGHT SHIFT DIFFERENTIAL |
| 505 | CORONER'S INQUEST REPORTER |
| 506 | VEHICLE USE ALLOWANCE |
| 507 | CO-GENERATION OR HYDRO-ELECTRIC OPS & MTCE |
| 508 | HENNINGER FLATS WATCHMAN |
| 509 | FREEZER WORK |
| 510 | DEPARTMENT HEAD MERIT |

511 BOARD OF SUPERVISORS PERFORMANCE LUMP SUM
512 FIRE SUPPRESSION TRANSPORTATION TRUCK DRIVER
514 BACKHOE OPERATOR
515 WEEKEND BONUS
516 EXPLOSIVES WORK
517 EVENING SHIFT DIFFERENTIAL
518 POWER EQUIPMENT REPAIR, SNOW CONDITIONS
519 ENGINEERING EMPLOYEES, HAZARD PAY
520 HOME CARE COMPENSATION
522 CUSTODIAN ACTING AS WATCHMAN
523 DPD DEPUTY DIRECTOR RECRUITMENT INCENTIVE
525 CONTRACTING AND PRODUCTIVITY IMPROVEMENT
INCENTIVE FOR MANAGERS
528 WEBCOM PRESS OPERATOR
529 POWER EQUIPMENT OPERATOR, FIRE SUPPRESSION
530 RN EXTRA WEEKENDS WORKED
531 STANDBY
532 ADDITIONAL RESPONSIBILITIES OR EXCEPTIONAL
PERFORMANCE
533 POWER SWEEPER OPERATOR IN EMERGENCY
CONDITIONS
534 POWER PLANT RELIEF ENGINEER
535 CLINIC PHYSICIAN, FIRST HOUR AND ONE-HALF
536 CONSULTING SPECIALIST, MD, & MENTAL HEALTH
CONSULTANT, MD, FIRST AND FIFTH HOURS

538 RN ASSIGNED AS ACTING OR RELIEF CHARGE NURSE

539 RN WEEKEND DIFFERENTIAL

540 RELIEF NURSE HOLIDAY DIFFERENTIAL (HOURLY ITEM)

541 RELIEF NURSE WEEKEND DIFFERENTIAL (HOURLY
ITEM)

544 APPRAISERS LAUNDRY AND DRY CLEANING
ALLOWANCE

545 HEAVY DUTY TOW TRUCK DRIVER

546 SLURRY SEAL TRUCK DRIVER

547 LIFEGUARD PARAMEDIC – SHIFT

548 LIFEGUARD PARAMEDIC – HOURLY

550 INCENTIVE AWARDS FOR MEDI-CAL
REIMBURSEMENTS, HEALTH SERVICES

551 GROUP INCENTIVE AWARD, TREASURER TAX
COLLECTOR

552 STANDBY – EMERGENCY ROLLOUT PROGRAM

553 PIONEER EXCAVATION, TUNNEL OPERATIONS, FIRE
SUPPRESSION, AND SNOW REMOVAL -
CONSTRUCTION INSPECTION AND SURVEYING
GROUPS

554 PIONEER EXCAVATION, TUNNEL OPERATIONS, FIRE
SUPPRESSION, AND SNOW REMOVAL

555 SCAFFOLD OR SWING STAGE, 30 FEET ABOVE GRADE

556 HIGH SCALE AND RIGGING OPERATIONS, GENERAL

557 EVENING SHIFT, MED TECH

558 NIGHT SHIFT, MED TECH

565 PARAMEDIC RECERTIFICATION BONUS

567 DEPUTY SHERIFF RESERVE ANNUAL COMPENSATION

570 HOME CARE PROGRAM STANDBY

571 CSW LICENSURE SUPERVISION

572 MOU LUMP SUM BONUS

575 WASTEWATER PLANT RELIEF BONUS

576 "SOLO DAILY" PAY – COURT REPORTERS

577 INTERPRETER HALF DAY BONUS – SUP. CT.

581 SWIM PROFICIENCY BONUS

601 LIFEGUARD PARAMEDIC, RELIEF

602 SUPERVISING TRANSPORTATION DEPUTY
PERFORMING DISPATCHER DUTIES

603 AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATES

604 RN MOBILE INTENSIVE CARE CERTIFICATION

605 CUSTODIAN FLOOR WAXING BONUS

606 FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR
DUTIES

607 SDPO ASSIGNED ACTING DIRECTOR IN A CAMP

608 BILINGUAL BONUS

609 RN ASSIGNED TO EMERGENCY ROOM

610 ANTELOPE VALLEY FIREFIGHTING CREW

611 TREE TRIMMER SUPERVISOR, POWER OPERATIONS

612 SHOOTING BONUS, EXPERT

613 SHOOTING BONUS, DISTINGUISHED EXPERT

614 SHOOTING BONUS, MARKSMAN

615 SHOOTING BONUS, SHARPSHOOTER

616 ANTELOPE VALLEY QUARTERS, ON FIRE CALL
617 CLINIC NURSE ASSIGNED TO PROBATION CAMP
618 TRANSPORTATION BUS DRIVER, SHERIFF
619 LIFEGUARD PARAMEDIC
620 SAN GABRIEL DAM OPERATOR
621 NURSE RETENTION INCENTIVE
622 ADVANCED APPRAISER CERTIFICATION
623 PROBATION TRANSCRIBER TYPIST PRODUCTION
INCENTIVE
624 BILINGUAL ADDITIONAL BONUS, CHILDREN'S SOCIAL
WORKERS
625 AGRICULTURE INSPECTORS ASSIGNED TO
STANDARDIZATION
626 FIREFIGHTER PARAMEDIC NOT ASSIGNED TO A
PARAMEDIC POST
627 DETENTION AND TRANSPORTATION EXTRA
SUPERVISION BONUS
628 BILINGUAL BONUS FOR OTHER THAN MONTHLY
EMPLOYEES
629 MORTUARY ATTENDANT AT LAC/USC MC
630 SAFETY POLICE EDUCATIONAL/LONGEVITY INCENTIVE
632 MENTAL HEALTH WORKERS ASSIGNED TO SHERIFF'S
DETENTION FACILITIES
634 SUPERVISING DETENTION SERVICES OFFICER OF THE
DAY
635 TRANSPORTATION DEPUTY BUS DRIVER, PROBATION
636 SHERIFF'S STATION COMMANDER EXPENSES

637 PROFESSIONAL DEVELOPMENT EXPENSES
638 PROBATION TELECOM EQUIPMENT BONUS
639 INTERN HOUSING ALLOWANCE LAC/USC MED. CENTER
640 CHILDREN'S SERVICES ERCP RETENTION
641 SHOOTING BONUS, EXPERT – RESERVE
642 SHOOTING BONUS, DISTINGUISHED EXPERT –
RESERVE
643 SHOOTING BONUS, MARKSMAN – RESERVE
644 SHOOTING BONUS, SHARPSHOOTER – RESERVE
645 WELDER CERTIFICATION BONUS
646 EMERGENCY ROLLOUT PROGRAM & SHIFT BONUS
647 BILINGUAL ADDITIONAL BONUS, PSYCHIATRIC SOCIAL
WORK
648 DEFIBRILLATION AIRWAY BONUS
649 MAMMOGRAPHY BONUS
650 PRESIDING JUDGE 4% BONUS
653 EQUINE HANDLERS PAY
653 K-9 HANDLERS PAY
694 PARK, TAXABLE
695 TRANSPORTATION ALLOW
696 TRAFFIC MITIGATION
700 "OVERNIGHT TRIP" PAY - SHERIFF'S STATEWIDE UNIT
730 PREMIUM OVERNIGHT TRIP
782 FLSA PREMIUM PAY FOR REGULARLY SCHEDULED
WORK ASSIGNMENT

| | |
|-------|--|
| 903 | NON-ELECTIVE LEAVE BUYBACK |
| 910 | SICK BUYBACK |
| 911 | VACATION BUYBACK |
| 912 | HOLIDAY BUYBACK |
| 913 | SICK PRE-71 BUYBACK |
| 914 | SICK BUYBACK –PROBATION 56 – HOUR |
| 915 | VACATION BUYBACK - 56 HOUR |
| 930 | SPECIAL PAID LEAVE BUYBACK |
| 931 | APPRAISERS LEAVE BUYBACK |
| 932 | INTERN/RESIDENT LEAVE BUYBACK |
| PP046 | EMPLOYEE SUGGESTION |
| NONE | PARK, NONTAXABLE |
| NONE | PRIOR SALARY |
| NONE | 56 HOUR TO 40 HOUR ASSIGNMENT BONUS |
| NONE | REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNIT |

ITEMS OF COUNTY REMUNERATION WHICH DO NOT QUALIFY AS
"COMPENSATION," AS DEFINED BY GOVERNMENT CODE SECTION 31460,
AND/OR "COMPENSATION EARNABLE," AS DEFINED BY GOVERNMENT
CODE SECTION 31461.

| <u>EARNINGS CODE NO.</u> | <u>ITEMS</u> |
|------------------------------|---|
| 036 | ESP SEVERANCE |
| 075 | UNION HALL HIRING VACATION/HOLIDAY BENEFIT |
| 076 | FAMILY LEAVE |
| 090 | ENHANCED VOLUNTARY TIME OFF LESS THAN 60 DAYS |
| 091 | ENHANCED VOLUNTARY TIME OFF GREATER THAN 60 DAYS |
| 094 | VACATION IN LIEU OF PAY |
| 095 | ENHANCED VOLUNTARY TIME OFF-SUPERIOR COURT |
| 128 | MILEAGE EARNINGS |
| 129 | PARKING |
| 130 | SHORT TERM DISABILITY – 60% |
| 131 | SHORT-TERM DISABILITY – 40% |
| 140 | SHORT TERM DISABILITY – 60% RDO |
| 141 | SHORT TERM DISABILITY – 40% RDO |
| 151 | INDUSTRIAL ACCIDENT – 100% |
| 152 | INDUSTRIAL ACCIDENT – 100% RDO |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 153 | INDUSTRIAL ACCIDENT – 70% |
| 154 | INDUSTRIAL ACCIDENT – 70% RDO |
| 158 | LIMITED DUTY INDUSTRIAL ACCIDENT – 100% |
| 159 | LIMITED DUTY INDUSTRIAL ACCIDENTS – 70% |
| 388 | PSYCHIATRY JAIL BONUS |
| 500 | RELOCATE NON TAXABLE |
| 502 | RELOCATION ALLOWANCE |
| 521 | IRS PENALTY REIMBURSEMENT |
| 524 | ON-CALL FOR COURT APPEARANCE |
| 527 | RELIEF DAM OPERATOR, ON CALL |
| 543 | CALL BACK EXTRA COMPENSATION |
| 559 | MISCELLANEOUS LUMP SUM INCLUDED IN REG. OT |
| 560 | MISCELLANEOUS LUMP SUM <u>NOT</u> INCLUDED IN REG. OT |
| 561 | HOURS PAID BUT <u>NOT</u> WORKED, CALL-BACK |
| 562 | MENTAL HEALTH ALERT & PSYCH MOB RESP TEAM STANDBY |
| 563 | RELIEF DAM OPERATIONS STAND-BY |
| 564 | TUITION REIMBURSEMENT |
| 566 | QUALIFIED FOR HAZARDOUS MATERIALS OVERTIME CALC. |
| 568 | ASSESSMENT APPEALS FULL DAY INCREMENT (HOURLY ITEM) |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 569 | INTERNS & RESIDENTS ANNUAL LUMP SUM |
| 574 | STANDBY – INS WITNESS PROGRAM |
| 650 | PRESIDING JUDGE 4% BONUS |
| 651 | MEAL REIMBURSEMENT – RESIDENTS |
| 652 | MEAL REIMBURSEMENT – PLANT ENGINEERS |
| 690 | CELLULAR PHONE STIPEND – VOICEMAIL |
| 691 | CELLULAR PHONE STIPEND – DATA ONLY |
| 692 | CELLULAR PHONE STIPEND – VOICE AND DATA |
| 699W | FLEXIBLE WORK TIME EARNED |
| 701 | PAID OVERTIME |
| 702 | PAID OVERTIME – ACCRUE FLSA PREMIUM |
| 703 | FLSA COMP TIME EARNED-ACCRUE FLSA PREMIUM |
| 705 | COMPENSATORY TIME EARNED |
| 707 | FY93 COMPENSATORY TIME EARNED |
| 708 | FY93 FLSA COMP TIME EARNED – ACCRUE FLSA PREMIUM |
| 709 | FY93 FLSA COMP TIME EARNED OVRD – ACCRUE FLSA PREMIUM |
| 710 | DISASTER RELATED PAID OVERTIME |
| 711 | DISASTER COMP TIME EARNED (ACCRUED) |
| 712 | CONTRACT RELATED PAID OVERTIME |
| 713 | ER PHYSICIAN OVERTIME – DAY RATE |

| <u>EARNINGS CODE NO.</u> | <u>ITEMS</u> |
|------------------------------|---|
| 714 | ER PHYSICIAN OVERTIME – WKDY EVE/WKND HOL DAY |
| 715 | ER PHYSICIAN OVERTIME – WKDY NITE/WKND HOL EVE NITE |
| 716 | GUARANTEED PREMIUM |
| 717 | PAID OVERTIME – GUARANTEED ACCRUED FLSA PREMIUM |
| 718 | FLSA COMP TIME EARNED – GUARANTEED ACCRUED FLSA PREM |
| 719 | FLSA COMP TIME EARNED – GUARANTEED PAID PREMIUM |
| 720 | SPECIAL EVENTS OVERTIME |
| 731 | PREMIUM OVERTIME – SYSTEM |
| 733 | PREMIUM OVERTIME – MANUAL |
| 735 | FY93 ACCRUED FLSA PREMIUM OVERTIME (SYSTEM) |
| 736 | FY93 ACCRUED FLSA PREMIUM OVERTIME (MANUAL) |
| 746 | CALL BACK ACTUAL |
| 747 | CALL BACK GUARANTEED |
| 761 | STRAIGHT TIME AND ONE-HALF |
| 775 | SECONDARY OVERTIME |
| 776 | ALTERNATE OVERTIME |
| 777 | SECONDARY ASSIGNMENT OVERTIME |
| 778 | OVERTIME – FIRE DEPT. 56 HOUR |
| 779 | SECONDARY OVERTIME – FIRE DEPT. 56 HOUR |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 780 | WORKDOWN OVERTIME – FIRE DEPT. |
| 781 | OVERTIME – FIRE DEPT. 40 HOUR |
| 782 | PLATOON/40/HOUR/DISPATCHER SCHED PREMIUM – SYSTEM |
| 783 | DISPATCHER BRIEFING TIME |
| 784 | 40 HOUR CAMP-GUARANTEED PREMIUM |
| 791 | ORDERED OVERTIME |
| 792 | UNCOMPENSATED BRIEFING TIME |
| 793 | COMPENSATED BRIEFING TIME – SYSTEM |
| 794 | COMPENSATED BRIEFING TIME – MANUAL |
| 795 | FY93 ORDERED FLSA COMP TIME EARN – ACCR FLSA PREM |
| 796 | ORDERED FLSA COMP TIME EARN-ACCR FLSA PREM |
| 799 | FLEX REG HOURS BETWEEN 181 AND 192 FOR 40HR FIRE FIGHTERS |
| 901 | COMPENSATORY TIME BUYBACK |
| 902 | PROTECTED COMPENSATORY TIME BUYBACK |
| 904 | ELECTIVE-LEAVE BUYBACK |
| 905 | FLSA COMP TIME BUYBACK – PREMIUM |
| 906 | FLSA COMP TIME BUYBACK – STRAIGHT |
| 907 | FY93 COMPENSATORY TIME BUYBACK |
| 908 | FY93 FLSA COMP TIME BUYBACK – PREMIUM |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--|
| 909 | FY93 FLSA COMP TIME BUYBACK – STRAIGHT |
| 916 | VACATION IN LIEU OF PAY – BUYBACK |
| 917 | DISASTER COMP TIME BUYBACK |
| 918 | FY93-56 HOUR COMP TIME BUYBACK – FIRE DEPT. |
| 919 | ACCRUED PREMIUM BUYBACK – SYSTEM |
| 920 | FY93 FLSA COMP TIME BUYBACK – PREMIUM (MANUAL) |
| 951 | ESP VACATION PAYOUT |
| 952 | FINAL PAY LEAVE PAYOUT (SICK, HOLIDAY, OT) |
| 953 | ESP LEAVE PAYOUT |
| 954 | VACATION PAYOUT |
| 955 | VACATION IN LIEU OF PAY – PAYOUT |
| 957 | 56-HOUR LEAVE PAYOUT |
| 958 | 56-HOUR TC VACATION |
| 961 | ESP DEFERRED VACATION PAYOUT |
| 962 | DEFERRED LEAVE PAYOUT |
| 963 | ESP DEFERRED LEAVE PAYOUT |
| 964 | DEFERRED VACATION PAYOUT |
| 967 | 56-HOUR DEFERRED LEAVE PAYOUT |
| 968 | 56-HOUR DEFERRED VACATION PAYOUT |
| 970 | FLSA PREMIUM COMPENSATORY TIME – PAYOUT |
| 971 | FY93 COMP TIME PAYOUT (EXCLUDING PREMIUMS) |

EARNINGS
CODE NO.

ITEMS

| | |
|-------|--|
| PA099 | ROUNDING ADJUSTMENT |
| PE803 | EXCESS STRAIGHT – FLSA COMP TIME TAKEN |
| PE804 | EXCESS PREMIUM – FLSA COMP TIME TAKEN |
| PE806 | EXCESS STRAIGHT – FY93 FLSA COMP TIME TAKEN |
| PE807 | EXCESS PREMIUM – FY93 FLSA COMP TIME TAKEN |
| PE813 | CAPE – EXCESS STRAIGHT – FY93 FLSA COMP TIME TAKEN |
| PE814 | CAPE - EXCESS PREMIUM – FY93 FLSA COMP TIME TAKEN |
| PFA36 | FLEX EARNINGS ADVANCE |
| PK094 | VACATION IN LIEU OF PAY |
| PK096 | SUPERIOR COURT VACATION IN LIEU OF PAY |
| PK801 | COMPENSATORY TIME TAKEN |
| PK802 | PROTECTED COMPENSATORY TIME TAKEN |
| PK803 | FLSA COMP TIME TAKEN – STRAIGHT |
| PK804 | FLSA COMP TIME TAKEN – PREMIUM |
| PK805 | FY93 COMPENSATORY TIME TAKEN |
| PK806 | FY93 FLSA COMP TIME TAKEN – STRAIGHT |
| PK807 | FY93 FLSA COMP TIME TAKEN – PREMIUM |
| PK808 | DISASTER COMP TIME TAKEN |
| PK810 | CALL BACK ACCRUE – STRAIGHT TAKEN |
| PK811 | CALL BACK GUARANTEED CTO – BUY BACK |

| <u>EARNINGS CODE NO.</u> | <u>ITEMS</u> |
|------------------------------|--|
| PK812 | DFR 1 YR - NON-FLSA COMPENSATORY STRT TIME – USAGE |
| PK813 | CAPE-FY93 FLSA COMP TIME TAKEN – STRAIGHT |
| PK814 | CAPE-FY93 FLSA COMP TIME TAKEN – PREMIUM |
| PK815 | DFR 1 YR – FLSA COMPENSATORY STRT TIME – USAGE |
| PK816 | DFR 2 YRS – FLSA COMPENSATORY STRT TIME – USAGE |
| PK818 | DFR 1 YR – FLSA PREMIUM OVERTIME USAGE |
| PK819 | DFR 2 YR – FLSA PREMIUM OVERTIME USAGE |
| PK821 | DFR 1 YR – CALL BACK - STRAIGHT USAGE |
| PO002 | ELECTIVE LEAVE TERM PAY OFFSET |
| PO699 | FLEXIBLE WORK SCHEDULE |
| PO703 | STRAIGHT PAY OFFSET-FLSA COMP TIME EARNED – ACCRUE |
| PO705 | STRAIGHT PAY OFFSET – COMPENSATORY TIME EARNED |
| PO711 | STRAIGHT PAY OFFSET – DISASTER COMP TIME EARNED ACC |
| PO796 | STRAIGHT PAY OFFSET-ORDERD FLSA COMP TM EARN – ACCR |
| PT002 | ELECTIVE LEAVE |
| PT003 | NON-ELECTIVE LEAVE |
| PT006 | DONATED SICK 100% LEAVE – USAGE |
| PT008 | SICK LEAVE EARNED AT MTA/ATTORNEY |
| PT011 | SICK – 100% |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| PT012 | HOLIDAY |
| PT021 | VACATION |
| PT030 | SPECIAL PAID LEAVE |
| PT031 | APPRAISERS LEAVE |
| PT032 | INTERN/RESIDENT LEAVE |
| PT046 | JUDICIAL ASSISTANT SPECIAL PAID LEAVE |
| PT081 | BANK HOLIDAY |
| PT082 | BANK VACATION |
| PT094 | VACATION IN LIEU OF PAY |
| PT096 | SUPERIOR COURT VACATION IN LIEU OF PAY |
| PT099 | REGULAR EARNINGS – MID PAY PERIOD TERMINATION |
| PT113 | SICK PRE-71 |
| PT699 | FLEXIBLE WORK TIME EARNED |
| PT801 | COMPENSATORY TIME TAKEN |
| PT802 | PROTECTED COMPENSATORY TIME TAKEN |
| PT803 | FLSA COMP TIME TAKEN – STRAIGHT |
| PT804 | FLSA COMP TIME TAKEN – PREMIUM |
| PT805 | FY93 COMPENSATORY TIME TAKEN |
| PT806 | FY93 FLSA COMP TIME TAKEN – STRAIGHT |
| PT807 | FY93 FLSA COMP TIME TAKEN – PREMIUM |
| PT808 | DISASTER COMP TIME TAKEN |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|---|
| PT810 | CALL BACK ACCRUE - STRAIGHT TAKEN |
| PT811 | CALL BACK GUARANTEED CTO – TERMINATION |
| PT812 | DFR 1 YR – NON-FLSA COMPENSATORY STRT TIME – USAGE |
| PT813 | CAPE – FY93 FLSA COMP TIME TAKEN – STRAIGHT |
| PT814 | CAPE – FY93 FLSA COMP TIME TAKEN – PREMIUM |
| PT815 | DFR 1 YR – FLSA COMPENSATORY STRT TIME – USAGE |
| PT816 | DFR 2 YRS – FLSA COMPENSATORY STRT TIME – USAGE |
| PT817 | YTD – FLSA PREMIUM OVERTIME USAGE |
| PT818 | DFR 1 YR – FLSA PREMIUM OVERTIME USAGE |
| PT819 | DFR 2 YR – FLSA PREMIUM OVERTIME USAGE |
| PT820 | YTD – CALL BACK – STRAIGHT USAGE |
| PT821 | DFR 1 YR – CALL BACK – STRAIGHT USAGE |
| PTNHT | HOLD CURRENT ACCRL – NON-ELECTIVE LVE – TERMINATION US |
| PTVAT | SUPERIOR COURT, RESERVE VACATION – TERMINATION USAG |
| PTVPT | SUPERIOR CT, PRIOR YR RSRV VACATION – TERMINATION US |
| NONE | MEGAFLEX INDUSTRIAL ACCIDENT |
| NONE | COUNTY CAR (IMPUTED INC) |
| NONE | IMPUTED INCOME (DOMESTIC PARTNER) |
| NONE | IMPUTED INC (LIFE INSURANCE) |

| <u>EARNINGS</u> <u>CODE NO.</u> | <u>ITEMS</u> |
|------------------------------------|--------------------------------|
| NONE | SECTION 170 OVERTIME |
| NONE | EARNED SALARY ADVANCE |
| NONE | VACATION PAY ADVANCE |
| NONE | 56 HOUR OVERTIME |
| NONE | ADJUSTMENT NON-TAX |
| NONE | RETRO PAY |
| NONE | EARNED INCOME CREDIT |
| NONE | UNDERPAYMENT ADVANCE |
| NONE | O/S SICK PAY |
| NONE | RETRO ADVANCE |
| NONE | T/A MILEAGE |
| NONE | ADVANCED DISABILITY RETIREMENT |
| NONE | STD REFUND |
| NONE | LTD REFUND |
| NONE | LTDH REFUND |
| NONE | SIB REFUND |
| NONE | 56 VILOP PAY |
| NONE | VOLUNTARY DEFERRED PAY |
| NONE | RETRO FLEX BASE |
| NONE | NR DEFERRED PAY |
| NONE | F.MF DEFERRED PAY |

EARNINGS
CODE NO.

ITEMS

| | |
|------|--|
| NONE | DEF LUMP SUM |
| NONE | DEFERRED PAY |
| NONE | VOLUNTARY SEPARATION PLAN |
| NONE | STOP PAYMENT |
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT – PREMIUM |
| NONE | FIRE SUPPRESSION CAMP ASSIGNMENT – COMPENSATORY TIME EARNED |

**FOR INFORMATION ONLY**

March 15, 2016

TO: Each Member,
Board of RetirementFROM: Michael D. Herrera 
Senior Staff Counsel

FOR: Board of Retirement Meeting of April 6, 2016

SUBJECT: Authority and Discretion In Collection of Overpaid Benefits And Underpaid member Contributions.**I. INTRODUCTION**

The Board recently requested clarification from the Legal Office regarding its discretion to waive collection of overpaid benefits and underpaid member contributions in the various situations that the Board may face. The short answer is that the Board does have discretion to waive collection based on the facts and circumstances of each individual case. However, the Board's discretion is not unfettered. It is circumscribed by its fiduciary duties as discussed in this memorandum. The advice provided in this memo is the same as advice provided previously, including most recently in connection with adoption of the Board's Policy for the Recovery of Member Overpayments and Underpayments (the "Recovery Policy"). A copy is attached as Attachment A. Indeed, substantially all of the discussion and legal authority has been drawn from prior public Board memos.

Note that this item is agendaized for open session because it involves general collection policy and practice, and not a specific case or administrative appeal. Specific cases and appeals should not be discussed in connection with this agenda item; they should be addressed separately with counsel in executive session in accordance with the Brown Act and LACERA's Administrative Appeals Procedures.

II. DISCUSSION**1. The Board has authority and discretion over how, whether and when to recover overpaid benefits and underpaid member contributions.**

LACERA is a public pension system created and governed in accordance with applicable law, including, among other things, the California Constitution and the County Employees Retirement Law of 1937 ("CERL").¹ Its Boards have "plenary authority and fiduciary responsibility for investment of moneys and administration of the system".² Commensurate with this authority, Board members owe fiduciary duties to the system, its members and their beneficiaries. As set forth in the Cal. Constitution, Art. XVI, § 17 and § 31595 of CERL:

"[t]he assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system. "

¹ Set forth at California Govt. Code § 31540 *et seq.*

² California Constitution Art. XVI, Section 17.

As fiduciaries, Board members must also act prudently. Specifically, they must discharge their fiduciary duties with respect to the system "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims."³ These duties have been repeatedly addressed in the case law and other legal authority.⁴

Courts have consistently recognized a county retirement board's authority and *discretion* in deciding whether and how to pursue a claim for recovery of overpaid benefits, underpaid contributions and interest thereon. See, e.g., In re Retirement Cases, 110 Cal.App.4th 426 (2003) (held that while retirement board has power to collect arrears contributions to help defray the cost of unanticipated benefits owed to retirees, it could not be mandated to do so); City of Oakland v. Oakland Police & Fire Retirement System, 224 Cal.App.4th 210, 244-45 (2014) (held board has discretion to decide whether, how and to what extent any overpayments made to retirees should be repayable); Barrett v. Stanislaus County Employees Retirement Assn., 189 Cal.App.3d 1593, 1613 (1987) (holding that where a statute imposes upon an administrative body discretion to act under certain circumstances, mandate will not lie to compel the exercise of such discretion in a particular manner).

The correction procedures set forth by the Internal Revenue Service similarly recognize and allow for discretion in whether full recovery is required. See, e.g., Rev. Proc. 2013-12, § 6.02(5) ("Although the mere fact that correction is inconvenient or burdensome is not enough to relieve a Plan Sponsor of the need to make full correction, full correction may not be required in certain situations if it is unreasonable or not feasible."). The IRS recently affirmed this principle in Rev. Proc. 2015-27, which became effective March 27, 2015.⁵

Applying the foregoing, LACERA must pursue a claim unless the Board determines, in the exercise of sound judgment, that facts and circumstances exist to support a decision not to pursue the claim, such as the cost to pursue recovery would exceed the amount to be reasonably recovered, or where it is likely the claim is barred by a legally recognized affirmative defense. The Board's Recovery Policy incorporates procedures to ensure LACERA fulfills its fiduciary duty to safeguard fund assets by making every *reasonable* effort to recover overpayments, underpayments and interest thereon.

³ Cal. Constitution Art. XVI, Section 17; Govt. Code § 31595(b).

⁴ As early as 1944, for example, the United States Department of Labor in Advisory Opinion #77-8 (April 4, 1977), considered the fiduciary duty of an ERISA plan to recover overpayments. In that opinion, the Department of Labor concluded that, in general, a fiduciary must attempt to recover erroneous payments from a plan. However, the Department also recognized that "depending on the facts and circumstances involved ... the cost to the Fund of collection efforts may be such that it would be prudent, within the meaning of section 404(a)(1)(B), for the Fund not to seek recovery from the participant or beneficiary of an overpayment made to him." The duty of care under section 404(a)(1)(B) of ERISA is essentially the same standard that applies to LACERA and its trustees.

⁵ Specifically, Rev. Proc. 2015-27 § 3.02(2) provides: "Flexibility in correction of Overpayment failures. Some plans may be interpreting the correction rules in Rev. Proc. 2013-12 as requiring a demand for recoupment from plan participants and beneficiaries in all cases. However, depending on the facts and circumstances, correcting an [overpayment...] may not need to include requesting that an Overpayment be returned to the plan by plan participants and beneficiaries."

2. Every case is different.

No two cases are alike. As a fiduciary, the Board must review and evaluate each case individually to determine how, whether and when recovery or waiver, in whole or part, is reasonable and prudent based on the facts, circumstances, and amount at issue.⁶ The factors to be considered should include, but are not limited to, the following:

a. Cost-benefit analysis.

As fiduciaries, the Board must consider the *total* cost to LACERA in deciding whether and how to pursue overpayments, underpayments, and interest. Put another way, it would generally be imprudent for a fiduciary to spend \$1 to recover .70 cents unless the issue was one of very important principle or wide-ranging impact. The Board is therefore well served by giving due consideration to staff time and resources necessary to complete LACERA's collection efforts, which can involve employees in separate divisions spending several hours, days, or even longer, identifying, researching and following on up each case.

b. Affirmative defenses.

An affirmative defense to a claim in a civil lawsuit is a fact or set of facts which, if proven by the party asserting it, would defeat the claim. Because an action to recover an overpayment or underpayment is essentially a claim for money owing to the fund, it is subject to certain affirmative defenses, including, among other things, applicable periods of limitation, equitable estoppel, and a breach of LACERA's fiduciary duty. Courts in this state have thus considered and applied these affirmative defenses to defeat a claim by a state or county retirement board to overpaid benefits and underpaid member contributions.⁷ The Board should therefore also consider whether, based on the circumstances and available facts, the claim is *likely* to be barred by a legally recognized affirmative defense.

3. Duty to Correct Errors.

Govt. Code § 31541, which was added to CERL effective January 1, 2013, provides, in pertinent part, that the Board "shall correct all actions taken as a result of errors or omissions of the county or district, or this system ... such that the status, rights, and obligations of all parties ... are adjusted to be the same as they would have been if the act

⁶ See, e.g., McIntyre v. Santa Barbara County Employees Ret. Assn., 91 Cal.App.4th 730, 734 (2001) (board cannot fulfill its mandate to administer the retirement system in a manner to best provide benefits to the participants of the plan unless it investigates applications and pays benefits only to those members who are eligible for them).

⁷ See, e.g., Hittle v. Santa Barbara County Employees Ret. Assn., 39 Cal.3d 374, 392 (1985) (held county retirement board's failure to fulfill fiduciary duty grounds for overturning decision to deny disability retirement benefits); County of Marin Association of Firefighters v. Marin County Employees Retirement Assn., 30 Cal.App.4th at 1651 (1994) (held that CCP § 338(d) three-year statute of limitations governs a retirement association's claim to arrears contributions and interest.); City of Oakland v. Oakland Police & Fire Retirement System, *supra*, 224 Cal.App.4th at 241 (held estoppel applied where retirees reasonably relied upon City's representation by ordering their financial affairs for almost a decade under the misapprehension that their retirement benefits were, in fact, larger than they actually were); Crumpler v. Board of Administration, *supra*, 32 Cal.App.3d at 582 (estoppel upheld where retiree relied upon the representations to his detriment by arranging his personal financial affairs in the expectation he would ultimately receive the promised retirement benefits).

that would have been taken, but for the error or omission, was taken at the proper time." Govt. Code § 31541(b). [Emphasis added.]⁸

While Govt. Code § 31541(b) requires correction to errors or omission by the system to ensure the member's status, rights, and obligations are consistent with what is required by law, it is clear from the language in the statute that, in addition to the discretion discussed above, the Board also has discretion over *how* the correction is to be achieved and whether *retroactive* correction is possible, including recovery of any overpaid benefits, underpaid contributions, or interest thereon resulting from the error. Govt. Code § 31541(e).⁹

4. Additional considerations when exercising discretion to waive collection.

In addition to the considerations discussed above, the Board should also be mindful of the fact that exercising its discretion to waive collection may subject the fund and the Board to certain legal claims, including breach of fiduciary duty and abuse of discretion.

a. Breach of Fiduciary Duty.

As noted above, Board members owe fiduciary duties to the system, its members and their beneficiaries. They must discharge their duties for the exclusive purpose of providing benefits to participants and their beneficiaries, while also minimizing employer contributions and defraying reasonable expenses of administering the system. Where these objectives conflict, the duty to those members and beneficiaries takes precedence over any other duty.

A decision by the Board to waive collection of overpaid benefits or underpaid contributions therefore carries risk of a claim that it breached its fiduciary duty by, among other things, failing to exercise that degree of "care, skill, prudence, and diligence" prescribed in Art. XVI, § 17 of the California Constitution and § 31595 of CERL. Such a claim would give rise to an action at law by other members and beneficiaries of the fund to restore the alleged loss. Although the risk of such a claim may be low if collection is not pursued, consideration of the Board's fiduciary duty to collect amounts due when reasonable and appropriate is nevertheless important.

b. Abuse of Discretion.

A Board must act within the powers conferred upon it by law and may not act in excess of such powers. There are many cases which hold that where discretion is conferred upon the trustee with respect to the exercise of a power, the court will not interfere with the exercise

⁸ Conversely, in cases where the error or omission is committed by the member, section 31541 provides that the Board may correct the error or omission "in its discretion and upon any terms it deems just ... " In such cases, the burden is on the party seeking correction to establish that the request was timely, that the error was the result of mistake, inadvertence, surprise, or excusable neglect, and that correction will not provide the party seeking correction with a status, right, or obligation not otherwise available under this part. See Govt. Code § 31541(a) (1)–(3).

⁹ Govt. Code § 31541(e) provides, in part: "notwithstanding any other provision in this section, corrections made pursuant to this section shall adjust the status, rights, and obligations of all parties described in subdivisions (a) and (b) as of the time that the correction actually takes place if the board finds any of the following: (1) That the correction cannot be performed in a retroactive manner. (2) ... the status, rights, and obligations of all of the parties ... cannot be adjusted to be the same, as they would have been if the error or omission had not occurred. (3) That the purposes of this chapter will not be effectuated if the correction is performed in a retroactive manner."

of that discretion.¹⁰

If such a claim were brought against the fund or the board for abuse of discretion in connection with its decision to waive collection in a particular case, an action under ordinary mandamus pursuant to Cal. Code of Civil Procedure § 1085 is the appropriate procedural mechanism by which to do so. In such case, the burden placed on the person(s) asserting the claim would be to show that "the agency's action has been arbitrary, capricious, or entirely lacking in evidentiary support." Shape Industries, Inc. v. Governing Board, 1 Cal.App.4th 218, 230 (1991).

While it is generally unlikely a member would bring or prevail in asserting a claim of breach of fiduciary duty or abuse of discretion, staff and the Board are nonetheless well served by continuing to make thoughtful, prudent decisions regarding how, whether and when to pursue recovery in a particular case based on, among other things, the relevant facts, weighing the costs associated with pursuing recovery against the amount to be reasonably recovered, and consideration of available courses of action in deciding how, whether and when to pursue recovery. See In re Retirement Cases, *supra*, 110 Cal.App.4th at 469.¹¹

5. Application of principles and duties to all collection cases.

Cases involving overpayments and underpayments can arise in a number of different ways and circumstances. They can result from a number of different types of errors or omissions committed by the member, the system, the plan sponsor, or a combination thereof. They can be discovered soon or long after the error or omission occurs, arise at different stages before or after a member's retirement, and involve drastically different amounts. Decisions on whether, when and how to pursue or waive collection will therefore arise at different stages of LACERA's collection process and require resolution at different levels within the organization.

However, while the facts and circumstances of each case will vary, the principles and fiduciary duties discussed in this memorandum are constant. They should be considered and applied consistently for all collection cases, including those involving overpayments and/or underpayments, regardless of how they arise, or by whom or at which stage the decision to pursue collection or waiver is made. This includes, but is not limited to:

- Staff decisions to pursue or waive, or write off, collection in cases involving overpayments and/or underpayments where the principal amount is \$10,000 or less;¹²

¹⁰ See, e.g., In re Retirement Cases, *supra*, 110 Cal.App.4th 426; City of Oakland v. Oakland Police & Fire Retirement System, *supra*, 224 Cal.App.4th 210, 244-245; Barrett v. Stanislaus County Employees Retirement Assn., *supra*, 189 Cal.App.3d 1593, 1613.

¹¹ See also Carrancho v. California Air Resources Board, et al. 111 Cal. App. 4th 1255, 1265 (2003) ("In applying this deferential test, a court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute".)

¹² Under the Recovery Policy, the Board has delegated authority to staff to pursue or waive collection in whole or in part in cases involving principal amounts of \$10,000 and less.

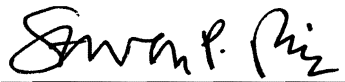
- Staff recommendations and Board decisions to pursue or waive, or write off, collection in cases involving overpayments and/or underpayments where the principal amount exceeds \$10,000;
- Staff and/or Board decisions to pursue or waive, or write off, collection in cases involving overpayments and/or underpayments that proceed as administrative appeals;
- Staff and/or Board decisions to pursue or waive, or write off, collection in cases involving overpayments and/or underpayments in potential and actual lawsuits.

As discussed in this memorandum, this is because every case involving an overpayment and/or underpayment essentially represents a claim to money owing to the fund that must be pursued unless the Board determines, in the exercise of sound judgment, that facts and circumstances exist to support a decision not to pursue the claim, such as the cost to pursue recovery would exceed the amount to be reasonably recovered, or where it is likely the claim is barred by a legally recognized affirmative defense.

III. CONCLUSION

Just as the Board has authority to recover overpaid benefits, underpaid member contributions, and interest thereon, it also has discretion to waive collection, in whole or in part, where prudent to do so. However, this discretion is not unfettered. It is circumscribed by the Board's fiduciary duties. In each case where LACERA has a claim to recover fund assets, the Board must, as set forth in its Recovery Policy, continue to investigate the relevant facts, weigh the costs associated with pursuing recovery against the amount to be reasonably recovered, and consider available courses of action in deciding whether, when, and how to pursue recovery.

Reviewed and Approved:



Steven P. Rice
Chief Counsel

cc: Gregg Rademacher
Robert Hill
John Popowich
Bernie Buenaflor
Allan Cochran
Beulah Auten




Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**

**FOR INFORMATION ONLY**

March 25, 2016

TO: Each Member
Board of Retirement

FROM: Francis J. Boyd 
Senior Staff Counsel

FOR: April 6, 2016 Board of Retirement Meeting

SUBJECT: Publication of *Astorga v. Retirement of the Santa Barbara County Employees Retirement System*

At the March 2, 2016 Board of Retirement meeting, I provided the Board with the attached memorandum advising that the Legal Office requested the Court of Appeal to publish its decision in *Astorga v. Retirement Board of the Santa Barbara County Employees Retirement System*.

I am pleased to advise the Board that on March 2, 2016, the court issued an Order Certifying for Publication the *Astorga* case. As soon as the case is published in the Official Reports and issued a citation, I will include it in an updated version of the Effective Date of Earlier Retirement Nutshell.

Reviewed and approved.

Steven P. Rice, Chief Counsel


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Attachment

**FOR INFORMATION ONLY**

February 22, 2016

TO: Each Member
Board of Retirement

FROM: Francis J. Boyd 
Senior Staff Counsel

FOR: March 2, 2016 Board of Retirement Meeting

SUBJECT: Publication of *Astorga v. Retirement of the Santa Barbara County Employees Retirement System*

On February 8, 2016, the Legal Office learned that the Court of Appeal issued an unpublished decision (*Astorga v. Retirement Board of the Santa Barbara County Employees Retirement System*) on February 2, 2016. The decision reaffirms the court's decision in *Katosh v. Sonoma County Employees Retirement Assn.* which held that receipt of sick leave or vacation pay by an employee during a leave of absence constitutes "regular compensation" under Gov. Code sec. 31724. The Legal Office believes that the *Astorga* decision should be published because it offers further clarification of the *Katosh* decision and additional legal support of LACERA's practices on the following issues:

- It confirms that incremental payments of sick leave, vacation time, and holiday pay cannot be compressed to achieve an earlier effective date; and
- It offers support to LACERA's practice of using donated sick or vacation time as "regular compensation."

Alan Blakeboro of SBCERA and David Lantzer of OCERS composed a letter to the Court of Appeal requesting publication of the *Astorga* decision and requested other systems join their request by February 17, 2016.

Because of the short notice, there was no time to take the matter to the Insurance Benefit Legislative Committee or the Board of Retirement. The Legal Office obtained approval from Chair Shawn Kehoe and Vice Chair Vivian H. Gray to send a letter to the Court of Appeal requesting that the *Astorga* decision be published.

Board of Retirement

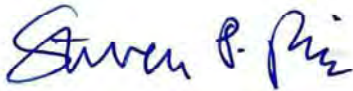
Re: *Astorga v. Retirement of the Santa Barbara County Employees Retirement System*

February 22, 2016

Page 2 of 2

Attached is a copy of LACERA's publication request letter to the Court of Appeal. The Legal Office will notify the Board as to whether or not the court decides to publish the *Astorga* decision.

Reviewed and approved.

A handwritten signature in blue ink, appearing to read "Steven P. Rice".

Steven P. Rice, Chief Counsel

FJB: se

March 25, 2016

FOR INFORMATION ONLY

TO: Each Member
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 6, 2016 Board of Retirement Meeting
April 13, 2016 Board of Investments Meeting

SUBJECT: **Assembly Bill 1853 – Retirement System Governance**

On February 10, 2016 and February 11, 2016, your Boards approved and authorized staff to work with LACERA's legislative advocate to submit appropriate amendments to legislation on district status for 1937 Act county employees retirement systems to be sponsored by the State Association of County Retirement Systems (SACRS) Legislative Committee to give LACERA the option, if the legislation becomes law, to adopt district status in the future on the vote of both the Board of Retirement and the Board of Investments.

Assembly Bill 1853 was introduced on February 10, 2016. Staff provided proposed amendments to the bill to our legislative advocate, Joe Ackler of Ackler & Associates, to provide to the bill's author. In addition, the Chair of the Legislative Committee of the State Association of County Retirement Systems, which is sponsoring the bill, solicited proposed amendments from each 1937 Act system. All proposed amendments will be forwarded to the Office of Legislative Counsel to incorporate into an amended version of the bill.

When the amended version of the bill is released, staff will bring the bill to your Boards to adopt a position.

The bill is expected to be heard in the Assembly Committee on Public Employees, Retirement, and Social Security on May 4, 2016.

Reviewed and Approved:



Steven P. Rice, Chief Counsel



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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